

**EXH. KJB-14
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**

**FOURTH 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
POWER COSTS
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016
GENERAL RATE CASE

LINE NO.	DESCRIPTION	ACTUAL	PROFORMA	INCREASE (DECREASE)
1	PRODUCTION EXPENSES:			
2	501-STEAM FUEL	\$ 85,246,015	\$ <i>77,830,127</i>	\$ <i>(7,415,888)</i>
3	547-FUEL	149,756,872	<i>126,746,563</i>	<i>(23,010,309)</i>
4	555-PURCHASED POWER	523,037,996	<i>432,206,965</i>	<i>(90,831,030)</i>
5	557-OTHER POWER EXPENSE	9,308,464	9,504,882	196,419
6	565-WHEELING	113,800,193	<i>108,560,758</i>	<i>(5,239,435)</i>
7	447-SALES FOR RESALE	(201,125,742)	<i>(30,144,358)</i>	<i>170,981,384</i>
8	456-PURCHASES/SALES OF NON-CORE GAS	18,023,678	<i>(16,861,340)</i>	<i>(34,885,018)</i>
9				-
10	PRODUCTION O&M	125,897,437	135,482,346	9,584,909
11	TRANS. EXP. INCL. 500KV O&M	662,135	645,352	(16,783)
12	456-1 VARIABLE TRANSM. INCOME - COLSTRIP, 3RD AC & NI	(8,228,549)	(9,692,026)	(1,463,477)
13	EQUITY RETURN ON CENTRALIA TRANSITION COAL PPA		4,769,481	4,769,481
14	INCREASE (DECREASE) EXPENSE	816,378,499	<i>839,048,750</i>	<i>22,670,252</i>
15				
16	INCREASE (DECREASE) OPERATING INCOME	(816,378,499)	<i>(839,048,750)</i>	<i>(22,670,252)</i>
17				
18	STATE UTILITY TAX SAVINGS FOR LINE 12	3.873%		(56,686)
19	INCREASE (DECREASE) INCOME			<i>(22,726,938)</i>
20	INCREASE (DECREASE) FIT @	35%		<i>(7,954,428)</i>
21	INCREASE (DECREASE) NOI			<i>\$ (14,772,510)</i>

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

Puget Sound Energy
Determination of Net Power Costs in Adjustment KJB 14.01

Test Year: 12MOE Sept 2016
Rate Year: Jan - Dec 2018

FERC	F/V	a	b	c	d	e	f	g	h	i	j	Factor		Complement	
												Net Before	Prod Factor	Fixed PF	Production Factored
10	501	V	Steam Fuel	12MOE SAP 9/30/2016	ETIF reported in FERC	Remove Benefits	Remove Payroll Tax	Net Test Year	12MOE 12/31/2018	Reclass Ben & Tax	Net Before	Prod Factor	Fixed PF 2.535%	Production Factored	
11	547	V	GFG Fuel	\$ 85,246,015	\$ -	\$ -	\$ -	\$ 85,246,015	\$ 80,937,647	\$ -	\$ 80,937,647	\$ 77,830,127	\$ 131,807,167	\$ 126,746,563	
12	555	V	Purchased Power	149,756,872	147,337,571	(1,364,051)	(368,616)	149,756,872	449,463,674	(1,732,667)	449,463,674	432,206,965	449,463,674	432,206,965	
13	557	F	Other Power Expense	375,700,425				523,037,996	11,163,254			9,191,550			
14	557	V	Brokerage Fees	10,715,288				8,982,621	325,842			313,332			
15	565	V	Wheeling	325,842				325,842	112,895,258			108,560,758			
16	447	V	Sales for Resale	113,800,193	(147,337,571)			113,800,193	(31,347,930)			(30,144,358)			
17	456	V	Purchases/(Sales) of Non-Core Gas	(53,788,171)				(201,125,742)	(17,534,562)			(16,861,340)			
18	456	V	Purchases/(Sales) of Non-Core Gas	18,023,678				18,023,678							
19			Net power costs from TY Margin or RY DEM Exh	699,780,142	-	(1,364,051)	(368,616)	698,047,475	737,710,350	(1,732,667)	735,977,683	707,843,597			
20	various	F	Production O&M	133,910,147		(6,304,989)	(1,707,721)	125,897,437	147,018,434	(8,012,710)	139,005,724	135,482,346			
21	various	F	500KV Trans Exp/O&M	662,135				662,135	662,135		662,135	645,352			
22	456-17	F	OATT Transmission Revenue	(8,228,549)				(8,228,549)	(9,944,078)		(9,944,078)	(9,692,026)			
23	n/a	V	Equity Return on Centralia Coal Transition PPA					-	4,959,912		4,959,912	4,769,481			
24	Total Power Cost Adjustment			\$ 826,123,875	\$ -	\$(7,669,040)	\$(2,076,336)	\$ 816,378,499	\$ 880,406,753	\$(9,745,377)	\$ 870,661,376	\$ 839,048,750			

