

**Exhibit \_\_\_ (JMR-5)**  
**Docket No. UG-060266, et al.**  
**Witness: James M. Russell**

**BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION  
COMMISSION**

**WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION,**

**Complainant,**

**v.**

**PUGET SOUND ENERGY, INC.**

**Respondent.**

**DOCKET NO. UG-060266**

**DOCKET NO. UE-060267**  
*(consolidated)*

**EXHIBIT OF**

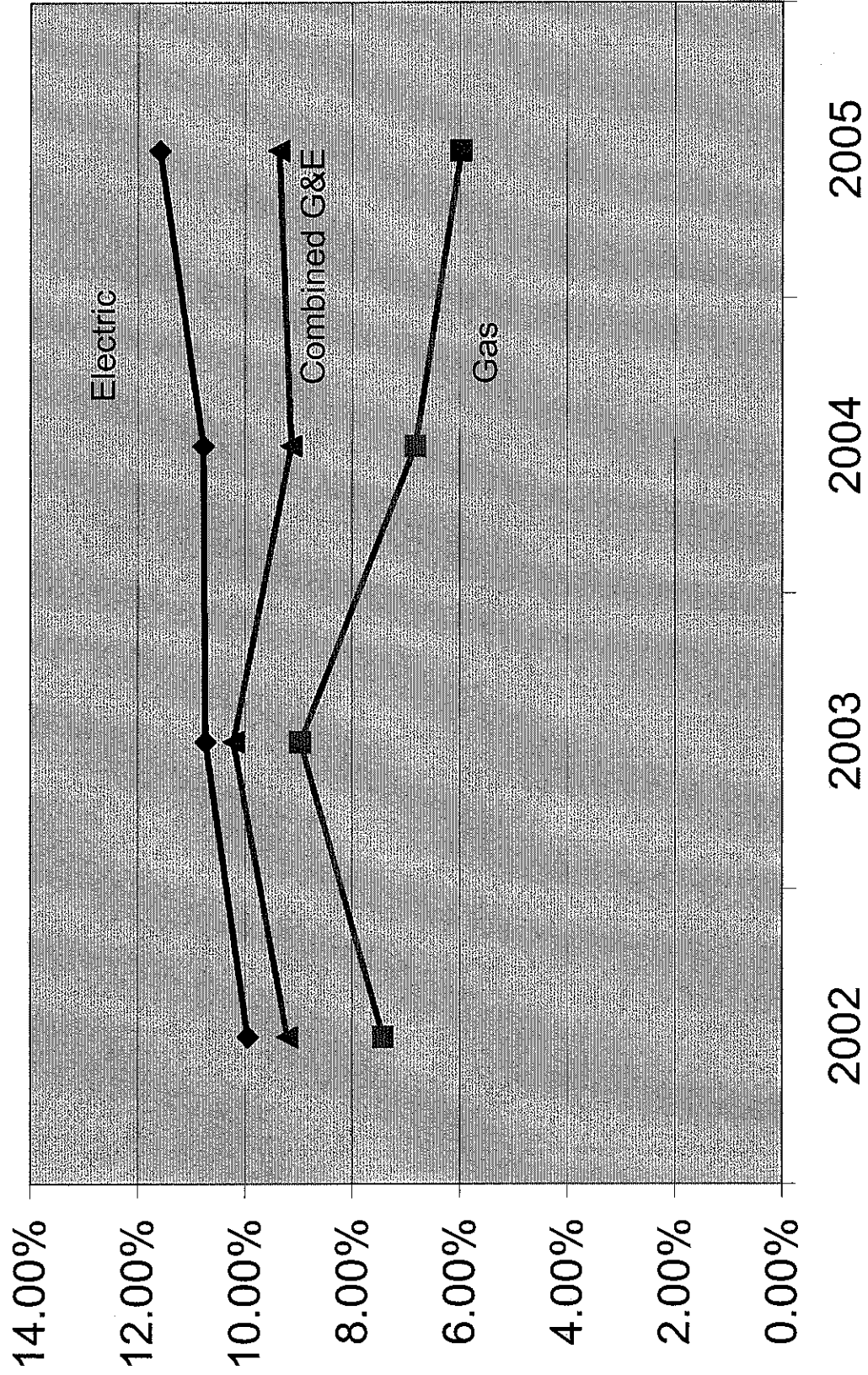
**JAMES M. RUSSELL**

**STAFF OF THE WASHINGTON UTILITIES  
AND TRANSPORTATION COMMISSION**

*PSE's Recent Utility Earnings*

**July 25, 2006**

**Actual Returns on Equity**  
(Commission Basis Reports)



**2002 Utility Operations: (5.5% Colder than normal)**

| Actual Results of Operations<br>(Per Exhibit 56, Docket 040640)    |                                | Electric         | Gas           | Total            |       |
|--|--------------------------------|------------------|---------------|------------------|-------|
| 1  | Net Operating Income           | 212,276,159      | 78,710,111    | 290,986,270      |       |
| 2  | Rate Base                      | 2,588,830,450    | 1,068,854,952 | 3,657,685,402    |       |
| 3  | Overall Rate of Return         | 8.20%            | 7.36%         | 7.96%            |       |
| 4  | Implied Utility Operations ROE | 9.95%            | 7.42%         | 9.21%            |       |
| PSE "Utility" Capital Structure<br>(Per Exhibit 57, Docket 040640) |                                | Structure<br>(%) | Rate<br>(%)   | Weighted<br>Cost |       |
|  | AMA Amount                     |                  |               |                  |       |
| 5  | Short Term Debt                | 131,839,500      | 3.25%         | 2.77%            | 0.09% |
| 6  | Long Term Debt                 | 2,180,798,445    | 53.76%        | 7.42%            | 3.99% |
| 7  | Trust Preferred                | 300,000,000      | 7.40%         | 8.58%            | 0.63% |
