

**PUGET
POWER**

October 20, 1995

To: Bonneville Customers

Puget Sound Power & Light Company (Puget) hereby notifies Bonneville Power Administration's ("BPA") Regional Power Sales customers that on October 20, 1995, Puget filed with BPA a revised Appendix 1 in accordance with Puget's Residential Purchase and Sale Agreement, Contract No. DE-MS79-81BP-90604. This filing was made pursuant to the revised Average System Cost (ASC) methodology approved by the Federal Energy Regulatory Commission effective October 1, 1984.

The revised Appendix 1, reflecting costs approved by the Washington Utilities and Transportation Commission in its Third Supplemental Order in Docket No. UE-950618, demonstrates that Puget's ASC is 36.69 mills/kWh, effective October 1, 1995 through September 30, 1996. Additionally, per the terms of the letter of agreement between BPA and Puget dated September 24, 1991, Puget has filed the ASC schedules and supporting documentation necessary for the true-up of the Company's Periodic Rate Adjustment Mechanism (PRAM) 3 ASC. If approved as filed, this true-up filing would result in an ASC rate of 36.06 mills/kWh for the exchange period from October 1, 1993 through September 30, 1994.

Customers wishing to comment on Puget's revised Appendix 1 must submit their requests within eighty (80) days of the date of filing. A copy of Puget's Appendix 1 is available for examination by customers during business hours at BPA's office at 905 N.E. 11th Street, Portland, Oregon, 97208, or in Puget's office at 411 - 108th N.E., Bellevue, Washington, 98004. Arrangements to see the Appendix 1 at Puget should be made through me at (206) 462-3649, or Pam Rasanen at (206) 454-6363, extension 81-5874.

Sincerely,



Lynn Bronaugh
Manager, Special Projects
Rate Department

[C:\BPA\CUSTOMER.DOC]

APPENDIX 1

10/12/95
11:33 AM

PUGET SOUND POWER & LIGHT COMPANY
RESIDENTIAL PURCHASE AND SALE AGREEMENT

EXHIBIT C
APPENDIX 1
SURCHARGE SUMMARY
REVISED

Average System Cost Methodology
Test Period : October 1, 1995 through September 30, 1996
Average System Cost

COMPONENTS OF ASC (mills/kWh)	BPA DOCKET 7-A2-9501	WUTC DOCKET UE-950618 SURCHARGE	WUTC DOCKET UE-950618 TOTAL
BASE COST COMPONENT OF ASC	3.29	(0.64)	2.65
RESOURCE COST COMPONENT OF ASC	26.27	7.78	34.05
TOTAL AVERAGE SYSTEM COST	29.56	7.13	36.69

PUGET SOUND POWER & LIGHT COMPANY
RESIDENTIAL PURCHASE AND SALE AGREEMENT

Average System Cost Methodology
Test Period : October 1, 1995 through September 30, 1996
Plant Investment/Rate Base/Rate of Return

Line No.	Item	Total to Be Functionalized (2)	*****Functionalization*****			Location
			Production (3)	Transmission (4)	Other (5)	
	Production Plant					
1	Steam Plant (310-316)	650,839,327	650,839,327	0	0	Supplement 2
2	Nuclear Production (320-325)	0	0	0	0	"
3	Hydraulic Production (330-336)	153,359,169	153,359,169	0	0	"
4	Other Production (340-346)	81,898,474	81,898,474	0	0	"
5	Total Production Plant	886,096,970	886,096,970	0	0	
6	Transmission Plant (350-359) a/	446,967,316	0	389,252,274	57,715,042	Supplement 2
7	Distribution Plant (360-373) b/	1,581,535,000	0	0	1,581,535,000	"
8	Intangible Plant (301-303) i/	34,548,805	10,346,368	4,538,446	19,663,991	"
9	General Plant (389-399) j/	235,239,608	54,676,300	29,748,192	150,815,116	"
10	Electric Plant-in-Service	3,184,387,699	951,119,638	423,538,912	1,809,729,149	
	Depreciation Reserve (108)					
11	Steam Plant	(184,284,584)	(184,284,584)	0	0	Supplement 2
12	Nuclear Plant	0	0	0	0	"
13	Hydraulic Plant	(27,794,184)	(27,794,184)	0	0	"
14	Other Plant	(27,305,415)	(27,305,415)	0	0	"
15	Transmission Plant a/	(127,465,546)	0	(120,996,365)	(6,469,181)	"
16	Distribution Plant b/	(533,899,000)	0	0	(533,899,000)	"
17	General Plant j/	(77,903,000)	(18,106,848)	(9,851,544)	(49,944,608)	"
18	Amortization Reserve (111) j/	(23,949,449)	(7,172,167)	(3,146,079)	(13,631,202)	"
19	Total Depreciation and Amortization	(1,002,601,178)	(264,663,198)	(133,993,988)	(603,943,991)	
20	TOTAL NET PLANT	2,181,786,521	686,456,440	289,544,924	1,205,785,158	
21	Nuclear Fuel (120-2-120.4 Less 120.5)	0	0	0	0	Supplement 2
22	Accumulated Deferred Debits (182) j/	306,137,395	280,973,804	1,792,599	23,370,990	"
23	Cash Working Capital h/	70,162,722	10,078,383	6,608,504	53,475,835	"
24	Materials and Supplies (151-157, 163) j/	51,896,508	13,039,832	7,381,498	31,475,178	"
25	Accumulated Deferred Investment Tax Credits (255) j/	0	0	0	0	"
26	Accumulated Deferred Income Taxes (281-283) j/	(246,944,000)	0	0	(246,944,000)	"
27	Customer Deposits (235) j/	(6,117,000)	0	0	(6,117,000)	"
28	Customer Advances (252) j/	(21,143,000)	0	0	(21,143,000)	"
29	Other (106, 123, Various) i/ j/	20,141,105	6,560,162	3,018,350	10,562,593	"
30	TOTAL RATEBASE	2,355,920,251	997,108,621	308,345,875	1,050,465,755	Supplement 2
31	Times Rate of Return @ 7.92% d/	186,588,884	78,971,003	24,420,993	83,196,888	Supplement 2
32	Adjustment to Rate of Return d/	0	0	0	0	Reconciliation
33	Total Rate of Return d/	186,588,884	78,971,003	24,420,993	83,196,888	

