

**Exh. MCC-2  
Dockets UE-170033/UG-170034  
Witness: Melissa Cheesman**

**BEFORE THE WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION,**

**Complainant,**

**v.**

**PUGET SOUND ENERGY,**

**Respondent.**

**DOCKETS UE-170033 and  
UG-170034 (*Consolidated*)**

**EXHIBIT TO  
TESTIMONY OF**

**Melissa C. Cheesman**

**ON BEHALF OF STAFF OF  
WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION**

*Electric Results of Operations for the Twelve Months Ended September 30, 2016*

**June 30, 2017**

**OVERALL REVENUE SUFFICIENCY CALCULATION**

**PUGET SOUND ENERGY-ELECTRIC  
 STATEMENT OF OPERATING INCOME AND ADJUSTMENTS  
 FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016  
 GENERAL RATE INCREASE**

**STAFF POSITION**

LINE NO.	STAFF POSITION	ACTUAL RESULTS OF OPERATIONS	TOTAL ADJUSTMENTS	ADJUSTED RESULTS OF OPERATIONS	REVENUE REQUIREMENT DEFICIENCY	AFTER RATE INCREASE	Rate Incr	NEW (LESS) CURRENT OTHER SCHEDULE REVENUE	NEW FINAL OVERALL REVENUE REQUIREMENT SUFFICIENCY	Rate Decr
1	OPERATING REVENUES									
2	SALES TO CUSTOMERS	\$ 2,146,048,308	\$ (177,967,651)	\$ 1,968,080,657	\$ 39,362,721	\$ 2,007,443,379	2.00%	\$ 86,230,222	\$ (46,867,501)	-2.38%
3	SALES FROM RESALE-FIRMS/SPECIAL CONTRACT	324,382	(6,914)	317,468	405,143	722,611		(22,000)	427,143	
4	SALES TO OTHER UTILITIES	201,125,742	(179,079,518)	22,046,223		22,046,223				
5	OTHER OPERATING REVENUES	47,841,339	26,133,665	73,975,004		73,975,004				
6	TOTAL OPERATING REVENUES	2,395,339,771	(330,923,418)	2,064,416,353	39,767,864	2,104,184,217	1.9%	86,208,222	(46,440,359)	-2.2%
7	OPERATING REVENUE DEDUCTIONS:									
8										
9										
10	POWER COSTS:									
11	FUEL	235,002,887	(29,985,378)	205,017,509		205,017,509				
12	PURCHASED AND INTERCHANGED	532,346,459	(116,132,681)	416,213,779		416,213,779				
13	WHEELING	113,800,193	(5,005,510)	108,794,683		108,794,683				
14	RESIDENTIAL EXCHANGE	(69,268,220)								
15	TOTAL PRODUCTION EXPENSES	811,881,319	(81,853,348)	730,027,971		730,027,971				
16	OTHER POWER SUPPLY EXPENSES	125,897,437	13,446,113	139,343,550		139,343,550				
17	TRANSMISSION EXPENSE	20,270,050	383,869	20,653,920		20,653,920				
18	DISTRIBUTION EXPENSE	83,356,029	7,924,970	91,280,999		91,280,999				
19	CUSTOMER ACCTS EXPENSES	47,600,166	1,007,241	48,607,407	284,619	48,892,026		541,994	(257,375)	
20	CUSTOMER SERVICE EXPENSES	19,829,127	(17,230,512)	2,598,615		2,598,615				
21	CONSERVATION AMORTIZATION	97,566,975	(97,540,765)	26,210		26,210				
22	ADMIN & GENERAL EXPENSE	114,599,759	1,464,930	116,064,688	79,536	116,144,224		151,458	(71,923)	
23	DEPRECIATION	268,356,985	28,717,684	297,074,669		297,074,669				
24	AMORTIZATION	45,684,975	8,732,219	54,417,194		54,417,194				
25	AMORTIZ OF PROPERTY GAIN/LOSS	20,604,866	(6,969,693)	13,635,174		13,635,174				
26	OTHER OPERATING EXPENSES	(9,997,194)	15,864,838	5,867,644		5,867,644				
27	ASC 815	(64,111,668)								
28	TAXES OTHER THAN INCOME TAXES	290,800,257	(43,978,520)	86,821,737		86,821,737		2,912,319	(1,382,960)	
29	INCOME TAXES	800	71,855,601	71,856,401	13,256,021	85,112,422		25,243,200	(11,987,179)	
30	DEFERRED INCOME TAXES	181,996,915	(140,252,061)	41,744,854		41,744,854				
31	TOTAL OPERATING REV. DEDUCT.	1,994,336,799	(274,317,746)	1,720,019,053	15,149,528	1,735,168,581		28,848,971	(13,699,445)	
32										
33										
34	NET OPERATING INCOME	\$ 401,002,972	\$ (56,602,672)	\$ 344,400,300	\$ 24,618,336	\$ 369,018,636		\$ 57,359,251	\$ (32,740,915)	
35	RATE BASE	5,153,204,462	(146,167,346)	5,007,037,116		5,007,037,116				
36	RATE OF RETURN	7.78%	6.88%							
37										
38										
39										
40	RATE BASE:									
41	GROSS UTILITY PLANT IN SERVICE	9,760,401,507	8,001,228	9,768,402,735		9,768,402,735				
42	ACCUM DEPR AND AMORT	(3,743,804,806)	(121,443,465)	(3,865,248,272)		(3,865,248,272)				
43	DEFERRED DEBITS AND CREDITS	253,238,620	6,832,308	260,090,929		260,090,929				
44	DEFERRED TAXES	(1,263,932,468)	30,615,650	(1,233,316,818)		(1,233,316,818)				
45	ALLOWANCE FOR WORKING CAPITAL	227,005,242	(70,173,067)	156,832,175		156,832,175				
46	OTHER	(79,723,633)		(79,723,633)		(79,723,633)				
47	TOTAL RATE BASE	\$ 5,153,204,462	\$ (146,167,346)	\$ 5,007,037,116		\$ 5,007,037,116				
48	Rate of Return									
49	Conversion Factor									
50	Revenue Requirement	\$ (34,265,033)	\$ 74,032,896	\$ 39,767,864	\$ (39,767,864)	\$ (0)				

PUGET SOUND ENERGY-ELECTRIC  
STATEMENT OF OPERATING INCOME AND ADJUSTMENTS  
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016

LINE NO.	STAFF POSITION	CONTESTED				CONTESTED			
		ACTUAL RESULTS OF OPERATIONS	REVENUES & EXPENSES	TEMPERATURE NORMALIZATION	PASS-THROUGH REVS. & EXPS.	FEDERAL INCOME TAX	PROFORMA INTEREST	TAX BENEFIT OF	
		13.01	13.02	13.03	13.04	13.05			
1	OPERATING REVENUES								
2	SALES TO CUSTOMERS	\$ 2,146,048,308	\$ (18,656,298)	\$ 33,201,707	\$ (192,533,061)	\$ -	\$ -		
3	SALES FROM RESALE-FIRM/SPECIAL CONTRACT	324,382	147	6,197	(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)	33,207,905	(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									
17	OTHER POWER SUPPLY EXPENSES	125,897,437							
18	TRANSMISSION EXPENSE	20,270,050							
19	DISTRIBUTION EXPENSE	83,356,029							
20	CUSTOMER ACCTS EXPENSES	47,600,166	(206,560)	237,669	(1,378,054)				
21	CUSTOMER SERVICE EXPENSES	19,829,127			(17,275,568)				
22	CONSERVATION AMORTIZATION	97,566,975			(97,540,765)				
23	ADMIN & GENERAL EXPENSE	114,599,759	(57,723)	66,416	(426,522)				
24	DEPRECIATION	268,356,985							
25	AMORTIZATION	45,684,975							
26	AMORTIZ OF PROPERTY GAIN/LOSS	20,604,866							
27	OTHER OPERATING EXPENSES	(9,997,194)	17,342,294		365,335				
28	ASC 815	(64,111,668)							
29	TAXES OTHER THAN INCOME TAXES	230,800,257	(1,109,920)	1,277,076	(144,297,723)				
30	INCOME TAXES	800	(15,690,992)	11,069,360	(538,752)	144,836,216	(51,697,658)		
31	DEFERRED INCOME TAXES	181,996,915			(117,812,977)				
32	TOTAL OPERATING REV. DEDUCT.	1,994,336,799	277,800	12,650,321	(191,823,831)	27,023,239	(51,697,658)		
33									
34	NET OPERATING INCOME	\$ 401,002,972	\$ (29,139,114)	\$ 20,557,384	\$ (1,000,540)	\$ (27,023,239)	\$ 51,697,658		
35	RATE BASE	\$ 5,153,204,462	\$ -	\$ -	\$ -	\$ -	\$ -		
36									
37	RATE OF RETURN	7.78%							
38									
39	RATE BASE:								
40	GROSS UTILITY PLANT IN SERVICE	\$ 9,760,401,507	\$ -	\$ -	\$ -	\$ -	\$ -		
41	ACCUM DEPR AND AMORT	(3,743,804,806)							
42	DEFERRED DEBITS AND CREDITS	253,258,620							
43	DEFERRED TAXES	(1,263,932,468)							
44	ALLOWANCE FOR WORKING CAPITAL	227,005,242							
45	OTHER	(79,723,633)							
46									
47	TOTAL RATE BASE	\$ 5,153,204,462	\$ -	\$ -	\$ -	\$ -	\$ -		
48	Rate of Return	7.37%							
49	Conversion Factor	61.91%							
50	Revenue Requirement	\$ (34,265,033)	\$ 47,070,619	\$ (33,207,900)	\$ 1,616,249	\$ 43,652,686	\$ (83,511,146)		

