

**PUGET SOUND ENERGY-GAS  
TAX BENEFIT OF PRO FORMA INTEREST - 2.03  
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2003  
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	AMOUNT
1	RATE BASE	\$ 1,036,370,013
2	DEDUCTIBLE CWIP	14,897,280
3		<u>\$ 1,051,267,293</u>
4		
5	WEIGHTED COST OF DEBT	<u>4.03%</u>
6	RESTATED INTEREST	\$ 42,366,072
7		
8	<u>INTEREST EXPENSE ITEMS PER BOOKS:</u>	
9	INTEREST ON LONG TERM DEBT	\$ 53,270,991
10	AMORTIZATION OF DEBT DISCOUNT	
11	AND EXPENSE, NET OF PREMIUMS	1,223,952
12	OTHER INTEREST EXPENSE	<u>4,157,105</u>
13	CHARGED TO EXPENSE IN TEST YEAR	58,652,048
14	INCREASE (DECREASE) INTEREST EXPENSE	<u>\$ (16,285,976)</u>
15		
16	INCREASE (DECREASE) FIT @	35% 5,700,092
17	INCREASE (DECREASE) NOI	<u><u>\$ (5,700,092)</u></u>

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FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2003  
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	
1	RATE BASE	\$ 1,036,370,013
2	RATE OF RETURN	<u>7.80%</u>
3		
4	OPERATING INCOME REQUIREMENT	80,836,861
5		
6	PRO FORMA OPERATING INCOME	<u>74,122,847</u>
7	OPERATING INCOME DEFICIENCY	6,714,014
8		
9	CONVERSION FACTOR	<u>59.65243%</u>
10	REVENUE REQUIREMENT DEFICIENCY	11,255,223
11	MISCELLANEOUS SETTLEMENT ADJUSTMENT	
12	TOTAL REVENUE REQUIREMENT	<b>\$11,255,223</b>