

**Exh. JL-3**  
**Dockets UE-190529/UG-190530 and**  
**UE-190274/UG-190275 (*consolidated*)**  
**Witness: Jing Liu**

**BEFORE THE WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION,**

**Complainant,**

**v.**

**PUGET SOUND ENERGY,**

**Respondent.**

**DOCKETS UE-190529  
and UG-190530 (*consolidated*)**

**In the Matter of the Petition of**

**PUGET SOUND ENERGY**

**For an Order Authorizing Deferral  
Accounting and Ratemaking Treatment  
for Short-life UT/Technology Investment**

**DOCKETS UE-190274 and  
UG-190275 (*consolidated*)**

**EXHIBIT TO TESTIMONY OF**

**Jing Liu**

**STAFF OF  
WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION**

*Natural Gas Model*

**November 22, 2019**

EXH. SEF-3G page 1 of 4

PUGET SOUND ENERGY - NATURAL GAS  
RESULTS OF OPERATIONS  
2019 GENERAL RATE CASE  
12 MONTHS ENDED DECEMBER 31, 2018  
GENERAL RATE INCREASE

LINE NO.	DESCRIPTION	
1	RATE BASE	\$ 2,071,089,382
2	RATE OF RETURN	7.33%
3		
4	OPERATING INCOME REQUIREMENT	151,810,852
5		
6	PRO FORMA OPERATING INCOME	98,480,853
7	OPERATING INCOME DEFICIENCY	53,329,998
8		
9	CONVERSION FACTOR	0.754097
10	REVENUE CHANGE BEFORE ATTRITION AND RIDERS	70,720,343
11	CHANGES TO OTHER PRICE SCHEDULES FROM EXH. JAP-15:	
12	DECREASE TO SCHEDULE 149 GAS COST RECOVERY MECHANISM FOR PIPELINE REPLACEMENT	(10,597,674)
13	DECREASE TO SCHEDULE 141 EXPEDITED RATE FILING RATE ADJUSTMENT	(27,935,728)
14	INCREASE TO SCHEDULE 141Y TEMPORARY FEDERAL INCOME TAX RATE CREDIT	6,176,333
15	SUBTOTAL CHANGES TO OTHER PRICE SCHEDULES	(32,357,069)
16		
17	NET REVENUE CHANGE BEFORE ATTRITION	38,363,274
18		
19	ATTRITION ADJUSTMENT	9,399,027
20		for informational only
21	NET REVENUE CHANGE AFTER ATTRITION FROM PAGE 4 OF 4	47,762,301
22		for informational only
23	REDUCTION TO SUPPORTED AMOUNT	-
24		
25	NET REVENUE CHANGE REQUESTED EXH. JAP-15	\$ 47,762,301
		for informational only

EXH. SEF-3G page 2 of 3

PUGET SOUND ENERGY - NATURAL GAS  
RESULTS OF OPERATIONS  
2019 GENERAL RATE CASE  
12 MONTHS ENDED DECEMBER 31, 2018  
**COST OF CAPITAL - PROFORMA**

Staff Recommendation

LINE NO.	DESCRIPTION	CAPITAL STRUCTURE	COST	WEIGHTED COST
1	SHORT AND LONG TERM DEBT	51.50%	5.57%	2.87%
2	EQUITY	48.50%	9.20%	4.46%
3	TOTAL	100.00%		7.33%
4				
5	AFTER TAX SHORT TERM DEBT ((LINE 1)* 79%)	51.50%	4.40%	2.27%
6	EQUITY	48.50%	9.20%	4.46%
7	TOTAL AFTER TAX COST OF CAPITAL	100.00%		6.73%

EXH. SEF-3G page 3 of 4

PUGET SOUND ENERGY - NATURAL GAS  
RESULTS OF OPERATIONS  
2019 GENERAL RATE CASE  
12 MONTHS ENDED DECEMBER 31, 2018  
**CONVERSION FACTOR**

LINE NO.	DESCRIPTION		
1	BAD DEBTS		0.005124
2	ANNUAL FILING FEE		0.002000
3	STATE UTILITY TAX ( 3.8323% - ( LINE 1 * 3.8323% ) )	3.8520%	<u>0.038323</u>
4			
5	SUM OF TAXES OTHER		0.045447
6			
7	CONVERSION FACTOR EXCLUDING FEDERAL INCOME TAX ( 1 - LINE 6 )		0.954553
8	FEDERAL INCOME TAX ( LINE 7 * 21% )	21%	<u>0.200456</u>
9	CONVERSION FACTOR INCL FEDERAL INCOME TAX ( LINE 7 - LINE 8 )		<u><u>0.754097</u></u>

EXH. SEF-3G page 4 of 4

PUGET SOUND ENERGY - NATURAL GAS  
RESULTS OF OPERATIONS  
2019 GENERAL RATE CASE  
12 MONTHS ENDED DECEMBER 31, 2018  
GENERAL RATE INCREASE

Staff Recommendation

LINE NO.	DESCRIPTION	AMOUNT
1	ATTRITION DEFICIENCY SUPPORTED BY RON AMEN (EXH. RJA-4)	\$ 80,119,370
2	CHANGES TO OTHER PRICE SCHEDULES	(32,357,069)
3		
4	NET REVENUE CHANGE AFTER ATTRITION	\$ 47,762,301

for informational only

**PUGET SOUND ENERGY, INC.**  
**2019 GENERAL RATE CASE**  
**Utility Capital Structure**  
**Proposed Cost of Capital and Rate of Return**

**Staff Recommendation**

Line No.	DESCRIPTION			
1	SHORT AND LONG TERM DEBT	51.50%	5.57%	2.87%
2	EQUITY	48.50%	9.20%	4.46%
3	TOTAL	<u>100.00%</u>		<u>7.33%</u>
4				
5	AFTER TAX SHORT TERM DEBT (( LINE 1)* 79%)	51.50%	4.40%	2.27%
6	EQUITY	48.50%	9.20%	4.46%
7	TOTAL AFTER TAX COST OF CAPITAL	<u>100.00%</u>		<u>6.73%</u>

source: **EXH. SEF-5G page 4 of 4**  
**PUGET SOUND ENERGY - NATURAL GAS**  
**RESULTS OF OPERATIONS**  
**2019 GENERAL RATE CASE**  
**12 MONTHS ENDED DECEMBER 31, 2018**  
**COST OF CAPITAL - TEST YEAR**