PUGET SOUND POWER & LIGHT COMPANY

COST OF DEBT

AS OF DECEMBER 31, 1994

FOOTNOTE REFERENCE ON PAGE 4

				NET			
SERIES	ISSUE DATE	MATURITY DATE	AMOUNT OUTSTANDING	PROCEEDS PER \$100	COST RATE	ANNUAL CHARGE	COST RATE
FIRST MORTGAGE BONDS AND MEDIUM TERM NOTES:							
5.25%	01-Jan-66	01-Jan-96 ✓	20,000,000	99.69	5.27%	1,054,000	
8.25%	27-Aug-86	15-Aug-95 ✓	100,000,000	99.03	8.41%	8,410,000	
8.30%	13-Nov-86	01-Dec-95 ✓	8,000,000	99.05	8.45%	676,000	
8.45%	13-Nov-86	01-Dec-96	8,000,000	99.05	8.59%	687,200	
9.14%	21-Jun-91	21-Jun-01	30,000,000	99.25	9.26%	2,778,000	
8.83%	27-Jul-91	27-Jul-98	25,000,000	99.28	8.97%	2,242,500	
7.875%	30-Sep-91	01-Oct-97	100,000,000	98.72	8.15%	8,150,000	
8.14%	25-Nov-91	30-Nov-06	25,000,000	99.18	8.24%	2,060,000	
7.75%	27-Jan-92	01-Feb-07	100,000,000	99.17	7.84%	7,840,000	
8.59%	09-Apr-92	09-Apr-12	5,000,000	99.14	8.68%	434,000	
8.40%	07-May-92	07-May-07	10,000,000	99.19	8.50%	850,000	
7.85%	29-May-92	29-May-02	30,000,000	99.27	7.96%	2,388,000	
8.06%	18-Jun-92	19-Jun-06	46,000,000	99.27	8.15%	3,749,000	
7.07%	28-Aug-92	28-Aug-02	27,000,000	99.27	7.18%	1,938,600	
7.15%	11-Sep-92	11-Sep-02	5,000,000	99.27	7.26%	363,000	
6.50%	14-Sep-92	14-Sep-99	16,500,000	99.28	6.63%	1,093,950	
6.65%	15-Sep-92	15-Sep-99	10,000,000	99.28	6.78%	678,000	
6.41%	16-Sep-92	16-Sep-99	20,500,000	99.28	6.54%	1,340,700	
7.25%	10-Dec-92	10-Dec-99	50,000,000	98.91	7.45%	3,725,000	
7.625%	10-Dec-92	10-Dec-02	25,000,000	99.12	7.75%	1,937,500	
7.70%	10-Dec-92	10-Dec-04	50,000,000	98.92	7.84%	3,920,000	
8.20%	21-Dec-92	21-Dec-12	30,000,000	99.12	8.29%	2,487,000	
6.17%	09-Feb-93	09-Feb-98	10,000,000	99.39	6.31%	631,000	
6.61%	09-Feb-93	09-Feb-00	10,000,000	99.29	6.74%	674,000	
7.02%	09-Feb-93	10-Feb-03	30,000,000	99.26	7.12%	2,136,000	
4.85%	05-Mar-93	05-Mar-96 ✓	15,000,000	99.54	5.02%	753,000	
5.70%	05-Mar-93	05-Mar-98	5,000,000	99.38	5.84%	292,000	
6.20%	29-Nov-93	01-Dec-03	3,000,000	99.28	6.30% (A)	189,000	
6.40%	29-Nov-93	02-Dec-03	11,000,000	99.28	6.50% (A)	715,000	
7.35%	01-Feb-94	01-Feb-24	55,000,000	99.15	7.42% (A)	4,081,000	
7.80%	27-May-94	27-May-04	30,000,000	99.28	7.91% (A)	2,373,000	
ANNUAL CHARGE ON REACQUIRED DEBT (B)						2,928,909	
TOTAL FIRST MORT. BONDS & MED. TERM NOTES			910,000,000			73,575,359	8.09%
POLLUTION CONTROL BONDS:							
5.875%	29-Apr-93	01-Apr-20	23,460,000	97.37	6.07%	1,424,022	
6.80%	01-Mar-92	01-Mar-22	87,500,000	97.69	6.97%	6,098,750	
7.05%	07-Aug-91	01-Aug-21	27,500,000	97.33	7.27%	1,999,250	
7.25%	07-Aug-91	01-Aug-21	23,400,000	97.33	7.48%	1,750,320	
TOTAL POLLUTION CONTROL BONDS			161,860,000			11,272,342	6.96%
MISC. NOTES (LONG TERM)			24,492		10.99%	2,692	10.99%
TOTAL LONG-TERM DEBT DECEMBER 31, 1994			1,071,884,492			84,850,393	7.92%
SHORT TERM DEBT (C)			101,227,786		5.01%	5,071,090	
TOTAL DEBT			1,173,112,277			89,921,483	7.67%

10/12/95
11:33 AM

PUGET SOUND POWER & LIGHT COMPANY
RESIDENTIAL PURCHASE AND SALE AGREEMENT

EXHIBIT C
APPENDIX 1
SCHEDULE 3
REVISED

Average System Cost Methodology
Test Period : October 1, 1995 through September 30, 1996
Expenses

Line No.	Item	Total to Be Functionalized (2)	*****Functionalization*****			Location
			Production (3)	Transmission (4)	Other (5)	
	PRODUCTION					
1	Fuel (501, 518, 547)	44,959,301	44,959,301	0	0	Supplement 2
2	Purchased Power (555-557) Operations and Maintenance	486,187,237	486,025,237	0	162,000	"
3	Steam (500, 502-514)	33,210,600	33,210,600	0	0	"
4	Nuclear (517, 519-532)	0	0	0	0	"
5	Hydro (535-545)	6,300,200	6,300,200	0	0	"
6	Other (546, 548-554)	3,446,400	3,446,400	0	0	"
7	TOTAL PRODUCTION EXPENSES	574,103,738	573,941,738	0	162,000	
8	TRANSMISSION (560-573) a/	50,702,300	0	49,874,669	827,631	Supplement 2
9	DISTRIBUTION (580-598) b/	39,300,100	0	0	39,300,100	"
10	CUSTOMER ACCOUNTING (901-905) j/	19,200,178	(137,635)	(90,321)	19,428,134	"
11	CUSTOMER ASSISTANCE (907-910) j/	37,177,924	30,666,485	0	6,511,439	"
	ADMINISTRATIVE AND GENERAL					
12	Account 920	12,973,700	1,725,382	739,701	10,508,617	Supplement 2
13	Account 921	4,709,400	626,307	268,508	3,814,585	"
14	Account 922	(121,800)	(16,198)	(6,944)	(98,657)	"
15	Account 923	4,695,300	624,431	267,704	3,803,164	"
16	Account 924	1,970,800	588,412	262,609	1,119,779	"
17	Account 925	2,042,200	271,594	116,438	1,654,168	"
18	Account 926	16,251,100	2,161,246	926,563	13,163,290	"
19	Account 927	15,900	0	0	15,900	"
20	Account 928	3,336,300	0	0	3,336,300	"
21	Account 929	(15,900)	(2,115)	(907)	(12,879)	"
22	Account 930.1	5,300	0	0	5,300	"
23	Account 930.2	11,490,400	0	0	11,490,400	"
24	Account 931	3,006,600	0	0	3,006,600	"
25	Account 935	4,438,100	1,161,953	510,016	2,766,132	"
26	Total A & G	64,797,400	7,141,012	3,083,688	54,572,699	
27	TOTAL OPERATIONS AND MAINTENANCE	785,281,640	611,611,600	52,868,036	120,802,003	

10/12/95
11:33 AM

PUGET SOUND POWER & LIGHT COMPANY
RESIDENTIAL PURCHASE AND SALE AGREEMENT

EXHIBIT C
APPENDIX 1
SCHEDULE 3
REVISED

Average System Cost Methodology
Test Period : October 1, 1995 through September 30, 1996
Expenses

Line No.	Item	Total to Be Functionalized (2)	*****Functionalization*****			Location
			Production (3)	Transmission (4)	Other (5)	
	(1)					
DEPRECIATION AND AMORTIZATION (403-407)						
28	Steam Plant	17,731,111	17,731,111	0	0	Supplement 2
29	Nuclear Plant	0	0	0	0	"
30	Hydraulic plant	6,219,391	6,219,391	0	0	"
31	Other Production Plant	2,377,226	2,377,226	0	0	"
32	Transmission Plant a/	11,665,103	0	10,279,216	1,385,887	"
33	Distribution Plant b/	45,963,000	0	0	45,963,000	"
34	General Plant j/	8,737,000	2,030,724	1,104,873	5,601,402	"
35	Amortization j/	16,092,000	2,761,465	959,772	12,370,763	"
36	TOTAL DEPRECIATION AND AMORTIZATION	108,784,831	31,119,917	12,343,861	65,321,052	
37	Taxes Other than FIT (408, 409.1) j/	89,341,000	10,955,408	4,876,827	73,508,765	Schedule 3A
38	Federal Income Tax j/	76,979,000	0	0	76,979,000	Supplement 2
39	State Income Tax j/	0	0	0	0	"
40	Other Expenses j/	0	0	0	0	"
Less:						
41	Sales for Resale Revenue (447)	64,931,078	64,931,078	0	0	Schedule 3B
42	Other Operating Revenue (450-456) j/	23,418,267	5,018,327	5,982,478	12,417,464	Schedule 3B
43	Billing Credits c/	0	0	0	0	
44	TOTAL OPERATING EXPENSE	972,037,126	583,737,521	64,106,246	324,193,356	
45	Return from Schedule 1	186,588,884	78,971,003	24,420,993	83,196,888	Schedule 1
46	Other Adjustments	0	0	0	0	
47	TOTAL COSTS	1,158,626,010	662,708,524	88,527,239	407,390,244	

