

EXHIBIT NO. ___(JAP-3)
DOCKET NO. UE-13___
WITNESS: JON A. PILIARIS

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**In the Matter of the Petition of
PUGET SOUND ENERGY, INC.
For an Accounting Order Approving the
Allocation of Proceeds of the Sale of
Certain Assets to Public Utility District
#1 of Jefferson County.**

Docket No. UE-13_____

**SECOND EXHIBIT (NONCONFIDENTIAL) TO THE
PREFILED DIRECT TESTIMONY OF
JON A. PILIARIS
ON BEHALF OF PUGET SOUND ENERGY, INC.**

OCTOBER 31, 2013

PUGET SOUND ENERGY
PSE ERF-RELATED REVENUES AND EXPENSES WITHOUT JEFFERSON COUNTY
SCENARIO 1 - DIRECTLY ASSIGNED REVENUES AND EXPENSES TO JEFFERSON COUNTY
FOR THE TWELVE MONTHS ENDED JUNE 30, 2012

LINE NO.	EXPEDITED		TOTAL LESS
	RATE FILING	JEFFERSON	JEFFERSON
	A	B	C = A - B
1	OPERATING REVENUES		
2	\$ 644,234,414	\$9,685,796	\$ 634,548,618
3	359,143		359,143
4	-		-
5	34,598,245	61,747	34,536,498
6	679,191,802	9,747,543	669,444,259
7			
8	OPERATING REVENUE DEDUCTIONS:		
9			
10	POWER COSTS:		
11	\$ -		\$ -
12	-		-
13	-		-
14	-		-
15	-		-
16			
17	OTHER POWER SUPPLY EXPENSES		
18	12,616,350	\$ 8,373	12,607,976
19	81,255,580	\$ 1,322,666	79,932,914
20	40,368,465	\$ 8,421	40,360,045
21	4,832,538		4,832,538
22	2,384		2,384
23	87,323,972	\$ 88,145	87,235,827
24	136,527,424	\$ 2,137,242	134,390,182
25	28,259,070		28,259,070
26	16,222,429		16,222,429
27	(1,416,080)		(1,416,080)
28	-		-
29	31,423,683	\$ 397,017	\$ 31,026,665
30	(11,388,554)	\$ 926,866	\$ (12,315,419)
31	68,601,444		68,601,444
32	\$ 494,628,706	\$ 4,888,731	\$ 489,739,975
33			
34	\$ 184,563,096	\$ 4,858,812	\$ 179,704,284
35			
36	\$ 2,621,991,642	\$ 36,623,865	\$ 2,585,367,776
37			
38	7.04%	13.27%	6.95%
39			
40	RATE BASE:		
41	\$ 4,559,128,515	\$ 76,217,892	\$ 4,482,910,622
42	(1,566,365,090)	\$ (28,313,867)	(1,538,051,223)
43	58,606,772		58,606,772
44	(527,845,405)	\$ (11,280,160)	(516,565,245)
45	180,394,295		180,394,295
46	(81,927,445)		(81,927,445)
47	\$ 2,621,991,642	\$ 36,623,865	\$ 2,585,367,776
48			
49	7.77%	7.77%	7.77%
50			
51	\$ 203,728,751	\$ 2,845,674	\$ 200,883,076
52			
53	\$ 19,165,654	\$ (2,013,138)	\$ 21,178,792
54			
55	0.620346	0.620346	0.620346
56			
57	\$ 30,895,104	\$ (3,245,186)	\$ 34,140,290

PUGET SOUND ENERGY
PSE ERF-RELATED REVENUES AND EXPENSES WITHOUT JEFFERSON COUNTY
SCENARIO 2 - DIRECTLY ASSIGNED AND ALLOCATED REVENUES AND EXPENSES TO JEFFERSON COUNTY
FOR THE TWELVE MONTHS ENDED JUNE 30, 2012