LINE NO.	DESCRIPTION	CAPITAL STRUCTURE	COST	WEIGHTED COST
1	SHORT AND LONG TERM DEBT	51.00%	5.76%	2.94%
2	EQUITY	49.00%	9.50%	4.66%
3	TOTAL	100%		7.60%
4				
5	AFTER TAX SHORT TERM DEBT ( (LINE 1)* 75	51.00%	4.55%	2.32%
6	EQUITY	49.00%	9.50%	4.66%
7	TOTAL AFTER TAX COST OF CAPITAL	100%		6.98%

**PUGET SOUND ENERGY  
NATURAL GAS STATEMENT OF OPERATING INCOME  
AND ADJUSTMENTS  
2019 GENERAL RATE CASE  
12 MONTHS ENDED DECEMBER 31, 2018**

source: EXH. SEF-4G page 1 of 5

LINE NO.	DESCRIPTION	ACTUAL RESULTS OF OPERATIONS a	RESTATING ADJUSTMENTS b	RESTATED RESULTS OF OPERATIONS c = a + b	PROFORMA ADJUSTMENTS d	ADJUSTED RESULTS OF OPERATIONS e = c + d	NET REVENUE CHANGE TO BASE RATES f	AFTER RATE INCREASE g = e + f
1	OPERATING REVENUES							
2	SALES TO CUSTOMERS	\$ 876,657,676	\$ (152,862,576)	\$ 723,795,099	\$ 27,006,792	\$ 750,801,892	\$ 70,720,343	\$ 821,522,235
3	MUNICIPAL ADDITIONS	-	-	-	-	-	-	-
4	OTHER OPERATING REVENUES	(25,909,999)	46,115,262	20,205,263	(9,854,969)	10,350,294		10,350,294
5	TOTAL OPERATING REVENUES	850,747,677	(106,747,315)	744,000,362	17,151,823	761,152,186	70,720,343	831,872,529
6								
7	OPERATING REVENUE DEDUCTIONS:							
8								
9	GAS COSTS:							
10		\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
11	PURCHASED GAS	296,699,052	(20,106,833)	276,592,219	16,256,426	292,848,645		292,848,645
12		-	-	-	-	-		-
13	TOTAL PRODUCTION EXPENSES	\$ 296,699,052	\$ (20,106,833)	\$ 276,592,219	\$ 16,256,426	\$ 292,848,645	-	\$ 292,848,645
14								
15	OTHER POWER SUPPLY EXPENSES	\$ 6,042,805	\$ 18,584	\$ 6,061,389	\$ 109,078	\$ 6,170,467		\$ 6,170,467
16	TRANSMISSION EXPENSE	2,111	-	2,111	58	2,169		2,169
17	DISTRIBUTION EXPENSE	60,174,168	523,457	60,697,625	1,628,823	62,326,449		62,326,449
18	CUSTOMER ACCTS EXPENSES	29,807,452	(141,267)	29,666,184	31,954	29,698,139	362,371	30,060,510
19	CUSTOMER SERVICE EXPENSES	6,574,431	(4,811,195)	1,763,236	31,612	1,794,848		1,794,848
20	CONSERVATION AMORTIZATION	14,625,833	(14,625,833)	-	-	-		-
21	ADMIN & GENERAL EXPENSE	57,249,535	2,450,909	59,700,443	827,792	60,528,235	141,441	60,669,676
22	DEPRECIATION	116,957,731	4,136,956	121,094,686	(143,304)	120,951,382		120,951,382
23	AMORTIZATION	26,117,570	8,190,016	34,307,586	1,469,535	35,777,121		35,777,121
24	AMORTIZ OF PROPERTY GAIN/LOSS	-	-	-	-	-		-
25	OTHER OPERATING EXPENSES	8,769,361	-	8,769,361	4,711,512	13,480,873		13,480,873
26	ASC 815	-	-	-	-	-		-
27	TAXES OTHER THAN INCOME TAXES	101,477,297	(66,036,388)	35,440,909	897,819	36,338,727	2,710,216	39,048,943
28	INCOME TAXES	31,944,159	(27,609,398)	4,334,761	(1,381,173)	2,953,588	14,176,317	17,129,905
29	DEFERRED INCOME TAXES	(9,558,131)	10,081,450	523,320	(722,630)	(199,311)		(199,311)
30	TOTAL OPERATING REV. DEDUCT.	\$ 746,883,373	\$ (107,929,543)	\$ 638,953,830	\$ 23,717,502	\$ 662,671,332	\$ 17,390,345	\$ 680,061,677
31								
32	NET OPERATING INCOME	\$ 103,864,304	\$ 1,182,228	\$ 105,046,532	\$ (6,565,679)	\$ 98,480,853	\$ 53,329,998	\$ 151,810,852
33								
34	RATE BASE	\$ 1,951,252,143	\$ 141,697,963	\$ 2,092,950,107	\$ (21,860,725)	\$ 2,071,089,382		\$ 2,071,089,382
35								
36	RATE OF RETURN	5.32%		5.02%		4.76%		7.33%
37								
38	RATE BASE:							
39	GROSS UTILITY PLANT IN SERVICE	\$ 4,100,600,279	\$ 200,226,770	\$ 4,300,827,049	\$ (19,711,279)	\$ 4,281,115,770		\$ 4,281,115,770
40	ACCUMULATED DEPRECIATION	(1,569,795,173)	(67,842,753)	(1,637,637,927)	(8,813,466)	(1,646,451,393)		(1,646,451,393)
41	ACCUMULATED DEFERRED FIT - LIBERALIZED	(604,032,301)	6,355,142	(597,677,159)	1,962,303	(595,714,856)		(595,714,856)
42	DEPRECIATION AND OTHER LIABILITIES	(29,952,462)	2,958,805	(26,993,657)	4,701,718	(22,291,938)		(22,291,938)
43	ALLOWANCE FOR WORKING CAPITAL	54,431,800	-	54,431,800	-	54,431,800		54,431,800
44	OTHER	-	-	-	-	-		-
45	TOTAL RATE BASE	\$1,951,252,143	\$141,697,963	\$2,092,950,107	\$ (21,860,725)	\$2,071,089,382		\$2,071,089,382
46								
47	ROR	7.33%	7.33%	7.33%	7.33%	7.33%	7.33%	7.33%
48	CF	0.754097	0.754097	0.754097	0.754097	0.754097	0.754097	0.754097
49	Surplus / (Deficiency)	(39,162,478)	(9,204,233)	(48,366,711)	(4,963,288)	(53,329,998)	53,329,998	0
50	Revenue Requirement or (Surplus)	51,932,945	12,205,635	64,138,580	6,581,763	70,720,343	(70,720,343)	(0)