| 8  | Preferred Stock                | 104,099,400      | 2.57%         | 7.78%            | 0.20% |
| 9  | Common Stock                   | 1,339,577,881    | 33.02%        | 9.21%            | 3.04% |
| 10   | Total                          | \$4,056,315,226  | 100.00%       |                  | 7.96% |

**2003 Utility Operations: (3.2% Warmer than normal)**

| Actual Results of Operations<br>(Per Exhibit 56, Docket 040640)    |                                | Electric         | Gas           | Total            |       |
|--|--------------------------------|------------------|---------------|------------------|-------|
| 11   | Net Operating Income           | 213,474,475      | 82,184,876    | 295,659,351      |       |
| 12   | Rate Base                      | 2,492,964,158    | 1,040,474,027 | 3,533,438,185    |       |
| 13   | Overall Rate of Return         | 8.56%            | 7.90%         | 8.37%            |       |
| 14   | Implied Utility Operations ROE | 10.74%           | 8.97%         | 10.22%           |       |
| PSE "Utility" Capital Structure<br>(Per Exhibit 57, Docket 040640) |                                | Structure<br>(%) | Rate<br>(%)   | Weighted<br>Cost |       |
|  | AMA Amount                     |                  |               |                  |       |
| 15   | Short Term Debt                | 52,290,500       | 1.31%         | 8.80%            | 0.12% |
| 16   | Long Term Debt                 | 2,092,562,193    | 52.37%        | 7.02%            | 3.68% |
| 17   | Trust Preferred                | 282,718,750      | 7.08%         | 8.60%            | 0.61% |
| 18   | Preferred Stock                | 71,427,213       | 1.79%         | 7.87%            | 0.14% |
| 19   | Common Stock                   | 1,496,527,416    | 37.46%        | 10.22%           | 3.83% |
| 20   | Total                          | \$3,995,526,072  | 100.00%       |                  | 8.37% |