10/12/95
11:33 AM

PUGET SOUND POWER & LIGHT COMPANY
RESIDENTIAL PURCHASE AND SALE AGREEMENT

EXHIBIT C
APPENDIX 1
SCHEDULE 3A
REVISED

Average System Cost Methodology
Test Period : October 1, 1995 through September 30, 1996
Taxes Other Than Income Taxes

Line No.	Item	Total to Be Functionalized (2)	*****Functionalization*****			Location
			Production (3)	Transmission (4)	Other (5)	
FEDERAL						
1	- Insurance Contributions	5,113,000	679,982	291,520	4,141,499	Supplement 2
2	- Unemployment	83,000	11,038	4,732	67,229	"
STATE						
3	Washington - Property	23,167,000	6,916,856	3,086,996	13,163,148	Supplement 2
4	Washington - Unemployment	182,000	24,204	10,377	147,419	"
5	Washington - Revenue and Business	45,519,000	0	0	45,519,000	"
6	Montana - Property	11,131,000	3,323,328	1,483,202	6,324,470	Supplement 2
7	Montana - Unemployment	0	0	0	0	"
8	Montana - Other	2,077,000	0	0	2,077,000	"
9	D.C. - Unemployment	0	0	0	0	Supplement 2
LOCAL						
10	-Occupation and Franchise	0	0	0	0	Supplement 2
11	Taxes Other Than FIT	2,069,000	0	0	2,069,000	Supplement 2
12	TOTAL OTHER TAXES	89,341,000	10,955,408	4,876,827	73,508,765	

10/12/95
11:33 AM

PUGET SOUND POWER & LIGHT COMPANY
RESIDENTIAL PURCHASE AND SALE AGREEMENT

EXHIBIT C
APPENDIX 1
SCHEDULE 3B
REVISED

Average System Cost Methodology
Test Period : October 1, 1995 through September 30, 1996
Other Included Items

Line No.	Item	Total to Be Functionalized (2)	*****Functionalization*****			Location
			Production (3)	Transmission (4)	Other (5)	
	Operating Revenues:					
	Sales For Resale:					
1	Firm	6,485,316	6,485,316	0	0	Supplement 2
2	Non-Firm	58,445,762	58,445,762	0	0	"
3	Total Sales For Resale	64,931,078	64,931,078	0	0	
	Other Revenue (Supplement 10):					
4	Account 450	1,508,500	0	0	1,508,500	Supplement 2
5	Account 451	7,909,920	120	0	7,909,800	"
6	Account 454	6,548,900	619,009	3,564,816	2,365,075	"
7	Account 456	6,755,800	4,191,650	2,325,034	239,116	"
8	Other Operating Revenue	695,147	207,547	92,628	394,973	"
9	Total Other Revenue	23,418,267	5,018,327	5,982,478	12,417,464	

10/12/95
11:33 AM

PUGET SOUND POWER & LIGHT COMPANY
RESIDENTIAL PURCHASE AND SALE AGREEMENT

EXHIBIT C
APPENDIX 1
SCHEDULE 4
REVISED

Average System Cost Methodology
Test Period : October 1, 1995 through September 30, 1996
Average System Cost

Line No.	Item (1)	Footnote (2)	Amounts (3)	Location
	Contract System Costs			
1	Production Costs		662,708,524	Schedule 3
2	Transmission Costs		88,527,239	"
3	Less: Excluded Load Costs f/		0	
4	Total Contract System Costs	(Sum Lines 1 to 3)	<u>751,235,762</u>	
	Contract System Loads			
5	Total Load (mWh)		19,836,868	
	Less:			
6	Non-Firm Adjustments (mWh)		0	
7	Other Adjustments (mWh)		131,979	Supplement 2
8	Net Load (mWh)	(Line 5 less (Line 6 and Line 7))	<u>19,704,889</u>	Supplement 2
	Plus:			
9	Distribution Losses (mWh) g/		767,710	Supplement 2
10	Total Net Load (mWh)	(Line 8 + Line 9)	<u>20,472,599</u>	
	Less:			
11	Excluded Load (mWh) f/		0	
12	Excluded Load Distribution Losses (mWh) f/		0	
13	Total Contract System Load (mWh)		<u>20,472,599</u>	
14	Average System Cost (mills/kWh)	(Line 4 / Line 13)	<u>36.69</u>	

SUPPLEMENTS

**Supplements to Appendix 1
PRAM 5
7-A2-9501**

<u>Supplement No.</u>	<u>Description</u>
Supplement 2	Rate Base/Revenue/Expense Functionalization Worksheet
Supplement 3A	Functionalization methods
supplement 3B	Functionalization of Wages and Salaries
Supplement 4A	Functionalization of Intangible Plant
Supplement 4B	Functionalizfation of Intangible Plant A/C 302
Supplement 5	Functionalization of General Plant
Supplement 6A	Functionalization of Accumulated Deferred Debits A/C 182
Supplement 6B	Functionalization of Conservation Costs
Supplement 6C	Functionalization of WUTC AFUDC A/C 182.30
Supplement 7	Functionalization of Cash Working Capital & Materials & Supplies
Supplement 8A	Functionalization Other Items in Rate Base
Supplement 8B	Functionalization of Acquisition Adjustment
Supplement 9	Functionalization of Customer Service Expenses
Supplement 10	Functionalization of Other Operating Revenues
Supplement 11	Functionalization of Other Operating Expenses
Supplement 12	Functionalization of Amortization Expense
Supplement 13	Functionalization of A&G Rents
Supplement 14	Functionalization of Transmission