**PUGET SOUND ENERGY  
NATURAL GAS STATEMENT OF OPERATING INCOME  
AND ADJUSTMENTS  
2019 GENERAL RATE CASE  
12 MONTHS ENDED DECEMBER 31, 2018**

LINE NO.	DESCRIPTION	ACTUAL	COMMON	COMMON	COMMON	COMMON	COMMON	COMMON
		RESULTS OF OPERATIONS	RESTATING 6.01 GR REVENUES & EXPENSES	RESTATING Staff Revised 6.02 GR TEMPERATURE NORMALIZATION	RESTATING 6.03 GR FEDERAL INCOME TAX	RESTATING Staff Revised 6.04 GR TAX BENEFIT OF INTEREST	RESTATING 6.05 GR PASS-THROUGH REV & EXP	RESTATING 6.06 GR INJURIES & DAMAGES
		a	b	c	d	e	f	g
1	OPERATING REVENUES							
2	SALES TO CUSTOMERS	\$ 876,657,676	\$ (47,098,326)	\$ 71,805			\$ (105,836,056)	
3	MUNICIPAL ADDITIONS							
4	OTHER OPERATING REVENUES	(25,909,999)	2,691,479				43,423,783	
5	TOTAL OPERATING REVENUES	850,747,677	(44,406,847)	71,805	-	-	(62,412,273)	-
6								
7	OPERATING REVENUE DEDUCTIONS:							
8								
9	GAS COSTS:							
10								
11	PURCHASED GAS	\$ 296,699,052	(43,597,129)				23,490,296	
12								
13	TOTAL PRODUCTION EXPENSES	\$ 296,699,052	\$ (43,597,129)	\$ -	\$ -	\$ -	\$ 23,490,296	\$ -
14								
15	OTHER POWER SUPPLY EXPENSES	\$ 6,042,805						
16	TRANSMISSION EXPENSE	2,111						
17	DISTRIBUTION EXPENSE	60,174,168						
18	CUSTOMER ACCTS EXPENSES	29,807,452	(227,541)	368			(319,800)	
19	CUSTOMER SERVICE EXPENSES	6,574,431					(4,814,957)	
20	CONSERVATION AMORTIZATION	14,625,833					(14,625,833)	
21	ADMIN & GENERAL EXPENSE	57,249,535	(88,814)	144			(124,825)	1,590,277
22	DEPRECIATION	116,957,731						
23	AMORTIZATION	26,117,570						
24	AMORTIZ OF PROPERTY GAIN/LOSS							
25	OTHER OPERATING EXPENSES	8,769,361						
26	ASC 815							
27	TAXES OTHER THAN INCOME TAXES	101,477,297	(1,701,804)	2,752			(64,229,662)	
28	INCOME TAXES	31,944,159	253,772	14,394	(11,297,869)	(12,921,874)	(375,373)	(333,958)
29	DEFERRED INCOME TAXES	(9,558,131)			10,081,450	-		
30	TOTAL OPERATING REV. DEDUCT.	\$ 746,883,373	\$ (45,361,514)	\$ 17,657	\$ (1,216,419)	\$ (12,921,874)	\$ (61,000,154)	\$ 1,256,319
31								
32	NET OPERATING INCOME	\$ 103,864,304	\$ 954,667	\$ 54,148	\$ 1,216,419	\$ 12,921,874	\$ (1,412,119)	\$ (1,256,319)
33				12,802,861	12,802,861			
34	RATE BASE	\$ 1,951,252,143	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
35								
36	RATE OF RETURN	5.32%						
37								
38	RATE BASE:							
39	GROSS UTILITY PLANT IN SERVICE	\$ 4,100,600,279						
40	ACCUMULATED DEPRECIATION	(1,569,795,173)						
41	ACCUMULATED DEFERRED FIT - LIBERA	(604,032,301)						
42	DEPRECIATION AND OTHER LIABILITIES	(29,952,462)						
43	ALLOWANCE FOR WORKING CAPITAL	54,431,800						
44	OTHER							
45	TOTAL RATE BASE	\$ 1,951,252,143	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
46		\$0						
47	ROR	7.33%	7.33%	7.33%	7.33%	7.60%	7.33%	7.33%
48	CF	0.754097	0.754097	0.754097	0.754097	0.754097	0.754097	0.754097
49	Surplus / (Deficiency)	(39,162,478)	954,667	54,148	1,216,419	12,921,874	(1,412,119)	(1,256,319)
50	Revenue Requirement or (Surplus)	51,932,945	(1,265,974)	(71,805)	(1,613,080)	(17,135,559)	1,872,595	1,665,991

**PUGET SOUND ENERGY  
NATURAL GAS STATEMENT OF OPERATING  
AND ADJUSTMENTS  
2019 GENERAL RATE CASE  
12 MONTHS ENDED DECEMBER 31, 2018**