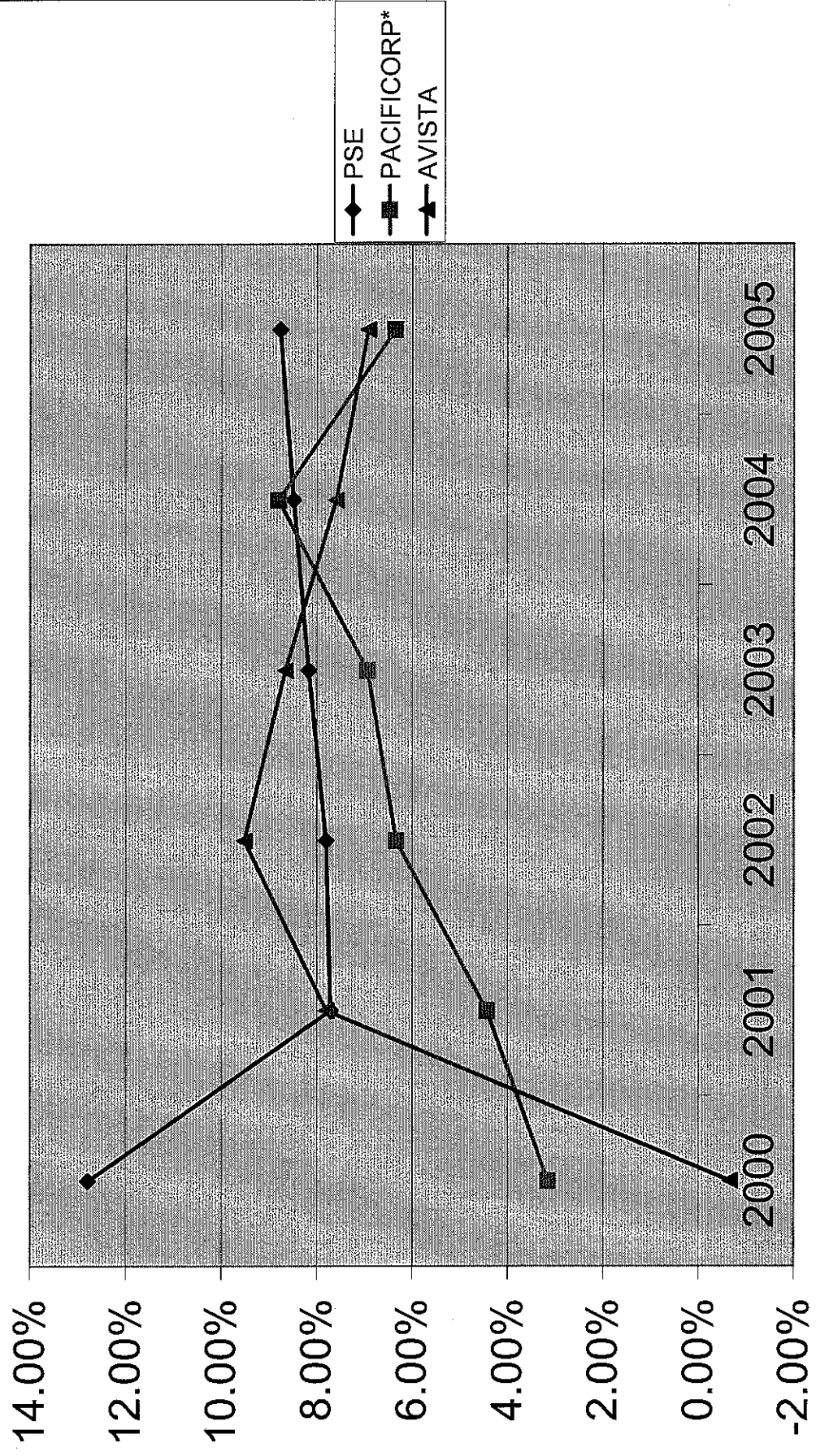
**2004 Utility Operations: (7.8% Warmer than normal)**

| Actual Results of Operations<br>(Per Comm. Basis Report)    |                                | Electric         | Gas           | Total            |       |
|---|--------------------------------|------------------|---------------|------------------|-------|
| 11  | Net Operating Income           | 211,309,050      | 73,949,355    | 285,258,405      |       |
| 12  | Rate Base                      | 2,490,635,488    | 1,070,195,360 | 3,560,830,848    |       |
| 13  | Overall Rate of Return         | 8.48%            | 6.91%         | 8.01%            |       |
| 14  | Implied Utility Operations ROE | 10.77%           | 6.82%         | 9.14%            |       |
| PSE "Utility" Capital Structure<br>(Per Comm. Basis Report) |                                | Structure<br>(%) | Rate<br>(%)   | Weighted<br>Cost |       |
|   | AMA Amount                     |                  |               |                  |       |
| 15  | Short Term Debt                | 88,715,833       | 2.18%         | 8.80%            | 0.19% |
| 16  | Long Term Debt                 | 2,083,124,804    | 51.09%        | 7.02%            | 3.59% |
| 17  | Trust Preferred                | 280,250,000      | 6.87%         | 8.60%            | 0.59% |
| 18  | Preferred Stock                | 1,889,400        | 0.05%         | 7.87%            | 0.00% |
| 19  | Common Stock                   | 1,623,129,995    | 39.81%        | 9.14%            | 3.64% |
| 20  | Total                          | \$4,077,110,032  | 100.00%       |                  | 8.01% |