PUGET SOUND POWER & LIGHT COMPANY

AVERAGE SYSTEM COST METHODOLOGY
RATEBASE/REVENUE/EXPENSE FUNCTIONALIZATION WORKSHEET
Revised Appendix 1 - PRAM 5

LINE NO.	ITEM	TOTAL TO BE	*****FUNCTIONALIZATION*****			FUNCTIONALIZATION	LOCATION
		FUNCTIONALIZED	PRODUCTION	TRANSMISSION	OTHER	FOOTNOTE	
1	STEAM PLANT (310-316)	650,839,327	650,839,327			P	Resource, p. 12
2	HYDRAULIC PLANT (330-336)	153,359,169	153,359,169			P	Resource, p. 12
3	OTHER PRODUCTION PLANT (340-346)	81,898,474	81,898,474			P	Resource, p. 12
4	TRANSMISSION PLANT (350-359)	446,967,316		389,252,274	57,715,042	SUPPLEMENT 14	Supplement 14
5	DISTRIBUTION PLANT (360-373)	1,581,535,000			1,581,535,000	O	Base Costs, p. 1
6	INTANGIBLE PLANT (310-303)	34,548,805	10,346,368	4,538,446	19,663,991	SUPPLEMENT 4A	Supplement 4A
7	GENERAL PLANT (389-399)	235,239,608	54,676,300	29,748,192	150,815,116	SUPPLEMENT 5	Supplement 5
DEPRECIATION RESERVES (108)							
8	Steam Plant	(184,284,584)	(184,284,584)			P	Resource, p. 13
9	Hydraulic Plant	(27,794,184)	(27,794,184)			P	Resource, p. 13
10	Other Production Plant	(27,305,415)	(27,305,415)			P	Resource, p. 13
11	Transmission Plant	(127,465,546)		(120,996,365)	(6,469,181)	SUPPLEMENT 14	Supplement 14
12	Distribution Plant	(533,899,000)			(533,899,000)	O	FMS, p. 16
13	General Plant	(77,903,000)	(18,106,848)	(9,851,544)	(49,944,608)	GP	FMS, p. 16
14	AMORTIZATION RESERVE (111)	(23,949,449)	(7,172,167)	(3,146,079)	(13,631,202)	IP	Base Costs, p. 17
15	ACCUMULATED DEFERRED DEBITS (182)	306,137,395	280,973,804	1,792,599	23,370,990	SUPPLEMENT 6A	Supplement 6A
16	CASH WORKING CAPITAL	70,162,722	10,078,383	6,608,504	53,475,835	SUPPLEMENT 7	Supplement 7
17	MATERIALS AND SUPPLIES (151-157, 163)	51,896,508	13,039,832	7,381,498	31,475,178	"	Supplement 7
18	ACCUMULATED DEFERRED FIT (281-283)	(246,944,000)			(246,944,000)	O	FMS, p. 18
19	CUSTOMER ADVANCES (252)	(21,143,000)			(21,143,000)	O	FMS, p. 18
20	CUSTOMER DEPOSITS (235)	(6,117,000)			(6,117,000)	O	FMS, p. 18
21	FUTURE USE PLANT (105)	19,310,000	5,765,291	2,573,052	10,971,657	SUPPLEMENT 8A	Supplement 8A
22	CONST COMP, NOT CLASSIFIED (106)	0	0	0	0	"	Supplement 8A
23	ACQUISITION ADJUSTMENT	755,491	0	581,933	173,558	"	Supplement 8A
24	UNAMORTIZED GAIN	(1,025,408)	(306,151)	(136,635)	(582,622)	"	Supplement 8A
25	OTHER INVESTMENTS	1,101,022	1,101,022	0	0	"	Supplement 8A
26	TOTAL RATEBASE	2,355,920,251	997,108,621	308,345,875	1,050,465,755		
27	SALES TO CUSTOMERS (440-444)	1,259,207,301			1,259,207,301	O	Load Data, p. 1
28	SALES FOR RESALE - FIRM (447.01)	6,485,316	6,485,316			P	Load Data, p. 1
29	SALES TO OTHER UTILITIES (447.03)	58,445,762	58,445,762			P	Resource, p. 1
OTHER OPERATING REVENUES							
30	Account 450	1,508,500	0	0	1,508,500	SUPPLEMENT 10	Supplement 10
31	Account 451	7,909,920	120	0	7,909,800	SUPPLEMENT 10	Supplement 10
32	Account 454	6,548,900	619,009	3,564,816	2,365,075	"	Supplement 10
33	Account 456	6,755,800	4,191,650	2,325,034	239,116	"	Supplement 10
34	Other Operating Revenue	695,147	207,547	92,628	394,973	SUPPLEMENT 11	Supplement 11
35	TOTAL OPERATING REVENUES	1,347,556,646	69,949,405	5,982,478	1,271,624,765		
36	FUEL (501, 518, 547)	44,959,301	44,959,301			P	Resource, p. 1
37	PURCHASED POWER (555-557)	486,187,237	486,025,237		162,000	P, C	Resource, p. 1
38	STEAM PLANT O&M (500, 502-514)	33,210,600	33,210,600			P	Resource, p. 1
39	HYDRAULIC PLANT O&M (535-545)	6,300,200	6,300,200			P	Resource, p. 1
40	OTHER PROD PLANT (546, 548-554)	3,446,400	3,446,400			P	Resource, p. 1
41	TRANSMISSION O&M (560-573)	50,702,300		49,874,669	827,631	SUPPLEMENT 14	Supplement 14
42	DISTRIBUTION (580-598)	39,300,100			39,300,100	O	Base Costs, p. 5
43	CUSTOMER ACCOUNTING (901-905)	19,200,178	(137,635)	(90,321)	19,428,134	B, O	FMS, p. 21
44	CUSTOMER ASSISTANCE (907-910)	37,177,924	30,666,485	0	6,511,439	SUPPLEMENT 9	Supplement 9

PUGET SOUND POWER & LIGHT COMPANY

AVERAGE SYSTEM COST METHODOLOGY
RATEBASE/REVENUE/EXPENSE FUNCTIONALIZATION WORKSHEET
Revised Appendix 1 - PRAM 5

LINE NO.	ITEM	TOTAL TO BE	*****FUNCTIONALIZATION*****			FUNCTIONALIZATION	LOCATION
		FUNCTIONALIZED	PRODUCTION	TRANSMISSION	OTHER	FOOTNOTE	
ADMINISTRATIVE AND GENERAL							
45	Account 920	12,973,700	1,725,382	739,701	10,508,617	LAB	Base Costs, p. 6
46	Account 921	4,709,400	626,307	268,508	3,814,585	LAB	Base Costs, p. 6
47	Account 922	(121,800)	(16,198)	(6,944)	(98,657)	LAB	Base Costs, p. 6
48	Account 923	4,695,300	624,431	267,704	3,803,164	LAB	Base Costs, p. 6
49	Account 924	1,970,800	588,412	262,609	1,119,779	PTDG	Base Costs, p. 6
50	Account 925	2,042,200	271,594	116,438	1,654,168	LAB	Base Costs, p. 6
51	Account 926	16,251,100	2,161,246	926,563	13,163,290	LAB	Base Costs, p. 6
52	Account 927	15,900			15,900	O	Base Costs, p. 6
53	Account 928	3,336,300			3,336,300	O	Base Costs, p. 6
54	Account 929	(15,900)	(2,115)	(907)	(12,879)	LAB	Base Costs, p. 6
55	Account 930.1	5,300			5,300	O	Base Costs, p. 6
56	Account 930.2	11,490,400			11,490,400	O	Base Costs, p. 6
57	Account 931	3,006,600	0	0	3,006,600	SUPPLEMENT 13	Supplement 13
58	Account 935	4,438,100	1,161,953	510,016	2,766,132	935	Base Costs, p. 6
DEPRECIATION AND AMORTIZATION (403-407)							
59	Steam Plant	17,731,111	17,731,111			P	Resource, p. 15
60	Hydraulic plant	6,219,391	6,219,391			P	Resource, p. 15
61	Other Production Plant	2,377,226	2,377,226			P	Resource, p. 15
62	Transmission Plant	11,665,103		10,279,216	1,385,887	SUPPLEMENT 14	Supplement 14
63	Distribution Plant	45,963,000			45,963,000	O	FMS, p. 16
64	General Plant	8,737,000	2,030,724	1,104,873	5,601,402	GP	FMS, p. 16
65	Amortization of Limited Term Plant	16,092,000	2,761,465	959,772	12,370,763	SUPPLEMENT 12	Supplement 12
66	OTHER OPERATING EXPENSES	0					
67	FEDERAL INS CONTRIBUTIONS (236.04)	5,113,000	679,982	291,520	4,141,499	LAB	FMS, p. 12
68	FEDERAL UNEMPLOYMENT TAX (236.03)	83,000	11,038	4,732	67,229	LAB	FMS, p. 12
69	WASHINGTON PROPERTY TAX (236.10)	23,167,000	6,916,856	3,086,996	13,163,148	PTDG	FMS, p. 12
70	WA UNEMPLOYMENT TAX (236.13)	182,000	24,204	10,377	147,419	LAB	FMS, p. 12
71	WASHINGTON EXCISE TAX (236.11)	45,519,000			45,519,000	O	FMS, p. 12
72	MONTANA PROPERTY TAX (236.31)	11,131,000	3,323,328	1,483,202	6,324,470	PTDG	FMS, p. 12
73	MONTANA UNEMPLOYMENT TAX (236.36)	0	0			P	FMS, p. 12
74	OTHER MONTANA TAXES (236.34-236.35)	2,077,000			2,077,000	O	FMS, p. 12
75	WA. D.C. UNEMPLOYMENT TAX (236.36)	0	0	0	0	LAB	FMS, p. 12
76	MUNICIPAL TAXES (236.16)	0			0	O	FMS, p. 12
77	OTHER TAXES OTHER THAN FIT	2,069,000			2,069,000	O	FMS, p. 12
78	FEDERAL INCOME TAXES (236.1-236.2)	76,979,000			76,979,000	O	FMS, p. 17
79	TOTAL EXPENSES	1,060,386,471	653,686,925	70,088,724	336,610,821		

PUGET SOUND POWER & LIGHT COMPANY

AVERAGE SYSTEM COST METHODOLOGY
RATEBASE/REVENUE/EXPENSE FUNCTIONALIZATION WORKSHEET
Revised Appendix 1 - PRAM 5

LINE NO.	ITEM	TOTAL TO BE FUNCTIONALIZED	*****FUNCTIONALIZATION*****			FUNCTIONALIZATION FOOTNOTE	LOCATION
			PRODUCTION	TRANSMISSION	OTHER		
ADDITIONAL INPUTS:							
80	Rate of Return	7.92%					Schedule 2
81	Net Load (MWh)	19,704,889					Load Data, p. 1
82	Sales to Other Utilities (MWh)	0					
83	Firm Sales for Resale Load (MWh)	131,979					Load Data, p. 1
84	Excluded Load (MWh)	0					
85	Distribution Losses per 1992 Loss Study	722,481 MWh					Load Data, p. 5
86	Load per 1992 Loss Study						
87	Primary	1,467,050 MWh					Load Data, p. 5
88	Secondary	14,302,495 MWh					"
89	Total Distribution Level Sales	15,769,545 MWh					"
90	Distribution Loss Factor (Line 85/ Line 89)	4.58%					
91	Total Distribution Level Sales in current filing	16,756,748 MWh					Load Data, p. 1
92	Distribution Losses @ 4.58% (Line 90 * Line 91)	767,710 MWh					