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

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

LINE NO.	DESCRIPTION	PROFORMA	AMOUNT
1	Rate Year KWh	<i>4,224,063,646</i>	
2	TRANSMISSION LINE LOSS % FOR WECC	5.0%	
3	WETT Tax Rate	0.000150	
4	WETT Tax	<u>\$ 601,929</u>	
5			
6	EEELT Tax Rate	0.000200	
7	EEELT Tax	<u>\$ 844,813</u>	
8			
9	RESTATED ENERGY TAX (LINE 1 X LINE 2)		<u>\$ 1,446,742</u>
10	CHARGED TO EXPENSE		1,540,793
11	INCREASE (DECREASE) INCOME		<u>94,051</u>
12			
13	INCREASE (DECREASE) FIT @	35%	<u>32,918</u>
14	INCREASE (DECREASE) NOI		<u><u>\$ 61,133</u></u>

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

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

LINE

NO.	DESCRIPTION	ACTUAL	PROFORMA	ADJUSTMENT
1				
2	<u>RATEBASE (AMA) UTILITY PLANT RATEBASE</u>			
3	PLANT BALANCE	\$ 4,539,303	\$ -	\$ (4,539,303)
4	ACCUM DEPRECIATION	(1,578,037)		1,578,037
5	A/D PORTION INCLUDED IN DEPRECIATION STUDY ADJ	(11,979)		11,979
6	DEFERRED INCOME TAX LIABILITY	(984,139)		984,139
7	ADFIT PORTION INCLUDED IN DEPRECIATION STUDY ADJ	4,193		(4,193)
8	NET WILD HORSE SOLAR PLANT RATEBASE	<u>\$ 1,969,341</u>	<u>\$ -</u>	<u>\$ (1,969,341)</u>
9				
10	<u>OPERATING EXPENSE</u>			
11	DEPRECIATION EXPENSE	\$ 188,181	\$ -	\$ (188,181)
12	PORTION INCLUDED IN DEPRECIATION STUDY ADJ	23,957		(23,957)
13	INCREASE (DECREASE) EXPENSE	212,138	-	(212,138)
14				
15	INCREASE (DECREASE) FIT @		35%	74,248
16	INCREASE (DECREASE) NOI			<u>\$ 137,890</u>

PUGET SOUND ENERGY-ELECTRIC
ACCOUNTING STANDARDS CODIFICATION 815 (FORMERLY SFAS 133)
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016
GENERAL RATE CASE

LINE NO.		ACTUAL	RESTATED	ADJUSTMENT
1	ASC 815 OPERATING EXPENSE	\$ (64,111,668)	\$ -	\$ 64,111,668
2				
3	INCREASE (DECREASE) IN EXPENSE	(64,111,668)	-	64,111,668
4				
5	INCREASE(DECREASE) OPERATING INCOME			(64,111,668)
6				
7	INCREASE (DECREASE) DEFERRED F	35%		(22,439,084)
8				
9	INCREASE (DECREASE) NOI			<u>\$ (41,672,584)</u>