PUCET SOUND ENERGY-ELECTRIC  
STATEMENT OF OPERATING INCOME AND ADJUSTMENTS  
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016

LINE NO.	STAFF POSITION	CONTESTED		CONTESTED NEW		CONTESTED					
		DEPRECIATION	REG. ASSET	NORMALIZE	BAD DEBITS	INCENTIVE	D&O	INTEREST ON	RATE CASE	DEFERRED G/L ON	
		STUDY	COLSTRIP	INJ & DMGS	DEBITS	PAY	INSURANCE	CUST DEPOSITS	EXPENSES	PROPERTY SALES	
		13.06	13.06A	13.07	13.08	13.09	13.10	13.11	13.12	13.13	
1	OPERATING REVENUES										
2	SALES TO CUSTOMERS										
3	SALES FROM RESELLER-FIRM/SPECIAL CONTRACT										
4	SALES TO OTHER UTILITIES										
5	OTHER OPERATING REVENUES										
6	TOTAL OPERATING REVENUES										
7	OPERATING REVENUE DEDUCTIONS:										
8											
9											
10	POWER COSTS:										
11	FUEL					10,380					
12	PURCHASED AND INTERCHANGED										
13	WHEELING										
14	RESIDENTIAL EXCHANGE										
15	TOTAL PRODUCTION EXPENSES					10,380					
16											
17	OTHER POWER SUPPLY EXPENSES					25,959					
18	TRANSMISSION EXPENSE					17,172					
19	DISTRIBUTION EXPENSE					28,487					
20	CUSTOMER ACCTS EXPENSES							176,606			
21	CUSTOMER SERVICE EXPENSES					10,494					
22	CONSERVATION AMORTIZATION					3,373					
23	ADMIN & GENERAL EXPENSE										
24	DEPRECIATION	29,013,322		(106,750)		63,227	(24,832)			0	
25	AMORTIZATION	(776,154)	7,090,550								
26	AMORTIZ OF PROPERTY GAIN/LOSS										
27	OTHER OPERATING EXPENSES										
28	ASC 815										
29	TAXES OTHER THAN INCOME TAXES										
30	INCOME TAXES	(9,883,009)	(2,481,685)	37,363	366,727	9,991				92,184	
31	DEFERRED INCOME TAXES					(99,179)				(263,384)	
32	TOTAL OPERATING REV. DEDUCT.	18,354,159	4,608,844	(69,387)	(681,065)	109,903	(16,141)	176,606		(171,200)	
33											
34	NET OPERATING INCOME	(18,354,159)	(4,608,844)	69,387	681,065	(109,903)	16,141	(176,606)		171,200	
35	RATE BASE	(9,177,080)	(127,629,534)								
36											
37	RATE OF RETURN										
38											
39	RATE-BASE:										
40	GROSS UTILITY PLANT IN SERVICE										
41	ACCUM DEPR AND AMORT										
42	DEFERRED DEBITS AND CREDITS										
43	DEFERRED TAXES										
44	ALLOWANCE FOR WORKING CAPITAL										
45	OTHER										
46											
47	TOTAL RATE BASE	(9,177,080)	(127,629,534)								
48	Rate of Return										
49	Conversion Factor										
50	Revenue Requirement	28,556,304	(7,749,688)	(112,087)	(1,100,176)	177,535	(26,074)	285,284		(276,552)	

PUGET SOUND ENERGY-ELECTRIC  
STATEMENT OF OPERATING INCOME AND ADJUSTMENTS  
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016

STAFF POSITION

CONTESTED CONTESTED

LINE NO.	PROPERTY & LIABILITY INS	PENSION PLAN	WAGE INCREASE	INVESTMENT PLAN	EMPLOYEE INSURANCE	ENVIRONMENTAL REMEDIATION	PAYMENT PROCESSING COSTS	SOUTH KING SERVICE CENTER	EXCISE TAX AND FILING FEE
	13.14	13.15	13.16	13.17	13.18	13.19	13.20	13.21	13.22
1									
2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3									
4									
5									
6									
7									
8									
9									
10									
11									
12			130,547						
13									
14									
15			130,547						
16									
17									
18			311,867						
19			213,679						
20			340,008				3,092,648		
21			122,230						
22			41,683						
23	(101,765)	1,822,993	795,245	148,776	187,309			(363,750)	(51,913)
24								(304,014)	
25									
26									
27						850,441			
28									
29			133,533						36,125
30	35,618	(638,048)	(731,078)	(52,071)	(65,538)	(297,654)	(1,082,427)	233,717	5,526
31									
32	(66,147)	1,184,945	1,357,716	96,705	121,751	552,787	2,010,221	(434,046)	(10,262)
33									
34	\$ 66,147	\$ (1,184,945)	\$ (1,357,716)	\$ (96,705)	\$ (121,751)	\$ (552,787)	\$ (2,010,221)	\$ 434,046	\$ 10,262
35									
36	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (552,787)	\$ -	\$ 15,915,060	\$ -
37									
38									
39									
40									
41								15,741,421	
42								(101,365)	
43									
44									
45						(552,787)		275,003	
46									
47	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (552,787)	\$ -	\$ 15,915,060	\$ -
48									
49									
50	\$ (106,852)	\$ 1,914,132	\$ 2,193,221	\$ 156,214	\$ 196,674	\$ 827,147	\$ 3,247,263	\$ 1,193,591	\$ (16,577)





PUGET SOUND ENERGY-ELECTRIC  
REVENUES AND EXPENSES  
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016  
2017 GENERAL RATE CASE

