

**EXHIBIT NO. ___(KJB-3)
DOCKET NO. UE-16___
PCA 14 COMPLIANCE
WITNESS: KATHERINE J.BARNARD**

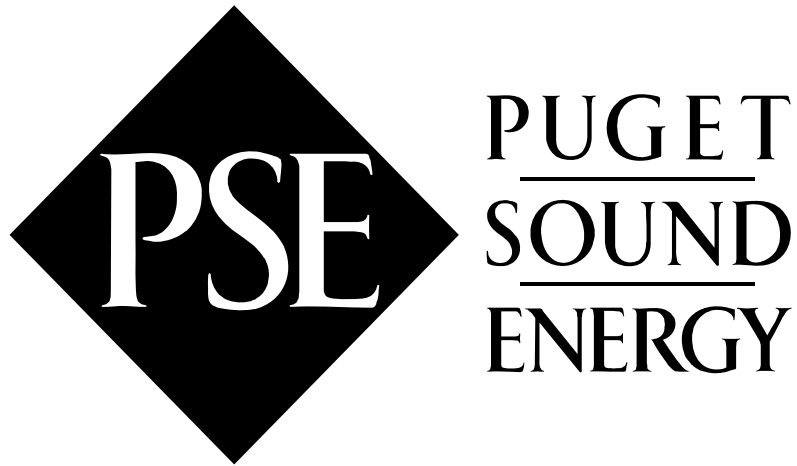
**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**In the Matter of the Petition of
PUGET SOUND ENERGY
For Approval of its April 2016 Power Cost
Adjustment Mechanism Report**

Docket No. UE-16___

**SECOND EXHIBIT (NONCONFIDENTIAL) TO THE
PREFILED DIRECT TESTIMONY OF
KATHERINE J. BARNARD
ON BEHALF OF PUGET SOUND ENERGY**

APRIL 29, 2016



Power Cost Adjustment Mechanism Annual Report

PCA Period Fourteen

Twelve Months Ended December 31, 2015

**Puget Sound Energy
Power Cost Adjustment Mechanism
2015 Annual Report – PCA Period Fourteen
Twelve Months Ended December 31, 2015**

Index	Page #'s
1. Exhibits in Support of Updated Power Cost Rate: 1/1/15 – 12/31/15	
2. Power Cost Summary	Page 4
3. Exhibit A-1 – Power Cost Rate - Updated Actual (1/1/15 - 12/31/15)	Page 5
4. Exhibit B – PCA Mechanism Calculation (1/1/15 - 12/31/15)	Page 6
5. Exhibit D – Regulatory Assets and Liabilities (1/1/15 – 12/31/15)	Page 7 - 8
6. PCA Exhibits from Docket No. UE-141141 2014 PCORC: 1/1/15 – 12/31/15	
7. Exhibit A-1 – Power Cost Rate	Page 10
8. Exhibit A-3 – Colstrip Fixed Costs	Page 11 - 12
9. Exhibit D – Regulatory Assets and Liabilities	Page 13 - 16

Puget Sound Energy

Power Cost Adjustment Mechanism Annual
Report for PCA Period Thirteen
Twelve Months Ended December 31, 2015

PCA Exhibits in Support of Updated Power Cost Rate
From January 1 through December 31, 2015

Description		Power Costs						Allocation of Power Costs			
		Actual	Baseline	Difference	Wholesale Customers	Total Cost Over (Under) Baseline *	Company	Customers	Customer Interest	Total Customer Share With Interest	
12 mo end 6.30.03	1	\$ 844,964,750	\$ 843,126,410	\$ 1,838,340	\$ (10,042)	\$ 1,828,298	\$ 1,828,298	\$ -	\$ -	\$ -	
12 mo end 6.30.04	2	902,349,264	872,785,985	29,563,279	(11,956)	29,551,324	24,775,662	4,775,662	59,851	4,835,512	
12 mo end 6.30.05	3	959,374,104	949,412,459	9,961,645	(4,085)	9,957,561	9,957,561	-	318,471	318,471	
12 mo end 6.30.06	4	1,062,847,820	1,075,227,683	(12,379,863)	4,375	(12,375,488)	(12,375,488)	0	633,013	633,013	
6 mo end 12.31.06	5	596,418,335	597,089,567	(671,232)	198	(671,033)	(671,033)	-	97,549	97,549	
12 mo end 12.31.07	6	1,222,865,320	1,253,089,187	(30,223,868)	11,197	(30,212,670)	(25,106,335)	(5,106,335)	(57,570)	(5,163,905)	
12 mo end 12.31.08	7	1,328,115,191	1,329,880,671	(1,765,480)	556	(1,764,924)	(1,764,924)	-	(140,876)	(140,876)	
12 mo end 12.31.09	8	1,404,869,953	1,374,588,966	30,280,987	(10,889)	30,270,097	25,135,049	5,135,049	(28,888)	5,106,161	
12 mo end 12.31.10	9	1,373,029,096	1,336,852,576	36,176,520	(12,992)	36,163,528	28,081,764	8,081,764	228,424	8,310,188	
12 mo end 12.31.11	10	1,351,667,527	1,386,507,507	(34,839,980)	12,163	(34,827,818)	(27,413,909)	(7,413,909)	235,835	(7,178,074)	
12 mo end 12.31.12	11	1,291,380,391	1,317,033,978	(25,653,587)	9,023	(25,644,564)	(22,822,282)	(2,822,282)	(222,322)	(3,044,604)	
12 mo end 12.31.13	12	1,274,102,997	1,311,927,834	(37,824,837)	12,899	(37,811,938)	(28,905,969)	(8,905,969)	(212,001)	(9,117,970)	
12 mo end 12.31.14	13	1,287,974,218	1,247,832,651	40,141,567	(14,458)	40,127,109	30,012,711	10,114,398	(146,535)	9,967,864	
12 mo end 12.31.15	14	1,236,017,952	1,227,281,051	8,736,900	(3,046)	8,733,855	8,733,855	-	125,397	125,397	
Cumulative		\$ 16,135,976,917	\$ 16,122,636,525	\$ 13,340,392	\$ (17,056)	\$ 13,323,336	\$ 9,464,958	\$ 3,858,378	\$ 890,348	\$ 4,748,726	