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

LINE NO.	DESCRIPTION	TRANSMISSION DISTRIBUTION		AMOUNT
1	NORMAL STORMS			
2	ACTUAL O&M:			
3	TWELVE MONTHS ENDED 09/30/11	\$ 146,578	\$ 9,324,413	\$ 9,470,991
4	TWELVE MONTHS ENDED 09/30/12	330,554	11,614,288	11,944,841
5	TWELVE MONTHS ENDED 09/30/13	115,489	5,128,915	5,244,404
6	TWELVE MONTHS ENDED 09/30/14	427,808	12,676,576	13,104,384
7	TWELVE MONTHS ENDED 09/30/15	718,706	12,394,592	13,113,298
8	TWELVE MONTHS ENDED 09/30/16	506,069	10,553,488	11,059,557
9	TOTAL NORMAL STORMS	<u>2,245,204</u>	<u>61,692,271</u>	<u>63,937,475</u>
10				
11	SIX-YEAR AVERAGE STORM EXPENSE FOR RATE YEAR	374,201	10,282,045	10,656,246
12				
13	CHARGED TO EXPENSE 12 MONTHS ENDED 9/30/2016			
14	STORM DAMAGE EXPENSE (LINE 8)	<u>506,069</u>	<u>10,553,488</u>	<u>11,059,557</u>
15				
16	INCREASE (DECREASE) OPERATING EXPENSE	(131,868)	(271,443)	(403,311)
17				
18				
19	CATASTROPHIC STORMS			
20	DEFERRED BALANCES FOR UE-090704 4 YEAR AMORTIZATION			
21	AT START OF RATE YEAR (01/01/2018):			
22	2010 STORM DAMAGE	(12,560,038)		
23	2010 STORM DAMAGE PENDING APPROVAL	50,186		
24	2014 STORM DAMAGE-PENDING APPROVAL	18,185,673		
25	2015 STORM DAMAGE-PENDING APPROVAL	24,157,767		
26a	2016 STORM DAMAGE-PENDING APPROVAL	<i>10,432,667</i>		
26b	<i>2017 STORM DAMAGE-PENDING APPROVAL</i>	<i>8,153,023</i>		
27	TOTAL (LINE 21 THROUGH LINE 26)	<u><i>48,419,277</i></u>		
28				
29	ANNUAL AMORTIZATION (LINE 27 ÷ 48) x 12		<i>12,104,819</i>	
30				
31				
32	DEFERRED BALANCES FOR 10 YEAR AMORTIZATION AT			
33	START OF RATE YEAR (01/01/18):			
34	12/13/06 WIND STORM	6,632,821		
35	ORIGINAL PERIOD WAS 10 YEARS, NOV 2008 - OCT 2018			
36	ANNUAL AMORTIZATION (LINE 34 ÷ 10 (01/2018 - 10/2018) x 10)		6,632,821	
37				
38	DEFERRED BALANCES FOR 6 YEAR AMORTIZATION AT			
39	01/18/12 SNOW STORM - PENDING APPROVAL	60,295,490		
40	ANNUAL AMORTIZATION (LINE 39 ÷ 72 (6 YEARS) X 12)		<u>10,049,248</u>	
41				
42	TOTAL RATE YEAR AMORTIZATION (LINE 29 + LINE 36 + LINE 40)		<i>28,786,889</i>	
43				
44	LESS TOTAL RATE YEAR AMORTIZATION		<u>15,477,396</u>	
45				
46	INCREASE (DECREASE) OPERATING EXPENSE			<i>13,309,493</i>
47				
48	TOTAL INCREASE (DECREASE) OPERATING EXPENSE (LINE 16 + LINE 46)			<i>12,906,181</i>
49				
50	INCREASE (DECREASE) FIT @ 35% (LINE 489 X 35%)		35%	<u><i>(4,517,163)</i></u>
51				
52	INCREASE (DECREASE) NOI			<u><i>\$ (8,389,018)</i></u>

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

PUGET SOUND ENERGY-ELECTRIC
REGULATORY ASSETS AND LIABILITIES
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016
GENERAL RATE CASE

