

**Exh. MCC-6
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**

PSE Requested Overall Electric Revenue Deficiency

June 30, 2017

Source Exhibits:
 UE-170033 - UG-170034 Barnard Supplemental Exhibit KJB-11,
 KJB-12, KJB-13, KJB-14, KJB-15 PSE 04-03-2017.xlsx
 UE-170033 - UG-170034 Pillaris Supplemental Exhibit JAP-44
 PSE 04-03-2017.xlsx

OVERALL REVENUE DEFICIENCY CALCULATION

**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	REVISED TOTAL ADJUSTMENTS	REVISED ADJUSTED RESULTS OF OPERATIONS	REVISED REVENUE	REVISED REQUIREMENT DEFICIENCY	REVISED AFTER RATE INCREASE	NEW (LESS) CURRENT OTHER SCHEDULE REVENUE	NEW FINAL REVENUE REQUIREMENT DEFICIENCY	Rate Incr	Rate Incr
1	OPERATING REVENUES									
2	SALES TO CUSTOMERS	\$ 2,146,048,308	\$ (182,861,223)	\$ 1,963,187,085	\$ 144,626,923	\$ 2,106,814,008	\$ 75,731,222	\$ 67,875,701	7.32%	3.46%
3	SALES FROM RESALE-FIRM/SPECIAL CONTRACT	324,382	(7,993)	316,389	405,143	721,532	(22,000)	427,143		
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	75,729,222	68,302,844	6.97%	3.30%
7	OPERATING REVENUE DEDUCTIONS:-									
8	POWER COSTS:									
9	FUEL	235,002,887	(30,426,197)	204,576,689	-	204,576,689	-	-		
10	PURCHASED AND INTERCHANGED	532,346,459	(85,727,770)	446,618,688	-	446,618,688	-	-		
11	WHEELING	113,800,193	(5,239,435)	108,560,758	-	108,560,758	-	-		
12	RESIDENTIAL EXCHANGE	(69,268,220)	69,268,220	-	-	-	-	-		
13	TOTAL PRODUCTION EXPENSES	811,881,319	(52,125,189)	759,756,130	-	759,756,130	-	-		
14	OTHER POWER SUPPLY EXPENSES	125,897,437	9,944,172	135,841,609	-	135,841,609	-	-		
15	TRANSMISSION EXPENSE	20,270,050	82,200	20,352,250	-	20,352,250	-	-		
16	DISTRIBUTION EXPENSE	83,356,029	97,052	83,453,081	-	83,453,081	-	-		
17	CUSTOMER ACCTS EXPENSES	47,600,166	2,629,564	50,229,730	1,030,837	51,260,568	541,994	488,843		
18	CUSTOMER SERVICE EXPENSES	19,829,127	(17,230,512)	2,598,615	-	2,598,615	-	-		
19	CONSERVATION AMORTIZATION	97,566,975	(97,540,765)	26,210	-	26,210	-	-		
20	ADMIN & GENERAL EXPENSE	114,599,759	2,064,988	116,664,746	288,064	116,952,810	151,458	136,606		
21	DEPRECIATION	268,356,985	49,907,233	318,264,217	-	318,264,217	-	-		
22	AMORTIZATION	45,684,975	4,321,972	50,006,947	-	50,006,947	-	-		
23	AMORTIZ OF PROPERTY GAIN/LOSS	20,604,866	17,865,077	38,469,943	-	38,469,943	-	-		
24	OTHER OPERATING EXPENSES	(9,597,194)	19,486,736	9,889,542	-	9,889,542	-	-		
25	ASC 815	(64,111,668)	64,111,668	-	-	-	-	-		
26	TAXES OTHER THAN INCOME TAXES	230,800,257	(144,230,240)	86,570,017	5,539,041	92,109,058	2,912,310	2,626,722		
27	INCOME TAXES	800	48,493,274	48,494,074	48,010,929	96,505,003	25,243,200	22,767,729		
28	DEFERRED INCOME TAXES	181,996,913	(140,252,061)	41,744,854	-	41,744,854	-	-		
29	TOTAL OPERATING REV. DEDUCT.	1,994,336,799	(323,404,833)	1,761,931,967	54,868,872	1,816,800,838	28,848,971	26,019,900		
30	NET OPERATING INCOME	\$ 401,002,972	\$ (95,600,488)	\$ 305,402,483	\$ 89,163,194	\$ 394,565,678	\$ 46,880,251	\$ 42,285,944		
31	RATE BASE	5,133,204,462	(55,456,691)	5,097,747,770	-	5,097,747,770	-	-		
32	RATE OF RETURN	7.78%	5.99%	7.74%						
33	RATE BASE									
34	GROSS UTILITY PLANT IN SERVICE	9,760,401,507	(50,517,700)	9,709,883,806	-	9,709,883,806	-	-		
35	ACCUM DEPR AND AMORT	(3,743,804,806)	(65,056,024)	(3,808,860,830)	-	(3,808,860,830)	-	-		
36	DEFERRED DEBITS AND CREDITS	235,258,020	31,067,140	266,325,160	-	266,325,160	-	-		
37	DEFERRED TAXES	(1,263,952,468)	29,035,853	(1,234,916,614)	-	(1,234,916,614)	-	-		
38	ALLOWANCE FOR WORKING CAPITAL	227,005,242	-	227,005,242	-	227,005,242	-	-		
39	OTHER	(79,723,633)	(79,723,633)	-	-	(79,723,633)	-	-		
40	TOTAL RATE BASE	\$ 5,133,204,462	\$ (55,456,691)	\$ 5,097,747,770	\$ 5,097,747,770	\$ 5,097,747,770	\$ 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 2)