* A positive number in this column designates an under-recovery to PSE

PUGET SOUND ENERGY
PCA MECHANISM ANNUAL REPORT - PCA 14
TWELVE MONTHS ENDED DECEMBER 31, 2015

Exhibit A-1 Power Cost Rate Updated: 1/1/2015 - 12/31/2015

Row	Test Year		
3	Regulatory Assets (1) (Variable)	\$ 266,284,701	
4	Transmission Rate Base (Fixed)	91,215,648	
5	Production Rate Base (Fixed)	2,127,242,636	
6		\$ 2,484,742,984	
7	Net of tax rate of return	6.69%	
8			
9			
9A			Test Yr \$/MWh
10	Regulatory Asset Recovery (on Row 3)	\$ 27,406,842	(l)
10a	Equity Adder Centralia Coal Transition PPA	2,460,254	\$ 1.336 (c)
11	Fixed Asset Recovery Other (on Row 4)	9,388,195	\$ 0.120 (c)
12	Fixed Asset Recovery-Prod Factored (on Row 5)	221,111,461	\$ 0.458 (a)
13	501-Steam Fuel	79,489,978	\$ 10.777 (a)
14	555-Purchased power	366,746,890	\$ 3.874 (c)
15	557-Other Power Exp	6,588,076	\$ 17.876 (c)
15a	Payroll Overheads - Benefits (Inc. Worker's Comp)	7,475,380	\$ 0.321 (a)
15b	Property Insurance	2,719,400	\$ 0.364 (a)
15c	Montana Electric Energy Tax	1,750,088	\$ 0.133 (a)
15d	Payroll Taxes on Production Wages	1,974,600	\$ 0.085 (a)
16	547-Fuel	170,933,075	\$ 0.096 (a)
17	565-Wheeling	107,440,618	\$ 8.331 (c)
18	Variable Transmission Income	(8,449,971)	\$ 5.237 (c)
19	Production O&M	117,451,418	\$ (0.412) (c)
19a	Colstrip - Major Maint. Amort (Per UE-141141 Order)	1,861,992	\$ 5.725 (a)
20	447-Sales to Others	(46,666,387)	\$ 0.091 (c)
21	Purch/Sales Non-Core Gas	15,489,204	\$ (2.275) (c)
22	Transmission Exp - 500KV	935,234	\$ 0.755 (c)
23	Depreciation-Production (FERC 403)	112,666,430	\$ 0.046 (a)
24	Depreciation-Transmission	4,204,776	\$ 5.491 (a)
25	Amortization - Regulatory Assets (1)	32,301,873	\$ 0.205 (a)
26	Hedging Line of Credit	738,525	\$ 1.574 (c)
27	Subtotal & Baseline Rate	\$ 1,236,017,952	\$ 60.245 (b)
28	Revenue Sensitive Items	0.9543790	
29		\$ 1,295,101,790	
30	Test Year DELIVERED Load (MWH's) (incl. Firm Whls)	20,516,576	
31			
32			
33			
34	Power Cost in Rates with Revenue Sensitive		<u>Before Rev.</u> <u>After Rev.</u>
35	Items (the adjusted baseline)	\$ 60.245	\$ 63.125
36	sum of (a) = Fixed Rate Component	\$ 23.701	\$ 24.834
37	(b) = Power Cost Rate	\$ 60.245	\$ 63.125
38	sum of (c) = Variable Power Rate Component	\$ 36.544	\$ 38.291
39			
40	(1) - Regulatory Assets are shown in detail on Exhibit D.		

Exhibit D: Regulatory Assets and Liabilities net of Accumulated Amortization and Deferred Taxes (PCA Periods:
2013 Expedited Rate Case (ERF)
PCA 14 (CY 2015)

Ref	Description	12 Months Ended			PCA Period	AMA Ratebase as of (Note 1)	Return A.T. %	Amount	Pre Tax	Monthly
		Interest	Asset Amort	Balance net of AA & AD FIT (Note 1)						
10										
11	BEP									
14	Dec 2015 \$	-	(3,526,620)	3,619,143	G/L Accts #18230071, #18230081, and #28300431 and Order #55500007	12/31/15	6.69%	322,355	495,930	41,328
17										
18	White River Relicensing									
21	Dec 2015 \$			23,861,953	G/L Accts #18230641, 691, #18236021, 31, 41, 51, 61, 71, 91, 6101, #18230971, #19000021 and #28300011	12/31/15	6.69%	1,682,867	2,589,027	215,752
24										
25	White River Plant Costs									
28	Dec 2015 \$	(1,494,702)	29,759,240		G/L Accts #18220011, #21, #31, #41 and #51 and Order #40700015, portion of #28200121	12/31/15	6.69%	2,040,896	3,139,839	261,653
31										
32	CWA Sales Proceeds									
35	Dec 2015 \$		(30,211,680)		G/L Accts #18220061	12/31/15	6.69%	(2,021,161)	(3,109,479)	(259,123)
38										
39	White River DFIT									
42	Dec 2015 \$		(8,193,329)		G/L Accts #28300651	12/31/15	6.69%	(595,911)	(916,785)	(76,399)
45										
46	FB Energy Capacity Payment - UE-082013									
49	Dec 2015 \$	392,170	(722,246)		G/L Accts #25300601 and #19000151 and Order #54700005	12/31/15	6.69%	(56,845)	(87,454)	(7,288)
54										
55	Mint Farm Deferral (Note 2)									
58	Dec 2015 \$	(2,885,052)	17,238,320		G/L Accts #18600351, 361, 371, #18235521, #28300601, 611, 661 and Orders #40740061	12/31/15	6.69%	1,215,972	1,870,726	155,894
61										
62	BNP Capacity - UE-100503 (Note 3)									
65	Dec 2015	537,626	(990,128)		G/L Accts #19000711, #25302121, #25400191 and Order #54700010	12/31/15	6.69%	(77,929)	(119,891)	(9,991)
69										
70	Chelan PUD Contract Initiation (Note 3)									
71	Payment									
74	Dec 2015 \$	(7,088,066)	97,608,617		G/L Accts #18230351, #28300561, #18600271 Order #55500153	12/31/15	6.69%	6,736,227	10,363,426	863,619
77										
78	Chelan - Rock Island Security Deposit (Note 3)									
81	Dec 2015 \$	-	18,500,000		G/L Accts #12800001	12/31/15	6.69%	1,237,650	1,904,077	158,673
84										
85	Colstrip 1 and 2 (WECo) Note 4									
86	Reservation Payment									
89	Dec 2015 \$	(500,000)	2,000,000		G/L Accts #16599011, 18232321 Order #50106003	12/31/15	6.69%	150,525	231,577	19,298
92										
93	FERC PART 12 Non-Construction Study Costs \$1.2M									
96	Dec 2015 \$	(241,268)	241,268		G/L Accts #18220091	12/31/15	6.69%	37,248	37,248	3,104
98										
99	Lower Snake River Prepaid Transm Principal \$99.8M									
102	Dec 2015 \$	(3,217,737)	69,791,477		G/L Accts #18232301, 18600581	12/31/15	6.69%	4,777,152	7,349,465	612,455