Source: EXH. SEF-4G page 2 of 5

LINE NO.	DESCRIPTION	COMMON	COMMON	COMMON	COMMON	COMMON	COMMON	COMMON	COMMON
		RESTATING	RESTATING	RESTATING	RESTATING	RESTATING	RESTATING	RESTATING	RESTATING
		6.07 GR	6.08 GR	6.09 GR	6.10 GR	6.11 GR	6.12 GR	6.13 GR	6.14 GR
		BAD	INCENTIVE	EXCISE TAX	D&O	CUST	RATE CASE	PENSION	PROP & LIAB
		DEBTS	PAY	& FILING FEE	INSURANCE	DEP INT	EXPENSE	PLAN	INS
		h	i	j	k	l	m	n	o
1	OPERATING REVENUES								
2	SALES TO CUSTOMERS								
3	MUNICIPAL ADDITIONS								
4	OTHER OPERATING REVENUES								
5	TOTAL OPERATING REVENUES	-	-	-	-	-	-	-	-
6									
7	OPERATING REVENUE DEDUCTIONS:								
8									
9	GAS COSTS:								
10									
11	PURCHASED GAS								
12									
13	TOTAL PRODUCTION EXPENSES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
14									
15	OTHER POWER SUPPLY EXPENSES		\$ 12,295						
16	TRANSMISSION EXPENSE		-						
17	DISTRIBUTION EXPENSE		120,834						
18	CUSTOMER ACCTS EXPENSES	158,771	29,476			204,504			
19	CUSTOMER SERVICE EXPENSES		3,037						
20	CONSERVATION AMORTIZATION								
21	ADMIN & GENERAL EXPENSE		51,936	54,198	(4,849)		554,529	975,254	66,641
22	DEPRECIATION								
23	AMORTIZATION								
24	AMORTIZ OF PROPERTY GAIN/LOSS								
25	OTHER OPERATING EXPENSES								
26	ASC 815								
27	TAXES OTHER THAN INCOME TAXES		19,256	(142,661)					
28	INCOME TAXES	(33,342)	(49,735)	18,577	1,018		(116,451)	(204,803)	(13,995)
29	DEFERRED INCOME TAXES								
30	TOTAL OPERATING REV. DEDUCT.	\$ 125,429	\$ 187,098	\$ (69,886)	\$ (3,831)	\$ 204,504	\$ 438,078	\$ 770,451	\$ 52,646
31									
32	NET OPERATING INCOME	\$ (125,429)	\$ (187,098)	\$ 69,886	\$ 3,831	\$ (204,504)	\$ (438,078)	\$ (770,451)	\$ (52,646)
33									
34	RATE BASE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
35									
36	RATE OF RETURN								
37									
38	RATE BASE:								
39	GROSS UTILITY PLANT IN SERVICE								
40	ACCUMULATED DEPRECIATION								
41	ACCUMULATED DEFERRED FIT - LIBERA								
42	DEPRECIATION AND OTHER LIABILITIES								
43	ALLOWANCE FOR WORKING CAPITAL								
44	OTHER								
45	TOTAL RATE BASE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
46									
47	ROR	7.33%	7.33%	7.33%	7.33%	7.33%	7.33%	7.33%	7.33%
48	CF	0.754097	0.754097	0.754097	0.754097	0.754097	0.754097	0.754097	0.754097
49	Surplus / (Deficiency)	(125,429)	(187,098)	69,886	3,831	(204,504)	(438,078)	(770,451)	(52,646)
50	Revenue Requirement or (Surplus)	166,330	248,109	(92,675)	(5,080)	271,190	580,931	1,021,687	69,813

**PUGET SOUND ENERGY  
NATURAL GAS STATEMENT OF OPERATING  
AND ADJUSTMENTS  
2019 GENERAL RATE CASE  
12 MONTHS ENDED DECEMBER 31, 2018**

Source: EXH. SEI

LINE NO.	DESCRIPTION	COMMON RESTATING	COMMON RESTATING	COMMON RESTATING	COMMON RESTATING	COMMON RESTATING	COMMON RESTATING	Staff	TOTAL RESTATING ADJUSTMENTS v = ∑ b through u and Staff Adjustments
		6.15 GR WAGE & PAYROLL TAX	6.16 GR INVESTMENT PLAN	6.17 GR EMPLOYEE INSURANCE	Staff Revised 6.18 GR AMA TO EOP RATE BASE	6.19 GR AMA TO EOP DEPRECIATION	6.23 GR ANNUALIZE RENT EXP	12.03G GREEN DIRECT	
		p	q	r	s	t	u		
1	OPERATING REVENUES								
2	SALES TO CUSTOMERS								\$ (152,862,576)
3	MUNICIPAL ADDITIONS								-
4	OTHER OPERATING REVENUES								46,115,262
5	TOTAL OPERATING REVENUES	-	-	-	-	-	-	-	(106,747,315)
6									
7	OPERATING REVENUE DEDUCTIONS:								
8									
9	GAS COSTS:								\$ -
10									
11	PURCHASED GAS								(20,106,833)
12									-
13	TOTAL PRODUCTION EXPENSES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (20,106,833)
14									
15	OTHER POWER SUPPLY EXPENSES	6,288							18,584
16	TRANSMISSION EXPENSE								-
17	DISTRIBUTION EXPENSE	402,623							523,457
18	CUSTOMER ACCTS EXPENSES	12,956							(141,267)
19	CUSTOMER SERVICE EXPENSES	724							(4,811,195)
20	CONSERVATION AMORTIZATION								(14,625,833)
21	ADMIN & GENERAL EXPENSE	16,612	5,304	13,475			(658,974)		2,450,909
22	DEPRECIATION					4,136,956			4,136,956
23	AMORTIZATION					8,190,016			8,190,016
24	AMORTIZ OF PROPERTY GAIN/LOSS								-
25	OTHER OPERATING EXPENSES								-
26	ASC 815								-
27	TAXES OTHER THAN INCOME TAXES	15,731							(66,036,388)
28	INCOME TAXES	(95,537)	(1,114)	(2,830)		(2,588,664)	138,384		(27,609,398)
29	DEFERRED INCOME TAXES								10,081,450
30	TOTAL OPERATING REV. DEDUCT.	\$ 359,399	\$ 4,190	\$ 10,645	\$ -	\$ 9,738,308	\$ (520,589)		\$ (107,929,543)
31									
32	NET OPERATING INCOME	\$ (359,399)	\$ (4,190)	\$ (10,645)	\$ -	\$ (9,738,308)	\$ 520,589		\$ 1,182,228
33									
34	RATE BASE	\$ -	\$ -	\$ -	\$ 151,541,663	\$ (9,738,308)	\$ -		\$ 141,697,963
35									
36	RATE OF RETURN								
37									
38	RATE BASE:								
39	GROSS UTILITY PLANT IN SERVICE				\$ 200,340,093			\$ (113,323)	\$ 200,226,770
40	ACCUMULATED DEPRECIATION				(55,515,782)	(12,326,972)		-	(67,842,753)
41	ACCUMULATED DEFERRED FIT - LIBERA				3,758,546	2,588,664		7,932	6,355,142
42	DEPRECIATION AND OTHER LIABILITIES				2,958,805				2,958,805
43	ALLOWANCE FOR WORKING CAPITAL				-				-
44	OTHER								-
45	TOTAL RATE BASE	\$ -	\$ -	\$ -	\$ 151,541,663	\$ (9,738,308)	\$ -	\$ (105,392)	\$ 141,697,963
46									
47	ROR	7.33%	7.33%	7.33%	7.33%	7.33%	7.33%	7.33%	7.33%
48	CF	0.754097	0.754097	0.754097	0.754097	0.754097	0.754097	0.754097	0.754097
49	Surplus / (Deficiency)	(359,399)	(4,190)	(10,645)	(11,108,004)	(9,024,490)	520,589	7,725	(9,204,233)
50	Revenue Requirement or (Surplus)	476,596	5,557	14,117	14,730,206	11,967,280	(690,348)	(10,244)	12,205,635

