

**EXH. KJB-12
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**

**SECOND 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
STATEMENT OF OPERATING INCOME AND ADJUSTMENTS
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016
GENERAL RATE INCREASE

LINE NO.	ACTUAL RESULTS OF OPERATIONS	TOTAL ADJUSTMENTS	REVISED ADJUSTED RESULTS OF OPERATIONS	REVISED REVENUE REQUIREMENT DEFICIENCY	REVISED AFTER RATE INCREASE	
1	OPERATING REVENUES					
2	SALES TO CUSTOMERS	\$ 2,146,048,308	\$ (182,861,223)	\$ 1,963,187,085	\$ 1,43,626,923	\$ 2,106,814,008
3	SALES FROM RESALE-FIRM/SPECIAL CONTRACT	324,382	(7,993)	316,389	405,143	721,532
4	SALES TO OTHER UTILITIES	201,125,742	(170,981,384)	30,144,358		30,144,358
5	OTHER OPERATING REVENUES	47,841,339	25,845,279	73,686,618		73,686,618
6	TOTAL OPERATING REVENUES	2,395,339,771	(328,005,321)	2,067,334,450	144,032,066	2,211,366,516
7						
8	OPERATING REVENUE DEDUCTIONS:					
9						
10	POWER COSTS:					
11	FUEL	235,002,887	(30,426,197)	204,576,689	-	204,576,689
12	PURCHASED AND INTERCHANGED	532,346,459	(85,727,776)	446,618,683	-	446,618,683
13	WHEELING	113,800,193	(5,239,435)	108,560,758	-	108,560,758
14	RESIDENTIAL EXCHANGE	(69,268,220)	69,268,220	-	-	-
15	TOTAL PRODUCTION EXPENSES	811,881,319	(52,125,189)	759,756,130	-	759,756,130
16						
17	OTHER POWER SUPPLY EXPENSES	125,897,437	9,914,172	135,811,609	-	135,811,609
18	TRANSMISSION EXPENSE	20,270,050	82,200	20,352,250	-	20,352,250
19	DISTRIBUTION EXPENSE	83,356,029	97,052	83,453,081	-	83,453,081
20	CUSTOMER ACCTS EXPENSES	47,600,166	2,629,564	50,229,730	1,030,837	51,260,568
21	CUSTOMER SERVICE EXPENSES	19,829,127	(17,230,512)	2,598,615	-	2,598,615
22	CONSERVATION AMORTIZATION	97,566,975	(97,540,765)	26,210	-	26,210
23	ADMIN & GENERAL EXPENSE	114,599,759	2,064,988	116,664,746	288,064	116,952,810
24	DEPRECIATION	268,356,985	49,907,233	318,264,217	-	318,264,217
25	AMORTIZ OF PROPERTY GAIN/LOSS	45,684,975	4,321,972	50,006,947	-	50,006,947
26	AMORTIZ OF PROPERTY GAIN/LOSS	20,604,866	17,865,077	38,469,943	-	38,469,943
27	OTHER OPERATING EXPENSES	(9,997,194)	19,486,736	9,489,542	-	9,489,542
28	ASC 815	(64,111,668)	64,111,668	-	-	-
29	TAXES OTHER THAN INCOME TAXES	230,800,257	(144,230,240)	86,570,017	5,539,041	92,109,058
30	INCOME TAXES	800	48,493,274	48,494,074	48,010,929	96,505,003
31	DEFERRED INCOME TAXES	181,996,915	(140,252,061)	41,744,854	-	41,744,854
32	TOTAL OPERATING REV. DEDUCT.	1,994,336,799	(232,404,833)	1,761,931,967	54,868,872	1,816,800,838
33						
34	NET OPERATING INCOME	\$ 401,002,972	\$ (95,600,488)	\$ 305,402,483	\$ 89,163,194	\$ 394,565,678
35						
36	RATE BASE	5,153,204,462	(55,456,691)	5,097,747,770	-	5,097,747,770
37						
38	RATE OF RETURN	7.78%	5.99%	7.74%		
39						
40	RATE BASE:					
41	GROSS UTILITY PLANT IN SERVICE	9,760,401,507	(50,517,700)	9,709,883,806		9,709,883,806
42	ACCUM DEPR AND AMORT	(3,743,804,806)	(65,056,024)	(3,808,860,830)		(3,808,860,830)
43	DEFERRED DEBITS AND CREDITS	253,258,620	31,081,180	284,339,800		284,339,800
44	DEFERRED TAXES	(1,263,932,468)	29,035,853	(1,234,896,614)		(1,234,896,614)
45	ALLOWANCE FOR WORKING CAPITAL	227,005,242	-	227,005,242		227,005,242
46	OTHER	(79,723,633)	-	(79,723,633)		(79,723,633)
47	TOTAL RATE BASE	\$ 5,153,204,462	\$ (55,456,691)	\$ 5,097,747,770		\$ 5,097,747,770