RATIO FOOTNOTES:

- PTD - Production/Transmission/Distribution Plant *
- LAB - Labor *
- TD - Transmission/Distribution Plant *
- PTDG - Production/Transmission/Distribution/General Plant *
- GP - General Plant *
- 935 - Accounts 390, 391, 397, and 398 *
- TDG - Transmission/Distribution/General Plant *
- IP - Intangible Plant *
- P - Functionalized Directly to Production
- T - Functionalized Directly to Transmission
- O - Functionalized Directly to Other
- B - BPA Exchange Interest Functionalized based on CWC ratio.*
- C - Conservation Competitive Bid Administrative Costs Functionalized to Other
- * - See Supplement 3A for ratio calculations

PUGET SOUND POWER & LIGHT COMPANY

AVERAGE SYSTEM COST METHODOLOGY
FUNCTIONALIZATION METHODS
Revised Appendix 1 - PRAM 5

LINE NO	ITEM	TOTAL TO BE	*****FUNCTIONALIZATION*****			LOCATION
		FUNCTIONALIZED	PRODUCTION	TRANSMISSION	OTHER	
	(a)	(b)	(c)	(d)	(e)	
1	Production/Transmission/Distribution Plant (PTD)	2,915,847,816 100.00%	886,096,970 30.39%	390,198,446 13.38%	1,639,552,400 56.23%	Supplement 2 and 8B
2	Labor Ratios (LAB)	38,343,304 100.00%	5,099,304 13.30%	2,186,159 5.70%	31,057,841 81.00%	Supplement 3B
3	Transmission/Distribution Plant (TD)	2,029,750,846 100.00%	0 0.00%	390,198,446 19.22%	1,639,552,400 80.78%	Supplement 2 and 8B
4	Production/Transmission/Distribution/General Plant (PTDG - Including Intangible Plant)	3,185,636,229 100.00%	951,119,638 29.86%	424,485,084 13.32%	1,810,031,507 56.82%	Supplement 2 and 8B
5	General Plant (GP)	235,239,608 100.00%	54,676,300 23.24%	29,748,192 12.65%	150,815,116 64.11%	Supplement 5
6	Account 390, 391, 397, 398 / (935 - Percentages are based on 932 functionalization)	183,883,401 100.00%	48,143,084 26.18%	21,131,438 11.49%	114,608,880 62.33%	Supplement 5
7	Transmission/Distribution/General Plant (TDG - Including T&D component of Intangible Plant excludes Production component of General Plant)	2,234,516,591 100.00%	0 0.00%	424,485,084 19.00%	1,810,031,507 81.00%	Supplement 2 and 8B
8	Intangible Plant (IP)	34,548,805 100.00%	10,346,368 29.95%	4,538,446 13.14%	19,663,991 56.92%	Supplement 4A
9	Transmission Plant (TRANS - Percentages are based on transmission O&M expense functionalization - net of wheeling)	6,323,100 100.00%	0 0.00%	5,495,469 86.91%	827,631 13.09%	Supplement 14
10	CWC excluding Interest on Undistr. Res. Exchange Benefits (CWC - Percentages are based on O&M less Fuel and Purchaser Power)	254,568,924 100.00%	80,764,697 31.73%	53,000,956 20.82%	120,803,272 47.45%	Supplement 2 and 7

PUGET SOUND POWER & LIGHT COMPANY

AVERAGE SYSTEM COST METHODOLOGY
FUNCTIONALIZATION OF WAGES AND SALARIES
Revised Appendix 1 - PRAM 5

LINE NO	ITEM (a)	ACCOUNT (b)	TOTAL (c)	*****FUNCTIONALIZATION*****			LOCATION
				PRODUCTION (d)	TRANSMISSION (e)	OTHER (f)	
1	STEAM	500-514	557,548	557,548			Resource, p. 17
2	HYDRAULIC	535-545	3,181,730	3,181,730			"
3	OTHER POWER PRODUCTION	546-548	671,888	671,888			"
4	OTHER POWER SUPPLY	555-557	688,138	688,138			"
5	TRANSMISSION	560-573	2,515,400		2,186,159	329,241	Base Costs, p. 5
6	DISTRIBUTION	580-598	17,261,600			17,261,600	"
7	CUSTOMER ACCOUNTING	901-905	11,403,000			11,403,000	Base Costs, p. 10
8	TOTAL CUSTOMER ASSISTANCE	907-910	2,064,000			2,064,000	"
9	WAGES AND SALARIES		38,343,304	5,099,304	2,186,159	31,057,841	

PUGET SOUND POWER & LIGHT COMPANY

AVERAGE SYSTEM COST METHODOLOGY
FUNCTIONALIZATION OF INTANGIBLE PLANT
Revised Appendix 1 - PRAM 5

LINE NO	ITEM	ACCOUNT	FOOTNOTE	TOTAL TO BE	*****FUNCTIONALIZATION*****			LOCATION
				FUNCTIONALIZED	PRODUCTION	TRANSMISSION	OTHER	
	(a)	(b)		(c)	(d)	(e)	(f)	
1	Organization	301	PTD	114,202	34,705	15,282	64,215	Base Costs, p. 2
2	Franchises and Consents	302	Supplement 4B	634,217	40,064	0	594,153	Supplement 4B
3	Miscellaneous Intangible Plant	303	PTD	33,800,387	10,271,599	4,523,164	19,005,623	Base Costs, p. 2
4	Total Intangible Plant			34,548,805	10,346,368	4,538,446	19,663,991	Base Costs, p. 1

PTD - Funtionalized by PTD Ratios.

PUGET SOUND POWER & LIGHT COMPANY

AVERAGE SYSTEM COST METHODOLOGY
FUNCTIONALIZATION OF INTANGIBLE PLANT ACCOUNT 302
Revised Appendix 1 - PRAM 5

LINE NO	PLANT (a)	FACILITY CODE (b)	COUNTY (c)	*****FUNCTIONALIZATION*****				LOCATION
				TOTAL (d)	PRODUCTION (f)	TRANSMISSION (g)	OTHER (h)	
ACCOUNT 302								
1	VARIOUS	00 10	INACTIVE	2,481			2,481	Base Costs, p. 3
2	VARIOUS	21 00	KING-NC	143,033			143,033	"
3	VARIOUS	26 00	KITTITAS	16,744			16,744	"
4	VARIOUS	31 00	KING-SC	67,165			67,165	"
5	VARIOUS	41 00	WHATCOM	28,911			28,911	"
6	VARIOUS	44 00	SKAGIT	33,723			33,723	"
7	VARIOUS	45 00	ISLAND	6,802			6,802	"
8	VARIOUS	51 00	THURSTON	159,184			159,184	"
9	VARIOUS	55 00	PIERCE	60,269			60,269	"
10	VARIOUS	56 00	KING-SO	3,225			3,225	"
11	VARIOUS	61 00	KITSAP	60,713			60,713	"
12	VARIOUS	63 00	JEFFERSON	11,903			11,903	"
13	UPPER BAKER	41 31	WHATCOM	29,790	29,790			"
14	SNOQ #1	21 34	KING-NC	5,137	5,137			"
15	SNOQ #2	21 35	KING-NC	5,137	5,137			"
16	TOTAL ACCOUNT 302			634,217	40,064	0	594,153	Base Costs, p. 2