**PUGET SOUND ENERGY** F-4G page 3 of 5  
**NATURAL GAS STATEMENT OF OPERATING**  
**AND ADJUSTMENTS**  
**2019 GENERAL RATE CASE**  
**12 MONTHS ENDED DECEMBER 31, 2018**

LINE NO.	DESCRIPTION	RESTATED RESULTS OF OPERATIONS	COMMON	COMMON	COMMON	COMMON	COMMON	COMMON	COMMON
			PROFORMA	PROFORMA	PROFORMA	PROFORMA	PROFORMA	PROFORMA	PROFORMA
			6.01 GP	Staff Revised 6.02 GP	Staff Revised 6.04 GP	reversing 6.09 GP	reversing 6.10 GP	6.14 GP	6.15 GP
			REVENUES & EXPENSES	TEMPERATURE NORMALIZATION	TAX BENEFIT OF INTEREST	EXCISE TAX & FILING FEE	D&O INSURANCE	PROPERTY & LIABILITY INS	WAGE INCREASE
		w = a + v	x	y	z	aa	ab	ac	ad
1	OPERATING REVENUES								
2	SALES TO CUSTOMERS	\$ 723,795,099	\$ 50,971	\$ 33,936,342					
3	MUNICIPAL ADDITIONS	-							
4	OTHER OPERATING REVENUES	20,205,263	(9,854,969)						
5	TOTAL OPERATING REVENUES	744,000,362	(9,803,998)	33,936,342	-	-	-	-	-
6									
7	OPERATING REVENUE DEDUCTIONS:								
8									
9	GAS COSTS:								
10		\$ -							
11	PURCHASED GAS	276,592,219		16,256,426					
12		-							
13	TOTAL PRODUCTION EXPENSES	\$ 276,592,219	\$ -	\$ 16,256,426	\$ -	\$ -	\$ -	\$ -	\$ -
14									
15	OTHER POWER SUPPLY EXPENSES	\$ 6,061,389							110,732
16	TRANSMISSION EXPENSE	2,111							
17	DISTRIBUTION EXPENSE	60,697,625							1,350,206
18	CUSTOMER ACCTS EXPENSES	29,666,184	(50,236)	173,890					274,377
19	CUSTOMER SERVICE EXPENSES	1,763,236							31,612
20	CONSERVATION AMORTIZATION	-							
21	ADMIN & GENERAL EXPENSE	59,700,443	(19,608)	67,873		(54,198)	4,849	30,988	552,919
22	DEPRECIATION	121,094,686							
23	AMORTIZATION	34,307,586							
24	AMORTIZ OF PROPERTY GAIN/LOSS	-							
25	OTHER OPERATING EXPENSES	8,769,361							
26	ASC 815	-							
27	TAXES OTHER THAN INCOME TAXES	35,440,909	(375,719)	1,300,542		142,661			97,848
28	INCOME TAXES	4,334,761	(1,965,271)	3,388,898	439,418	(18,577)	(1,018)	(6,507)	(507,716)
29	DEFERRED INCOME TAXES	523,320							
30	TOTAL OPERATING REV. DEDUCT.	\$ 638,953,830	\$ (2,410,834)	\$ 21,187,629	\$ 439,418	\$ 69,886	\$ 3,831	\$ 24,480	\$ 1,909,978
31						0	0		
32	NET OPERATING INCOME	\$ 105,046,532	\$ (7,393,164)	\$ 12,748,713	\$ (439,418)	\$ (69,886)	\$ (3,831)	\$ (24,480)	\$ (1,909,978)
33									
34	RATE BASE	\$ 2,092,950,107	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
35									
36	RATE OF RETURN	5.02%							
37									
38	RATE BASE:								
39	GROSS UTILITY PLANT IN SERVICE	\$ 4,300,827,049							
40	ACCUMULATED DEPRECIATION	(1,637,637,927)							
41	ACCUMULATED DEFERRED FIT - LIBERA	(597,677,159)							
42	DEPRECIATION AND OTHER LIABILITIES	(26,993,657)							
43	ALLOWANCE FOR WORKING CAPITAL	54,431,800							
44	OTHER	-							
45	TOTAL RATE BASE	\$ 2,092,950,107	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
46									
47	ROR	7.33%	7.33%	7.33%	7.33%	7.33%	7.33%	7.33%	7.33%
48	CF	0.754097	0.754097	0.754097	0.754097	0.754097	0.754097	0.754097	0.754097
49	Surplus / (Deficiency)	(48,366,711)	(7,393,164)	12,748,713	(439,418)	(69,886)	(3,831)	(24,480)	(1,909,978)
50	Revenue Requirement or (Surplus)	64,138,580	9,803,996	(16,905,933)	582,708	92,675	5,080	32,463	2,532,802