Exhibit D: Regulatory Assets and Liabilities net of Accumulated Amortization and Deferred Taxes (PCA Periods:
2013 Expedited Rate Case (ERF)
PCA 14 (CY 2015)

Rate Case Effective Dai Rate
2011 GRC 5/14/12 6.71%
2013 ERF 7/1/13 6.69%

Ref	Description	12 Months Ended			PCA Period		Return		Pre Tax	Monthly
		Interest	Asset Amort	AA & AD FIT	Asset Amort	AMA Ratebase as of	A.T. %	Amount		
		Balance net of			(Note 1)					
		Asset Amort	AA & AD FIT	Asset Amort	AMA Ratebase as of	A.T. %	Amount	Pre Tax	Monthly	
105										
106	Carrying Charges on LSR Prepaid Transm \$99.8M	(687,420)	9,583,759	(687,420)	G/L Accts # 18232311, 28300081, 18600591, 40730101	12/31/15	6.69%	656,100	1,009,384	84,115
109	Dec 2015 \$									
112										
113	Lower Snake River Plant Deferral \$18.3M	(4,499,640)	974,914	(4,499,640)	G/L Accts # 18232331, 28300721, 18600311, 18600391, 18600331, 18600391, 40730111	12/31/15	6.69%	163,055	250,854	20,905
116	Dec 2015 \$									
118										
119	Snoqualmie License Upgrade Deferral (2013 PCORC)	(2,644,123)	4,869,594	(2,644,123)	G/L Accts # 18238331, 18600001, 18600461, 18600451, 40730141	12/31/15	6.69%	383,266	589,640	49,137
122	Dec 2015 \$									
125										
126	Baker License Upgrade Deferral (2013 PCORC)	(673,352)	1,240,089	(673,352)	G/L Accts # 18238321, 18600801, 18600811, 40730131	12/31/15	6.69%	97,602	150,157	12,513
129	Dec 2015 \$									
132										
133	Ferrdale Deferral (2013 PCORC)	(4,520,423)	11,263,386	(4,520,423)	G/L Accts # 18238311, 18600531, 18600791, 18600671, 18600671, 40730121	12/31/15	6.69%	851,806	1,310,470	109,206
136	Dec 2015 \$									
139										
140	Baker Treasury Grant Deferral until Oct 2018 (2014 PCORC) NEW #40740191, #43100086, #25400501, #19003021, #40740181	480,026	(884,048)	480,026	G/L Accts # 18238311, 18600531, 18600791, 18600671, 18600671, 40730121	12/31/15	6.69%	(69,580)	(107,046)	(8,920)
142	Dec 2015 \$									
145										
146	Snoqualmie Treasury Grant Deferral until Oct 2018 (2014 PCORC) NEW #25400491, #43100085, #40740171, #19003011, #40740161	1,658,222	(3,053,892)	1,658,222	G/L Accts # 18238311, 18600531, 18600791, 18600671, 18600671, 40730121	12/31/15	6.69%	(240,359)	(369,784)	(30,815)
148	Dec 2015 \$									
151										
152	Electron Unrecovered Cost (2014 PCORC) NEW #18220101, #28302061	(3,173,789)	6,867,892	(3,391,500)		12/31/15	6.69%	536,548	825,458	68,788
154	Dec 2015									
157										
158										
159										
160										
161										
167	PCA #14 \$	1/1/15	12/31/15	(32,301,873)	266,284,701	12/31/15	6.69%	17,814,446	27,406,841	2,283,903
170										
171										
172	Note (1) Amounts in these columns are net of accumulated amortization AND the associated Deferred FIT liability / asset.									
173										
174	Note (2) Return on ratebase was being recognized and deferred on these regulatory assets up until 4/7/2010. Therefore, recognition									
175	of return on these assets in Exhibit D for purposes of calculating the PCA deferral beginning 4/8/2010 is appropriate.									
176										
177	Note (3) The monthly return amount are only for applicable months for the rate year.									
178										
179	Note (4) The Colstrip reservation payment will be in working capital until the beginning of the new rate									
180	year estimated to be May 2012 at this time.									

172 Note (1) Amounts in these columns are net of accumulated amortization AND the associated Deferred FIT liability / asset.
173
174 Note (2) Return on ratebase was being recognized and deferred on these regulatory assets up until 4/7/2010. Therefore, recognition
175 of return on these assets in Exhibit D for purposes of calculating the PCA deferral beginning 4/8/2010 is appropriate.
176
177 Note (3) The monthly return amount are only for applicable months for the rate year.
178
179 Note (4) The Colstrip reservation payment will be in working capital until the beginning of the new rate
180 year estimated to be May 2012 at this time.

Puget Sound Energy

Power Cost Adjustment Mechanism Annual
Report for PCA Period Fourteen
Twelve Months Ended December 31, 2015

PCA Exhibits
From December 1 through December 31, 2015
PCA Exhibits Approved in 2014 PCORC in
Docket No. UE-141141

