**Comparison of Terms**

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| **Term** | **Staff Definition** | **Company Definition** |
| **Proceeds (P)** | Total proceeds received by Puget Sound Energy (PSE) from Jefferson County PUD (JPUD) the Asset Purchase Agreement (APA) and Customer Transition Agreement (CTA). | Same definition as staff. |
| **Original Cost (OC)**  **Expressed by the Equation: OC = NBV + AD** | Original cost of assets sold to JPUD. | Same definition as staff. |
| **Accumulated Depreciation (AD)** | The amount of original cost paid for by PSE’s ratepayers over time (in rates). | Same definition as staff. |
| **Net Book Value (NBV)**  **Expressed by the Equation: NBV = OC - AD** | Original cost less accumulated depreciation. PSE shareholders’ investment not recovered in rates through depreciation. | Same definition as staff. |
| **Transaction Costs (Co)** | Transaction Costs and other ancillary costs resulting from the sale and transfer of assets to JPUD and proposed to be recovered through proceeds. | Same definition as staff. |
| **Appreciation** **(A)**  **Expressed by the Equation: A = P – (OC + Co)** | Proceeds, less original cost and other costs. |  |
| **Appreciation Split (As)** | The share of appreciation allocated between PSE’s ratepayers and shareholders. |  |
| **Gain (G)**  **Expressed by the Equation: G = P – (NBV + Co)** |  | Proceeds, less net book value and other costs. |
| **Gain Split (Gs)** |  | The share of gain allocated between PSE’s ratepayers and shareholders. |