**PUGET SOUND ENERGY  
NATURAL GAS STATEMENT OF OPERATING  
AND ADJUSTMENTS  
2019 GENERAL RATE CASE  
12 MONTHS ENDED DECEMBER 31, 2018**

source: EXH. SEF-4G page 4 of 5  
\$ (729,618)

LINE NO.	DESCRIPTION	COMMON	COMMON	COMMON	COMMON	COMMON	COMMON	COMMON	COMMON
		PROFORMA	PROFORMA	PROFORMA	PROFORMA	PROFORMA	PROFORMA	PROFORMA	PROFORMA
		6.16 GP	6.17 GP	6.20 GP	6.21 GP	6.22 GP	6.23 GP	6.24 GP	6.25 GP
		INVESTMENT	EMPLOYEE	DEFERRED G/L	ENVIRON	AMI	ANNUALIZE	Staff Revised	CREDIT CARD
		PLAN	INSURANCE	PROPERTY SALES	REMEDIATION		RENT EXP	GTZ	AMORT
		ae	af	ag	ah	ai	aj	ak	al
1	OPERATING REVENUES								
2	SALES TO CUSTOMERS								
3	MUNICIPAL ADDITIONS								
4	OTHER OPERATING REVENUES								
5	TOTAL OPERATING REVENUES	-	-	-	-	-	-	-	-
6									
7	OPERATING REVENUE DEDUCTIONS:								
8									
9	GAS COSTS:								
10									
11	PURCHASED GAS								
12									
13	TOTAL PRODUCTION EXPENSES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
14									
15	OTHER POWER SUPPLY EXPENSES								
16	TRANSMISSION EXPENSE								
17	DISTRIBUTION EXPENSE								
18	CUSTOMER ACCTS EXPENSES								(435,568)
19	CUSTOMER SERVICE EXPENSES								
20	CONSERVATION AMORTIZATION								
21	ADMIN & GENERAL EXPENSE	117,536	390,546				(169,825)		
22	DEPRECIATION					608,663			
23	AMORTIZATION							1,469,535	
24	AMORTIZ OF PROPERTY GAIN/LOSS								
25	OTHER OPERATING EXPENSES			(91,958)	856,891	2,065,892		1,880,687	
26	ASC 815								
27	TAXES OTHER THAN INCOME TAXES								
28	INCOME TAXES	(24,683)	(82,015)	19,311	(179,947)	(561,657)	35,663	(703,547)	91,469
29	DEFERRED INCOME TAXES								
30	TOTAL OPERATING REV. DEDUCT.	\$ 92,854	\$ 308,532	\$ (72,647)	\$ 676,944	\$ 2,112,898	\$ (134,162)	\$ 2,646,676	\$ (344,098)
31									
32	NET OPERATING INCOME	\$ (92,854)	\$ (308,532)	\$ 72,647	\$ (676,944)	\$ (2,112,898)	\$ 134,162	\$ (2,646,676)	\$ 344,098
33									
34	RATE BASE	\$ -	\$ -	\$ -	\$ -	\$ 13,882,663	\$ -	\$ 5,802,322	\$ -
35									
36	RATE OF RETURN								
37									
38	RATE BASE:								
39	GROSS UTILITY PLANT IN SERVICE					\$ 17,491,894	\$ -	\$ 4,408,606	
40	ACCUMULATED DEPRECIATION					(1,856,983)	-	(2,449,226)	
41	ACCUMULATED DEFERRED FIT - LIBERA					(1,752,249)	-	(858,776)	
42	DEPRECIATION AND OTHER LIABILITIES							4,701,718	
43	ALLOWANCE FOR WORKING CAPITAL								
44	OTHER								
45	TOTAL RATE BASE	\$ -	\$ -	\$ -	\$ -	\$ 13,882,663	\$ -	\$ 5,802,322	\$ -
46									
47	ROR	7.33%	7.33%	7.33%	7.33%	7.33%	7.33%	7.33%	7.33%
48	CF	0.754097	0.754097	0.754097	0.754097	0.754097	0.754097	0.754097	0.754097
49	Surplus / (Deficiency)	(92,854)	(308,532)	72,647	(676,944)	(3,130,498)	134,162	(3,071,986)	344,098
50	Revenue Requirement or (Surplus)	123,132	409,141	(96,336)	897,688	4,151,319	(177,910)	4,073,728	(456,305)

**PUGET SOUND ENERGY  
NATURAL GAS STATEMENT OF OPERATING  
AND ADJUSTMENTS  
2019 GENERAL RATE CASE  
12 MONTHS ENDED DECEMBER 31, 2018**

