

**EXH. KJB-16  
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**

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

**KATHERINE J. BARNARD**

**ON BEHALF OF PUGET SOUND ENERGY**

**APRIL 3, 2017**

		<b>Revenue Deficiency Calculation</b>		
<b>Puget Sound Energy</b>				
<b>REVENUE (SURPLUS) / DEFICIENCY</b>				
<b>2017 GRC Contingent Calculation Without Microsoft Compared to 2017 GRC Supplemental</b>				
		<b>From KJB-15</b>		
		17GRC Cont Calc	17GRC SUPP	
TY	12MOE Sept 2016	12MOE Sept 2016		(Surplus)/
RY	Jan - Dec 2018	Jan - Dec 2018		Deficiency
1	Subtotal & Baseline Rate - Variable Only	\$ 692,034,928	\$ 704,812,724	
2	Revenue Sensitive Items ("RSI")	0.9523860	0.9523860	
3	Subtotal & Baseline Rate Variable Only Grossed-up			
4	for Revenue Sensitive Items	726,632,824	740,049,438	
5	Test Year DELIVERED Load (MWH's)	20,282,959	20,723,206	
6				
7	Gross Baseline per MWH (Line 4 / Line 5)	\$ 35.825	\$ 35.711	\$ 0.114
8				
9	Test Year Delivered Load without Microsoft			20,282,959
10				
11	PROFORMA SCHEDULE 95 INCREASE:			\$ 2,312,257

**Exhibit A-1 Power Cost Baseline Rate (WITHOUT MICROSOFT)****2017 GRC**

Row		Test Year						
3	Regulatory Assets (1) (Fixed)	\$	194,032,975					
4	Transmission Rate Base (Fixed)		85,738,601					
5	Production Rate Base (Fixed)		1,911,730,859					
6		\$	2,191,502,435					
7	Net of tax rate of return		6.69%					
8				<b>Test Yr</b>		<b>Fixed</b>	<b>Variable</b>	
9				<b>\$/MWh</b>	<b>F/V</b>	<b>Prod Cost</b>	<b>Prod Cost</b>	
9A						<b>In Decoupling</b>	<b>In PCA</b>	
			<b>(I)</b>	<b>(II)</b>	<b>(III)</b>	<b>(IV)</b>	<b>(V)</b>	
10	Regulatory Asset Recovery (on Row 3)	\$	19,970,471	\$	0.985	F	\$ 19,970,471	\$ -
10a	Equity Adder Centralia Coal Transition PPA		<b>4,770,580</b>	\$	<b>0.235</b>	V		<b>4,770,580</b>
11	Fixed Asset Recovery Other (on Row 4)		8,824,481	\$	0.435	F	8,824,481	
12	Fixed Asset Recovery-Prod Factored (on Row 5)		196,761,222	\$	9.701	F	196,761,222	
13	501-Steam Fuel <b>Incl PC Reg Amort</b>		<b>77,848,059</b>	\$	<b>3.838</b>	V		<b>77,848,059</b>
14	555-Purchased power <b>Incl PC Reg Amort</b>		<b>420,311,008</b>	\$	<b>20.722</b>	V		<b>420,311,008</b>
15	557-Other Power Exp		9,328,904	\$	0.460	F	9,328,904	
15a	Payroll Overheads - Benefits (Inc. Worker's Comp)		7,998,062	\$	0.394	F	7,998,062	
15b	Property Insurance		2,693,724	\$	0.133	F	2,693,724	
15c	Montana Electric Energy Tax		<b>1,391,516</b>	\$	<b>0.069</b>	V		<b>1,391,516</b>
15d	Payroll Taxes on Production Wages		2,065,816	\$	0.102	F	2,065,816	
15e	Brokerage Fees 55700003		<b>313,404</b>	\$	<b>0.015</b>	V		<b>313,404</b>
16	547-Fuel <b>Incl PC Reg Amort</b>		<b>126,703,441</b>	\$	<b>6.247</b>	V		<b>126,703,441</b>
17	565-Wheeling <b>Incl PC Reg Amort</b>		<b>108,585,771</b>	\$	<b>5.354</b>	V		<b>108,585,771</b>
18	Transmission Revenue 456.1		(9,692,026)	\$	(0.478)	F	(9,692,026)	
19	Production O&M		135,811,609	\$	6.696	F	135,811,609	
20	447-Sales to Others		<b>(31,023,626)</b>	\$	<b>(1.530)</b>	V		<b>(31,023,626)</b>
21	456-Purch/Sales Non-Core Gas		<b>(16,865,225)</b>	\$	<b>(0.831)</b>	V		<b>(16,865,225)</b>
22	Transmission Exp - 500KV		645,352	\$	0.032	F	645,352	
23	Depreciation-Production (FERC 403)		157,488,027	\$	7.765	F	157,488,027	
24	Depreciation-Transmission		3,490,805	\$	0.172	F	3,490,805	
25	Amortization - Regulatory Assets & Liab - <b>Non PC Only</b> (		18,923,407	\$	0.933	F	18,923,407	
26	<b>N/A (formerly hedging line of credit)</b>							
27	Subtotal & Baseline Rate	\$	<b>1,246,344,783</b>	\$	<b>61.448</b>		\$ 554,309,854	\$ <b>692,034,928</b>
28	Revenue Sensitive Items		0.9523860	0.9523860			0.9523860	0.9523860
29	Grossed up for RSI	\$	<b>1,308,655,086</b>	\$	<b>64.520</b>		\$ 582,022,262	\$ <b>726,632,824</b>
30	Test Year DELIVERED Load (MWH's)		<b>20,282,959</b>	<-- includes Firm Wholesale				
31				Total		Fixed		Variable
32	Baseline Rate Summarized							
33	BLR Net of RSI			\$	<b>61.448</b>		\$ 27.329	\$ <b>34.119</b>
34	Grossed up for RSI			\$	<b>64.520</b>		\$ 28.695	\$ <b>35.825</b>
35								
36	(1) - Amortization is picked up in Regulatory Assets and Liabilities Adjustment and White River Adjustment.							

**Note: Amounts in bold and italics are different from the Supplemental filing.**