LINE NO.	DESCRIPTION	TEST YEAR	RATE YEAR	ADJUSTMENT
1	<u>AMA OF REGULATORY ASSET/LIABILITY NET OF ACCUM AMORT AND DFTT</u>			
2	BEP	\$ 2,930,265	\$ -	\$ (2,930,265)
3	WESTCOAST PIPELINE CAPACITY - UE-082013 (FB ENERGY)	(658,519)	(88,510)	570,008
4	WESTCOAST PIPELINE CAPACITY - UE-100503 (BNP PARIBUS)	(902,764)	(121,339)	781,425
5	MINT FARM DEFFRED - UE-090704 (FERC 407.3)	16,769,498	12,550,110	(4,219,388)
6	CHELAN PUD	96,067,433	82,196,761	(13,870,672)
7	CHELAN - ROCK ISLAND SECURITY DEPOSIT	18,500,000	18,500,000	-
8	COLSTRIP 1&2 (WEC _o) PREPAYMENT	1,875,000	750,000	(1,125,000)
9	FERC PART 12 STUDY NON-CONSTRUCTION COSTS UE-070074 (FERC 407)	180,951	-	(180,951)
10	LOWER SNAKE RIVER PP TRANSM PRINCIPAL \$99.8M	68,955,038	60,863,794	(8,091,244)
11	CARRYING CHARGES ON LSR PP TRANSM \$99.8M (FERC 407.3)	9,472,053	8,466,701	(1,005,352)
12	LOWER SNAKE RIVER PLANT DEFERRAL \$18.3M (FERC 407.3)	497,612	0	(497,612)
13	BAKER LICENSE UPGRADE DEFERRAL (2013 PCORC) (FERC 407.3)	1,130,666	151,972	(978,694)
14	SNOQUALMIE LICENSE UPGRADE DEFERRAL (2013 PCORC) (FERC 407.3)	4,439,920	596,764	(3,843,156)
15	FERNDALE DEFERRAL (2013 PCORC) (FERC 407.3)	10,528,817	3,917,700	(6,611,117)
16	BAKER TREASURY GRANT DEFERRAL (2014 PCORC) (FERC 407.4)	(806,046)	(108,339)	697,707
17	SNOQUALMIE TREASURY GRANT DEFERRAL (2014 PCORC) (FERC 407.4)	(2,784,432)	(374,252)	2,410,180
18	ELECTRON UNRECOVERED COST (2014 PCORC) (FERC 407.3)	6,319,201	1,128,004	(5,191,197)
19				
20				
21	TOTAL REGULATORY ASSETS AND LIABILITIES RATEBASE	<u>\$ 232,514,692</u>	<u>\$ 188,429,365</u>	<u>\$ (44,085,326)</u>
22				
23				
24	<u>AMORTIZATION OF REGULATORY ASSET/LIABILITY</u>			
25	BEP		----- (NOTE 1) -----	
26	WESTCOAST PIPELINE CAPACITY - UE-082013 (FB ENERGY)		----- (NOTE 1) -----	
27	WESTCOAST PIPELINE CAPACITY - UE-100503 (BNP PARIBUS)		----- (NOTE 1) -----	
28	MINT FARM DEFFRED - UE-090704 (FERC 407.3)	\$ 2,885,052	\$ 2,885,052	\$ -
29	CHELAN PUD		----- (NOTE 1) -----	
30	COLSTRIP 1&2 (WEC _o) PREPAYMENT		----- (NOTE 1) -----	
31	FERC PART 12 STUDY NON-CONSTRUCTION COSTS UE-070074 (FERC 407)	241,268	-	(241,268)
32	LOWER SNAKE RIVER PP TRANSM PRINCIPAL \$99.8M		----- (NOTE 1) -----	
33	CARRYING CHARGES ON LSR PP TRANSM \$99.8M (FERC 407.3)	687,420	687,420	-
34	LOWER SNAKE RIVER PLANT DEFERRAL \$18.3M (FERC 407.3)	2,624,777	-	(2,624,777)
35	BAKER LICENSE UPGRADE DEFERRAL (2013 PCORC) (FERC 407.3)	673,352	561,126	(112,225)
36	SNOQUALMIE LICENSE UPGRADE DEFERRAL (2013 PCORC) (FERC 407.3)	2,644,123	2,203,436	(440,687)
37	FERNDALE DEFERRAL (2013 PCORC) (FERC 407.3)	4,520,423	4,520,423	-
38	BAKER TREASURY GRANT DEFERRAL (2014 PCORC) (FERC 407.4)	(480,026)	(400,022)	80,004
39	SNOQUALMIE TREASURY GRANT DEFERRAL (2014 PCORC) (FERC 407.4)	(1,658,222)	(1,381,852)	276,370
40	ELECTRON UNRECOVERED COST (2014 PCORC) (FERC 407.3)	<u>3,394,820</u>	<u>3,786,308</u>	<u>391,487</u>
41	TOTAL AMORTIZATION OF REG ASSETS/LIABS	<u>\$ 15,532,987</u>	<u>\$ 19,415,532</u>	<u>\$ (2,671,095)</u>
42				
43				
44				
45	INCREASE (DECREASE) EXPENSE			(2,671,095)
46				
47	INCREASE (DECREASE) FIT		35%	<u>934,883</u>
48				
49	INCREASE (DECREASE) NOI			<u>\$ 1,736,212</u>
50				
51				
52	(NOTE 1) THE ADJUSTMENTS FOR AMORTIZATION OF POWER COST RELATED REGULATORY ASSETS AND			
53	LIABILITIES ARE PERFORMED IN THE POWER COST ADJUSTMENT (ADJUSTMENT NO. 9.01)			
54	AND THEREFORE ARE NOT ADJUSTED HERE.			