LINE NO.	DESCRIPTION	ADJUSTMENT
1		
2		
3	SALES TO CUSTOMERS:	
4	REMOVE SCHEDULE 132 - MERGER RATE CREDIT	\$ 6,318,303
5	REMOVE SCHEDULE 95A - FEDERAL INCENTIVE TRACKER	54,955,984
6	REMOVE SCHEDULE 95 - POWER COST ONLY RATE CASE	29,011,926
7	REMOVE SCHEDULE 141 - EXPEDITED RATE FILING	(29,745,544)
8	REMOVE SCHEDULE 142 - DECOUPLING AND K-FACTOR REVENUE	(82,720,472)
9	SALES FOR RESALE FIRM	147
10	RECLASSIFY TRANSPORTATION REVENUE FROM OTHER OP. REVENUES	7,446,505
11	OTHER	(3,903,000)
12	TOTAL ADJUSTMENTS TO SALES TO CUSTOMERS	<u>(18,636,151)</u>
13		
14		
15		
16	ADJUSTMENTS TO OTHER OPERATING REVENUE:	
17	RECLASSIFY TRANSPORTATION REVENUE TO SALES TO CUSTOMERS	(7,446,505)
18	REMOVE OVERTHEARNINGS ACCRUALS	11,994,134
19	REMOVE CURRENT PERIOD DECOUPLING DEFERRALS	(32,491,235)
20	REMOVE AMORTIZATION DECOUPLING DEFERRALS	17,718,443
21	ADJUSTMENTS SALES TO CUSTOMERS	<u>(10,225,163)</u>
22	TOTAL INCREASE (DECREASE) REVENUES	\$ (28,861,314)
23	OPERATING EXPENSES:	
24	REMOVE EXPENSE RECOGNIZED FOR FUTURE PTC LIABILITY	(22,899,640)
25	REMOVE SCHEDULE 95A TREASURY GRANTS AMORTIZATION	
26	OF INTEREST AND GRANTS	<u>40,241,934</u>
27	TOTAL INCREASE (DECREASE) EXPENSES	<u>17,342,294</u>
28		
29	UNCOLLECTIBLES @	0.00716 (206,560)
30	ANNUAL FILING FEE @	0.00200 (57,723)
31	STATE UTILITY TAX @	0.03846 (1,109,920)
32	TOTAL INCREASE (DECREASE) RSI	<u>(1,374,203)</u>
33		
31	INCREASE (DECREASE) INCOME	<u>(44,829,405)</u>
32		
33		
34	INCREASE (DECREASE) FIT @	35% <u>(15,690,292)</u>
35	INCREASE (DECREASE) NOI	<u>\$ (29,139,114)</u>



CONTESTED

PUGET SOUND ENERGY-ELECTRIC  
TEMPERATURE NORMALIZATION  
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016  
2017 GENERAL RATE CASE

LINE NO.	DESCRIPTION	ACTUAL	TEMP ADJ	MWH
<u>TEMPERATURE NORMALIZATION ADJUSTMENT:</u>				
1				
2		<u>GPI MWh</u>	<u>GPI MWh</u>	<u>CHANGE</u>
3	Oct-15	1,709,553,137	1,773,384,764	63,831,627
4	Nov-15	2,071,074,561	2,023,200,986	(47,873,575)
5	Dec-15	2,293,718,205	2,338,333,255	44,615,050
6	Jan-16	2,264,400,226	2,308,995,644	44,595,418
7	Feb-16	1,926,704,963	2,022,391,041	95,686,078
8	Mar-16	1,958,545,780	2,012,348,657	53,802,877
9	Apr-16	1,641,032,699	1,722,339,991	81,307,292
10	May-16	1,626,432,632	1,650,865,088	24,432,456
11	Jun-16	1,597,200,862	1,581,091,454	(16,109,408)
12	Jul-16	1,647,778,275	1,645,122,247	(2,656,028)
13	Aug-16	1,712,297,533	1,683,439,146	(28,858,387)
14	Sep-16	1,559,199,266	1,572,781,670	13,582,404
15		22,007,938,139	22,334,293,941	326,355,802
16				
17	REVENUE ADJUSTMENT SCHEDULE 7			30,342,027
18	SCHEDULE 8 and 24			2,348,581
19	SCHEDULE 11 and 25			259,845
20	SCHEDULE 12 and 26			(30,378)
21	SCHEDULE 29			-
22	SCHEDULE 10 and 31			36,096
23	SCHEDULE 43			243,111
24	SCHEDULE 40 - MED SEC VOLTAGE			7,649
25	SCHEDULE 40 - LARGE DEC VOLTAGE			8,423
26	SCHEDULE 40 - PRIMARY VOLTAGE			(13,647)
27	FIRM RESALE			6,197
28				
29	INCREASE (DECREASE) SALES TO CUSTOMERS			33,207,905
30				33,207,905
31	UNCOLLECTIBLES @		0.007157	237,669
32	ANNUAL FILING FEE @		0.002000	66,416
33	INCREASE (DECREASE) EXPENSES			304,085
34				
35	STATE UTILITY TAX @		0.038457	1,277,076
36	INCREASE (DECREASE) TAXES OTHER			1,277,076
37				
38	INCREASE (DECREASE) INCOME			31,626,744
39				
40	INCREASE (DECREASE) FIT @		35%	11,069,360
41	INCREASE (DECREASE) NOI			<u>\$ 20,557,384</u>

PUGET SOUND ENERGY-ELECTRIC  
PASS-THROUGH REVENUES AND EXPENSES  
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016  
2017 GENERAL RATE CASE

LINE NO.	DESCRIPTION	ADJUSTMENT
1	<u>REMOVE REVENUE ASSOCIATED WITH RIDERS:</u>	
2	REMOVE CONSERVATION RIDER - SCHEDULE 120	\$ 102,287,067
3	REMOVE PROPERTY TAX TRACKER - SCHEDULE 140	58,785,501
4	REMOVE MUNICIPAL TAXES - SCHEDULE 81	84,690,570
5	REMOVE MUNICIPAL TAXES - SCHEDULE 81 - SALES FOR RESALE	13,258
6	REMOVE LOW INCOME RIDER - SCHEDULE 129	17,088,659
7	REMOVE RESIDENTIAL EXCHANGE - SCH 194	(72,579,363)
8	REMOVE REC PROCEEDS - SCH 137	(2,081,681)
9	REMOVE EXPENSES ASSOCIATED WITH SCH 137 REC PROCEEDS	1,841,462
10		
11		
12	GREEN POWER - SCH 135/136	4,599,594
13	GREEN POWER - SCH 135/136 ELIMINATE OVER EXPENSED	(1,563,409)
14	REMOVE JPUD GAIN ON SALE SCH 133	(257,285)
15	TOTAL (INCREASE) DECREASE IN REVENUES	<u>192,824,371</u>
16		
17	<u>DECREASE REVENUE SENSITIVE ITEMS FOR DECREASE IN REVENUES:</u>	
18	BAD DEBTS	0.71570% (1,378,054)
19	ANNUAL FILING FEE	0.20000% (385,093)
20	STATE UTILITY TAX	3.84570% (7,404,754)
21	TOTAL	<u>(9,167,900)</u>
22		
23	<u>REMOVE EXPENSES ASSOCIATED WITH RIDERS</u>	
24	REMOVE CONSERVATION AMORTIZATON - SCHEDULE 120	(97,540,765)
25	REMOVE PROPERTY TAX AMORTIZATION EXP - SCHEDULE 140	(55,961,766)
26	REMOVE MUNICIPAL TAXES - SCHEDULE 81	(80,920,052)
27	REMOVE LOW INCOME AMORTIZATION - SCHEDULE 129	(16,296,501)
28	REMOVE RESIDENTIAL EXCHANGE - SCH 194	69,268,220
29	REMOVE AMORT ON INTEREST ON REC PROCEEDS SCH 137	138,514
30	GREEN POWER - SCH 135/136 CHARGED TO 908/909	(979,068)
31	GREEN POWER - SCH 135/136 BENEFITS PORTION OF ADMIN	(41,430)
32	GREEN POWER - SCH 135/136 TAXES PORTION OF ADMIN	(11,151)
33	REMOVE JPUD AMORT EXPENSE SCH 133	226,821
34	TOTAL INCREASE (DECREASE) EXPENSE	<u>(182,117,178)</u>
35		
36	INCREASE (DECREASE) OPERATING INCOME BEFORE FIT	(1,539,293)
37	INCREASE (DECREASE) FIT	(538,752)
38	INCREASE (DECREASE) NOI	<u>\$ (1,000,540)</u>

PUGET SOUND ENERGY-ELECTRIC  
FEDERAL INCOME TAX  
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016  
2017 GENERAL RATE CASE

