

**EXHIBIT NO. RCS-8C
DOCKET NOS. UE-170033/UG-170034
WITNESS: RALPH C. SMITH**

**BEFORE THE
WASHINGTON STATE UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

PUGET SOUND ENERGY, INC.,

Respondent.

**Docket No. UE-170033
Docket No. UG-170034**

SIXTH EXHIBIT (CONFIDENTIAL) TO TESTIMONY OF

RALPH C. SMITH

ON BEHALF OF PUBLIC COUNSEL

Data Request Responses Regarding Pension Expense
****Confidential Information has been Redacted****

JUNE 30, 2017

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

**Dockets UE-170033 and UG-170034
Puget Sound Energy
2017 General Rate Case**

ICNU DATA REQUEST NO. 056

ICNU DATA REQUEST NO. 056:

Reference Exh. No. SEF-1T at 18:20:19:12: Please state the Company's SFAS 87 (or ASC equivalent) pension expense for calendar years 2012 to 2016 (inclusive).

Response:

Puget Sound Energy's ("PSE") pension expense for calendar years 2012 to 2016 is stated in PSE's annual Form 10-K provided to the U.S. Securities and Exchange Commission. Please see Note 12, "Retirement Benefits" to the consolidated financial statements included in Item 8 of the Form 10-K.

Please see Attachment A to PSE's Response to ICNU Data Request No. 056 for a PDF containing PSE's SFAS 87 (or ASC equivalent) pension expense for calendar years 2012 to 2016.

**ATTACHMENT A to PSE's Response to
ICNU Data Request No. 056**

The following tables summarize Puget Energy's and PSE's net periodic benefit cost for the years ended December 31, 2016, 2015 and 2014:

Puget Energy (Dollars in Thousands)	Qualified Pension Benefits			SERP Pension Benefits			Other Benefits		
	2016	2015	2014	2016	2015	2014	2016	2015	2014
Components of net periodic benefit cost:									
Service cost	\$ 18,913	\$ 21,287	\$ 17,437	\$ 1,085	\$ 1,108	\$ 1,042	\$ 93	\$ 112	\$ 112
Interest cost	28,689	28,088	28,039	2,325	2,281	2,310	533	621	684
Expected return on plan assets	(46,619)	(45,038)	(42,464)	—	—	—	(446)	(531)	(535)
Amortization of prior service cost (credit)	(1,980)	(1,980)	(1,980)	42	42	42	—	—	—
Amortization of net loss (gain)	—	3,887	—	911	1,641	913	(386)	(130)	(393)
Net periodic benefit cost	\$ (997)	\$ 6,244	\$ 1,032	\$ 4,363	\$ 5,072	\$ 4,307	\$ (206)	\$ 72	\$ (132)

Puget Sound Energy (Dollars in Thousands)	Qualified Pension Benefits			SERP Pension Benefits			Other Benefits		
	2016	2015	2014	2016	2015	2014	2016	2015	2014
Components of net periodic benefit cost:									
Service cost	\$ 18,913	\$ 21,287	\$ 17,437	\$ 1,085	\$ 1,108	\$ 1,042	\$ 93	\$ 112	\$ 112
Interest cost	28,689	28,088	28,039	2,325	2,281	2,310	533	621	684
Expected return on plan assets	(46,814)	(45,462)	(43,252)	—	—	—	(446)	(531)	(535)
Amortization of prior service cost (credit)	(1,573)	(1,573)	(1,573)	44	44	44	—	3	3
Amortization of net loss(gain)	15,257	20,555	13,195	1,330	2,120	1,461	(632)	(406)	(702)
Net periodic benefit cost	\$ 14,472	\$ 22,895	\$ 13,846	\$ 4,784	\$ 5,553	\$ 4,857	\$ (452)	\$ (201)	\$ (438)

The following tables summarize Puget Energy's and PSE's benefit obligations recognized in other comprehensive income (OCI) for the years ended December 31, 2016 and 2015:

Puget Energy (Dollars in Thousands)	Qualified Pension Benefits		SERP Pension Benefits		Other Benefits	
	2016	2015	2016	2015	2016	2015
Other changes (pre-tax) in plan assets and benefit obligations recognized in other comprehensive income:						
Net loss (gain)	\$ 11,141	\$ (6,136)	\$ 106	\$ (4,430)	\$ (2,742)	\$ (508)
Amortization of net loss (gain)	—	(3,887)	(910)	(1,641)	385	131
Amortization of prior service credit	1,980	1,980	(42)	(42)	—	—
Total change in other comprehensive income for year	\$ 13,121	\$ (8,043)	\$ (846)	\$ (6,113)	\$ (2,357)	\$ (377)

Puget Sound Energy (Dollars in Thousands)	Qualified Pension Benefits		SERP Pension Benefits		Other Benefits	
	2014	2013	2014	2013	2014	2013
Amounts recognized in Accumulated Other Comprehensive Income consist of:						
Net loss (gain)	\$ 247,331	\$ 138,324	\$ 19,751	\$ 14,050	\$ (3,733)	\$ (5,556)
Prior service cost (credit)	(10,952)	(12,525)	339	383	3	6
Total	\$ 236,379	\$ 125,799	\$ 20,090	\$ 14,433	\$ (3,730)	\$ (5,550)