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

LINE NO.	DESCRIPTION	TEST YEAR	ADJUSTED TEST YEAR	ADJUSTMENT
1	RATEBASE (AMA) UTILITY PLANT RATEBASE			
2	PLANT BALANCE	\$ 2,532,527	\$ 7,815,670	\$ 5,283,143
3	ACCUM DEPRECIATION	(23,967)	(746,090)	(722,123)
4	ACCUM DEPR-PORION NEW DEPR STUDY	1,602	-	(1,602)
5	DEFERRED INCOME TAX LIABILITY	(205,321)	(1,922,512)	(1,717,191)
6	DEF IN TAX LIAB-PORION NEW DEPR STUDY	(561)	-	561
7	GLACIER BATTERY STORAGE RATEBASE	<u>\$ 2,304,280</u>	<u>\$ 5,147,067</u>	<u>\$ 2,842,787</u>
8				
9	OPERATING EXPENSE			
10	DEPRECIATION EXPENSE	\$ 123,837	\$ 340,034	\$ 216,197
11	DEPR EXP-PORION FOR NEW DEPR STU	(7,634)	-	7,634
12	TOTAL OPERATING EXPENSES	<u>116,203</u>	<u>340,034</u>	<u>223,831</u>
13				
14	INCREASE (DECREASE) EXPENSE			223,831
15				
16	INCREASE (DECREASE) FIT @		35%	(78,341)
17	INCREASE (DECREASE) NOI			<u>\$ (145,490)</u>

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

LINE NO.	DESCRIPTION	TEST YEAR	PROFORMA	ADJUSTMENT
1	<u>EIM RATEBASE (AMA)</u>			
2	<u>UTILITY PLANT RATEBASE</u>			
3	PLANT BALANCE	\$ -	\$ 16,120,232	\$ 16,120,232
4	ACCUM DEPRECIATION	-	(9,403,469)	(9,403,469)
5	DEFERRED FIT	-	(1,584,894)	(1,584,894)
6	TOTAL RATEBASE	<u>\$ -</u>	<u>\$ 5,131,869</u>	<u>\$ 5,131,869</u>
7				
8	<u>EIM OPERATING EXPENSE</u>			
9	DEPRECIATION EXPENSE	<u>\$ -</u>	<u>\$ 5,373,411</u>	<u>\$ 5,373,411</u>
10	INCREASE (DECREASE) EXPENSE	-	5,373,411	5,373,411
11				
12				
13				
14	INCREASE (DECREASE) EXPENSE	-	5,373,411	5,373,411
15				
16	INCREASE (DECREASE) FIT @	35%		(1,880,694)
17	INCREASE (DECREASE) NOI			<u>\$ (3,492,717)</u>

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

LINE NO.	DESCRIPTION	TEST YEAR	NEW RATE YEAR	NEW ADJUSTMENT
1	<u>UTILITY PLANT RATEBASE - <i>RETIRED ASSET</i></u>			
2	PLANT BALANCE	\$ 21,985,164	\$ -	\$ (21,985,164)
3	ACCUM DEPRECIATION	(4,782,185)	17,053,554	21,835,739
4	A/D PORTION INCLUDED IN DEPRECIATION STUDY	(770,445)	-	770,445
5	ACCUM DEFERRED FIT	(1,771,037)	-	1,771,037
6	DFIT PORTION INCLUDED IN DEPRECIATION STUDY	269,656	-	(269,656)
7	TOTAL RATEBASE	<u>\$ 14,931,153</u>	<u>\$ 17,053,554</u>	<u>\$ 2,122,401</u>
8				
9	<u>UTILITY PLANT RATEBASE - <i>NEW ADDITION</i></u>			
10	PLANT BALANCE	\$ 3,134,073	\$ 25,072,580	\$ 21,938,508
11	ACCUM DEPRECIATION	(3,365)	(1,607,189)	(1,603,824)
12	A/D PORTION INCLUDED IN DEPRECIATION STUDY	(109,553)	-	109,553
13	ACCUM DEFERRED FIT	(150,564)	(4,537,904)	(4,387,340)
14	DFIT PORTION INCLUDED IN DEPRECIATION STUDY	38,344	-	(38,344)
15	TOTAL RATEBASE	<u>\$ 2,908,934</u>	<u>\$ 18,927,487</u>	<u>\$ 16,018,553</u>
16				
17	<u>GOLDENDALE CAPACITY UPGRADE OPERATING EXPENSE</u>			
18	RETIRED ASSET DERPRECIATION EXPENSE	\$ 340,770	\$ -	\$ (340,770)
19	DEP EXP PORTION INCLUDED IN DEPRECIATION STUDY	1,540,889	-	(1,540,889)
20	NEW ASSET DEPRECIATION EXPENSE	48,456	2,145,904	2,097,448
21	DEP EXP PORTION INCLUDED IN DEPRECIATION STUDY	219,106	-	(219,106)
22	TOTAL DEPRECIATION	<u>2,149,221</u>	<u>2,145,904</u>	<u>(3,317)</u>
23				
24				
25				
26	INCREASE (DECREASE) FIT @	35%		<u>1,161</u>
27	INCREASE (DECREASE) NOI			<u>\$ 2,156</u>

