

**PUGET SOUND ENERGY-GAS  
 WAGE INCREASE - 2.13  
 FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2003  
 GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	TEST YEAR	Proforma Wage Increase	RATE YEAR	ADJUSTMENT
1	WAGES:				
2	PRODUCTION MANUF. GAS	\$ 111,843			\$ 5,514
3	OTHER GAS SUPPLY	325,936			16,069
4	STORAGE, LNG T&G	14,424			711
5	TRANSMISSION	227,477			11,215
6	DISTRIBUTION	13,727,665			676,774
7	CUSTOMER ACCTS	5,540,056			273,125
8	CUSTOMER SERVICE	554,179			27,321
9	SALES	493,368			24,323
10	ADMIN. & GENERAL	7,671,801			378,220
11	TOTAL WAGE INCREASE	<u>28,666,749</u>		<u>30,080,020</u>	<u>1,413,271</u>
12					
13	PAYROLL TAXES	2,400,320	4.12%	\$ 2,499,114	98,794
14	TOTAL WAGES & TAXES	<u>\$ 31,067,069</u>		<u>\$ 32,579,134</u>	<u>\$ 1,512,065</u>
15					
16	INCREASE (DECREASE) OPERATING EXPENSE				\$ 1,512,065
17	INCREASE (DECREASE) FIT @ 35%				(529,223)
18	INCREASE (DECREASE) NOI				<u>\$ (982,842)</u>

PUGET SOUND ENERGY  
 PRO FORMA WAGES & SLIPPAGE ADJUSTMENT  
 TEST YEAR ENDED SEPTEMBER 30, 2003

Line No.		Annualized Payroll 9/30/2003	Wage Increase	Wage times Increase	Weighted Average Increase
1	Page 21 2.13 Wage Inc Mgmt Including Executives	70,757,385	2.78%	1,967,055	
2		51,433,778	7.88%	4,052,982	
3		122,191,163		6,020,037	4.93%

		Annualized Payroll 9/30/2003	Wage Increase	FTEs times Increase	Weighted Average Wage Increase
4	IBEW	36,217,726	7.42%	2,687,355	
5	UA	15,216,052	8.98%	1,366,401	
6	Total Union	51,433,778		4,053,757	7.88%

Date	UTC #	UTC Slippage Effective Increase	Actual Effective Increase
7 February 2000	UTC #	0.67%	2.81%
8 February 2001	UTC #	2.86%	2.80%
9 February 2002	UTC #	2.72%	2.72%
10 February 2003	UTC #	1.22%	2.88%
11		7.66%	11.69%
12	Actual Increase as a % of Company Increase		65.57%
13	Rate Year Increase	4.24%	65.57%

Rate Year Increase Compounded:					
	from	to			
14	Full Increase Occurring in TEST Year	3/1/2003	2/28/2004	2.88% *12/12	2.88%
15	Less Portion in TEST Year only	3/1/2003	9/30/2003	-2.88% *7/12	-1.68%
16		10/1/2003	2/28/2004	Subtotal	1.20%
17	Increase in Effect Entering RATE Year	3/1/2004	2/28/2005	3.00% *12/12	3.00%
18	Full Increase Occurring in RATE Year	3/1/2005	2/28/2006	0.00% *12/12	0.00%
19	Less Portion Outside of RATE Year	N/A	N/A	0.00%	0
20		3/1/2005	2/28/2006	Subtotal	0.00%
21	Compound Wage Increase	7/1/2003	6/30/2005	(1+Line 28)*(1+Line 30)*(1+Line 34)-1	4.24%

Month	Number of non-union employees	Total non-union wages	Amount per employee	% Change
22 February 1999		1,018 61,257,087	60,174	N/A
23 February 2000		1,024 62,028,438	60,575	0.67%
24 February 2001		1,008 62,805,798	62,307	2.86%
25 February 2002		979 62,814,242	64,162	2.98%
26 February 2003		999 64,882,596	64,948	1.22%

**PUGET SOUND ENERGY-GAS  
 INVESTMENT PLAN - 2.14  
 FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2003  
 GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	AMOUNT
1	MANAGEMENT (INC. EXECUTIVES)	
2	INVESTMENT PLAN APPLICABLE TO MANAGEMENT	\$1,450,278
3	RATE YEAR MANAGEMENT WAGE INCREASE	40,318
4	TOTAL COMPANY CONTRIBUTION FOR MANAGEMENT	1,490,596
5		
6	UNION	
7	INVESTMENT PLAN APPLICABLE TO UNION	692,133
8	RATE YEAR UNION WAGE INCREASE	7.88% 54,540
9	TOTAL COMPANY CONTRIBUTION FOR UNION	746,673
10		
11	TOTAL	
12	TOTAL PROFORMA COSTS (LN 4 + LN 9)	2,237,269
13	PRO FORMA COSTS APPLICABLE TO OPERATIONS	67.91% 1,519,329
14	CHARGED TO EXPENSE FOR YEAR ENDED 9/30/2003	1,454,911
15	INCREASE (DECREASE) EXPENSE	64,418
16		
17	INCREASE (DECREASE) FIT @	35% (22,546)
18	INCREASE (DECREASE) NOI	<u><u>(\$41,872)</u></u>

**PUGET SOUND ENERGY-GAS  
GENERAL RATE INCREASE  
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2003  
GENERAL RATE INCREASE**

<b>LINE NO.</b>	<b>DESCRIPTION</b>	
1	RATE BASE	\$ 1,036,370,013
2	RATE OF RETURN	7.80%
3		
4	OPERATING INCOME REQUIREMENT	80,836,861
5		
6	PRO FORMA OPERATING INCOME	74,116,610
7	OPERATING INCOME DEFICIENCY	6,720,251
8		
9	CONVERSION FACTOR	59.65243%
10	REVENUE REQUIREMENT DEFICIENCY	11,265,678
11	MISCELLANEOUS SETTLEMENT ADJUSTMENT	
12	TOTAL REVENUE REQUIREMENT	<b>\$11,265,678</b>