LINE NO.	DESCRIPTION	AMOUNT
1	TAXABLE INCOME (LOSS)	\$ 413,817,759
2		
3	FEDERAL INCOME TAX	35% 144,836,216
4	CURRENTLY PAYABLE	144,836,216
5		
6	DEFERRED FIT-DEBIT	64,183,938
7	DEFERRED FIT-OTHER	
8	DEFERRED FIT - INV TAX CREDIT, NET OF AMORT	
9	TOTAL RESTATED FIT	209,020,153
10		
11	FIT PER BOOKS:	
12	CURRENTLY PAYABLE	0
13	DEFERRED FIT - DEBT	581,832,301
14	DEFERRED FIT-CREDIT	(399,835,386)
15	DEFERRED FIT- INV TAX CREDIT, NET OF AMORT	
16	TOTAL CHARGED TO EXPENSE	181,996,915
17		
18	INCREASE(DECREASE) FIT	144,836,216
19	INCREASE(DECREASE) DEFERRED FIT	(117,812,977)
20	INCREASE(DECREASE) NOI	\$ (27,023,239)

CONTESTED

PUGET SOUND ENERGY-ELECTRIC  
TAX BENEFIT OF PRO FORMA INTEREST  
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016  
2017 GENERAL RATE CASE

LINE NO.	DESCRIPTION		REVISED AMOUNT
1	RATE BASE	\$	5,007,037,116
2			
3	NET RATE BASE		5,007,037,116
4			
5	WEIGHTED AVERAGE COST OF DEBT		2.95%
6	PROFORMA INTEREST		147,707,595
7			
8	INCREASE (DECREASE) INCOME		(147,707,595)
9			
10	INCREASE (DECREASE) FIT @	35%	(51,697,658)
11	INCREASE (DECREASE) NOI	\$	51,697,658

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

CONTESTED

PUGET SOUND ENERGY-ELECTRIC  
DEPRECIATION STUDY  
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016  
2017 GENERAL RATE CASE

LINE NO.	DESCRIPTION	TEST YEAR	RESTATED	ADJUSTMENT
1	403 ELEC. DEPRECIATION EXPENSE	\$ 249,419,038	\$ 281,804,530	\$ 32,385,492
2	403 ELEC. PORTION OF COMMON	15,207,048	13,232,379	(1,974,669)
3	403 DEPR. EXP. ON ASSETS NOT INCLUDED IN STUDY	55,938	55,938	-
4	404 DEPR. EXP. ON ASSETS NOT INCLUDED IN STUDY	29,770,695	29,770,695	-
5	SUBTOTAL DEPRECIATION EXPENSE 403	294,452,719	324,863,542	30,410,823
6				
7	403.1 DEPR. EXP- FAS 143 (RECOVERED IN RATES)	1,352,125	1,737,611	385,486
8	403.1 DEPR. EXP - FAS 143 (NOT RECOVERED IN RATES)	1,476,017	-	(1,476,017)
9	SUBTOTAL DEPRECIATION EXPENSE 403.1	2,828,141	1,737,611	(1,090,530)
10				
11	TOTAL DEPRECIATION EXPENSE	297,280,860	326,601,153	29,320,293
12				
13	AMORTIZATION EXPENSE			
14	411.10 ACCRETION EXP. - ASC 410 (RECOVERED IN RATES)	1,424,661	1,796,510	371,849
15	411.10 ACCRETION EXP. - ASC 410 (NOT RECOVERED IN RATES)	1,148,003	-	(1,148,003)
16	SUBTOTAL ACCRETION EXPENSE 411.10	2,572,664	1,796,510	(776,154)
17				
18	DEPRECIATION EXPENSE 403 ASSOCIATED WITH FLEET	846,819	539,849	(306,970)
19				
20				
21	INCREASE (DECREASE) EXPENSE			28,237,168
22	INCREASE (DECREASE) FIT			(9,883,009)
23	INCREASE (DECREASE) NOI			\$ (18,354,159)
24				
25				
26	ADJUSTMENT TO RATE BASE			
27	ADJUSTMENT TO ACCUM. DEPREC. AT 50% DEPREC. EXP. LINE 21	50%		\$ (14,118,584)
28	DFIT			4,941,504
29				
30	TOTAL ADJUSTMENT TO RATEBASE			\$ (9,177,080)

CONTESTED  
STAFF ADJUSTMENT  
PUGET SOUND ENERGY-ELECTRIC  
REGULATORY ASSET COLSTRIP  
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016  
2017 GENERAL RATE CASE

LINE NO.	DESCRIPTION	TEST YEAR	PRO FORMA	ADJUSTMENT
1	<u>COLSTRIP RATEBASE (AMA)</u>			
2	<u>UTILITY PLANT RATEBASE</u>			
3	PLANT BALANCE	\$ -	\$ -	\$ -
4	ACCUM DEPRECIATION	-	(127,629,534)	(127,629,534)
5	DEFERRED FIT	-	-	-
6	TOTAL RATEBASE	\$ -	\$ (127,629,534)	\$ (127,629,534)
7				
8	<u>OPERATING EXPENSE</u>			
9	AMORTIZATION EXPENSE (over 18 years)	\$ -	\$ 7,090,530	\$ 7,090,530
10	INCREASE (DECREASE) EXPENSE	-	7,090,530	7,090,530
11				
12				
13				
14	INCREASE (DECREASE) EXPENSE	-	7,090,530	7,090,530
15				
16	INCREASE (DECREASE) FIT @	35%		(2,481,685)
17	INCREASE (DECREASE) NOI			\$ (4,608,844)

PUGET SOUND ENERGY-ELECTRIC  
NORMALIZE INJURIES AND DAMAGES  
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016  
2017 GENERAL RATE CASE

LINE NO.	DESCRIPTION	TEST YEAR	RESTATED	ADJUSTMENT
1	INJURIES & DAMAGES ACCRUALS	\$ 162,500	\$ 76,667	\$ (85,833)
2	INJURIES & DAMAGES PAYMENTS IN EXCESS OF ACCRUALS	300,359	279,443	(20,917)
3	INCREASE/(DECREASE) IN EXPENSE	462,859	356,109	(106,750)
4				
5	INCREASE/(DECREASE) IN OPERATING EXPENSE (LINE 3)			(106,750)
6	INCREASE (DECREASE) FIT @		35%	37,363
7				
8	INCREASE (DECREASE) NOI			\$ 69,387

PUGET SOUND ENERGY-ELECTRIC  
BAD DEBTS  
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016  
2017 GENERAL RATE CASE

LINE NO.	YEAR	NET WRITEOFF'S	GROSS REVENUES	SALES FOR RESALE OTHER	OTHER OPERATING REVENUES	SALES FOR RESALE FIRM	NET REVENUES	REVISED WRITE-OFF'S TO REVENUE
1	12 MOS ENDED	September	May	May	May	May	May	
2	12 ME 9/30/2013 AND 5/31/2013	\$ 13,270,216	\$ 2,127,321,375	\$ 29,723,814	\$ 3,626,759	\$ 352,509	\$ 2,093,618,293	0.6338%
3	12 ME 9/30/2015 AND 5/31/2015	13,381,338	2,006,366,630	33,059,230	65,827,879	321,888	1,907,157,634	0.7016%
4	12 ME 9/30/2016 AND 5/31/2016	17,507,853	2,204,873,603	51,568,623	(4,047,083)	323,283	2,157,028,780	0.8117%
5	3-YR AVERAGE OF NET WRITE OFF RATE							0.7157%
6								
7	TEST PERIOD REVENUES		2,395,339,771	201,125,742	47,841,339	324,382	2,146,048,308	
8								
9								
10	PROFORMA BAD DEBT RATE						0.7157%	
11	PROFORMA BAD DEBTS						15,359,268	
12								
13	UNCOLLECTIBLES CHARGED TO EXPENSE IN TEST YEAR						16,407,060	
14	INCREASE (DECREASE) EXPENSE							(1,047,792)
15								
16	INCREASE (DECREASE) FIT						35%	366,727
17	INCREASE (DECREASE) NOI							\$ 681,065

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



PUGET SOUND ENERGY-ELECTRIC  
INCENTIVE PAY  
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016  
2017 GENERAL RATE CASE