PUGET SOUND ENERGY-ELECTRIC
MINT FARM CAPACITY UPGRADE
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016
GENERAL RATE CASE

LINE NO. DESCRIPTION	TEST YEAR	NEW RATE YEAR	NEW ADJUSTMENT
1 <u>MINT FARM CAPACITY UPGRADE RATEBASE (AMA)</u>			
2 <u>UTILITY PLANT RATEBASE</u>			
3 PLANT BALANCE	\$ -	\$ 24,765,516	\$ 24,765,516
4 ACCUM DEPRECIATION	-	(1,572,187)	(1,572,187)
5 DEFERRED FIT	-	(4,188,739)	(4,188,739)
6 TOTAL RATEBASE	<u>\$ -</u>	<u>\$ 19,004,590</u>	<u>\$ 19,004,590</u>

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

LINE NO. DESCRIPTION	TEST YEAR	NEW RATE YEAR	NEW ADJUSTMENT
1 <u>WHITE RIVER AMA</u>			
2 WHITE RIVER PLANT REGULATORY ASSET	\$ 59,841,513	\$ <i>59,343,052</i>	\$ <i>(498,462)</i>
3 WHITE RIVER PLANT IN SERVICE FERC 101	-	18,825	18,825
4 WHITE RIVER FUTURE USE PLANT FERC 105	-	26,607	26,607
5 TOTAL WHITE RIVER	59,841,513	<i>59,388,484</i>	<i>(453,030)</i>
6 ACCUMULATED AMORTIZATION	(37,066,402)	<i>(42,958,950)</i>	<i>(5,892,548)</i>
7 DEFERRED INCOME TAX LIABILITY	(7,971,289)	<i>(5,734,435)</i>	<i>2,236,854</i>
8 TOTAL WHITE RIVER NET	<u>\$ 14,803,823</u>	<u>\$ <i>10,695,098</i></u>	<u>\$ <i>(4,108,724)</i></u>
9			
10 <u>WHITE RIVER AMORTIZATION</u>			
11 WHITE RIVER AMORTIZATION	\$ 1,494,702	\$ <i>6,553,641</i>	\$ <i>5,058,939</i>
12 TOTAL WHITE RIVER EXPENSES	1,494,702	<i>6,553,641</i>	<i>5,058,939</i>
13			
14 INCREASE (DECREASE) EXPENSE			<i>5,058,939</i>
15			
16 INCREASE (DECREASE) FIT		35%	<i>(1,770,629)</i>
17 INCREASE (DECREASE) NOI			<u>\$ <i>(3,288,310)</i></u>

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

PUGET SOUND ENERGY-ELECTRIC
TRANSFER OF HYDRO TREASURY GRANTS IN RATEBASE
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016
GENERAL RATE CASE

LINE NO.	DESCRIPTION	TEST YEAR	NEW RATE YEAR	NEW ADJUSTMENT
1	<u>HYDRO TREASURY GRANTS RATEBASE</u>			
2	NET HYDRO TREASURY GRANTS BALANCE IN DEFFERED DEBITS & CREDITS	\$(101,559,499)	\$ -	\$ 101,559,499
3	COLSTRIP 1/2 RETIREMENT ACCOUNT	-	(95,819,884)	(95,819,884)
4	TOTAL TREASURY GRANTS RATEBASE	<u>\$(101,559,499)</u>	<u>\$ (95,819,884)</u>	<u>\$ 5,739,615</u>
5				
6				
7	<u>HYDRO TREASURY GRANTS OPERATING EXPENSE</u>			
8	AMORTIZATION EXPENSE	\$ (3,279,780)	\$ -	\$ 3,279,780
9	TOTAL TREASURY GRANTS EXPENSE	<u>(3,279,780)</u>	-	<u>3,279,780</u>
10				
11	INCREASE (DECREASE) FIT @	35%		<u>(1,147,923)</u>
12	INCREASE (DECREASE) NOI			<u>\$ (2,131,857)</u>