2014 PCORC Exhibit A-1 Power Cost Baseline Rate

As Filed in November 20, 2014 Compliance Filing in UE-141141

Exhibit A-1 Power Cost Baseline Rate

Row	Test Year			Production	
			Test Yr	Factor	Per Month for
			\$/MWh	Rate Year	Schedule B
9A			(I)	(II)	(III)
3 Regulatory Assets (1) (Variable)	\$	265,497,445			
4 Transmission Rate Base (Fixed)		91,215,648			
5 Production Rate Base (Fixed)		2,127,242,636			
6	\$	2,483,955,728			
7 Net of tax rate of return		6.69%			
8					
9					
10 Regulatory Asset Recovery (on Row 3)	\$	27,325,814	\$ 1.295 (c)		
10a Equity Adder Centralia Coal Transition PPA		2,326,384	\$ 0.110 (c)		
11 Fixed Asset Recovery Other (on Row 4)		9,388,195	\$ 0.445 (a)	9,388,195	782,350
12 Fixed Asset Recovery-Prod Factored (on Row 5)		218,942,357	\$ 10.379 (a)	221,111,461	18,425,955
13 501-Steam Fuel		95,199,546	\$ 4.513 (c)		
14 555-Purchased power		389,511,955	\$ 18.464 (c)		
15 557-Other Power Exp		6,523,447	\$ 0.309 (a)	6,588,076	549,006
15a Payroll Overheads - Benefits (Inc. Worker's Comp)		7,402,047	\$ 0.351 (a)	7,475,380	622,948
15b Property Insurance		2,692,723	\$ 0.128 (a)	2,719,400	226,617
15c Montana Electric Energy Tax		1,732,920	\$ 0.082 (a)	1,750,088	145,841
15d Payroll Taxes on Production Wages		1,955,229	\$ 0.093 (a)	1,974,600	164,550
16 547-Fuel		166,825,562	\$ 7.908 (c)		
17 565-Wheeling		106,375,889	\$ 5.043 (c)		
18 Variable Transmission Income		(6,685,935)	\$ (0.317) (c)		
19 Production O&M		116,299,220	\$ 5.513 (a)	117,451,418	9,787,618
19a Colstrip - Major Maint. Amort (Per UE-141141 Order)		1,320,253	\$ 0.063 (c)		
20 447-Sales to Others		(29,085,181)	\$ (1.379) (c)		
21 456-Purch/Sales Non-Core Gas		(5,342,456)	\$ (0.253) (c)		
22 Transmission Exp - 500KV		926,060	\$ 0.044 (a)	935,234	77,936
23 Depreciation-Production (FERC 403)		111,561,172	\$ 5.288 (a)	112,666,430	9,388,869
24 Depreciation-Transmission		4,204,776	\$ 0.199 (a)	4,204,776	350,398
25 Amortization - Regulatory Assets (1)		31,968,945	\$ 1.515 (c)		
26 Hedging Line of Credit		526,847	\$ 0.025 (c)		
27 Subtotal & Baseline Rate	\$	1,261,895,770	\$ 59.819 (b)	\$ 486,265,059	\$40,522,088
28 Revenue Sensitive Items		0.954379			
29	\$	1,322,216,614			
30 Test Year DELIVERED Load (MWH's)		21,095,348	<-- includes Firm Wholesale		
31					
32			Before Rev.	After Rev.	
33			Sensitive Items	Sensitive Items	
34 Power Cost in Rates with Revenue Sensitive			Rev Req (Column (I))		
35 Items (the adjusted baseline)	\$	59.819	\$ 62.678		
36 sum of (a) = Fixed Rate Component	\$	22.831	\$ 23.922		
37 (b) = Power Cost Rate	\$	59.819	\$ 62.678		
38 sum of (c) = Variable Power Rate Component	\$	36.988	\$ 38.756		
39					
40 (1) - Regulatory Assets are shown in detail on Exhibit D.					

Exhibit A-3 Colstrip Fixed Costs (1 of 2)

As Filed in November 20, 2014 Compliance Filing in UE-141141

Row	Revenue Requirement for Colstrip	
3	Plant	790,039,876
4	Accumulated Depreciation	(447,378,353)
5	Deferred Taxes - AMA 12/31/2013	(84,750,942)
6	Net Plant	<u>257,910,581</u>
7	Rate of Return (net of Tax)	6.69%
8	Revenue Requirement after tax	17,254,218 (Line 6 X Line 7)
9	Plant Revenue Requirement	26,544,951 (Adjusted for Federal Tax) (Line 8 / (1 - 35%))
10	Expenses	<u>56,914,092</u>
11	Total Revenue Requirement	<u>83,459,042</u> (before revenue sensitive items)