LINE NO.	DESCRIPTION	REVISED		
		ACTUAL	PROFORMA RESTATED	ADJUSTMENT
1	INCENTIVE / MERIT PAY			
2	OTHER PWR - 557	\$ 330,277	\$ 340,657	\$ 10,380
3	OTHER POWER SUPPLY (PROD O&M)	1,539,503	1,565,461	25,959
4	TRANSMISSION	675,497	692,669	17,172
5	DISTRIBUTION	1,814,059	1,842,545	28,487
6	CUSTOMER ACCTS	831,692	842,186	10,494
7	CUSTOMER SERVICE	104,449	107,444	2,995
8	SALES	15,752	16,130	378
9	ADMIN. & GENERAL	2,049,530	2,112,756	63,227
10	TOTAL INCENTIVE/MERIT PAY	7,360,758	7,519,849	159,091
11				
12	PAYROLL TAXES ASSOC WITH MERIT PAY	462,246	472,236	9,991
13	INCREASE(DECREASE) EXPENSE	7,823,004	7,992,086	169,082
14				
15	INCREASE (DECREASE) OPERATING EXPENSE			169,082
16				
17	INCREASE (DECREASE) FIT @		35%	(59,179)
18	INCREASE (DECREASE) NOI			\$ (109,903)

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

PUGET SOUND ENERGY-ELECTRIC  
DIRECTORS & OFFICERS INSURANCE  
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016  
2017 GENERAL RATE CASE

LINE NO.	DESCRIPTION	TEST YEAR	RESTATED	ADJUSTMENT
1	D & O INS. CHG EXPENSE	\$ 117,054	\$ 92,222	\$ (24,832)
2				
3	INCREASE (DECREASE) IN EXPENSE			(24,832)
4				
5	INCREASE (DECREASE) FIT @		35%	8,691
6				
7	INCREASE (DECREASE) NOI			\$ 16,141

PUGET SOUND ENERGY-ELECTRIC  
INTEREST ON CUSTOMER DEPOSITS  
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016  
2017 GENERAL RATE CASE

*REVISED*

LINE NO.	DESCRIPTION	AMOUNT
1	INTEREST EXPENSE AT MOST CURRENT INTEREST RATE	<i>\$ 176,606</i>
2		
3	INCREASE (DECREASE) NOI	<i>\$ (176,606)</i>

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

CONTESTED

PUGET SOUND ENERGY-ELECTRIC  
RATE CASE EXPENSES  
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016  
2017 GENERAL RATE CASE

LINE NO.	DESCRIPTION	AMOUNT
1	EXPENSES TO BE NORMALIZED:	
2		
3	2009 AND 2011 GRC EXPENSES TO BE NORMALIZED	\$ -
4		
5	ANNUAL NORMALIZATION (LINE 3 + 2 YEARS)	-
6	LESS TEST YEAR EXPENSE	-
7	INCREASE (DECREASE) EXPENSE	-
8		
9	2014 AND 2013 PCORC EXPENSES TO BE NORMALIZED	-
10		
11	ANNUAL NORMALIZATION (LINE 9 + 4 YEARS)	-
12	LESS TEST YEAR EXPENSE	-
13	INCREASE (DECREASE) EXPENSE	-
14		
15		
16	TOTAL INCREASE (DECREASE) EXPENSE	-
17		
18	INCREASE(DECREASE) FIT @	35% -
19	INCREASE(DECREASE) NOI	\$ -

PUGET SOUND ENERGY-ELECTRIC  
DEFERRED GAINS/LOSSES ON PROPERTY SALES  
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016  
2017 GENERAL RATE CASE

LINE NO.	DESCRIPTION	AMOUNT
1	DEFERRED GAIN RECORDED FOR UE-111048, at 12/31/2017	\$ 1,736,007
2	DEFERRED LOSS RECORDED FOR UE-111048, at 12/31/2017	(353,279)
3	TOTAL DEFERRED NET LOSS FOR UE-111048, at 12/31/2017 TO AMORTIZE (LN 1 + LN 2)	1,382,729
4		
5	DEFERRED GAIN PENDING APPROVAL SINCE UE-111048	(4,002,174)
6	DEFERRED LOSS PENDING APPROVAL SINCE UE-111048	328,215
7	NET LOSS PENDING APPROVAL (LN 5 + LN 6)	(3,673,959)
8		
9	NET GAIN (LN 3 + LN 7)	(2,291,230)
10		
11	ANNUAL AMORTIZATION (LN 9 ÷ 36) x 12	(763,743.36)
12		
13	AMORTIZATION OF DEFERRED NET GAIN FOR TEST YEAR	(500,359)
14		
15	INCREASE (DECREASE) EXPENSE (LN 13 - LN 11)	(263,384)
16		
17	INCREASE (DECREASE) FIT @ 35%	92,184
18		
19	INCREASE (DECREASE) NOI	\$ 171,200

PUGET SOUND ENERGY-ELECTRIC  
PROPERTY & LIABILITY INSURANCE  
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016  
2017 GENERAL RATE CASE

LINE NO.	DESCRIPTION	ACTUAL	PROFORMA	ADJUSTMENT
1	PROPERTY INSURANCE EXPENSE	\$ 4,178,644	\$ 4,124,900	\$ (53,743)
2	LIABILITY INSURANCE EXPENSE	2,006,229	1,958,208	(48,022)
3	INCREASE(DECREASE) EXPENSE	6,184,873	6,083,108	(101,765)
4				
5	INCREASE (DECREASE) OPERATING EXPENSE			(101,765)
6				
7	INCREASE (DECREASE) FIT @	35%		35,618
8	INCREASE (DECREASE) NOI			\$ 66,147

PUGET SOUND ENERGY-ELECTRIC  
PENSION PLAN  
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016  
2017 GENERAL RATE CASE

LINE NO.	DESCRIPTION	ACTUAL	RESTATED	ADJUSTMENT
1	QUALIFIED RETIREMENT FUND	\$ 6,111,576	\$ 7,934,569	\$ 1,822,993
2				
3	INCREASE(DECREASE) EXPENSE	6,111,576	7,934,569	1,822,993
4				
5	INCREASE (DECREASE) FIT @	35%		(638,048)
6	INCREASE (DECREASE) NOI			\$ (1,184,945)

PUGET SOUND ENERGY-ELECTRIC  
WAGE INCREASE  
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016  
2017 GENERAL RATE CASE

REVISED

LINE NO.	DESCRIPTION	TEST YEAR	RATE YEAR	ADJUSTMENT
1	WAGES:			
2	PURCHASED POWER	\$ 4,380,760	\$ 4,511,306	\$ 130,547
3	OTHER POWER SUPPLY	20,419,279	20,731,146	311,867
4	TRANSMISSION	8,959,227	9,172,906	213,679
5	DISTRIBUTION	24,060,543	24,400,551	340,008
6	CUSTOMER ACCTS	11,030,664	11,152,894	122,230
7	CUSTOMER SERVICE	1,385,463	1,422,850	37,387
8	SALES	209,318	213,614	4,296
9	ADMIN. & GENERAL	27,183,671	27,978,916	795,245
10	TOTAL WAGE INCREASE	97,628,925	99,584,185	1,955,260
11				
12	PAYROLL TAXES	6,486,464	6,619,998	133,533
13	TOTAL WAGES & TAXES	104,115,389	106,204,183	2,088,793
14				
15	INCREASE (DECREASE) OPERATING EXPENSE			2,088,793
16	INCREASE (DECREASE) FIT @ 35%			(731,078)
17	INCREASE (DECREASE) NOI			\$ (1,357,716)

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



PUGET SOUND ENERGY-ELECTRIC  
INVESTMENT PLAN  
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016  
2017 GENERAL RATE CASE