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

LINE NO.	DESCRIPTION	PROFORMA AND RESTATED	PRODUCTION FACTOR	FIT 35%
1	APPLIED TO ALL BUT LINE 19	FIXED	2.535%	
2	APPLIED ONLY TO LINE 19	VARIABLE	<u>3.839%</u>	
3	OPERATING EXPENSE:			
4	<u>O&M / A&G PRODUCTION RELATED</u>			
5	WAGES & INCENTIVE - OTHER PWR 557	\$ 140,926	\$ (3,572)	\$ 1,250
6	WAGES & INCENTIVE - PROD O&M	337,826	(8,563)	2,997
7	BENEFITS - A&G 926	8,206,061	(207,999)	72,800
8	WORKER'S COMP - A&G 926	214,072	(5,426)	1,899
9	PROPERTY INSURANCE - A&G 926	2,763,777	(70,053)	24,519
10	TOTAL PRODUCTION O&M / A&G	<u>11,662,663</u>	<u>(295,614)</u>	<u>103,465</u>
11				
12	<u>DEPRECIATION / AMORTIZATION:</u>			
13	DEPRECIATION	149,765,347	(3,796,102)	1,447,773
14	AMORTIZATION OF TREASURY GRANTS (407.4)	-	-	-
15	AMORTIZATION (OTHER THAN REGULATORY ASSETS/LIAB)	11,818,342	(299,560)	101,653
16	TOTAL DEPRECIATION / AMORTIZATION	<u>161,583,689</u>	<u>(4,095,662)</u>	<u>1,549,426</u>
17				
18	<u>OTHER TAXES:</u>			
19	MONTANA ENERGY TAX	1,446,742	(55,546)	19,441
20	PAYROLL TAXES	2,119,540	(53,724)	18,803
21	TOTAL OTHER TAXES	<u>3,566,282</u>	<u>(109,270)</u>	<u>38,244</u>
22				
23	<u>AMORTIZATION ON REGULATORY ASSETS (EXCLUDES POWER REG AMORT)</u>			
24	WHITE RIVER REGULATORY ASSET	6,553,641	(166,115)	58,140
25	TREASURY GRANTS DEFERRAL - SNOQUALMIE	(1,381,852)	35,026	(12,259)
26	TREASURY GRANTS DEFERRAL - BAKER	(400,022)	10,139	(3,549)
27	ELECTRON UNRECOVERED COSTS	3,786,308	(95,972)	33,590
28	MINT FARM DEFERRAL - UE-090704	2,885,052	(73,127)	25,595
29	LSR PLANT DEFERRAL - UE-111048	-	-	-
30	FERNDALE PLANT DEFERRAL - UE-130617	4,520,423	(114,579)	40,103
31	BAKER UPGRADE PLANT DEFERRAL UE-130617	561,126	(14,223)	4,978
32	SNOQUALMIE UPGRADE PLANT DEFERRAL UE-130617	2,203,436	(55,850)	19,548
33	FERC PART 12 STUDY NON-CONSTRUCTION COSTS UE-070074	-	-	-
34	CARRYING CHARGES ON LSR PREPAID TRANSM	687,420	(17,424)	6,098
35	TOTAL REGULATORY ASSET ADJUSTMENT TO DECOUPLING RATE	<u>19,415,532</u>	<u>(492,125)</u>	<u>172,244</u>
36				
37	INCREASE (DECREASE) EXPENSE		(4,992,671)	1,863,379
38	INCREASE(DECREASE) NOI			<u>\$ 3,129,292</u>
39				
40				

