

**EXH. KJB-11
DOCKETS UE-170033/UG-170034
2017 PSE GENERAL RATE CASE
WITNESS: KATHERINE J. BARNARD**

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

PUGET SOUND ENERGY,

Respondent.

**Docket UE-170033
Docket UG-170034**

**FIRST EXHIBIT (NONCONFIDENTIAL) TO THE
PREFILED SUPPLEMENTAL DIRECT TESTIMONY OF**

KATHERINE J. BARNARD

ON BEHALF OF PUGET SOUND ENERGY

APRIL 3, 2017

PUGET SOUND ENERGY-ELECTRIC
GENERAL RATE INCREASE
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016
GENERAL RATE CASE

LINE NO.	DESCRIPTION		
1	RATE BASE	\$	<i>5,097,747,770</i>
2	RATE OF RETURN		<i>7.74%</i>
3			
4	OPERATING INCOME REQUIREMENT		<i>394,565,677</i>
5			
6	PRO FORMA OPERATING INCOME		<i>305,402,483</i>
7	OPERATING INCOME DEFICIENCY		<i>89,163,195</i>
8			
9	CONVERSION FACTOR		<i>0.6190510</i>
10	REVENUE REQUIREMENT DEFICIENCY		<i>144,032,066</i>
11	SALES FROM RESALE-FIRM		<i>405,143</i>
12			
13	REVENUE REQUIREMENT DEFICIENCY	\$	<i>143,626,923</i>

Note: Amounts in bold and italics are different from January 13, 2017 original filing.

PUGET SOUND ENERGY-ELECTRIC
PRO FORMA COST OF CAPITAL
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016
GENERAL RATE CASE

LINE NO.	DESCRIPTION	PRO FORMA CAPITAL %	COST %	COST OF CAPITAL
1	SHORT & LONG TERM DEBT	51.50%	5.81%	2.99%
2	EQUITY	48.50%	9.80%	4.75%
3	TOTAL COST OF CAPITAL	100.00%		7.74%
4				
5	AFTER TAX DEBT	51.50%	5.81%	1.94%
6	EQUITY	48.50%	9.80%	4.75%
7	TOTAL AFTER TAX COST OF CAPITAL	100.00%		6.69%

PUGET SOUND ENERGY-ELECTRIC
CONVERSION FACTOR
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016
GENERAL RATE CASE

LINE	NO. DESCRIPTION	RATE
1	BAD DEBTS	0.007157
2	ANNUAL FILING FEE	0.002000
3	STATE UTILITY TAX (3.8734% - (LINE 1 * 3.8734%))	3.8734%
4		<u>0.038457</u>
5	SUM OF TAXES OTHER	0.047614
6		
7	CONVERSION FACTOR EXCLUDING FEDERAL INCOME TAX (1 - LINE 5)	0.952386
8	FEDERAL INCOME TAX (LINE 7 * 35%)	35%
9	CONVERSION FACTOR INCL FEDERAL INCOME TAX (LINE 7 - LINE 8)	<u><u>0.619051</u></u>