**2005 Utility Operations: (6.4% Warmer than normal)**

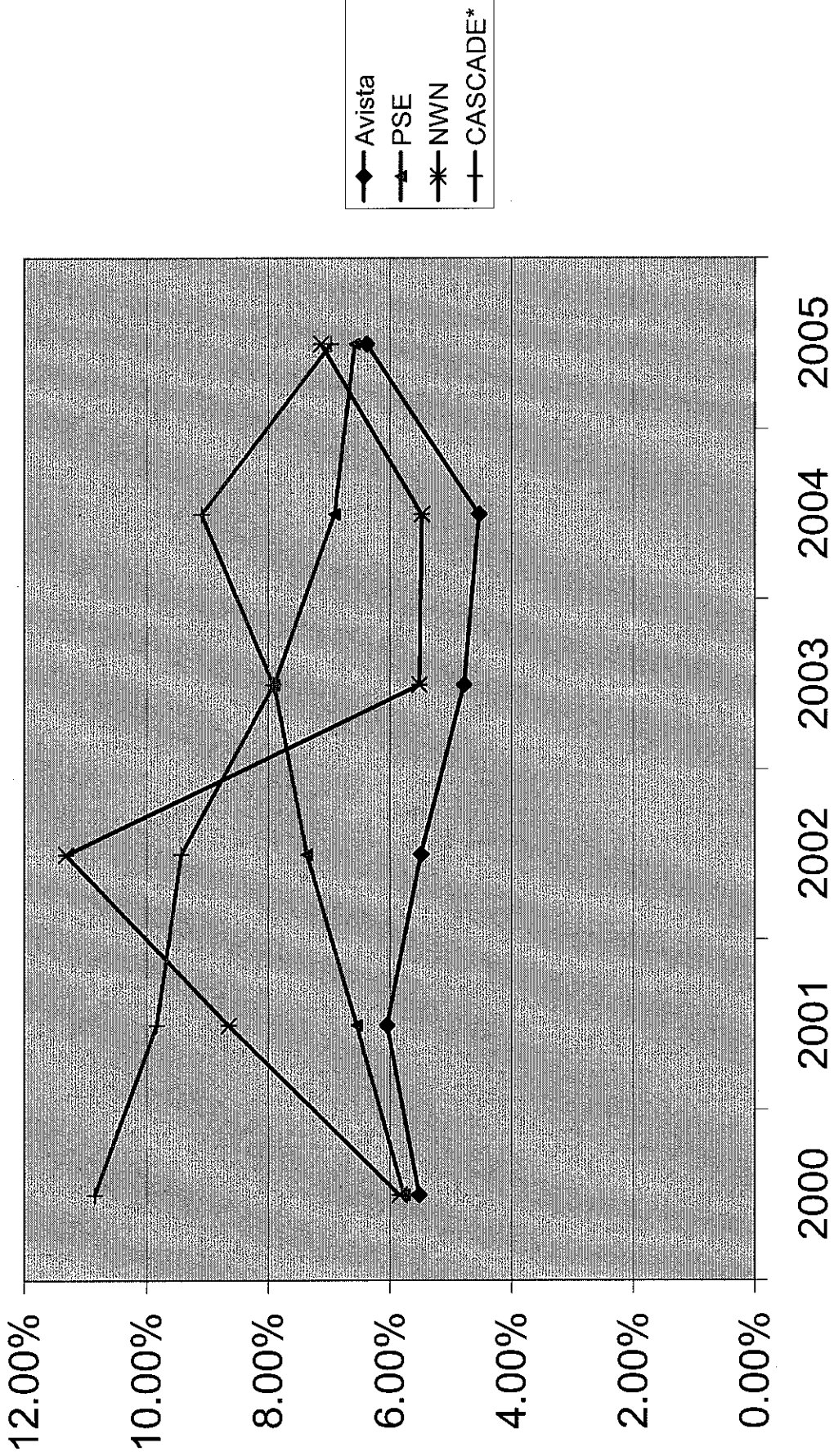
| Actual Results of Operations<br>(Per Comm. Basis Report)    |                                | Electric         | Gas           | Total            |       |
|---|--------------------------------|------------------|---------------|------------------|-------|
| 21  | Net Operating Income           | 221,820,052      | 77,705,190    | 299,525,242      |       |
| 22  | Rate Base                      | 2,511,214,961    | 1,180,728,618 | 3,691,943,579    |       |
| 23  | Overall Rate of Return         | 8.83%            | 6.58%         | 8.11%            |       |
| 24  | Implied Utility Operations ROE | 11.59%           | 5.97%         | 9.37%            |       |
| PSE "Utility" Capital Structure<br>(Per Comm. Basis Report) |                                | Structure<br>(%) | Rate<br>(%)   | Weighted<br>Cost |       |
|   | AMA Amount                     |                  |               |                  |       |
| 15  | Short Term Debt                | 134,520,584      | 3.17%         | 8.80%            | 0.28% |
| 16  | Long Term Debt                 | 2,148,818,333    | 50.66%        | 7.02%            | 3.56% |
| 17  | Trust Preferred                | 257,229,167      | 6.06%         | 8.60%            | 0.52% |
| 18  | Preferred Stock                | 1,889,400        | 0.04%         | 7.87%            | 0.00% |
| 19  | Common Stock                   | 1,699,118,174    | 40.06%        | 9.37%            | 3.75% |
| 20  | Total                          | \$4,241,575,658  | 100.00%       |                  | 8.11% |

# Electric Actual Rates of Return - Washington



◆ PSE  
■ PACIFICORP\*  
▲ AVISTA

# Gas Actual Rates of Return - Washington



◆ Avista  
■ PSE  
\* NWN  
+ CASCADE\*