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

LINE NO.	DESCRIPTION	PROFORMA AND RESTATED	PRODUCTION FACTOR	FIT 35%
41	RATEBASE:			
42	<u>PRODUCTION RATE BASE:</u>			
43	DEPRECIABLE PRODUCTION PROPERTY (INCLUDES HYDRO GRAN	\$ 3,894,737,851	\$ (98,719,920)	\$ 3,796,017,931
44	PRODUCTION PROPERTY ACCUM DEPR.	(1,711,022,636)	43,369,291	(1,667,653,345)
45	NON-DEPRECIABLE PRODUCTION PROPERTY	80,139,253	(2,031,290)	78,107,963
46	PRODUCTION PROPERTY ACCUM AMORT.	(9,933,315)	251,780	(9,681,535)
47	COLSTRIP COMMON FERC ADJUSTMENT	2,908,282	(73,716)	2,834,566
48	COLSTRIP DEFERRED DEPRECIATION FERC ADJ.	858,922	(21,771)	837,151
49	ACQUISITION ADJUSTMENT	281,543,145	(7,136,274)	274,406,871
50	ACCUMULATED AMORTIZATION ON ACQUISITION ADJ	(113,037,112)	2,865,152	(110,171,960)
51	NET PRODUCTION PROPERTY	<u>2,426,194,391</u>	<u>(61,496,748)</u>	<u>2,364,697,643</u>
52				
53				
54	<u>DEDUCT:</u>			
55	LIBR. DEPREC. POST 1980 (AMA)	(513,042,624)	13,004,091	(500,038,533)
56	NOL DEFERRED TAX ASSET ATTRIBUTABLE TO PRODUCTION	48,295,905	(1,224,156)	47,071,749
57	TREASURY GRANTS FOR SNOQUALMIE AND BAKER		0	-
58	ACCUM AMORT OF TREASURY GRANTS FOR SNOQUALMIE AND BAKER		0	-
59	ADJUSTMENT TO RATE BASE	<u>(464,746,719)</u>	<u>11,779,935</u>	<u>(452,966,784)</u>
60				
61	TOTAL ADJUSTMENT TO PRODUCTION RATE BASE	1,961,447,672	(49,716,813)	1,911,730,859
62				
63	<u>REGULATORY ASSETS RATE BASE (INCLUDES POWER COST REG ASSETS/LIAB):</u>			
64	TREASURY GRANTS DEFERRAL - SNOQUALMIE	(374,252)	9,486	(364,765)
65	TREASURY GRANTS DEFERRAL - BAKER	(108,339)	2,746	(105,593)
66	BEP	0	-	0
67	WHITE RIVER REGULATORY ASSET	<i>10,649,666</i>	<i>(269,937)</i>	<i>10,379,729</i>
68	WESTCOAST PIPELINE CAPACITY - UE-082013 (FB ENERGY)	(88,510)	2,243	(86,267)
69	WESTCOAST PIPELINE CAPACITY - UE-100503 (BNP PARIBUS)	(121,339)	3,076	(118,264)
70	CHELAN PUD CONTRACT INITIATION	82,196,761	(2,083,441)	80,113,319
71	CHELAN - ROCK ISLAND SECURITY DEPOSIT	18,500,000	(468,920)	18,031,081
72	COLSTRIP 1&2 (WEC _o) PREPAYMENT	750,000	(19,010)	730,990
73	FERC PART 12 STUDY NON-CONSTRUCTION COSTS UE-070074	0	-	0
74	LOWER SNAKE RIVER PREPAID TRANSM PRINCIPAL	60,863,794	(1,542,715)	59,321,079
75	CARRYING CHARGES ON LSR PREPAID TRANSM	8,466,701	(214,605)	8,252,096
76	MINT FARM DEFFRED - UE-090704 (ENDS MAR 2025)	12,550,110	(318,108)	12,232,003
77	LOWER SNAKE RIVER PLANT DEFERRAL (ENDS APR 2016)	0	(0)	0
78	FERNDAL PLANT DEFERRAL (ENDS OCT 2019)	3,917,700	(99,302)	3,818,398
79	SNOQUALMIE UPGRADE PLANT DEFERRAL (ENDS OCT 2018)	596,764	(15,126)	581,638
80	BAKER UPGRADE PLANT DEFERRAL (ENDS OCT 2018)	151,972	(3,852)	148,120
81	ELECTRON UNRECOVERED PLANT COSTS	1,128,004	(28,592)	1,099,412
82	TOTAL ADJUSTMENT TO REGULATORY ASSETS RATE BASE	<u><i>\$ 199,079,031</i></u>	<u><i>\$ (5,046,056)</i></u>	<u><i>\$ 194,032,975</i></u>
83				
84	TOTAL RATE BASE		<u><i>\$ (54,762,869)</i></u>	

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