

**EXHIBIT NO. \_\_\_(KJB-7)**  
**DOCKET NO. UE-14\_\_\_\_\_**  
**2014 PSE PCORC**  
**WITNESS: KATHERINE J. BARNARD**

**BEFORE THE  
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION,**

**Complainant,**

**v.**

**PUGET SOUND ENERGY, INC.,**

**Respondent.**

**Docket No. UE-14\_\_\_\_\_**

**SIXTH EXHIBIT (NONCONFIDENTIAL) TO THE  
PREFILED DIRECT TESTIMONY OF  
KATHERINE J. BARNARD  
ON BEHALF OF PUGET SOUND ENERGY, INC.**

**MAY 23, 2014**

**Example of Incremental Cost Calc for Coal Transition PPA Step-ups**

|  | Initial Contract Period | Year 2          | Year 3          |
|--|-------------------------|-----------------|-----------------|
|  | Dec 14 - Nov 15         | Dec 15 - Nov 16 | Dec 16 - Nov 17 |
| 1 Contract Period                                |                         |                 |                 |
| 2 MW   | 180                     | 280             | 380             |
| 3 MWhs   | 1,576,800               | 2,459,520       | 3,328,800       |
| 4 Contract Price                                 | \$46.17                 | \$47.32         | \$48.51         |
| 5 Contract Amount at New Volume/Price            | \$72,800,856            | \$116,394,939   | \$161,471,287   |
| 6 Increase in MWhs                               |                         | 882,720         | 869,280         |
| 7 Example Mkt Price (Mid-C Flat)                 | \$33.92                 | \$33.92         | \$33.92         |
| 8 Equity Adder                                   | \$1.49                  | \$1.49          | \$1.49          |
| 9 Increase in Contract Amount                    |                         | \$43,594,083    | \$45,076,348    |
| 10 Avoided Market Purchases for Increased Volume |                         | (29,941,862)    | (29,485,978)    |
| 11 Increase to FERC 555                          |                         | 13,652,221      | 15,590,371      |
| 12 Equity Return for Increased Volume            |                         | 1,315,253       | 1,295,227       |
| 13 Total Increase to Baseline Rate               |                         | \$14,967,474    | \$16,885,598    |