

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION STAFF
RESPONSE TO BENCH REQUEST

DATE PREPARED:	December 7, 2004	WITNESS:	James Russell
CASE NO.:	UG-040640, et al.	RESPONDER:	James Russell
REQUESTER:	Dennis Moss, ALJ	TELEPHONE:	360-664-1318

BENCH REQUEST NO. 1:

Referring to adjustment 2.30 "Production Adjustment:" Please provide an analysis of the *pro forma* and restated balances shown on the supporting exhibit in the first column (John Story's JHS- E8, page 2.30 or 35 of 35 and Jim Russell's Exhibit JMR-3C Page 32 of 35). The analysis should show, by line, the amount from the per books column in the respective *pro forma* statement and the impact of each adjustment.

RESPONSE:

Please see the attached spreadsheet.

Puget Sound Energy Docket UE-040460/461
 Staff Reconciliation of Production Adjustment in JMR-3C
 Bench Request #1

LINE NO.	DESCRIPTION	TOTAL	Per JMR-3C		FIT
			PROFORMA AND RESTATED	PRODUCTION	
			1.281%		35%
1	PRODUCTION WAGE INCREASE:				
2	PURCHASED POWER				
3	OTHER POWER SUPPLY	410,151	410,151	(5,254)	1,839
4	TOTAL PRODUCTION WAGE INCREASE		410,151	(5,254)	1,839
5	PAYROLL OVERHEADS:	1,508,181	1,508,181	(19,320)	6,762
6	PROPERTY INSURANCE	2,243,253	2,291,570	(29,355)	10,274
7	TOTAL A&G		3,799,751	(48,675)	17,036
8					
9	DEPRECIATION / AMORTIZATION:				
10	DEPRECIATION	37,820,331	37,820,331	(484,478)	130,038
11	AMORTIZATION	3,280,326	3,280,326	(42,021)	445
12	TOTAL DEPRECIATION AND AMORTIZATION (FERC 403)		41,100,657	(526,499)	130,483
13	AMORTIZATION (FERC 407)	1,494,702	1,494,702	(19,147)	6,701
14	TAXES OTHER-PRODUCTION PROPERTY:				
15	PROPERTY TAXES - WASHINGTON	3,807,336	3,807,336	(48,772)	17,070
16	PROPERTY TAXES - MONTANA	5,321,477	5,321,477	(68,168)	23,859
17	ELECTRIC ENERGY TAX	1,741,864	1,741,864	(22,313)	7,810
18	PAYROLL TAXES	730,420	730,420	(9,357)	3,275
19	TOTAL TAXES OTHER		11,601,097	(148,610)	52,014
20	INCREASE(DECREASE) INCOME			748,185	
21	INCREASE(DECREASE) FIT				208,073
22	INCREASE(DECREASE) NOI				\$ 540,113
23					
24	PRODUCTION RATE BASE:				
25	DEPRECIABLE PRODUCTION PROPERTY	1,123,818,126	1,123,818,126	\$ (14,396,110)	
26	LESS PRODUCTION PROPERTY ACCUM DEPR.	(580,591,154)	(580,591,154)	7,437,373	
27	NON-DEPRECIABLE PRODUCTION PROPERTY	13,260,193	13,260,193	(169,863)	
28	LESS PRODUCTION PROPERTY ACCUM AMORT.	(1,861,180)	(1,861,180)	23,842	
29	COLSTRIP COMMON FERC ADJUSTMENT	7,518,976	7,518,976	(96,318)	
30	COLSTRIP DEFERRED DEPRECIATION FERC ADJ.	2,214,968	2,214,968	(28,374)	
31	ENCOGEN ACQUISITION ADJUSTMENT	51,952,633	51,952,633	(665,513)	
32	NET PRODUCTION PROPERTY		616,312,563	(7,894,963)	
33	DEDUCT:				
34	LIBR. DEPREC. PRE 1981 (EOP)	(647,743)	(647,743)	8,298	
35	LIBR. DEPREC. POST 1980 (EOP)	(119,403,787)	(119,403,787)	1,529,563	
36	OTHER DEF. TAXES (EOP)	(21,361,000)	(21,361,000)	273,634	
37	SUBTOTAL		(141,412,530)	1,811,495	
38					
39	ADJUSTMENT TO PRODUCTION RATE BASE		474,900,033	(6,083,468)	
40					
41	REGULATORY ASSETS RATE BASE:				
42	BPA POWER EXCHANGE INVESTMENT		41,731,621	(534,582)	
43	TENASKA REGULATORY ASSET	(8,522,622)	179,146,208	(2,294,863)	
44	CABOT OIL REGULATORY ASSET	(35,175,396)	5,972,250	(76,505)	
45	WHITE RIVER RELICENSING COSTS	(2,539,845)	18,020,510	(230,843)	
46	WHITE RIVER PLANT COSTS		41,343,483	(529,610)	
47	ADJUSTMENT TO REGULATORY ASSETS RATE BASE		286,214,072	(3,666,403)	
48					
49	TOTAL ADJUSTMENT TO RATE BASE		761,114,105	(9,749,871)	