PUGET SOUND POWER & LIGHT COMPANY

AVERAGE SYSTEM COST METHODOLOGY
FUNCTIONALIZATION OF GENERAL PLANT
Revised Appendix 1 - PRAM 5

LINE NO	ITEMS	ACCOUNT	FOOTNOTE	TOTAL TO BE	*****FUNCTIONALIZATION*****			LOCATION
				FUNCTIONALIZED	PRODUCTION	TRANSMISSION	OTHER	
(a)	(b)	(c)	(d)	(e)	(f)	(g)		
1	Land and Land Rights (b)	389	PTD	5,040,818	1,531,854	674,562	2,834,401	Base Costs, p. 1, 15
2	Structures and Improvements	390	PTD	62,884,473	19,109,962	8,415,194	35,359,317	Base Costs, p. 1
3	Office Furniture and Equipment	391	LAB	44,367,144	5,900,419	2,529,611	35,937,115	"
4	Transportation Equipment	392	TD	11,833,272	0	2,274,823	9,558,449	"
5	Stores Equipment	393	PTD	2,415,689	734,104	323,267	1,358,318	"
6	Tools, Shop, and Garage Equipment	394	PTD	5,450,642	1,656,396	729,404	3,064,842	"
7	Laboratory Equipment	395	PTD	8,591,471	2,610,862	1,149,711	4,830,898	"
8	Power Operated Equipment	396	TD	18,024,315	0	3,464,987	14,559,328	"
9	Communication Equipment (a), (c)	397	PTD	76,121,963	23,132,703	10,186,633	42,802,627	Base Costs, p. 1, 12, 30
10	Miscellaneous Equipment	398	O	509,821	0	0	509,821	Base Costs, p. 1
11	Other Tangible Property	399	PTD	0	0	0	0	"
12	Total General Plant			235,239,608	54,676,300	29,748,192	150,815,116	Base Costs, p. 30

PTD - Functionalized by PTD Ratios
LAB - Functionalized by Labor Ratios
TD - Functionalized by TD Ratios
O-Functionalized Directly to Other

(a) Includes impact of Colstrip FERC adjustment of \$230,672
(b) Includes Rate Base Adjustment for OBC land of \$48,673. Proforma adj. 2.25.
(c) Includes Rate Base Adjustment for 3rd AC of \$5,818,737.

Base Costs, p. 12
Base Costs, p. 15
FMS, p. 15

PUGET SOUND POWER & LIGHT COMPANY

AVERAGE SYSTEM COST METHODOLOGY
FUNCTIONALIZATION OF ACCUMULATED DEFERRED DEBITS - ACCOUNT 186
Revised Appendix 1 - PRAM 5

LINE NO	ITEMS	FOOTNOTE	TOTAL TO BE	*****FUNCTIONALIZATION*****			LOCATION
			FUNCTIONALIZED	PRODUCTION	TRANSMISSION	OTHER	
	(a)	(b)	(c)	(d)	(e)	(f)	
1	UNAMORTIZED CONSERVATION COSTS (AMA)	Supplement 6B	201,586,040	185,715,188		15,870,852	Supplement 6B
2	UNAMORTIZED BPA EXCHANGE POWER *	Production	89,928,718	89,928,718			Resource, p. 16
3	DEFERRED AFUDC	Supplement 6C	14,622,637	5,329,898	1,792,599	7,500,138	Supplement 6C
4	TOTAL PROFORMA ACCUMULATED DEFERRED DEBITS		306,137,395	280,973,804	1,792,599	23,370,990	

* This item, functionalized by direct analysis, represents a portion of Puget's investment in the Bonneville Exchange Power Contract. This contract entitles Puget to receive power from BPA over a 30.5 year period.

PUGET SOUND POWER & LIGHT COMPANY

AVERAGE SYSTEM COST METHODOLOGY
FUNCTIONALIZATION OF CONSERVATION COSTS
Revised Appendix 1 - PRAM 5

LINE NO.	ITEMS	FOOTNOTE	TOTAL TO BE		*****FUNCTIONALIZATION*****			LOCATION
			FUNCTIONALIZED	PRODUCTION	TRANSMISSION	OTHER		
	(a)	(b)	(c)	(d)	(e)	(f)		
1	Conservation - Account 182							
2	UE-940728 through September 1994		360,544,288				Conservation, p. 12	
3	Less: Amortization through September 1994		(135,110,538)				"	
4	Subtotal UE-940278	Sum Lines 1 to 3	225,433,750	206,703,969	0	18,729,781	Conservation, p. 13	
5	Percent to Total		100.00%	91.69%	0.00%	8.31%		
6	Less: Amortization Oct 1994 through Sept 1995	per % Line 5	32,522,229	29,820,175	0	2,702,054	Conservation, p. 12	
7	Subtotal	Sum Lines 4-6	192,911,521	176,883,794	0	16,027,727		
8	Additions: May 1994 through April 1995		24,611,585	23,463,847	0	1,147,738	Conservation, pp. 1, 10	
9	Percent to Total		100.00%	95.34%	0.00%	4.66%		
10	Subtotal A/C 182 Conservation through Sept 1995	Line 7 + 8	217,523,106	200,347,641	0	17,175,465		
11	Add May 1995 - Sept 1995 AFUCE		732,446	698,289	0	34,157	Conservation, p. 10	
12	Total Conservation Balance through September 30, 1995	Line 10 + 11	218,255,552	201,045,930	0	17,209,622		
13	Annual Amortization of Prior Conservation	per % Line 5	30,804,621	28,245,271	0	2,559,350	Conservation, p. 12	
	Annual Amortization of New Conservation Layer	per % Line 9	2,534,403	2,416,214	0	118,189	"	
14	Total Annual Amortization Oct 1995 to Sep 1996	Line 13 + 14	33,339,024	30,661,485	0	2,677,539	Conservation, p. 12	
15	Monthly Amortization	Line 15 / 12 mo	2,778,252	2,555,124	0	223,128		
16								
17								
18	Balance of 182 Conservation at:							
19	October 1995	Line 12 - 16	215,477,300	198,490,807	0	16,986,493		
20	November 1995	Line 19 - 16	212,699,048	195,935,683	0	16,763,365		
21	December 1995	Line 20 - 16	209,920,796	193,380,559	0	16,540,237		
22	January 1996	Line 21 - 16	207,142,544	190,825,435	0	16,317,109		
23	February 1996	Line 22 - 16	204,364,292	188,270,312	0	16,093,980		
24	March 1996	Line 23 - 16	201,586,040	185,715,188	0	15,870,852		
25	April 1996	Line 24 - 16	198,807,788	183,160,064	0	15,647,724		
26	May 1996	Line 25 - 16	196,029,536	180,604,940	0	15,424,596		
27	June 1996	Line 26 - 16	193,251,284	178,049,817	0	15,201,467		
28	July 1996	Line 27 - 16	190,473,032	175,494,693	0	14,978,339		
29	August 1996	Line 28 - 16	187,694,780	172,939,569	0	14,755,211		
30	September 1996	Line 29 - 16	184,916,528	170,384,445	0	14,532,083		
31	AMA Balance - October 1995 through September 1996		201,586,040	185,715,188	0	15,870,852		

PUGET SOUND POWER & LIGHT COMPANY

AVERAGE SYSTEM COST METHODOLOGY
FUNCTIONALIZATION OF WUTC AFUDC, ACCOUNT 186.23
Revised Appendix 1 - PRAM 5

LINE NO	ITEMS	FOOTNOTE	*****FUNCTIONALIZATION*****				LOCATION
			TOTAL TO BE FUNCTIONALIZED	PRODUCTION	TRANSMISSION	OTHER	
	(a)	(b)	(c)	(d)	(e)	(f)	
WUTC AFUDC Associated with Plant In Service (Acct 182.30)							
1	Colstrip 1 & 2 Transmission	T	7,635		7,635		Direct Analysis, p. 1
2	Colstrip 3 & 4 Common	P	1,097,462	1,097,462			"
3	Fredonia	P	57,042	57,042			"
4	Electron	P	121,940	121,940			"
5	Non-Project	PTD	13,338,558	4,053,454	1,784,964	7,500,138	"
6	Proforma WUTC AFUDC		14,622,637	5,329,898	1,792,599	7,500,138	FMS, p. 18
7	WUTC AFUDC Ratio		100.00%	36.45%	12.26%	51.29%	

PTD - Functionalized by PTD ratio.
P - Functionalized directly to Production.
T - Functionalized directly to Transmission.