REVISED

LINE NO.	DESCRIPTION		AMOUNT
1	<u>NON-UNION (INCLUDING EXECUTIVES)</u>		
2	INVESTMENT PLAN APPLICABLE TO MANAGEMENT		\$7,483,208
3	RATE YEAR NON-UNION WAGE INCREASE	2.98%	<u>223,000</u>
4	TOTAL COMPANY CONTRIBUTION FOR MANAGEMENT		7,706,208
5			
6	<u>IBEW</u>		
7	INVESTMENT PLAN APPLICABLE TO IBEW		2,733,666
8	RATE YEAR IBEW WAGE INCREASE	0.69%	<u>18,794</u>
9	TOTAL COMPANY CONTRIBUTION FOR IBEW		2,752,460
10			
11	<u>UA</u>		
12	INVESTMENT PLAN APPLICABLE TO UA		1,013,155
13	RATE YEAR UA WAGE INCREASE	3.00%	<u>30,395</u>
14	TOTAL COMPANY CONTRIBUTION FOR UA		1,043,550
15			
16	<u>TOTAL</u>		
17	TOTAL PROFORMA COSTS (LN 4 + LN 9 + LN 14 + LN 19)		<i>11,502,217</i>
18	PRO FORMA COSTS APPLICABLE TO OPERATIONS	54.66%	<i>6,287,011</i>
19	FOR TEST YEAR 9/30/16		<i>6,138,235</i>
20	INCREASE (DECREASE) EXPENSE		<u>\$ 148,776</u>
21			
22	INCREASE (DECREASE) FIT @	35%	<i>(52,071)</i>
23	INCREASE (DECREASE) NOI		<u>\$ (96,705)</u>

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

PUGET SOUND ENERGY-ELECTRIC  
EMPLOYEE INSURANCE  
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016  
2017 GENERAL RATE CASE

LINE NO.	DESCRIPTION	AMOUNT
1	<u>BENEFIT CONTRIBUTION:</u>	
2	NON-UNION EMPLOYEES	\$ 15,271,332
3	UNION EMPLOYEES	9,200,244
4	PRO FORMA INSURANCE COSTS	<u>24,471,575</u>
5		
6	APPLICABLE TO OPERATIONS @ 54.66%	13,375,948
7	CHARGED TO EXPENSE DURING TEST YEAR	<u>13,188,639</u>
8	INCREASE(DECREASE) EXPENSE	187,309
9		
10	INCREASE(DECREASE) FIT @ 35%	<u>(65,558)</u>
11		
12	INCREASE(DECREASE) NOI	<u>\$ (121,751)</u>

CONTESTED

PUGET SOUND ENERGY-ELECTRIC  
ENVIRONMENTAL REMEDIATION  
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016  
2017 GENERAL RATE CASE

LINE NO.	DESCRIPTION	AMOUNT
1	<u>ELECTRIC ENVIRONMENTAL REMEDIATION</u>	
2		
3	DEFERRED COSTS NET OF SITE SPECIFIC RECOVERIES AS OF SEPTEMBER 30, 2016	\$ 4,252,203
4	ANNUAL AMORTIZATION (LINE 3 + 5 YEARS)	850,441
5		
6	TOTAL RATE YEAR AMORTIZATION ENVIRONMENTAL (LINE 4 + LINE 9)	850,441
7		
8	INCREASE (DECREASE) FIT @ 35% (LINE 11 X 35%)	35% (297,654)
9		
10	INCREASE (DECREASE) NOI	\$ (552,787)

CONTESTED

PUGET SOUND ENERGY-ELECTRIC  
 PAYMENT PROCESSING COSTS  
 FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016  
 2017 GENERAL RATE CASE

LINE NO.	DESCRIPTION	TEST YEAR	RESTATED	ADJUSTMENT
1	<u>NEW SERVICE AGREEMENT</u>			
2	CUST REC & COLLECTION EXPENSE	\$ 1,047,962	\$ 835,892	\$ (212,070)
3	INCREASE (DECREASE) IN EXPENSE	1,047,962	835,892	(212,070)
4				
5				
6	<u>DOCKET UE-160203 &amp; UG-160204 CREDIT CARD FEES</u>			
7	EXPECTED RATE YEAR LEVEL OF FEES		2,476,041	2,476,041
8	AMORTIZATION OF DEFERRAL (over 3 years)	-	828,677	828,677
9	INCREASE (DECREASE) IN EXPENSE	-	3,304,718	3,304,718
10				
11	INCREASE (DECREASE) OPERATING EXPENSE (LINES 3 & 9)			3,092,648
12				
13	INCREASE (DECREASE) FIT @		35%	(1,082,427)
14				
15	INCREASE (DECREASE) NOI			<u>\$ (2,010,221)</u>

PUGET SOUND ENERGY-ELECTRIC  
SOUTH KING SERVICE CENTER  
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016  
2017 GENERAL RATE CASE

LINE NO.	DESCRIPTION	TEST YEAR	RESTATED	ADJUSTMENT
1	<u>SOUTH KING SERVICE CENTER RATEBASE (AMA)</u>			
2	<u>UTILITY PLANT RATEBASE</u>			
3	PLANT BALANCE-BUILDING PURCHASE	\$ 2,565,876	\$ 20,603,888	\$ 18,038,011
4	PLANT BALANCE-LEASE IMPROV	2,296,591	-	(2,296,591)
5	ACCUM DEPRECIATION-ON BUILDING PURCHASE	(41,075)	(1,199,152)	(1,158,077)
6	ACC DEP-NEW BLG-PORION INC IN DEP STUDY	31,060	-	(31,060)
7	ACCUM DEP-LEASE. IMPROVE.	(1,087,774)	-	1,087,774
8	DEFERRED FIT	13,549	283,809	270,261
9	DEF TAX LIAB-PORT INC IN DEPR STUDY	(4,742)		4,742
10	NET SOUTH KING RATEBASE	3,773,485	19,688,545	15,915,060
11				
12	<u>OPERATING EXPENSE</u>			
13	RENT CHARGED TO O&M	363,750	-	(363,750)
14	DEPRECIATION EXPENSE	52,294	101,998	49,704
15	DEPR EXP-PORION INC DEPR STUDY ADJ	(39,544)	-	39,544
16	DEPR-LEASEHOLD IMPROV.	393,262	-	(393,262)
17				
18	INCREASE (DECREASE ) EXPENSE	769,761	101,998	(667,764)
19				
20	INCREASE (DECREASE) FIT @		35%	233,717
21				
22	INCREASE (DECREASE) NOI			\$ 434,046
23				

PUGET SOUND ENERGY-ELECTRIC  
FILING FEE AND EXCISE TAX  
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016  
2017 GENERAL RATE CASE

LINE NO.	DESCRIPTION	TEST YEAR	RESTATED	ADJUSTMENT
1	EXCISE TAXES	\$ 84,291,892	\$ 84,328,017	\$ 36,125
2	WUTC FILING FEE	4,386,765	4,334,852	(51,913)
3	INCREASE(DECREASE) EXCISE AND WUTC FILING FEE	88,678,657	88,662,869	(15,788)
4				
5	INCREASE(DECREASE) OPERATING EXPENSE			(15,788)
6	INCREASE(DECREASE) FIT @	35%		5,526
7	INCREASE(DECREASE) NOI			\$ 10,262

CONTESTED

Adj. 13.24

<u>LINE</u> <u>NO.</u>	<u>DESCRIPTION</u>	<u>ADJUSTMENT</u>
1	<u>ELECTRIC LEGAL COSTS</u>	
2		
3	TOTAL RATE YEAR LEGAL COSTS	(485,780)
4		
5	INCREASE (DECREASE) FIT @	35% 170,023
6		
7	INCREASE (DECREASE) NOI	315,757
8		
9		

CONTESTED

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

LINE NO.	DESCRIPTION	ACTUAL	PROFORMA	REVISED INCREASE (DECREASE)
1	PRODUCTION EXPENSES:			
2	501-STEAM FUEL	\$ 85,246,015	\$ 77,997,834	\$ (7,248,181)
3	547-FUEL	149,756,872	127,019,675	(22,737,197)
4	555-PURCHASED POWER	523,037,996	404,481,746	(118,556,250)
5	557-OTHER POWER EXPENSE	9,308,464	6,811,348	(2,497,116)
6	565-WHEELING	113,800,193	108,794,683	(5,005,510)
7	447-SALES FOR RESALE	(201,125,742)	(22,046,223)	179,079,518
8	456-PURCHASES/SALES OF NON-CORE GAS	18,023,678	(16,897,673)	(34,921,351)
9				-
10	PRODUCTION O&M	125,897,437	139,005,724	13,108,287
11	TRANS. EXP. INCL. 500KV O&M	662,135	662,135	-
12	456-1 VARIABLE TRANSM. INCOME - COLSTRIP, 3RD AC & NI	(8,228,549)	(9,944,078)	(1,715,530)
13	EQUITY RETURN ON CENTRALIA TRANSITION COAL PPA		4,779,758	4,779,758
14	INCREASE (DECREASE) EXPENSE	816,378,499	820,664,929	4,286,430
15				
16	INCREASE (DECREASE) OPERATING INCOME	(816,378,499)	(820,664,929)	(4,286,430)
17				
18	STATE UTILITY TAX SAVINGS FOR LINE 12	3.873%		(66,449)
19	INCREASE (DECREASE) INCOME			(4,352,880)
20	INCREASE (DECREASE) FIT @	35%		(1,523,508)
21	INCREASE (DECREASE) NOI			\$ (2,829,372)
22				
23	<i>Note: Amounts in bold and italics are different from January 13, 2017 original filing.</i>			



