

**Exhibit No. \_\_ (EJK-2)**  
**Docket UE-132027**  
**Witness: Edward J. Keating**

**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 UE-132027**

**EXHIBIT TO TESTIMONY OF**

**Edward J. Keating**

**STAFF OF  
WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION**

*Comparison of Terminology*

**March 28, 2014**

### Comparison of Terms

Term	Staff Definition	Company Definition
<b>Proceeds (P)</b>	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.
<b>Original Cost (OC)</b>	Original cost of assets sold to JPUD.	Same definition as staff.
<b>Expressed by the Equation: <math>OC = NBV + AD</math></b>		
<b>Accumulated Depreciation (AD)</b>	The amount of original cost paid for by PSE's ratepayers over time (in rates).	Same definition as staff.
<b>Net Book Value (NBV)</b>	Original cost less accumulated depreciation.	Same definition as staff.
<b>Expressed by the Equation: <math>NBV = OC - AD</math></b>	PSE shareholders' investment not recovered in rates through depreciation.	
<b>Transaction Costs (C<sub>0</sub>)</b>	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.
<b>Appreciation (A)</b>	Proceeds, less original cost and other costs.	
<b>Expressed by the Equation: <math>A = P - (OC + C_0)</math></b>		
<b>Appreciation Split (A<sub>s</sub>)</b>	The share of appreciation allocated between PSE's ratepayers and shareholders.	
<b>Gain (G)</b>		Proceeds, less net book value and other costs.
<b>Expressed by the Equation: <math>G = P - (NBV + C_0)</math></b>		
<b>Gain Split (G<sub>s</sub>)</b>		The share of gain allocated between PSE's ratepayers and shareholders.