13 Support for Revenue Requirement - Ratebase

2012 December In Thousands	2013 December In Thousands	13 MONTH AMA	ANNUITY RATE	ANNUALIZED DEPRECIATION	AMA ACCUM. DEPR.		
14 FERC	DESCRIPTION						
15	COLSTRIP #1						
16 E311	Structures & Improvements	8,196	8,461	8,384,161	1.72%	144,308	(5,054,546)
17 E312	Boiler Plant Equipment	81,834	85,501	83,232,112	1.68%	1,394,502	(41,844,937)
18 E314	Turbo Generating Units	30,482	31,497	30,659,665	2.32%	710,057	(10,341,158)
19 E315	Accessory Electric Equipment	6,053	6,108	6,069,701	0.93%	56,531	(4,540,690)
20 E316	Misc. Power Plant Equipment	837	871	858,375	2.29%	19,689	(306,445)
21	TOTAL	127,402	132,438	129,204,014	1.80%	2,325,087	(62,087,776)
22	COLSTRIP #2						
23 E311	Structures & Improvements	3,407	3,655	3,593,945	1.29%	46,247	(1,072,377)
24 E312	Boiler Plant Equipment	71,101	73,217	71,392,628	1.75%	1,246,456	(33,527,346)
25 E314	Turbo Generating Units	27,424	32,687	27,666,095	2.01%	556,590	(4,694,730)
26 E315	Accessory Electric Equipment	3,025	3,080	3,031,727	1.36%	41,260	(1,377,907)
27 E316	Misc. Power Plant Equipment	959	960	959,671	2.38%	22,870	(405,916)
28	TOTAL	105,916	113,599	106,644,066	1.79%	1,913,423	(41,078,276)
29	COLSTRIP 1 & 2 COMMON						
30 E311	Structures & Improvements	31,062	31,131	31,064,969	0.40%	124,713	(25,374,520)
31 E312	Boiler Plant Equipment	6,160	6,175	6,160,779	1.27%	78,102	(5,047,871)
32 E314	Turbo Generating Units	3,821	3,821	3,821,241	1.24%	47,388	(3,429,667)
33 E315	Accessory Electric Equipment	2,287	2,287	2,286,589	1.14%	26,064	(1,851,039)
34 E316	Misc. Power Plant Equipment	6,206	6,206	6,205,597	1.40%	86,880	(5,048,841)
35	TOTAL	49,536	49,620	49,539,175	0.73%	363,147	(40,751,938)
36	COLSTRIP 3						
37 E311	Structures & Improvements	29,084	29,246	29,178,119	1.33%	387,920	(20,354,131)
38 E312	Boiler Plant Equipment	129,582	132,272	130,643,399	1.43%	1,868,231	(87,445,817)
39 E314	Turbo Generating Units	40,212	42,868	40,614,472	1.74%	706,059	(13,080,284)
40 E315	Accessory Electric Equipment	6,444	6,489	6,471,957	1.28%	82,781	(4,244,449)
41 E316	Misc. Power Plant Equipment	791	791	791,366	2.01%	15,932	(320,075)
42	TOTAL	206,113	211,666	207,699,313	1.47%	3,060,923	(125,444,756)
43	COLSTRIP 4						
44 E311	Structures & Improvements	27,205	27,423	27,306,371	1.42%	387,576	(18,191,032)
45 E312	Boiler Plant Equipment	116,083	119,867	117,989,635	1.63%	1,926,323	(71,533,921)
46 E314	Turbo Generating Units	40,132	46,881	42,830,033	1.90%	812,451	(19,075,914)
47 E315	Accessory Electric Equipment	5,742	5,911	5,848,060	1.39%	81,425	(3,563,258)
48 E316	Misc. Power Plant Equipment	918	938	930,540	1.93%	17,913	(362,069)
49	TOTAL	190,080	201,020	194,904,639	1.66%	3,225,688	(112,726,194)
50	COLSTRIP 3 & 4 COMMON						
51 E311	Structures & Improvements	70,392	70,407	70,392,983	1.13%	794,981	(48,874,491)
52 E312	Boiler Plant Equipment	14,552	15,675	14,599,081	1.44%	209,708	(8,670,811)
53 E314	Turbo Generating Units	11	11	10,515	26.59%	2,796	98,503
54 E315	Accessory Electric Equipment	7,550	7,645	7,553,954	1.27%	96,128	(4,983,371)
55 E316	Misc. Power Plant Equipment	4,444	4,444	4,444,375	1.63%	72,444	(2,675,497)
56	TOTAL	96,949	98,182	97,000,908	1.21%	1,176,057	(65,105,667)
57	COLSTRIP 1 & 2 / 3 & 4COMMON						
58 E317	Asset Retirement Obligation	14,385	1,167	2,818,900	0.00%	41,463	(942,152)
59	TOTAL	14,385	1,167	2,818,900	0.00%	41,463	(942,152)
60							
61							
62	COLSTRIP 1-4 COMMON						
63 E316	Misc. Power Plant Equip.	252	252	251,534	1.38%	3,468	(183,746)
64	TOTAL	252	252	251,534	1.38%	3,468	(183,746)
65							
66	Subtotal before Colstrip FERC Adjustments	790,633	807,944	788,062,549	1.54%	12,109,256	(447,378,353)
67	ARO - Electric Colstrip 1-4 (Acct: 23001021 and 23001031)			(3,052,073)		169,183	
68	Colstrip Common FERC Adj. (AMA is Net of Accum. Amort.)			3,883,622		354,669	
69	Colstrip Def Depr FERC Adj. (AMA is Net of Accum. Amort.)			1,145,778		104,311	
70	Totals			<u>790,039,876</u>	1.61%	<u>12,737,418</u>	<u>(447,378,353)</u>

71		
72		
73	Exhibit A-3 Colstrip Fixed Costs (Page 2 of 2)	
74		
75		
76		
77		
78	Support for Revenue Requirement - Expenses	12ME December 2013
79		Amount before
80	Order Description	Prod. Adj.
81	5E+07 Colstrip 1&2 - Supv & Eng'g - Steam Ope	128,799
82	5E+07 Colstrip 3&4 - Supv & Eng'g - Steam Ope	103,411
83	5E+07 Colstrip 1&2 - Steam Exp - Steam Gen Op	4,331,115
84	5E+07 Colstrip 3&4 - Steam Exp - Steam Gen Op	2,316,737
85	5E+07 Colstrip 1&2 - Electric Exp - Steam Gen	123,245
86	5E+07 Colstrip 3&4 - Electric Exp - Steam Gen	110,674
87	5E+07 Colstrip 1&2 - Misc Stm Pwr - Steam Gen	4,720,045
88	5E+07 Colstrip 1&2 - Steam Gen-Thermal Jnt O&PC	184,373
89	5E+07 Colstrip 3&4 - Misc Stm Pwr - Steam Gen	3,917,973
90	5E+07 Colstrip 3&4 - Steam Gen-Thermal Jnt O&PC	167,537
91	5E+07 Colstrip 1&2 - Rents - Steam Gen Oper	20,114
92	5E+07 Colstrip 3&4 - Rents - Steam Gen Oper	49,058
93	5E+07 Colstrip 1&2 - Supv & Eng'g - Steam Gen	770,891
94	5E+07 Colstrip 3&4 - Supv & Eng'g - Steam Gen	620,075
95	5E+07 Colstrip 1&2 - Structures - Steam Gen M	1,246,787
96	5E+07 Colstrip 3&4 - Structures - Steam Gen M	996,726
97	5E+07 Colstrip 1&2 - Boiler Plant - Steam Gen	5,444,942
98	5E+07 Colstrip 3&4 - Boiler Plant - Steam Gen	5,976,621
99	5E+07 Colstrip 1&2 - Electric Plant - Steam G	776,929
100	5E+07 Colstrip 3&4 - Electric Plant - Steam G	1,384,162
101	5E+07 Colstrip 1&2 -Misc Steam Plt -Steam Gen	968,274
102	5E+07 Colstrip 3&4 -Misc Steam Plt -Steam Gen	847,361
103	5E+07 Colstrip 1&2 Belmontez Settlement	-
104	5E+07 Colstrip 1&2 Global Settlement	-
105	5E+07 Colstrip 1&2 Ash Pond Settlement	-
106	5E+07 Colstrip 3&4 Global Settemt	-
107	5E+07 Colstrip 3&4 Ash Pond Settlement	1
108	Subtotal for the test year	<u>35,205,850</u>
109	Adjustment to the rate year	<u>7,220,735</u>
110	Subtotal on Orders	<u>42,426,585</u>
111		
112	Electric Energy Tax	1,750,088
113	403xxx: Depreciation / Accretion	<u>12,737,418</u>
114		<u><u>\$ 56,914,092</u></u>

