

**PUGET SOUND ENERGY-ELECTRIC
2.30 PRODUCTION ADJUSTMENT
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2003
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	PROFORMA AND RESTATED	PRODUCTION 1.281%	FIT 35%
1	PRODUCTION WAGE INCREASE:			
2	PURCHASED POWER	\$ -	\$ -	\$ -
3	OTHER POWER SUPPLY	410,151	(5,254)	1,839
4	TOTAL PRODUCTION WAGE INCREASE	410,151	(5,254)	1,839
5	PAYROLL OVERHEADS	1,508,181	(19,320)	6,762
6	PROPERTY INSURANCE	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	(484,478)	130,038
11	AMORTIZATION	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	(19,147)	6,701
14	TAXES OTHER-PRODUCTION PROPERTY:			
15	PROPERTY TAXES - WASHINGTON	3,807,336	(48,772)	17,070
16	PROPERTY TAXES - MONTANA	5,321,477	(68,168)	23,859
17	ELECTRIC ENERGY TAX	1,741,864	(22,313)	7,810
18	PAYROLL TAXES	750,420	(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	\$ (14,396,110)	
26	LESS PRODUCTION PROPERTY ACCUM DEPR.	(580,591,154)	7,437,373	
27	NON-DEPRECIABLE PRODUCTION PROPERTY	13,260,193	(169,863)	
28	LESS PRODUCTION PROPERTY ACCUM AMORT.	(1,861,180)	23,842	
29	COLSTRIP COMMON FERC ADJUSTMENT	7,518,976	(96,318)	
30	COLSTRIP DEFERRED DEPRECIATION FERC ADJ.	2,214,968	(28,374)	
31	ENCOGEN ACQUISITION ADJUSTMENT	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)	8,298	
35	LIBR. DEPREC. POST 1980 (EOP)	(19,403,737)	1,529,563	
36	OTHER DEF. TAXES (EOP)	(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	179,146,208	(2,294,863)	
44	CABOT OIL REGULATORY ASSET	5,972,250	(76,505)	
45	WHITE RIVER RELICENSING COSTS	17,900,360	(229,304)	
46	WHITE RIVER PLANT COSTS	41,343,483	(529,610)	
47	ADJUSTMENT TO REGULATORY ASSETS RATE BASE	286,093,922	(3,664,864)	
48				
49	TOTAL ADJUSTMENT TO RATE BASE	\$ 760,993,955	\$ (9,748,332)	