

**EXH. KJB-3
DOCKETS UE-18___/UG-18___
PSE EXPEDITED RATE FILING
WITNESS: KATHERINE J. BARNARD**

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of:

PUGET SOUND ENERGY

Expedited Rate Filing

**Docket UE-18___
Docket UG-18___**

**SECOND EXHIBIT (NONCONFIDENTIAL) TO THE
PREFILED DIRECT TESTIMONY OF**

KATHERINE J. BARNARD

ON BEHALF OF PUGET SOUND ENERGY

JUNE 15, 2018

**Exhibit I to the
Multiparty Settlement
Stipulation and Agreement**

**Exhibit I to the Multiparty Settlement Stipulation and Agreement
Dockets UE-170033 and UG-170034
Parameters for the Expedited Rate Filing Authorized by Section III.H. of the
Multiparty Settlement Stipulation and Agreement**

The Expedited Rate Filing (“ERF”) for Puget Sound Energy authorized by Section III.H. of the Multiparty Settlement Stipulation and Agreement, dated September 15, 2017, in Dockets UE-170033 and UG-170034 will be based on a Commission Basis Report (“CBR”) developed for a recently completed accounting period consistent with the approach defined in WAC 480-90-257 and WAC 480-100-257.

The ERF will use only restating adjustments most recently approved by the Commission, with the following exceptions:

- (i) Use of end of period rate base is acceptable.
- (ii) Annualization of any revenues that occurred after the test period and annualization of the underlying costs associated with those revenues to the extent not fully included in the test year results. This is necessary to maintain proper matching of the annualized revenue and expenses.

The ERF will remove power costs, purchased gas, and gas pipeline cost recovery mechanism (and if approved Electric Cost Recovery Mechanism) related revenues, rate base and expenses leaving only transmission, distribution and administration and general costs and rate base that will be used to determine the electric and natural gas revenue requirements to be considered in the expedited rate filing.

The ERF shall maintain the rate of return established in the most recent general rate case except to update the interest rate on debt if needed.

The ERF will not include changes to rate spread or rate design from the most recently filed general rate case.