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

PUGET SOUND ENERGY-ELECTRIC
STATEMENT OF OPERATING INCOME AND ADJUSTMENTS
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016
Adjustment Detail (Page 1)

REVISED

LINE NO.	ACTUAL RESULTS OF OPERATIONS	REVENUES & EXPENSES	TEMPERATURE NORMALIZATION	PASS-THROUGH REVS. & EXPS.	FEDERAL INCOME TAX	TAX BENEFIT OF PROFORMA INTEREST	DEPRECIATION STUDY
	13.01	13.01	13.02	13.03	13.04	13.05	13.06
1	OPERATING REVENUES						
2	SALES TO CUSTOMERS	\$ 2,146,048,308	\$ (18,636,298)	\$ 28,308,135	\$ (192,533,061)	\$ -	\$ -
3	SALES FROM RESALE-FIRM/SPECIAL CONTRACT	324,382	147	5,118	(13,258)	-	-
4	SALES TO OTHER UTILITIES	201,125,742					
5	OTHER OPERATING REVENUES	47,841,339	(10,225,163)	(278,053)			
6	TOTAL OPERATING REVENUES	2,395,339,771	(28,861,314)	28,313,253	(192,824,371)	-	-
7	OPERATING REVENUE DEDUCTIONS:						
8							
9							
10	POWER COSTS:						
11	FUEL	235,002,887	-	-	-	-	-
12	PURCHASED AND INTERCHANGED	532,346,459	-	-	-	-	-
13	WHEELING	113,800,193	-	-	-	-	-
14	RESIDENTIAL EXCHANGE	(69,268,220)	-	69,268,220	-	-	-
15	TOTAL PRODUCTION EXPENSES	811,881,319	-	69,268,220	-	-	-
16	OTHER POWER SUPPLY EXPENSES	125,897,437	-	-	-	-	-
17	TRANSMISSION EXPENSE	20,270,050	-	-	-	-	-
18	DISTRIBUTION EXPENSE	83,356,029	-	-	-	-	-
19	CUSTOMER ACCTS EXPENSES	47,600,166	(206,560)	202,638	(1,378,054)	-	-
20	CUSTOMER SERVICE EXPENSES	19,829,127			(17,275,568)	-	-
21	CONSERVATION AMORTIZATION	97,566,975			(97,540,765)	-	-
22	ADMIN & GENERAL EXPENSE	114,599,759	(57,723)	56,627	(426,522)	-	-
23	DEPRECIATION	268,356,985					53,998,973
24	AMORTIZ OF PROPERTY GAIN/LOSS	45,684,975					(751,879)
25	OTHER OPERATING EXPENSES	20,604,866					
26	ASC 815	(9,997,194)	17,342,294		365,335		
27	TAXES OTHER THAN INCOME TAXES	(64,111,668)					
28	INCOME TAXES	230,800,257	(1,109,920)	1,088,843	(144,297,723)		
29	DEFERRED INCOME TAXES	800	(15,690,292)	9,437,801	(538,752)	(53,347,930)	(18,636,483)
30	TOTAL OPERATING REV. DEDUCT.	181,996,915			(117,812,977)		
31	NET OPERATING INCOME	1,994,336,799	277,800	10,785,909	(191,823,831)	(53,347,930)	34,610,611
32	RATE BASE	\$ 401,002,972	\$ (29,139,114)	\$ 17,527,344	\$ (1,000,540)	\$ 53,347,930	\$ (34,610,611)
33	RATE OF RETURN	7.78%					(17,305,306)
34	GROSS UTILITY PLANT IN SERVICE	\$ 9,760,401,507	\$ -	\$ -	\$ -	\$ -	\$ -
35	ACCUM DEPR AND AMORT	(3,743,804,806)					(26,623,547)
36	DEFERRED DEBITS AND CREDITS	253,258,620					9,318,241
37	DEFERRED TAXES	(1,263,932,468)					
38	ALLOWANCE FOR WORKING CAPITAL	227,005,242					
39	OTHER	(79,723,633)					
40	TOTAL RATE BASE	\$ 5,153,204,462	\$ -	\$ -	\$ -	\$ -	\$ (17,305,306)