Exhibit D: Regulatory Assets and Liabilities net of Accumulated Amortization and Deferred Taxes (PCA Periods)
2014 PCORC - PCA Time Periods
As Filed in November 20, 2014 Compliance Filing in UE-141141

Rate		
2011 GRC	5/14/2012	6.71%
2013 ERF	7/1/2013	6.69%

Ref	Description	12 Months Ended		PCA Period			Return A.T. %	Amount	Pre Tax	Monthly
		Asset Amort	Balance net of AA & ADFIT (Note 1)	Asset Amort	AMA Ratebase as of (Note 1)					
10 BEP										
G/L Accts #18230071, #18230081, and #28300431 and Order #55500007										
11	Dec 2010	\$ (3,526,620)	15,612,243	(3,526,620)	16,811,553	40,543	7.00%&6.90%	1,164,465	1,791,484	149,290
12	Dec 2011	\$ (3,526,620)	13,213,623	(3,526,620)	14,412,933	40,908	6.90%	994,492	1,529,988	127,499
13	Dec 2012	\$ (3,526,620)	10,815,003	(3,526,620)	12,014,313	41,274	6.9% & 6.71%	814,518	1,253,104	104,425
11	Dec 2013	\$ (3,526,620)	8,416,383	(3,526,620)	9,615,693	41,639	6.71%&6.69%	644,244	991,144	82,595
12	Dec 2014	\$ (3,526,620)	6,017,763	(3,526,620)	7,217,073	42,004	6.69%	482,822	742,803	61,900
13	Dec 2015	\$ (3,526,620)	3,619,143	(3,526,620)	4,818,453	42,369	6.69%	322,355	495,930	41,328
14	Dec 2016	\$ (3,526,620)	1,220,523	(3,526,620)	2,419,833	42,735	6.69%	161,887	249,057	20,755
15	Dec 2017	\$ (1,763,261)	0	(1,763,261)	309,550	43,100	6.69%	20,709	31,860	2,655
16										
17 White River Relicensing										
G/L Accts #18230641, 691, #18236021, 31, 41, 51, 61, 71, 91, 6101, #18230971, #19000021 and #28300011										
18	Dec 2010	\$	24,865,722	-	24,579,160	40,543	7.00%&6.90%	1,702,494	2,619,222	218,268
19	Dec 2011	\$	25,394,013	-	25,145,694	40,908	6.90%	1,735,053	2,669,312	222,443
20	Dec 2012	\$	25,620,617	-	25,552,384	41,274	6.9% & 6.71%	1,732,340	2,665,138	222,095
18	Dec 2013	\$	25,650,904	-	25,636,717	41,639	6.71%&6.69%	1,717,639	2,642,522	220,210
19	Dec 2014	\$	25,658,116	-	25,657,313	42,004	6.69%	1,716,474	2,640,730	220,061
20	Dec 2015	\$	25,658,116	-	25,658,116	42,369	6.69%	1,716,528	2,640,812	220,068
21	Dec 2016	\$	25,658,116	-	25,658,116	42,735	6.69%	1,716,528	2,640,812	220,068
22	Dec 2017	\$	25,658,116	-	25,658,116	43,100	6.69%	1,716,528	2,640,812	220,068
23										
24 White River Plant Costs										
G/L Accts #18220011, #21, #31, #41 and #51 and Order #40700015, portion of #28200121										
25	Dec 2010	\$ (1,494,702)	37,305,564	(1,494,702)	37,977,362	40,543	7.00%&6.90%	2,630,531	4,046,970	337,248
26	Dec 2011	\$ (1,494,702)	35,810,862	(1,494,702)	36,558,213	40,908	6.90%	2,522,517	3,880,795	323,400
27	Dec 2012	\$ (1,479,343)	34,245,030	(1,479,343)	35,024,982	41,274	6.9% & 6.71%	2,374,541	3,653,140	304,428
25	Dec 2013	\$ (1,494,702)	32,750,328	(1,494,702)	33,497,679	41,639	6.71%&6.69%	2,244,317	3,452,795	287,733
26	Dec 2014	\$ (1,494,702)	31,255,627	(1,494,702)	32,002,977	42,004	6.69%	2,140,999	3,293,845	274,487
27	Dec 2015	\$ (1,494,702)	29,760,925	(1,494,702)	30,508,276	42,369	6.69%	2,041,004	3,140,006	261,667
28	Dec 2016	\$ (1,494,702)	28,266,223	(1,494,702)	29,013,574	42,735	6.69%	1,941,008	2,986,166	248,847
29	Dec 2017	\$ (1,494,702)	26,771,521	(1,494,702)	27,518,872	43,100	6.69%	1,841,013	2,832,327	236,027
30										
31 CWA Sales Proceeds										
G/L Accts #18220061										
32	Dec 2010	\$	(24,911,730)		(25,951,720)	40,543	7.00%&6.90%	(1,797,565)	(2,765,485)	(230,457)
33	Dec 2011	\$	(30,211,680)		(30,099,199)	40,908	6.90%	(2,076,845)	(3,195,146)	(266,262)
34	Dec 2012	\$	(30,211,680)		(30,211,680)	41,274	6.9% & 6.71%	(2,048,220)	(3,151,107)	(262,592)
32	Dec 2013	\$	(30,211,680)		(30,211,680)	41,639	6.71%&6.69%	(2,024,158)	(3,114,089)	(259,507)
33	Dec 2014	\$	(30,211,680)		(30,211,680)	42,004	6.69%	(2,021,161)	(3,109,479)	(259,123)
34	Dec 2015	\$	(30,211,680)		(30,211,680)	42,369	6.69%	(2,021,161)	(3,109,479)	(259,123)
35	Dec 2016	\$	(30,211,680)		(30,211,680)	42,735	6.69%	(2,021,161)	(3,109,479)	(259,123)
36	Dec 2017	\$	(30,211,680)		(30,211,680)	43,100	6.69%	(2,021,161)	(3,109,479)	(259,123)
37										
38 White River DFIT										
G/L Accts #28300651										
39	Dec 2010	\$	(11,290,628)		(12,226,929)	40,543	7.00%&6.90%	(846,907)	(1,302,934)	(108,578)
40	Dec 2011	\$	(10,847,618)		(11,061,440)	40,908	6.90%	(763,239)	(1,174,214)	(97,851)
41	Dec 2012	\$	(10,378,889)		(10,631,619)	41,274	6.9% & 6.71%	(720,777)	(1,108,888)	(92,407)
39	Dec 2013	\$	(9,866,342)		(10,122,932)	41,639	6.71%&6.69%	(678,228)	(1,043,428)	(86,952)
40	Dec 2014	\$	(9,345,941)		(9,607,169)	42,004	6.69%	(642,720)	(988,799)	(82,400)
41	Dec 2015	\$	(8,822,795)		(9,084,368)	42,369	6.69%	(607,744)	(934,991)	(77,916)
42	Dec 2016	\$	(8,299,649)		(8,561,222)	42,735	6.69%	(572,746)	(881,147)	(73,429)
43	Dec 2017	\$	(7,776,504)		(8,038,077)	43,100	6.69%	(537,747)	(827,304)	(68,942)
44										
45 FB Energy Capacity Payment - UE-082013										
G/L Accts #25300601 and #19000151 and Order #54700005										
46	Dec 2010	\$ 457,531	(1,997,132)	457,531	(2,135,222)	40,543	7.00%&6.90%	(147,898)	(227,535)	(18,961)
47	Dec 2011	\$ 392,170	(1,741,887)	392,170	(1,869,633)	40,908	6.90%	(129,005)	(198,469)	(16,539)
48	Dec 2012	\$ 392,170	(1,486,977)	392,170	(1,614,432)	41,274	6.9% & 6.71%	(109,451)	(168,387)	(14,032)
46	Dec 2013	\$ 392,170	(1,232,066)	392,170	(1,359,521)	41,639	6.71%&6.69%	(91,087)	(140,134)	(11,678)
47	Dec 2014	\$ 392,170	(977,156)	392,170	(1,104,611)	42,004	6.69%	(73,898)	(113,690)	(9,474)
48	Dec 2015	\$ 392,170	(722,246)	392,170	(849,701)	42,369	6.69%	(56,845)	(87,454)	(7,288)
49	Dec 2016	\$ 392,170	(467,336)	392,170	(594,791)	42,735	6.69%	(39,791)	(61,218)	(5,101)
50	Dec 2017	\$ 392,170	(212,425)	392,170	(339,880)	43,100	6.69%	(22,738)	(34,982)	(2,915)
51	Dec 2018	\$ 326,808	0	326,808	(88,510)	43,465	6.69%	(5,921)	(9,110)	(759)
52	Dec 2019	\$ -	0	-	0	43,830	6.69%	0	0	0
53	\$									
54 Mint Farm Deferral										
G/L Accts #18600351, 361, 371, #18235521, #28300601, 611, 661 and Orders #40740061										
55	Dec 2010	\$ (2,159,053)	26,614,738	(2,159,053)	26,528,891	40,543	7.00%&6.90%	1,344,034	2,067,744	229,749