LINE NO.	DESCRIPTION	COMMON PROFORMA	COMMON PROFORMA	COMMON PROFORMA	COMMON PROFORMA	GAS PROFORMA	GAS PROFORMA	Staff	Staff
		6.26 GP REMOVE UNPRO- TECTED DFIT	Staff Revised 6.27 GP PUBLIC IMPROVEMENT	6.28 GP CONTRACT ESCALATIONS	Staff Revised 6.29 GP HR TOP	8.01 GP REMOVE 2018 CRM	8.02 GP SCH. 149 CRM	12.05G Tacoma LNG	Placeholder EDIT
		am	an	ao	ap	aq	ar	as	at
1	OPERATING REVENUES								
2	SALES TO CUSTOMERS						\$ (6,980,521)		
3	MUNICIPAL ADDITIONS								
4	OTHER OPERATING REVENUES								
5	TOTAL OPERATING REVENUES	-	-	-	-	-	(6,980,521)		
6									
7	OPERATING REVENUE DEDUCTIONS:								
8									
9	GAS COSTS:								
10									
11	PURCHASED GAS								
12									
13	TOTAL PRODUCTION EXPENSES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
14									
15	OTHER POWER SUPPLY EXPENSES			\$ 44				\$ (1,698)	
16	TRANSMISSION EXPENSE			58					
17	DISTRIBUTION EXPENSE			278,618					
18	CUSTOMER ACCTS EXPENSES			105,258			(35,768)		
19	CUSTOMER SERVICE EXPENSES								
20	CONSERVATION AMORTIZATION								
21	ADMIN & GENERAL EXPENSE			601			(13,961)	(79,928)	
22	DEPRECIATION					(39,544)	-	(712,423)	
23	AMORTIZATION								
24	AMORTIZ OF PROPERTY GAIN/LOSS								
25	OTHER OPERATING EXPENSES								
26	ASC 815								
27	TAXES OTHER THAN INCOME TAXES						(267,515)		
28	INCOME TAXES			(80,762)		8,304	(1,399,288)	166,750	
29	DEFERRED INCOME TAXES	(722,630)							
30	TOTAL OPERATING REV. DEDUCT.	\$ (722,630)	\$ -	\$ 303,817	\$ -	\$ (31,240)	\$ (1,716,532)	\$ (627,299)	\$ -
31									
32	NET OPERATING INCOME	\$ 722,630	\$ -	\$ (303,817)	\$ -	\$ 31,240	\$ (5,263,989)	\$ 627,299	\$ -
33									
34	RATE BASE	\$ 361,315	\$ -	\$ -	\$ -	\$ (9,327,511)	\$ (6,388,044)	\$ (26,191,470)	\$ -
35									
36	RATE OF RETURN								
37									
38	RATE BASE:								
39	GROSS UTILITY PLANT IN SERVICE					\$ (9,377,979)	\$ -	\$ (32,233,800)	
40	ACCUMULATED DEPRECIATION					39,544	(5,658,425)	1,111,624	
41	ACCUMULATED DEFERRED FIT - LIBERA	361,315				10,925	(729,618)	4,930,706	
42	DEPRECIATION AND OTHER LIABILITIES								
43	ALLOWANCE FOR WORKING CAPITAL								
44	OTHER								
45	TOTAL RATE BASE	\$ 361,315	\$ -	\$ -	\$ -	\$ (9,327,511)	\$ (6,388,044)	\$ (26,191,470)	\$ -
46									
47	ROR	7.33%	7.33%	7.33%	7.33%	7.33%	7.33%	7.33%	7.33%
48	CF	0.754097	0.754097	0.754097	0.754097	0.754097	0.754097	0.754097	0.754097
49	Surplus / (Deficiency)	696,146	-	(303,817)	-	714,946	(4,795,746)	2,547,133	-
50	Revenue Requirement or (Surplus)	(923,152)	-	402,889	-	(948,082)	6,359,587	(3,377,727)	-

**PUGET SOUND ENERGY**  
**NATURAL GAS STATEMENT OF OPERATING**  
**AND ADJUSTMENTS**  
**2019 GENERAL RATE CASE**  
**12 MONTHS ENDED DECEMBER 31, 2018**

source: EXH. SEF-4G page 5 of 5

LINE NO.	DESCRIPTION	TOTAL PROFORMING ADJUSTMENTS as $\sum$ x thru ar and Staff Adjustments	PROFORMA'D RESULTS OF OPERATIONS at = w + as
1	OPERATING REVENUES		
2	SALES TO CUSTOMERS	\$ 27,006,792	\$ 750,801,892
3	MUNICIPAL ADDITIONS	-	-
4	OTHER OPERATING REVENUES	(9,854,969)	10,350,294
5	TOTAL OPERATING REVENUES	17,151,823	761,152,186
6			
7	OPERATING REVENUE DEDUCTIONS:		
8			
9	GAS COSTS:		
10		\$ -	\$ -
11	PURCHASED GAS	16,256,426	292,848,645
12		-	-
13	TOTAL PRODUCTION EXPENSES	\$ 16,256,426	\$ 292,848,645
14			
15	OTHER POWER SUPPLY EXPENSES	109,078	\$ 6,170,467
16	TRANSMISSION EXPENSE	58	2,169
17	DISTRIBUTION EXPENSE	1,628,823	62,326,449
18	CUSTOMER ACCTS EXPENSES	31,954	29,698,139
19	CUSTOMER SERVICE EXPENSES	31,612	1,794,848
20	CONSERVATION AMORTIZATION	-	-
21	ADMIN & GENERAL EXPENSE	827,792	60,528,235
22	DEPRECIATION	(143,304)	120,951,382
23	AMORTIZATION	1,469,535	35,777,121
24	AMORTIZ OF PROPERTY GAIN/LOSS	-	-
25	OTHER OPERATING EXPENSES	4,711,512	13,480,873
26	ASC 815	-	-
27	TAXES OTHER THAN INCOME TAXES	897,819	36,338,727
28	INCOME TAXES	(1,381,173)	2,953,588
29	DEFERRED INCOME TAXES	(722,630)	(199,311)
30	TOTAL OPERATING REV. DEDUCT.	\$ 23,717,502	\$ 662,671,332
31			
32	NET OPERATING INCOME	\$ (6,565,679)	\$ 98,480,853
33			
34	RATE BASE	\$ (21,860,725)	\$ 2,071,089,382
35			
36	RATE OF RETURN		4.76%
37			
38	RATE BASE:		
39	GROSS UTILITY PLANT IN SERVICE	\$ (19,711,279)	\$ 4,281,115,770
40	ACCUMULATED DEPRECIATION	(8,813,466)	(1,646,451,393)
41	ACCUMULATED DEFERRED FIT - LIBERA	1,962,303	(595,714,856)
42	DEPRECIATION AND OTHER LIABILITIES	4,701,718	(22,291,938)
43	ALLOWANCE FOR WORKING CAPITAL	-	54,431,800
44	OTHER	-	-
45	TOTAL RATE BASE	\$ (21,860,725)	\$ 2,071,089,382
46			
47	ROR	7.33%	7.33%
48	CF	0.754097	0.754097
49	Surplus / (Deficiency)	(4,963,288)	(53,329,998)
50	Revenue Requirement or (Surplus)	6,581,763	70,720,343