PUGET SOUND POWER & LIGHT COMPANY

AVERAGE SYSTEM COST METHODOLOGY
FUNCTIONALIZATION OF CASH WORKING CAPITAL AND MATERIALS AND SUPPLIES
Revised Appendix 1 - PRAM 5

LINE NO	ITEMS	FOOTNOTE	TOTAL TO BE	*****FUNCTIONALIZATION*****			LOCATION
			FUNCTIONALIZED	PRODUCTION	TRANSMISSION	OTHER	
	(a)	(b)	(c)	(d)	(e)	(f)	
CASH WORKING CAPITAL:							
1	Total Operations and Maintenance Expenses		785,281,640	611,611,600	52,868,036	120,802,003	Schedule 3
	Less:						
2	Fuel		44,959,301	44,959,301	0	0	Schedule 3
3	Purchased Power		486,187,237	486,025,237	0	162,000	
4	Net Expenses		254,135,102	80,627,062	52,868,036	120,640,003	
5	Cash Working Capital Functionalization Ratios		100.00%	31.73%	20.80%	47.47%	
6	1/8 Expenses (Cash WC allowable per fn h)		31,766,888	10,078,383	6,608,504	15,080,000	
7	Cash Work Cap > 1/8 O&M less fuel & purch power		38,395,834			38,395,834	
8	Cash Working Capital Included in Rates	h	70,162,722	10,078,383	6,608,504	53,475,835	
MATERIALS & SUPPLIES:							
	Account 151-152 Fuel Stock	P	13,039,832	13,039,832			Base Costs, p. 16
10	Account 153-157 Materials and Supplies	TDG	34,019,949	0	6,462,678	27,557,271	Base Costs, p. 16
11	Account 163 Stores Expense	TDG	4,836,727	0	918,820	3,917,907	Base Costs, p. 16
12	Total Materials and Supplies		51,896,508	13,039,832	7,381,498	31,475,178	Base Costs, p. 16
13	Total Working Capital		122,059,230	23,118,215	13,990,002	84,951,013	FMS, p. 18

h - Functionalized by footnote h of the 1984 ASC Methodology.

P - Functionalized directly to production.

TDG - Functionalized by TDG ratio.

PUGET SOUND POWER & LIGHT COMPANY

AVERAGE SYSTEM COST METHODOLOGY
FUNCTIONALIZATION OF OTHER ITEMS IN RATE BASE
Revised Appendix 1 - PRAM 5

LINE NO	ITEMS	ACCOUNT NUMBER	FOOTNOTE	TOTAL TO BE	*****FUNCTIONALIZATION*****			LOCATION
				FUNCTIONALIZED	PRODUCTION	TRANSMISSION	OTHER	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	
1	Plant Held for Future Use	105	PTDG	19,310,000	5,765,291	2,573,052	10,971,657	FMS, p. 15
2	Completed Const. Not Classified	106	PTD	0	0	0	0	
3	Acquisition Adjustment	114,115	Supplement 8B	755,491	0	581,933	173,558	Supplement 8B
4	Other Investments	124	P*	1,101,022	1,101,022	0	0	Conservation, p. 8
5	Regulatory Study Costs	182	P	0	0	0	0	
6	Gain on Property Sales	**	PTDG	(1,025,408)	(306,151)	(136,635)	(582,622)	Base Costs, p. 14
7	Total Other Ratebase Items			20,141,105	6,560,162	3,018,350	10,562,593	

PTDG - Functionalized by PTDG Ratio.

PTD - Functionalized by PTD Ratio.

P* - Functionalized Directly to Production. This amount represents loans for conservation measures for which power is (or is planned to be) saved by means of physical improvements, alterations, devices, or other installations which are measurable in units.

** Proforma Adjustment 2.07

PUGET SOUND POWER & LIGHT COMPANY

AVERAGE SYSTEM COST METHODOLOGY
ACQUISITION ADJUSTMENT
Revised Appendix 1 - PRAM 5

LINE NO	ITEM (a)	ACCOUNT NUMBER (b)	TOTAL TO BE FUNCTIONALIZED (c)	*****FUNCTIONALIZATION*****			LOCATION
				PRODUCTION (d)	TRANSMISSION (e)	OTHER (f)	
HISTORIC ACQUISITION ADJUSTMENT:							
1	Acquisition - Milwaukee Railroad *	114.01	946,172		946,172		Financial Strmts, p. 18
2	Acquisition - Town of Dupont **	114.02	302,358			302,358	
3	Total Historic Acquisition Adjustment		1,248,530	0	946,172	302,358	
HISTORIC ACQUISITION ADJUSTMENT AMORTIZATION:							
4	Amortization - Milwaukee Railroad *	115.01	364,239		364,239		Direct Analysis, p. 2
5	Amortization - Town of Dupont **	115.02	128,800			128,800	
6	Total Historic Amortization of Acquisition Adjustment		493,039	0	364,239	128,800	
Net Amortized Acquisition Adjustment Balance			755,491	0	581,933	173,558	

* Milwaukee Railroad consists of a 115kV transmission line acquired by Puget from the Milwaukee Railroad.

**Town of Dupont consists of a distribution system acquired by Puget.

PUGET SOUND POWER & LIGHT COMPANY

AVERAGE SYSTEM COST METHODOLOGY
FUNCTIONALIZATION OF CUSTOMER SERVICE EXPENSES
Revised Appendix 1 - PRAM 5

LINE NO	ITEM	ACCOUNT		TOTAL	*****FUNCTIONALIZATION*****			LOCATION
		NUMBER	FUNCTION		PRODUCTION	TRANSMISSION	OTHER	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	
1	Supervision	907.00	O	220,600			220,600	Base Costs, p. 8
2	Conservation Program Amortization	908.K1	CONS*	33,339,024	30,661,485		2,677,539	Supplement 6B
3	Info System Cost Alloc to Cust Assistance	908.Q1	O	494,000			494,000	Base Costs, p. 8
4	Voluntary Power Reduction	908.11	P	0	0		0	"
5	St Light Program	908.12	P	5,000	5,000		0	"
6	Water Heater Rental Program	908.17	O	28,000			28,000	"
7	All Other 908 Activities	908.01	O	1,235,700			1,235,700	"
8	Infor and Instruc Advertising Expense	909.00	O	1,327,300			1,327,300	"
9	Misc Cust Service and Info Expense	910.00	O	528,300			528,300	"
10	TOTAL CUSTOMER SERVICE EXPENSE			37,177,924	30,666,485	0	6,511,439	

Allowable costs are limited to those in account 908. This account contains the amortization expense (908K1) related to Puget's Conservation Program (Account 182) and has been functionalized by Conservation Percentages (See Supplement 6B). The remaining 908 activities have been functionalized by direct analysis, according to the functional nature of the activity.