LINE NO.	NORMALIZE	REVISED	REVISED	D&O	REVISED	RATE CASE	DEFERRED G/L ON	PROPERTY &
	INJ & DMGS	BAD	INCENTIVE	INSURANCE	CUST DEPOSITS	EXPENSES	PROPERTY SALES	LIABILITY INS
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PUGET SOUND ENERGY-ELECTRIC
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Adjustment Detail (Page 3)

LINE NO.	PENSION PLAN	REVISED		INVESTMENT PLAN	EMPLOYEE INSURANCE	ENVIRONMENTAL REMEDIATION	PAYMENT	SOUTH KING SERVICE CENTER	EXCISE TAX AND FILING FEE
		WAGE INCREASE	PLANT						
1	13.15	13.16	13.17	13.18	13.19	13.20	13.21	13.22	
1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
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PSE 04-03-2017.xlsx

Exh. MCC-6

Dockets UE-170033/UG-170034

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Exh. KJB-12

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

LINE NO.	REVISIED	MT ELECTRIC	WILD HORSE	ASC 815	STORM	REG ASSETS	GLACIER	ENERGY IMB
	POWER	ENERGY TAX	SOLAR	(PREV. SPAS 133)	DAMAGE & LIABILITIES	BATTERY STRG	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								
4 SALES TO OTHER UTILITIES	(170,981,364)							
5 OTHER OPERATING REVENUES	36,448,495							
6 TOTAL OPERATING REVENUES	(134,632,869)							
7								
8 OPERATING REVENUE DEDUCTIONS:								
9								
10 POWER COSTS:								
11 FUEL	(30,426,197)							
12 PURCHASED AND INTERCHANGED	(65,865,131)							
13 WHEELING	(5,239,435)							
14 RESIDENTIAL EXCHANGE								
15 TOTAL PRODUCTION EXPENSES	(101,530,763)							
16								
17 OTHER POWER SUPPLY EXPENSES	9,584,909							
18 TRANSMISSION EXPENSE	(16,783)				(131,868)			
19 DISTRIBUTION EXPENSE					(271,443)			
20 CUSTOMER ACCTS EXPENSES								
21 CUSTOMER SERVICE EXPENSES								
22 CONSERVATION AMORTIZATION			(212,138)					
23 ADMIN & GENERAL EXPENSE								
24 DEPRECIATION								
25 AMORTIZATION								
26 AMORTIZ OF PROPERTY GAIN/LOSS								
27 OTHER OPERATING EXPENSES								
28 ASC 815								
29 TAXES OTHER THAN INCOME TAXES	56,686	(94,051)						
30 INCOME TAXES	(7,954,428)	32,918						
31 DEFERRED INCOME TAXES								
32 TOTAL OPERATING REV. DEDUCT.	(119,860,579)	(61,133)	(137,890)	41,672,384	8,389,018	(1,736,212)	145,490	3,492,717
33								
34 NET OPERATING INCOME	\$ (14,772,510)	\$ 61,133	\$ 137,890	\$ (41,672,384)	\$ (8,389,018)	\$ 1,736,212	\$ (145,490)	\$ (3,492,717)
35								
36 RATE BASE								
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38 RATE OF RETURN								
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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	\$ -	\$ -	\$ (1,969,341)	\$ -	\$ -	\$ (44,085,326)	\$ 2,842,787	\$ 5,131,869

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FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016
Adjustment Detail (Page 5)

LINE NO.	GOLDENDALE		CAPACITY UPGRADE		MINT FARM		WHITE RIVER		RECLASS OF HYDRO		REVISED PRODUCTION		REVISED ADJUSTMENTS		REVISED TOTAL		REVISED ADJUSTED		
	14.09	14.10	14.11	14.12	14.13	14.13	14.13	14.13	14.13	14.13	14.13	14.13	14.13	14.13	14.13	14.13	14.13	14.13	14.13
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