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

REVISED

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	\$ <i>601,929</i>	
5			
6	EEELT Tax Rate	0.000200	
7	EEELT Tax	\$ <i>844,813</i>	
8			
9	RESTATED ENERGY TAX (LINE 1 X LINE 2)		\$ <i>1,446,742</i>
10	CHARGED TO EXPENSE		<u>1,540,793</u>
11	INCREASE (DECREASE) INCOME		<u>94,051</u>
12			
13	INCREASE (DECREASE) FIT @ 35%		<u>32,918</u>
14	INCREASE (DECREASE) NOI		<u>\$ <i>61,133</i></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 I	35%		(22,439,084)
8				
9	INCREASE (DECREASE) NOI			\$ (41,672,584)

CONTESTED

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

LINE NO.	DESCRIPTION	TRANSMISSION DISTRIBUTION		AMOUNT
1	<b>NORMAL STORMS</b>			
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	345,321	12,020,048	12,365,369
5	TWELVE MONTHS ENDED 09/30/13	168,307	6,580,199	6,748,506
6	TWELVE MONTHS ENDED 09/30/14 + balance from line 23 allocated to T & D	428,007	12,682,043	13,110,050
7	TWELVE MONTHS ENDED 09/30/15 + balance from line 24	1,550,964	35,262,842	36,813,806
8	TWELVE MONTHS ENDED 09/30/16 + balance from line 25	1,315,344	32,790,234	34,105,578
9	TOTAL NORMAL STORMS	3,954,520	108,659,779	112,614,300
10				
11	SIX-YEAR AVERAGE STORM EXPENSE FOR RATE YEAR (LINE 9 ÷ 6 YEARS)	659,087	18,109,963	18,769,050
12				
13	CHARGED TO EXPENSE 12 MONTH ENDED 09/30/16			
14	STORM DAMAGE EXPENSE (per PSE Supplemental Filing)	506,069	10,553,488	11,059,557
15				
16	INCREASE (DECREASE) OPERATING EXPENSE (LINE 11-LINE 14)	153,018	7,556,475	7,709,493
17				

CONTESTED

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

LINE NO.	DESCRIPTION	TRANSMISSION DISTRIBUTION	AMOUNT
18	<b>Big but not CATASTROPHIC STORMS</b>		
19			
20	Remove from deferred accounts. Add back to normal storms		
21	2012 Deferred Balance Oct. 2011 to Sep. 2012	(420,528)	
22	2013 Deferred Balance Oct. 2012 to Sep. 2013	(1,504,102)	
23	2014 Deferred Balance Oct. 2013 to Sep. 2014	(5,666)	
24	2015 Deferred Balance Oct. 2014 to Sep. 2015	(23,700,508)	
25	2016 Deferred Balance Oct. 2015 to Sep. 2016 - return to test year expense	(23,046,021)	
26	TOTAL (LINE 21 THROUGH LINE 25) - WORKING CAPITAL INCREASE (DECR)	(48,676,825)	
27	DEFERRED TAXES (Remove) -	17,036,889	
28			
29	PSE added Oct. 2016 Storm -- out of test period. No deferral, captured in a future averag	6,023,911	-
30	PSE added 2017 Storm -- out of test period. No deferral, captured in a future average	8,153,023	
31			
32	DEFERRED BALANCES FOR 10 YEAR AMORTIZATION AT		
33	START OF RATE YEAR (01/31/18):		
34	2010 STORM DAMAGE over amortization balance at Dec. 2017	(12,560,038)	
35	2010 STORM DAMAGE - APPROVE, recover from 2010 over amortization	50,186	
36	12/13/06 WIND STORM - recover EOY 2017 balance from 2010 over amortization*	\$ 6,632,821	-
37			
38	Remaining balance of 2010 over amortization. Apply to 1/18/12 storm	(5,877,031)	
39			
40			
41	<b>CATASTROPHIC STORMS</b>		
42	DEFERRED BALANCES FOR 6 YEAR AMORTIZATION AT		
43	01/18/12 SNOW STORM - Approve. Apply remaining 2010 over amortization	58,370,860	
44	Less remaining 2010 over amortization	(5,877,031)	
45	AMORTIZE balance over six years	52,493,829	8,748,972
46			
47	TOTAL RATE YEAR AMORTIZATION (LINE 27 + LINE 34 + LINE 38)		8,748,972
48	LESS TOTAL RATE YEAR AMORTIZATION per books		15,477,396
49			
50	INCREASE (DECREASE) OPERATING EXPENSE		(6,728,425)
51			
52	TOTAL INCREASE (DECREASE) OPERATING EXPENSE (LINE 16 + LINE 43)		981,068
53			
54	INCREASE (DECREASE) FIT @ 35% (LINE 45 X 35%)	35%	(343,374)
55			
56	INCREASE (DECREASE) NOI		\$ (637,694)

**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 DFIT</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 <sub>o</sub> ) 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			
26	WESTCOAST PIPELINE CAPACITY - UE-082013 (FB ENERGY)			
27	WESTCOAST PIPELINE CAPACITY - UE-100503 (BNP PARIBUS)			
28	MINT FARM DEFFRED - UE-090704 (FERC 407.3)	\$ 2,885,052	\$ 2,885,052	\$ -
29	CHELAN PUD			
30	COLSTRIP 1&2 (WEC <sub>o</sub> ) PREPAYMENT			
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			
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)	3,394,820	3,786,308	391,487
41	TOTAL AMORTIZATION OF REG ASSETS/LIABS	<u>\$ 15,532,987</u>	<u>\$ 14,356,593</u>	<u>\$ (2,671,095)</u>
42				
43				
44				
45	INCREASE (DECREASE) EXPENSE			(2,671,095)
46				
47	INCREASE (DECREASE) FIT		35%	934,883
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-PORTION 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-PORT 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-PORTION FOR NEW DEPR STUDY	(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>

CONTESTED

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	\$ -	\$ -	\$ -
4	ACCUM DEPRECIATION	-	-	-
5	DEFERRED FIT	-	-	-
6	TOTAL RATEBASE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
7				
8	<u>EIM OPERATING EXPENSE</u>			
9	DEPRECIATION EXPENSE	\$ -	\$ -	\$ -
10	INCREASE (DECREASE) EXPENSE	-	-	-
11				
12				
13				
14	INCREASE (DECREASE) EXPENSE	-	-	-
15				
16	INCREASE (DECREASE) FIT @	35%		-
17	INCREASE (DECREASE) NOI			<u>\$ -</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 DERPRECATON 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	2,149,221	2,145,904	(3,317)
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	\$ -	\$ 19,004,590	\$ 19,004,590

CONTESTED

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	REVISED NEW ADJUSTMENT
1	<b>WHITE RIVER AMA</b>			
2	WHITE RIVER PLANT REGULATORY ASSET	\$ 59,841,513	\$ 59,343,052	\$ (498,462)
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	59,388,484	(453,030)
6	ACCUMULATED AMORTIZATION	(37,066,402)	(40,429,481)	(3,363,079)
7	DEFERRED INCOME TAX LIABILITY	(7,971,289)	(6,619,749)	1,351,539
8	TOTAL WHITE RIVER NET	\$ 14,803,823	\$ 12,339,253	\$ (2,464,569)
9				
10	<b>WHITE RIVER AMORTIZATION</b>			
11	WHITE RIVER AMORTIZATION	\$ 1,494,702	\$ 1,494,702	\$ -
12	TOTAL WHITE RIVER EXPENSES	1,494,702	1,494,702	-
13				
14	INCREASE (DECREASE ) EXPENSE			-
15				
16	INCREASE (DECREASE) FIT		35%	-
17	INCREASE (DECREASE) NOI			\$ -

