

**Puget Sound Energy - Washington**  
**Comparison of PSE Proposed Net Salvage Accrual and Average Net Salvage Actually Incurred**  
**As of September 30, 2016**

Account	Description A	9/30/16 Investment B	Future Net Salvage Percent	PSE Proposed		COR Included in PSE Proposed		Five-Year Average COR Actually Incurred	PSE Proposed COR Accrual / Five-Year COR Actually Incurred
				Rate	Accrual	Rate	Accrual		
<b><u>NATURAL GAS PLANT</u></b>									
<b>DISTRIBUTION PLANT</b>									
374.20 thru 374.30	EASEMENTS	13,871,048	0%	1.51%	209,078	0.00%	0	0	0.0
375.00	STRUCTURES AND IMPROVEMENTS	36,537,812	-5%	2.53%	925,716	0.12%	44,082	1,929	22.8
376.1 thru 376.4 and 376.6	MAINS	1,716,469,164	-50%	2.37%	40,709,633	0.79%	13,569,878	1,673,594	8.1
376.50	MAINS - CATHODIC PROTECTION	35,642,749	0%	3.58%	1,277,060	0.00%	0	541	0.0
378.00	MEASURING & REGULATING STATION EQ.	109,594,096	-50%	4.13%	4,521,142	1.38%	1,507,047	304,316	5.0
380 thru 380.5	SERVICES	1,020,562,526	-75%	3.23%	32,951,343	1.35%	13,810,392	3,723,573	3.7
381.00	METERS	79,272,362	-25%	4.07%	3,224,183	0.81%	644,837	804,971	0.8
382.00	METER INSTALLATIONS	165,961,350	-10%	2.25%	3,735,405	0.20%	339,582	230,684	1.5
383.00	HOUSE REGULATORS	16,689,215	0%	1.44%	240,310	0.00%	0	938	0.0
384.00	HOUSE REGULATOR INSTALLATIONS	83,183,112	0%	1.81%	1,504,419	0.00%	0	467	0.0
385.00	INDUSTRIAL MEASURING & REGULATING STATION EQ.	38,074,912	-10%	6.85%	2,608,935	0.62%	237,176	343,043	0.7
386.00	RES. & COM. WATER HEATERS & CONV. BURNERS	27,241,542	0%	3.84%	1,044,955	0.00%	0	0	0.0
387.00	OTHER EQUIPMENT	5,758,986	0%	12.05%	694,087	0.00%	0	0	0.0
<b>TOTAL DISTRIBUTION PLANT</b>		<b>3,348,858,872</b>		<b>2.80%</b>	<b>93,646,266</b>	<b>0.90%</b>	<b>30,152,993</b>	<b>7,084,057</b>	<b>4.3</b>

Source: Exhibit No. JJS-3