PUGET SOUND ENERGY-ELECTRIC
STATEMENT OF OPERATING INCOME AND ADJUSTMENTS
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016
Adjustment Detail (Page 2)

LINE NO.	NORMALIZE INJ & DMGS 13.07	REVISED BAD DEBITS 13.08	REVISED INCENTIVE PAY 13.09	D&O INSURANCE 13.10	REVISED INTEREST ON CUST DEPOSITS 13.11	RATE CASE EXPENSES 13.12	DEFERRED G/L ON PROPERTY & LIABILITY INS 13.13	13.14
1	OPERATING REVENUES							
2	SALES TO CUSTOMERS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3	SALES FROM RESALE-FIRM/SPECIAL CONTRACT							
4	SALES TO OTHER UTILITIES							
5	OTHER OPERATING REVENUES							
6	TOTAL OPERATING REVENUES	-	-	-	-	-	-	-
7								
8	OPERATING REVENUE DEDUCTIONS:							
9								
10	POWER COSTS:							
11	FUEL							
12	PURCHASED AND INTERCHANGED		10,380					
13	WHEELING							
14	RESIDENTIAL EXCHANGE							
15	TOTAL PRODUCTION EXPENSES	-	10,380	-	-	-	-	-
16								
17	OTHER POWER SUPPLY EXPENSES							
18	TRANSMISSION EXPENSE		25,959					
19	DISTRIBUTION EXPENSE		17,172					
20	CUSTOMER ACCTS EXPENSES		28,487					
21	CUSTOMER SERVICE EXPENSES		10,494		176,606			
22	CONSERVATION AMORTIZATION		3,373					
23	ADMIN & GENERAL EXPENSE		63,227	(24,832)		407,545	(101,765)	
24	DEPRECIATION							
25	AMORTIZATION							
26	AMORTIZ OF PROPERTY GAIN/LOSS							
27	OTHER OPERATING EXPENSES						(263,384)	
28	ASC 815							
29	TAXES OTHER THAN INCOME TAXES		9,991					
30	INCOME TAXES	37,563	(59,179)	8,691		(142,641)	92,184	35,618
31	DEFERRED INCOME TAXES							
32	TOTAL OPERATING REV. DEDUCT.	(69,387)	109,903	(16,141)	176,606	264,905	(171,200)	(66,147)
33								
34	NET OPERATING INCOME	\$ 69,387	\$ (109,903)	\$ 16,141	\$ (176,606)	\$ (264,905)	\$ 171,200	\$ 66,147
35								
36	RATE BASE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
37								
38	RATE OF RETURN							
39								
40	RATE BASE:							
41	GROSS UTILITY PLANT IN SERVICE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
42	ACCUM DEPR AND AMORT							
43	DEFERRED DEBITS AND CREDITS							
44	DEFERRED TAXES							
45	ALLOWANCE FOR WORKING CAPITAL							
46	OTHER							
47	TOTAL RATE BASE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

PUGET SOUND ENERGY-ELECTRIC
STATEMENT OF OPERATING INCOME AND ADJUSTMENTS
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016
Adjustment Detail (Page 3)