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

CONTESTED

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 DEFERRED DEBITS & CREDITS	\$ (101,559,499)	\$ (31,919,884)	\$ 69,639,615
3	TOTAL TREASURY GRANTS RATEBASE	\$ (101,559,499)	\$ (31,919,884)	\$ 69,639,615
4				
5				
6	<u>HYDRO TREASURY GRANTS OPERATING EXPENSE</u>			
7	AMORTIZATION EXPENSE	\$ (3,279,780)	\$ (861,937)	\$ 2,417,843
8	TOTAL TREASURY GRANTS EXPENSE	(3,279,780)	(861,937)	2,417,843
9				
10	INCREASE (DECREASE) FIT @	35%		(846,245)
11	INCREASE (DECREASE) NOI			\$ (1,571,598)
12				

CONTESTED

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	0.000%	
2	APPLIED ONLY TO LINE 19	VARIABLE	3.632%	
3	OPERATING EXPENSE:			
4	<u>O&amp;M / A&amp;G PRODUCTION RELATED</u>			
5	WAGES & INCENTIVE - OTHER PWR 557	\$ 140,926	\$ -	\$ -
6	WAGES & INCENTIVE - PROD O&M	337,826	-	-
7	BENEFITS - A&G 926	8,206,061	-	-
8	WORKER'S COMP - A&G 926	214,072	-	-
9	PROPERTY INSURANCE - A&G 926	2,763,777	-	-
10	TOTAL PRODUCTION O&M / A&G	11,662,663	-	-
11				
12	<u>DEPRECIATION / AMORTIZATION:</u>			
13	DEPRECIATION	149,765,347	-	-
14	AMORTIZATION OF TREASURY GRANTS (407.4)	(861,937)	-	-
15	AMORTIZATION (OTHER THAN REGULATORY ASSETS/LIAB)	11,818,342	-	-
16	TOTAL DEPRECIATION / AMORTIZATION	160,721,753	-	-
17				
18	<u>OTHER TAXES:</u>			
19	MONTANA ENERGY TAX	1,446,742	(52,548)	18,392
20	PAYROLL TAXES	2,119,540	-	-
21	TOTAL OTHER TAXES	3,566,282	(52,548)	18,392
22				
23	<u>AMORTIZATION ON REGULATORY ASSETS (EXCLUDES POWER REG AMORT)</u>			
24	WHITE RIVER REGULATORY ASSET	1,494,702	-	-
25	TREASURY GRANTS DEFERRAL - SNOQUALMIE	(1,381,852)	-	-
26	TREASURY GRANTS DEFERRAL - BAKER	(400,022)	-	-
27	ELECTRON UNRECOVERED COSTS	3,786,308	-	-
28	MINT FARM DEFERRAL - UE-090704	2,885,052	-	-
29	LSR PLANT DEFERRAL - UE-111048	-	-	-
30	FERNDALE PLANT DEFERRAL - UE-130617	4,520,423	-	-
31	BAKER UPGRADE PLANT DEFERRAL UE-130617	561,126	-	-
32	SNOQUALMIE UPGRADE PLANT DEFERRAL UE-130617	2,203,436	-	-
33	FERC PART 12 STUDY NON-CONSTRUCTION COSTS UE-070074	-	-	-
34	CARRYING CHARGES ON LSR PREPAID TRANSM	687,420	-	-
35	TOTAL REGULATORY ASSET ADJUSTMENT TO DECOUPLING RATE	14,356,593	-	-
36		check =>		
37	INCREASE (DECREASE) EXPENSE		(52,548)	18,392
38	INCREASE(DECREASE) NOI		\$	34,156

CONTESTED

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%
39				
40				
41	RATEBASE:			
42	<u>PRODUCTION RATE BASE:</u>			
43	DEPRECIABLE PRODUCTION PROPERTY (INCLUDES HYDRO GRAN	\$ 3,862,817,967	\$ -	\$ 3,862,817,967
44	PRODUCTION PROPERTY ACCUM DEPR.	(1,615,202,752)	0	(1,615,202,752)
45	NON-DEPRECIABLE PRODUCTION PROPERTY	80,139,253	0	80,139,253
46	PRODUCTION PROPERTY ACCUM AMORT.	(9,933,315)	0	(9,933,315)
47	COLSTRIP COMMON FERC ADJUSTMENT	2,908,282	0	2,908,282
48	COLSTRIP DEFERRED DEPRECIATION FERC ADJ.	858,922	0	858,922
49	ACQUISITION ADJUSTMENT	281,543,145	0	281,543,145
50	ACCUMULATED AMORTIZATION ON ACQUISITION ADJ	(113,037,112)	0	(113,037,112)
51	NET PRODUCTION PROPERTY	2,490,094,391	-	2,490,094,391
52				
53				
54	<u>DEDUCT:</u>			
55	LIBR. DEPREC. POST 1980 (AMA)	(513,042,624)	0	(513,042,624)
56	NOL DEFERRED TAX ASSET ATTRIBUTABLE TO PRODUCTION	48,295,905	0	48,295,905
57	TREASURY GRANTS FOR SNOQUALMIE AND BAKER		0	-
58	ACCUM AMORT OF TREASURY GRANTS FOR SNOQUALMIE AND BAKER		0	-
59	ADJUSTMENT TO RATE BASE	(464,746,719)	-	(464,746,719)
60				
61	TOTAL ADJUSTMENT TO PRODUCTION RATE BASE	2,025,347,672	0	2,025,347,672
62				
63	<u>REGULATORY ASSETS RATE BASE (INCLUDES POWER COST REG ASSETS/LIAB):</u>			
64	TREASURY GRANTS DEFERRAL - SNOQUALMIE	(374,252)	0	(374,252)
65	TREASURY GRANTS DEFERRAL - BAKER	(108,339)	-	(108,339)
66	BEP	0	-	0
67	WHITE RIVER REGULATORY ASSET	12,293,821	-	12,293,821
68	WESTCOAST PIPELINE CAPACITY - UE-082013 (FB ENERGY)	(88,510)	-	(88,510)
69	WESTCOAST PIPELINE CAPACITY - UE-100503 (BNP PARIBUS)	(121,339)	-	(121,339)
70	CHELAN PUD CONTRACT INITIATION	82,196,761	-	82,196,761
71	CHELAN - ROCK ISLAND SECURITY DEPOSIT	18,500,000	-	18,500,000
72	COLSTRIP 1&2 (WEC) PREPAYMENT	750,000	-	750,000
73	FERC PART 12 STUDY NON-CONSTRUCTION COSTS UE-070074	0	-	0
74	LOWER SNAKE RIVER PREPAID TRANSM PRINCIPAL	60,863,794	-	60,863,794
75	CARR YING CHARGES ON LSR PREPAID TRANSM	8,466,701	-	8,466,701
76	MINT FARM DEFFRED - UE-090704 (ENDS MAR 2025)	12,550,110	-	12,550,110
77	LOWER SNAKE RIVER PLANT DEFERRAL (ENDS APR 2016)	0	-	0
78	FERNDAL PLANT DEFERRAL (ENDS OCT 2019)	3,917,700	-	3,917,700
79	SNOQUALMIE UPGRADE PLANT DEFERRAL (ENDS OCT 2018)	596,764	-	596,764
80	BAKER UPGRADE PLANT DEFERRAL (ENDS OCT 2018)	151,972	-	151,972
81	ELECTRON UNRECOVERED PLANT COSTS	1,128,004	-	1,128,004
82	TOTAL ADJUSTMENT TO REGULATORY ASSETS RATE BASE	\$ 200,723,186	\$ -	\$ 200,723,186
83				
84	TOTAL RATE BASE		\$ -	

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