

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

Account	Description	9/30/16 Investment	Future Net Salvage Percent	PC Proposed		COR Included in PC Proposed		Five-Year Average COR Actually Incurred	PC Proposed COR Accrual / Five-Year COR Actually Incurred
				Rate	Accrual	Rate	Accrual		
A		B							
<b><u>NATURAL GAS PLANT</u></b>									
<b>DISTRIBUTION PLANT</b>									
374.20 thru 374.30	EASEMENTS	13,871,048	0%	1.51%	209,125	0.00%	0	0	0.0
375.00	STRUCTURES AND IMPROVEMENTS	36,537,812	-5%	2.53%	925,236	0.12%	44,059	1,929	22.8
376.1 thru 376.4 and 376.6	MAINS	1,716,469,164	-20%	1.75%	29,983,610	0.29%	4,997,268	1,673,594	3.0
376.50	MAINS - CATHODIC PROTECTION	35,642,749	0%	3.59%	1,278,073	0.00%	0	541	0.0
378.00	MEASURING & REGULATING STATION EQ.	109,594,096	-20%	3.11%	3,410,303	0.52%	568,384	304,316	1.9
380 thru 380.5	SERVICES	1,020,562,526	-75%	2.85%	29,081,419	1.04%	10,632,922	3,723,573	2.9
381.00	METERS	79,272,362	-25%	4.07%	3,227,966	0.81%	645,593	804,971	0.8
382.00	METER INSTALLATIONS	165,961,350	-10%	2.25%	3,738,397	0.20%	339,854	230,684	1.5
383.00	HOUSE REGULATORS	16,689,215	0%	1.44%	240,445	0.00%	0	938	0.0
384.00	HOUSE REGULATOR INSTALLATIONS	83,183,112	0%	1.81%	1,502,519	0.00%	0	467	0.0
385.00	INDUSTRIAL MEASURING & REGULATING STATION EQ.	38,074,912	-10%	6.84%	2,602,436	0.62%	236,585	343,043	0.7
386.00	RES. & COM. WATER HEATERS & CONV. BURNERS	27,241,542	0%	3.83%	1,044,584	0.00%	0	0	0.0
387.00	OTHER EQUIPMENT	5,758,986	0%	12.03%	692,820	0.00%	0	0	0.0
<b>TOTAL DISTRIBUTION PLANT</b>		<b>3,348,858,872</b>		<b>2.33%</b>	<b>77,936,932</b>	<b>0.52%</b>	<b>17,464,666</b>	<b>7,084,057</b>	<b>2.5</b>

Source: Exhibit No. JJS-3