Exhibit D: Regulatory Assets and Liabilities net of Accumulated Amortization and Deferred Taxes (PCA Periods)
2014 PCORC - PCA Time Periods
As Filed in November 20, 2014 Compliance Filing in UE-141141

		12 Months Ended		PCA Period			Rate			
Ref	Description	Asset Amort	Balance net of AA & ADFIT (Note 1)	Asset Amort	AMA Ratebase as of (Note 1)	Return A.T. %	Amount	Pre Tax	Monthly	
56	Dec 2011	\$ (2,885,052)	24,739,454	(2,885,052)	25,677,096	40,908	6.90%	1,771,720	2,725,723	227,144
57	Dec 2012	\$ (2,885,052)	22,864,164	(2,885,052)	23,801,809	41,274	6.9% & 6.71%	1,613,659	2,482,552	206,879
55	Dec 2013	\$ (2,885,052)	20,988,887	(2,885,052)	21,926,523	41,639	6.71%&6.69%	1,469,059	2,260,091	188,341
56	Dec 2014	\$ (2,885,052)	19,113,604	(2,885,052)	20,051,245	42,004	6.69%	1,341,428	2,063,736	171,978
57	Dec 2015	\$ (2,885,052)	17,238,320	(2,885,052)	18,175,962	42,369	6.69%	1,215,972	1,870,726	155,894
58	Dec 2016	\$ (2,885,052)	15,363,036	(2,885,052)	16,300,678	42,735	6.69%	1,090,515	1,677,716	139,810
59	Dec 2017	\$ (2,885,052)	13,487,752	(2,885,052)	14,425,394	43,100	6.69%	965,059	1,484,706	123,725
60										
61	BNP Capacity - UE-100503									
62	Dec 2010	403,220	(2,737,413)	403,220	(2,267,178)	40,543	7.00%&6.90%	(127,037)	(195,441)	(20,083)
63	Dec 2011	537,626	(2,387,956)	537,626	(2,562,685)	40,908	6.90%	(176,825)	(272,039)	(22,670)
64	Dec 2012	\$ 537,626	(2,038,499)	537,626	(2,213,228)	41,274	6.9% & 6.71%	(150,047)	(230,842)	(19,237)
62	Dec 2013	\$ 537,626	(1,689,042)	537,626	(1,863,771)	41,639	6.71%&6.69%	(124,871)	(192,109)	(16,009)
63	Dec 2014	\$ 537,626	(1,339,585)	537,626	(1,514,314)	42,004	6.69%	(101,308)	(155,858)	(12,988)
64	Dec 2015	537,626	(990,128)	537,626	(1,164,857)	42,369	6.69%	(77,929)	(119,891)	(9,991)
65	Dec 2016	537,626	(640,671)	537,626	(815,400)	42,735	6.69%	(54,550)	(83,923)	(6,994)
66	Dec 2017	537,626	(291,214)	537,626	(465,943)	43,100	6.69%	(31,172)	(47,956)	(3,996)
67	Dec 2018	448,022	-	448,022	(121,339)	43,465	6.69%	(8,118)	(12,489)	(1,041)
68										
69	Goldendale -Def Asset									
70	PP Exp-Planned Maj. Maint.									
71	Dec 2010	(259,040)	413,677	(259,040)	590,967	40,543	7.00%&6.90%	29,940	46,062	5,118
72	Dec 2011	(354,580)	59,097	(354,580)	236,387	40,908	6.90%	16,311	25,093	2,091
73	Dec 2012	\$ (59,097)	-	(59,097)	4,925	41,274	6.9% & 6.71%	124	191	48
74										
75	Mint Farm -Def Asset									
76	PP Exp-Planned Maj. Maint. (Note 3)									
77	Dec 2010	(456,270)	1,042,903	-456270.1439	678973.4284	40543	7.00%&6.90%	27,468	42,258	6,037
78	Dec 2011	(782,177)	260,726	-782177.3896	651814.4913	40908	6.90%	44,975	69,193	5,766
79	Dec 2012	\$ (260,726)	-	-260725.7965	43454.29942	41274	6.9% & 6.71%	1,098	1,689	422
80										
69	Chelan PUD Contract Initiation									
70	Payment									
71	Dec 2011	(1,181,344)	122,267,588	(1,181,344)	121,077,132	40,908	6.90%	1,396,202	2,148,003	1,074,001
72	Dec 2012	\$ (7,088,066)	116,102,845	(7,088,066)	119,185,216	41,274	6.9%&6.71%	8,080,237	12,431,133	1,035,928
71	Dec 2013	\$ (7,088,066)	109,938,102	(7,088,066)	113,020,474	41,639	6.71%&6.69%	7,572,279	11,649,660	970,805
72	Dec 2014	\$ (7,088,066)	103,773,360	(7,088,066)	106,855,731	42,004	6.69%	7,148,648	10,997,921	916,493
73	Dec 2015	\$ (7,088,066)	97,608,617	(7,088,066)	100,690,988	42,369	6.69%	6,736,227	10,363,426	863,619
74	Dec 2016	\$ (7,088,066)	91,443,875	(7,088,066)	94,526,246	42,735	6.69%	6,323,806	9,728,932	810,744