PUGET SOUND POWER & LIGHT COMPANY

AVERAGE SYSTEM COST METHODOLOGY
FUNCTIONALIZATION OF OPERATING REVENUES
Revised Appendix 1 - PRAM 5

LINE NO	ITEM	ACTIVITY CODE	TOTAL*	*****FUNCTIONALIZATION*****			LOCATION*
				PRODUCTION	TRANSMISSION	OTHER	
	(a)	(b)	(c)	(d)	(e)	(f)	
ACCOUNT 450							
1	Late Pay Charge	45001	1,291,200			1,291,200	Base Costs, p. 7
2	Field Call Charge	45002	217,300			217,300	"
3	TOTAL ADDITIONAL CHARGES		1,508,500			1,508,500	Base Costs, p. 7
ACCOUNT 451							
4	Temporary Services	45101	682,500			682,500	Base Costs, p. 7
5	Seasonal Service Charges	45102	2,800			2,800	"
6	Reconnection Charges	45103	850,700			850,700	"
7	Work on Customer's Premises	45104	128,300			128,300	"
8	Water Heater Rentals	45105	1,928,800			1,928,800	"
9	Account Service Charges	45106	1,261,800			1,261,800	"
10	NSF Handling Charge	45107	75,300			75,300	"
11	Account Service Charge - Co-Gen	45108	120	120			"
12	Other Misc Serv Revenues	45109	2,979,600			2,979,600	"
13	TOTAL MISC SERVICE REVENUES		7,909,920	120		7,909,800	Base Costs, p. 7
ACCOUNT 454							
14	Steam Plant Rents	45401	362,400	362,400			Base Costs, p. 7
15	Pole Contacts	45402	3,379,700		3,379,700		Direct Analysis, p. 16-19
16	Transformers and Misc Equipment Rentals	45403	2,099,800			2,099,800	Direct Analysis, p. 15
17	Miscellaneous - Parking	45404	231,000	231,000			Direct Analysis, p. 16-19
18	Miscellaneous	45405	0			0	Base Costs, p. 7
19	Land and Building Rentals	454A1	476,000	25,609	185,116	265,275	Direct Analysis, pp. 9 - 13
20	TOTAL RENT FROM ELECTRIC PROPERTY		6,548,900	619,009	3,564,816	2,365,075	Base Costs, p. 7
ACCOUNT 456							
21	Transmission of Electricity - BPA	45601	1,569,200		1,569,200		Base Costs, p. 7
22	Transmission of Electricity - Snoh. PUD	45602	158,000		158,000		"
23	Transmission of Electricity - Whatcom PUD	45603	42,200		42,200		"
24	Transmission of Electricity - Misc	45604	272,400		272,400		"
25	Jobbing Revenues	45607	1,100			1,100	"
26	Prepaid Revenue - Excess Services	45609	100			100	"
27	Other Revenue Service - Misc	45610	117,000			117,000	"
28	Colstrip Settlement Agreement Interest	45611	0	0			"
29	Revenue - Water Heater Install Cost	456W1	108,100			108,100	"
30	Other Misc - Timber Sales	456TS	4,272,000	3,975,950	283,234	12,816	Direct Analysis, p. 14
31	Other Misc - Rev, Comm, & Royalties (Colstrip)	456CR	215,700	215,700			Direct Analysis, p. 16-19
32	TOTAL OTHER ELECTRIC REVENUES		6,755,800	4,191,650	2,325,034	239,116	Base Costs, p. 7
33	TOTAL OTHER OPERATING REVENUES		22,723,120	4,810,779	5,889,850	12,022,491	

*Note that all costs are located in the Base Costs Section, p. 7.

PUGET SOUND POWER & LIGHT COMPANY

AVERAGE SYSTEM COST METHODOLOGY
FUNCTIONALIZATION OF OTHER OPERATING EXPENSES
Revised Appendix 1 - PRAM 5

LINE NO	ITEM	FOOTNOTE	TOTAL	*****FUNCTIONALIZATION*****			LOCATION
				PRODUCTION	TRANSMISSION	OTHER	
	(a)	(b)	(c)	(d)	(e)	(f)	
PROFORMA ADJUSTMENT 2.07:							
1	Gain on Property Sales - 411.6	PTDG	594,169	177,398	79,173	337,598	Base Costs, p. 14
2	Amortization of Gain on Disp. of Land	PTDG	(100,978)	(30,149)	(13,455)	(57,375)	Base Costs, p. 14
3	TOTAL OTHER OPERATING REVENUE		695,147	207,547	92,628	394,973	

PUGET SOUND POWER & LIGHT COMPANY

AVERAGE SYSTEM COST METHODOLOGY
FUNCTIONALIZATION OF AMORTIZATION EXPENSE
Revised Appendix 1 - PRAM 5

LINE NO	ITEM	FOOTNOTE	TOTAL	*****FUNCTIONALIZATION*****			LOCATION
				PRODUCTION	TRANSMISSION	OTHER	
	(a)	(b)	(c)	(d)	(e)	(f)	
1	Amort of Limited Term Electric Plant (404)	IP Ratio	6,492,000	1,944,166	852,811	3,695,024	FMS, p. 11
2	Amort of Other Elec Plant - WUTC AFUDC (406)	Direct*	662,000	241,299	81,161	339,540	"
3	Amort of Electric Plant Acquisition Adj (406)	Direct	37,000		25,800	11,200	"
4	Amort of AFUDC Colstrip Steam Plant (406)	P	576,000	576,000		0	"
5	Amort of Employee Benefits	lab	0	0	0	0	N/A
6	Regulatory Study / Property Costs Amort.- (407)	O**	8,325,000			8,325,000	FMS, p. 11
7	TOTAL AMORTIZATION EXPENSE		16,092,000	2,761,465	959,772	12,370,763	

* - Functionalized by analysis of WUTC AFUDC shown on Supplement 6C.

P - Functionalized directly to Production.

Direct - Functionalized by direct analysis to Transmission and Other, see Supplement 8B

** This amount functionalized to Other is associated with the BEP Investment and Storm Damages.

PUGET SOUND POWER & LIGHT COMPANY

AVERAGE SYSTEM COST METHODOLOGY
FUNCTIONALIZATION OF A&G RENTS
Revised Appendix 1 - PRAM 5

LINE NO	ITEM	ACTIVITY	FOOTNOTE	FORECAST PROFORMA		*****FUNCTIONALIZATION*****				LOCATION
				TOTAL	ADJ.	TOTAL	PRODUCTION	TRANSMISSION	OTHER	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	
1	ACCOUNT 93101									
2	Division Rents	9311G	O	1,084,800		1,084,800	0	0	1,084,800	Base Costs, p. 6
3	Total Division Rents			1,084,800	0	1,084,800	0	0	1,084,800	Base Costs, p. 6
4	ACCOUNT 93102									
5	Facilities Rents	93102	O	5,200		5,200			5,200	Base Costs, p. 6
6	Total Facilities Rents			5,200	0	5,200	0	0	5,200	Base Costs, p. 6
7	ACCOUNT 93103									
8	Commerce Building Rents	93103	O	92,500		92,500			92,500	Base Costs, p. 6
9	Total Commerce Building Rents			92,500	0	92,500	0	0	92,500	Base Costs, p. 6
10	ACCOUNT 93104									
11	Northtown Warehouse	93104	O	91,100		91,100			91,100	Base Costs, p. 6
12	Total Northtown Warehouse			91,100	0	91,100	0	0	91,100	Base Costs, p. 6
	ACCOUNT 93105									
14	One Bellevue Center Rental	93105	O	1,904,900	(463,500)	1,441,400			1,441,400	Base Costs, p. 6, 18
15	Total One Bellevue Center Rental			1,904,900	(463,500)	1,441,400	0	0	1,441,400	Base Costs, p. 6, 18
16	ACCOUNT 93106									
17	OBC Parking Lot Rental	93106	O	277,500		277,500			277,500	Base Costs, p. 6
18	Total OBC Parking Lot Rental			277,500	0	277,500	0	0	277,500	Base Costs, p. 6
19	ACCOUNT 93107									
20	OBC Rental of Second Floor	93107	O	14,100		14,100			14,100	Base Costs, p. 6
21	Total OBC Rental of Second Floor			14,100	0	14,100	0	0	14,100	Base Costs, p. 6
22	Total A&G Rents			3,470,100	(463,500)	3,006,600	0	0	3,006,600	

PUGET SOUND POWER & LIGHT COMPANY

AVERAGE SYSTEM COST METHODOLOGY
FUNCTIONALIZATION OF TRANSMISSION
Revised Appendix 1 - PRAM 5

LINE NO	DESCRIPTION	TOTAL TO BE	*****FUNCTIONALIZATION*****			LOCATION
		FUNCTIONALIZED	PRODUCTION	TRANSMISSION	OTHER	
	(a)	(b)	(c)	(d)	(e)	
1	Transmission Plant In Service (350-359)	446,967,316		389,252,274	57,715,042	Transmission, p. 2
2	Transmission Depreciation Reserves (108)	(127,465,546)		(120,996,365)	(6,469,181)	Transmission, p. 3
3	Transmission O & M Expense (560-573) - Net of Wheeling	6,323,100		5,495,469	827,631	Transmission, p. 4
4	Transmission Wheeling (565)	44,379,200		44,379,200		Resource, p. 1
5	Transmission Depreciation Expense (403-407)	11,665,103		10,279,216	1,385,887	Transmission, p. 4