The following tables summarize Puget Energy's and Puget Sound Energy's net periodic benefit cost for the years ended December 31, 2014, 2013 and 2012:

Puget Energy (Dollars in Thousands)	Qualified Pension Benefits			SERP Pension Benefits			Other Benefits		
	2014	2013	2012	2014	2013	2012	2014	2013	2012
Components of net periodic benefit cost:									
Service cost	\$ 17,437	\$ 19,285	\$ 16,926	\$ 1,042	\$ 1,498	\$ 1,073	\$ 112	\$ 134	\$ 139
Interest cost	28,039	24,754	25,986	2,310	2,045	2,152	684	664	751
Expected return on plan assets	(42,464)	(39,095)	(36,203)	—	—	—	(535)	(436)	(435)
Amortization of prior service cost (credit)	(1,980)	(1,980)	(1,980)	42	(17)	—	—	—	—
Amortization of net loss	—	2,889	768	913	1,461	702	(393)	69	53
Net periodic benefit cost	\$ 1,032	\$ 5,853	\$ 5,497	\$ 4,307	\$ 4,987	\$ 3,927	\$ (132)	\$ 431	\$ 508

Puget Sound Energy (Dollars in Thousands)	Qualified Pension Benefits			SERP Pension Benefits			Other Benefits		
	2014	2013	2012	2014	2013	2012	2014	2013	2012
Components of net periodic benefit cost:									
Service cost	\$ 17,437	\$ 19,285	\$ 16,926	\$ 1,042	\$ 1,498	\$ 1,073	\$ 112	\$ 134	\$ 139
Interest cost	28,039	24,753	25,986	2,310	2,045	2,152	684	664	751
Expected return on plan assets	(43,252)	(40,685)	(41,533)	—	—	—	(535)	(436)	(435)
Amortization of prior service cost (credit)	(1,573)	(1,573)	(1,573)	44	(16)	293	3	30	35
Amortization of net loss (gain)	13,195	20,612	15,015	1,461	2,191	1,432	(702)	(284)	(245)
Amortization of transition obligation	—	—	—	—	—	—	—	—	50
Net periodic benefit cost	\$ 13,846	\$ 22,392	\$ 14,821	\$ 4,857	\$ 5,718	\$ 4,950	\$ (438)	\$ 108	\$ 295

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

**Dockets UE-170033 and UG-170034
Puget Sound Energy
2017 General Rate Case**

ICNU DATA REQUEST NO. 057

“CONFIDENTIAL” “HIGHLY CONFIDENTIAL” Table of Contents

DR NO.	“CONFIDENTIAL” Material
057	The Attachment A to PSE’s Response to ICNU Data Request No. 057 is CONFIDENTIAL per Protective Order in WUTC Dockets UE-170033 and UG-170034.

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

**Dockets UE-170033 and UG-170034
Puget Sound Energy
2017 General Rate Case**

ICNU DATA REQUEST NO. 057

ICNU DATA REQUEST NO. 057:

Reference Exh. No. SEF-1T at 18:20:19:12: Please provide the Company's most recent actuarial reports used to establish accrued pension expenses for 2017 (approximately \$12.7 million based on Page 56 of the Company's 2016 10-K).

Response:

Attached as Attachment A to Puget Sound Energy's ("PSE") Response to ICNU Data Request No. 057 is the most recent actuarial report for the Retirement Plan for Employees of Puget Sound Energy, Inc., which is PSE's pension plan.

Due to the size, Attachment A to PSE's Response to ICNU Data Request No. 057 is provided in electronic format only.

Attachment A to PSE's Response to ICNU Data Request No. 057 is CONFIDENTIAL in its entirety per Protective Order in WUTC Dockets UE-170033 and UG-170034.

**ATTACHMENT A to PSE's Response to
ICNU Data Request No. 057 is provided
in electronic format only**

**ATTACHMENT A to PSE's Response to
ICNU Data Request No. 057 is
CONFIDENTIAL IN ITS ENTIRETY**

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

**Dockets UE-170033 and UG-170034
Puget Sound Energy
2017 General Rate Case**

WUTC STAFF DATA REQUEST NO. 212

WUTC STAFF DATA REQUEST NO. 212:

Again referring to Exhibit TMH-7C, what is the source of the assumptions used in the pension projections for:

- The assumed discount rate,
- The long-term cash balance interest crediting rate,
- The expected return on plan assets,
- The rate of compensation increase, and
- The approximate actual asset return for 2016 as seen in table “Retirement Plan for Employees of Puget Sound Energy, Inc.,” on page 2 of 2?

Response:

Puget Sound Energy’s (“PSE”) actuarial firm Milliman prepared the material included in Exhibit Six to the Prefiled Direct Testimony of Thomas M. Hunt, Exhibit No. ____ (TMH-7C). The assumptions that Milliman used are consistent with those used in their 2016 actuarial valuation of the plan, which was provided in Attachment A to PSE’s Response to ICNU Data Request No. 057. Appendix C of the 2016 actuarial valuation describes the assumptions in detail.