LINE NO.		PENSION PLAN 13.15	REVISSED WAGE INCREASE 13.16	REVISSED INVESTMENT PLAN 13.17	EMPLOYEE INSURANCE 13.18	ENVIRONMENTAL REMEDIATION 13.19	PAYMENT PROCESSING COSTS 13.20	SOUTH KING SERVICE CENTER WUTC FILING FEE 13.21	EXCISE TAX AND 13.22
1	OPERATING REVENUES								
2	SALES TO CUSTOMERS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3	SALES FROM RESALE-FIRM/SPECIAL CONTRACT								
4	SALES TO OTHER UTILITIES								
5	OTHER OPERATING REVENUES								
6	TOTAL OPERATING REVENUES	-	-	-	-	-	-	-	-
7									
8	OPERATING REVENUE DEDUCTIONS:								
9									
10	POWER COSTS:								
11	FUEL								
12	PURCHASED AND INTERCHANGED		130,547						
13	WHEELING								
14	RESIDENTIAL EXCHANGE								
15	TOTAL PRODUCTION EXPENSES		130,547						
16									
17	OTHER POWER SUPPLY EXPENSES		311,867						
18	TRANSMISSION EXPENSE		213,679						
19	DISTRIBUTION EXPENSE		340,008						
20	CUSTOMER ACCTS EXPENSES		122,230				4,750,002		
21	CUSTOMER SERVICE EXPENSES		41,683						
22	CONSERVATION AMORTIZATION								
23	ADMIN & GENERAL EXPENSE	1,822,993	795,245	148,776	187,309			(363,750)	(51,913)
24	DEPRECIATION							(304,014)	
25	AMORTIZATION								
26	AMORTIZ OF PROPERTY GAIN/LOSS								
27	OTHER OPERATING EXPENSES					1,422,577			
28	ASC 815								
29	TAXES OTHER THAN INCOME TAXES		133,533						36,125
30	INCOME TAXES	(638,048)	(731,078)	(52,071)	(65,558)	(497,902)	(1,662,501)	233,717	5,526
31	DEFERRED INCOME TAXES								
32	TOTAL OPERATING REV. DEDUCT.	1,184,945	1,357,716	96,705	121,751	924,675	3,087,501	(434,046)	(10,262)
33									
34	NET OPERATING INCOME	\$ (1,184,945)	\$ (1,357,716)	\$ (96,705)	\$ (121,751)	\$ (924,675)	\$ (3,087,501)	\$ 434,046	\$ 10,262
35									
36	RATE BASE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,915,060	\$ -
37									
38	RATE OF RETURN								
39									
40	RATE BASE:								
41	GROSS UTILITY PLANT IN SERVICE								15,741,421
42	ACCUM DEPR AND AMORT								(101,363)
43	DEFERRED DEBITS AND CREDITS								
44	DEFERRED TAXES								275,003
45	ALLOWANCE FOR WORKING CAPITAL								
46	OTHER								
47	TOTAL RATE BASE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,915,060	\$ -

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

PUGET SOUND ENERGY-ELECTRIC
STATEMENT OF OPERATING INCOME AND ADJUSTMENTS
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016
Adjustment Detail (Page 4)

LINE NO.	REVENUE	REVENUE	REVENUE	ASC 815 (PREV. SFAS 133)	STORM DAMAGE	REG ASSETS & LIABILITIES	GLACIER BATTERY STRG	ENERGY/MB MARKET
	14.01	14.02	14.03	14.04	14.05	14.06	14.07	14.08
1	OPERATING REVENUES							
2	SALES TO CUSTOMERS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3	SALES FROM RESALE-FIRM/SPECIAL CONTRACT	(170,981,384)						
4	SALES TO OTHER UTILITIES	36,348,495						
5	OTHER OPERATING REVENUES	(134,632,889)						
6	TOTAL OPERATING REVENUES							
7	OPERATING REVENUE DEDUCTIONS:							
8	POWER COSTS:							
10	FUEL	(30,426,197)						
11	PURCHASED AND INTERCHANGED	(85,865,131)						
12	WHEELING	(5,239,435)						
13	RESIDENTIAL EXCHANGE							
14	TOTAL PRODUCTION EXPENSES	(121,530,763)						
15	OTHER POWER SUPPLY EXPENSES	9,584,909						
16	TRANSMISSION EXPENSE	(16,783)			(131,868)			
17	DISTRIBUTION EXPENSE				(271,443)			
18	CUSTOMER ACCTS EXPENSES							
19	CUSTOMER SERVICE EXPENSES							
20	CONSERVATION AMORTIZATION							
21	ADMIN & GENERAL EXPENSE							
22	DEPRECIATION							
23	AMORTIZATION							
24	AMORTIZ OF PROPERTY GAIN/LOSS							
25	OTHER OPERATING EXPENSES							
26	ASC 815	56,686						
27	TAXES OTHER THAN INCOME TAXES	(7,954,428)						
28	INCOME TAXES							
29	DEFERRED INCOME TAXES							
30	TOTAL OPERATING REV. DEDUCT.	(119,860,379)						
31	NET OPERATING INCOME	\$ (14,772,510)	\$ 61,133	\$ 137,890	\$ (41,672,584)	\$ 8,389,018	\$ (145,490)	\$ (3,492,717)
32	RATE BASE	\$ -	\$ -	\$ (1,969,341)	\$ -	\$ (44,085,326)	\$ 2,842,787	\$ 5,131,869
33	RATE OF RETURN							
34	RATE BASE:							
35	GROSS UTILITY PLANT IN SERVICE	\$ -	\$ -	\$ (4,539,303)	\$ -	\$ -	\$ 5,283,143	\$ 16,120,232
36	ACCUM DEPR AND AMORT			1,590,016			(723,725)	(9,403,469)
37	DEFERRED DEBITS AND CREDITS						(58,945,766)	
38	DEFERRED TAXES			979,946			14,860,440	(1,584,894)
39	ALLOWANCE FOR WORKING CAPITAL							
40	OTHER							
41	TOTAL RATE BASE	\$ -	\$ -	\$ (1,969,341)	\$ -	\$ (44,085,326)	\$ 2,842,787	\$ 5,131,869