LINE NO.	EXPEDITED RATE FILING	JEFFERSON B	TOTAL LESS JEFFERSON C = A - B	ALLOCATION FACTOR D	ALLOCATION RATE E
1	OPERATING REVENUES				
2	SALES TO CUSTOMERS	\$ 644,234,414	\$9,685,796	\$ 634,548,618	Direct
3	RESALE SALES-FIRM/SPECIAL CONTRACT	359,143	-	359,143	Direct
4	SALES TO OTHER UTILITIES	-		-	
5	OTHER OPERATING REVENUES	34,598,245	553,801	34,044,444	Net Plant
6	TOTAL OPERATING REVENUES	<u>679,191,802</u>	<u>10,239,597</u>	<u>668,952,205</u>	
7					
8	OPERATING REVENUE DEDUCTIONS:				
9					
10	POWER COSTS:				
11	FUEL	\$ -		\$ -	
12	PURCHASED AND INTERCHANGED	-		-	
13	WHEELING	-		-	
14	RESIDENTIAL EXCHANGE	-		-	
15	TOTAL PRODUCTION EXPENSES	<u>-</u>		<u>-</u>	
16					
17	OTHER POWER SUPPLY EXPENSES				
18	TRANSMISSION EXPENSE	12,616,350	\$ 175,096	12,441,254	Peak Credit
19	DISTRIBUTION EXPENSE	81,255,580	\$ 1,322,666	79,932,914	Direct
20	CUSTOMER ACCTS EXPENSES	40,368,465	\$ 670,405	39,698,060	Customer
21	CUSTOMER SERVICE EXPENSES	4,832,538	\$ 80,255	4,752,283	Customer
22	CONSERVATION AMORTIZATION	2,384	\$ 40	2,345	Customer
23	ADMIN & GENERAL EXPENSE	87,323,972	\$ 1,411,786	85,912,186	Other O&M
24	DEPRECIATION	136,527,424	\$ 2,137,242	134,390,182	Direct
25	AMORTIZATION	28,259,070	\$ 452,332	27,806,738	Net Plant
26	AMORTIZ OF PROPERTY GAIN/LOSS	16,222,429	\$ 259,666	15,962,763	Net Plant
27	OTHER OPERATING EXPENSES	(1,416,080)	\$ (22,667)	(1,393,413)	Net Plant
28	ASC 815	-		-	
29	TAXES OTHER THAN INCOME TAXES	31,423,683	\$ 417,059	31,006,624	Calculated
30	INCOME TAXES	(11,388,554)	\$ 993,741	(12,382,294)	Calculated
31	DEFERRED INCOME TAXES	68,601,444		68,601,444	
32	TOTAL OPERATING REV. DEDUCT.	<u>\$ 494,628,706</u>	<u>\$ 7,897,621</u>	<u>\$ 486,731,085</u>	
33					1.59%
34	NET OPERATING INCOME	\$ 184,563,096	\$ 2,341,976	\$ 182,221,120	
35					
36	RATE BASE	\$ 2,621,991,642	\$ 39,266,348	\$ 2,582,725,294	
37					
38	RATE OF RETURN	7.04%	5.96%	7.06%	
39					
40	RATE BASE:				
41	GROSS UTILITY PLANT IN SERVICE	\$ 4,559,128,515	\$ 76,217,892	\$ 4,482,910,622	Direct
42	ACCUM DEPR AND AMORT	(1,566,365,090)	\$ (28,313,867)	(1,538,051,223)	Direct
43	DEFERRED DEBITS AND CREDITS	58,606,772	938,096	57,668,676	Net Plant
44	DEFERRED TAXES	(527,845,405)	\$ (11,280,160)	(516,565,245)	Direct
45	ALLOWANCE FOR WORKING CAPITAL	180,394,295	\$ 3,015,768	177,378,527	Gross Plant
46	OTHER	(81,927,445)	(1,311,381)	(80,616,063)	Net Plant
47	TOTAL RATE BASE	<u>\$ 2,621,991,642</u>	<u>\$ 39,266,348</u>	<u>\$ 2,582,725,294</u>	
48					
49	ALLOWED RATE OF RETURN	7.77%	7.77%	7.77%	
50					
51	ALLOWED OPERATING INCOME	<u>\$ 203,728,751</u>	<u>\$ 3,050,995</u>	<u>\$ 200,677,755</u>	
52					
53	OPERATING INCOME DEFICIENCY/(SURPLUS)	\$ 19,165,654	\$ 709,019	\$ 18,456,635	
54					
55	CONVERSION FACTOR	<u>0.620346</u>	<u>0.620346</u>	<u>0.620346</u>	
56					
57	REVENUE DEFICIENCY/(SURPLUS)	\$ 30,895,104	\$ 1,142,941	\$ 29,752,163	