75	Dec 2017	\$ (7,088,066)	85,279,132	(7,088,066)	88,361,503	43,100	6.69%	5,911,385	9,094,438	757,870
76										
77	Chelan - Rock Island Security Deposit									
78	Dec 2012	\$ -	18,500,000	-	18,500,000	41,274	6.9%&6.71%	786,867	1,210,564	159,147
78	Dec 2013	\$ -	18,500,000	-	18,500,000	41,639	6.71%&6.69%	1,239,485	1,906,900	158,908
79	Dec 2014	\$ -	18,500,000	-	18,500,000	42,004	6.69%	1,237,650	1,904,077	158,673
80	Dec 2015	\$ -	18,500,000	-	18,500,000	42,369	6.69%	1,237,650	1,904,077	158,673
81	Dec 2016	\$ -	18,500,000	-	18,500,000	42,735	6.69%	1,237,650	1,904,077	158,673
82	Dec 2017	\$ -	18,500,000	-	18,500,000	43,100	6.69%	1,237,650	1,904,077	158,673
83										
84	Colstrip 1 and 2 (WECO)									
85	Reservation Payment									
86	Dec 2011	(555,556)	4,444,444	(555,556)	-	40,908	6.90%	0	0	0
87	Dec 2012	\$ (944,444)	3,500,000	(944,444)	3,912,809	41,274	6.9%&6.71%	265,271	408,110	34,009
86	Dec 2013	\$ (500,000)	3,000,000	(500,000)	3,250,000	41,639	6.71%&6.69%	217,747	334,996	27,916
87	Dec 2014	\$ (500,000)	2,500,000	(500,000)	2,750,000	42,004	6.69%	183,975	283,038	23,587
88	Dec 2015	\$ (500,000)	2,000,000	(500,000)	2,250,000	42,369	6.69%	150,525	231,577	19,298
89	Dec 2016	\$ (500,000)	1,500,000	(500,000)	1,750,000	42,735	6.69%	117,075	180,115	15,010
90	Dec 2017	\$ (500,000)	1,000,000	(500,000)	1,250,000	43,100	6.69%	83,625	128,654	10,721
96										
92	FERC PART 12 Non-Construction Study Cos									
93	Dec 2012	\$ (241,268)	965,072	(241,268)	1,035,442	41,274	6.9%&6.71%	70,198	107,998	9,000
93	Dec 2013	\$ (241,268)	723,804	(241,268)	844,438	41,639	6.71%&6.69%	56,577	87,041	7,253
94	Dec 2014	\$ (241,268)	482,536	(241,268)	603,170	42,004	6.69%	40,352	62,080	5,173
95	Dec 2015	\$ (241,268)	241,268	(241,268)	361,902	42,369	6.69%	24,211	37,248	3,104

Exhibit D: Regulatory Assets and Liabilities net of Accumulated Amortization and Deferred Taxes (PCA Periods)
2014 PCORC - PCA Time Periods
As Filed in November 20, 2014 Compliance Filing in UE-141141

		Rate
2011 GRC	5/14/2012	6.71%
2013 ERF	7/1/2013	6.69%

Ref	Description	12 Months Ended		PCA Period			Return A.T. %	Amount	Pre Tax	Monthly
		Asset Amort	Balance net of AA & ADFIT (Note 1)	Asset Amort	AMA Ratebase as of (Note 1)					
157										
158	Period	From	To	Asset Amort	AMA Ratebase as of					
159							(Annualized)			
160	PCA #9	\$ 1/1/10	12/31/10	(52,290,307)	128,401,148	12/10	7.00%&6.90%	8,348,278	12,843,505	1,070,292
161	PCA #10	\$ 1/1/11	12/31/11	(57,775,335)	205,265,167	12/11	6.90%	6,858,474	10,551,498	879,292
162	PCA #11	\$ 1/1/12	12/31/12	(19,497,705)	317,135,770	12/12	6.9%&6.71%	17,913,456	27,559,163	2,745,214
163	PCA #12	\$ 1/1/13	12/31/13	(22,350,744)	310,831,090	12/13	6.71%&6.69%	20,032,307	30,818,934	2,670,080
164	PCA #13	\$ 1/1/14	12/31/14	(31,511,664)	287,434,175	12/14	6.69%	19,064,318	29,329,720	2,465,865
165	PCA #14	\$ 1/1/15	12/31/15	(32,295,308)	266,124,919	12/15	6.69%	17,803,757	27,390,396	2,282,533
166	PCA #15	\$ 1/1/16	12/31/16	(29,404,571)	242,684,342	12/16	6.69%	16,235,583	24,977,819	2,081,485
167	PCA #16	\$ 1/1/17	12/31/17	(26,027,118)	221,641,958	12/17	6.69%	14,827,847	22,812,072	1,901,006

169 Note: Amounts in bold and italics are different from May 23, 2014 original filing.

170 Note (1) Amounts in these columns are net of accumulated amortization AND the associated Deferred FIT liability / asset.