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

PUGET SOUND ENERGY-ELECTRIC
STATEMENT OF OPERATING INCOME AND ADJUSTMENTS
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016
Adjustment Detail (Page 5)

LINE NO.	GOLDENDALE CAPACITY UPGRADE 14.09	MINT FARM CAPACITY UPGRADE 14.10	REVISIED WHITE RIVER 14.11	RECLASS OF HYDRO TREASURY GRANTS 14.12	REVISIED PRODUCTION ADJUSTMENT 14.13	REVISIED TOTAL ADJUSTMENTS	REVISIED ADJUSTED RESULTS OF OPERATIONS
1	OPERATING REVENUES						
2	SALES TO CUSTOMERS			\$		(182,861,223)	\$ 1,963,187,085
3	SALES FROM RESALE-FIRM/SPECIAL CONTRACT					(7,993)	316,389
4	SALES TO OTHER UTILITIES					(170,981,384)	30,144,358
5	OTHER OPERATING REVENUES					25,845,279	73,686,618
6	TOTAL OPERATING REVENUES					(328,005,321)	2,067,334,450
7	OPERATING REVENUE DEDUCTIONS:						
8							
9							
10	POWER COSTS:						
11	FUEL						
12	PURCHASED AND INTERCHANGED				(3,572)	(30,426,197)	204,576,689
13	WHEELING					(85,727,776)	446,618,683
14	RESIDENTIAL EXCHANGE					(5,239,435)	108,560,758
15	TOTAL PRODUCTION EXPENSES				(3,572)	69,268,220	-
16						(52,125,189)	759,756,130
17	OTHER POWER SUPPLY EXPENSES					9,914,172	135,811,609
18	TRANSMISSION EXPENSE				(8,563)	82,200	20,352,250
19	DISTRIBUTION EXPENSE					97,052	83,453,081
20	CUSTOMER ACCTS EXPENSES					2,029,564	50,229,730
21	CUSTOMER SERVICE EXPENSES					(17,230,512)	2,598,615
22	CONSERVATION AMORTIZATION					(97,540,765)	26,210
23	ADMIN & GENERAL EXPENSE					2,064,988	116,664,746
24	DEPRECIATION	(3,317)				(3,796,102)	318,264,217
25	AMORTIZATION					(299,560)	50,006,947
26	AMORTIZ OF PROPERTY GAIN/LOSS					(262,087)	38,469,943
27	OTHER OPERATING EXPENSES					19,486,736	9,489,542
28	ASC 815					64,111,668	-
29	TAXES OTHER THAN INCOME TAXES					(144,230,240)	86,370,017
30	INCOME TAXES	1,161				48,493,274	48,494,074
31	DEFERRED INCOME TAXES					(140,252,061)	41,744,854
32	TOTAL OPERATING REV. DEDUCT.	(2,156)				(232,404,833)	1,761,931,967
33							
34	NET OPERATING INCOME	\$ 2,156	\$ -	\$ (3,288,310)	\$ 3,129,292	\$ (95,600,488)	\$ 305,402,483
35							
36	RATE BASE	\$ 18,140,954	\$ 19,004,590	\$ (4,108,724)	\$ 5,739,615	\$ (55,456,691)	\$ 5,097,747,770
37							
38	RATE OF RETURN						5.99%
39							
40	RATE BASE:						
41	GROSS UTILITY PLANT IN SERVICE						9,709,883,806
42	ACCUM DEPR AND AMORT	(46,657)	24,765,516	45,432		(107,887,484)	(3,808,860,830)
43	DEFERRED DEBITS AND CREDITS	21,111,913	(1,572,187)	(6,391,010)	(95,819,884)	46,486,223	284,339,800
44	DEFERRED TAXES	(2,924,302)	(4,188,739)	2,236,854	101,559,499	(5,141,543)	(1,234,896,614)
45	ALLOWANCE FOR WORKING CAPITAL					11,779,935	227,005,242
46	OTHER					29,035,853	(79,723,633)
47	TOTAL RATE BASE	\$ 18,140,954	\$ 19,004,590	\$ (4,108,724)	\$ 5,739,615	\$ (55,456,691)	\$ 5,097,747,770

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