	\$	-	\$	-
UG _____				
Source: Exh. SEF-6G page 1 of 29				

**PUGET SOUND ENERGY - NATURAL GAS**  
**REVENUES AND EXPENSES**  
**12 MONTHS ENDED DECEMBER 31, 2018**  
**2019 GENERAL RATE CASE**

LINE NO.	DESCRIPTION	TY %'s	ACTUAL (a)	RESTATED (b)	ADI 6.01 GR	PROFORMA (d)	ADI 6.01 GP	
					RESTATED ADJUSTMENT (c)=(b)-(a)		PROFORMA ADJUSTMENT (e)=(d)-(b)	
1	<b>SALES TO CUSTOMERS</b>							
2	REMOVE SCHEDULE 141				\$ -		\$ 50,971	
3	ANNUALIZE PGA RATE				(39,807,519)		-	
4	REMOVE MERGER RATE CREDIT SCHEDULE 132		NOTE 1		2,929,656	NOTE 1	-	
5	ANNUALIZE TAX REFORM (DOCKET UG-180283)				(11,165,965)		-	
6	OTHER				945,502		-	
7	SUB-TOTAL RETAIL REVENUE				\$ (47,098,326)		\$ 50,971	
8								
9	<b>OTHER OPERATING REVENUES</b>							
10	RENTALS - MERGER RATE CREDIT ON SCH 132				48,508		8,285	
11	REMOVE EARNINGS SHARING ACCRUALS				(6,899,337)		-	
12	REMOVE DECOUPLING DEFERRALS FROM TEST YEAR		NOTE 1		-	NOTE 1	(6,115,340)	
13	REMOVE REVENUE DEFERRALS FOR TAX REFORM				10,523,931		-	
14	REMOVE PGA CURTAILMENT				-		(3,747,914)	
15	REMOVE JACKSON PRAIRIE				(981,624)		-	
16	SUB-TOTAL OTHER OPERATING REVNUUE				\$ 2,691,479		\$ (9,854,969)	
17								
18	TOTAL INCREASE (DECREASE) IN REVENUES				\$ (44,406,847)		\$ (9,803,998)	
19								
20	<b>OPERATING EXPENSES:</b>							
21	OTHER		NOTE 1		\$ (5,257,550)	NOTE 1	-	
22	ANNUALIZE PGA GAS COSTS				(38,339,579)		-	
23	TOTAL INCREASE (DECREASE) IN COSTS				\$ (43,597,129)		-	
24								
25	UNCOLLECTIBLES @	0.51240%			(227,541)		(50,236)	
26	ANNUAL FILING FEE @	0.20000%			(88,814)		(19,608)	
27	STATE UTILITY TAX @	3.83230%			(1,701,804)		(375,719)	
28	INCREASE (DECREASE) TAXES OTHER THAN FIT				(2,018,158)		(445,562)	
29								
30	INCREASE (DECREASE) OPERATING INCOME				1,208,440		(9,358,435)	
31	INCREASE (DECREASE) FIT @	21%			253,772		(1,965,271)	
32	INCREASE (DECREASE) NOI				\$ 954,667		\$ (7,393,164)	
33								
34	NOTE 1 - BECAUSE REVENUES ARE REFLECTED IN MULTIPLE REVENUE REQUIREMENT ADJUSTMENTS, IT IS NOT POSSIBLE TO PORTRAY TEST YEAR,							
35	RESTATED AND PROFORMA AMOUNTS AND SO ONLY THE AMOUNT OF THE ADJUSTMENTS IS DISPLAYED							



					\$ -
					UG
					Source: Exh. SEF-6G page 2 of 29

**Staff recommendation**

**PUGET SOUND ENERGY - NATURAL GAS  
TEMPERATURE NORMALIZATION  
12 MONTHS ENDED DECEMBER 31, 2018  
2019 GENERAL RATE CASE**

LINE NO.	DESCRIPTION	% 's	TY		ADJ 6.02 GR	PROFORMA	ADJ 6.02 GP
			ACTUAL (a)	RESTATED (b)	RESTATED ADJUSTMENT (c)=(b)-(a)	(d)	PROFORMA ADJUSTMENT (e)=(d)-(b)
			NON-DECOUPLED THERMS		DECOUPLED THERMS		
1	NON-DECOUPLED / DECOUPLED THERMS		248,449,022	251,792,569	3,343,547	301,813,553	50,020,984
4	AVERAGE PRICING PER THERM		0.021476	0.021476	0.021476	0.678442	0.678442
6	TEMPERATURE NORMALIZATION ADJUSTMENT		\$ 5,335,641	\$ 5,407,447	\$ 71,805	\$ 39,343,789	\$ 33,936,342
8	PURCHASED GAS COST		-	-	-	\$ 16,256,426	16,256,426
11	UNCOLLECTIBLES @	0.51240%	27,340	27,708	368	201,598	173,890
12	ANNUAL FILING FEE @	0.20000%	10,671	10,815	144	78,688	67,873
13	STATE UTILITY TAX @	3.83230%	204,478	207,230	2,752	1,507,772	1,300,542
14	INCREASE (DECREASE) EXPENSE		242,489	245,752	3,263	1,788,057	1,542,305
16	INCREASE (DECREASE) OPERATING INCOME BEFORE INCOME TAXES		5,093,152	5,161,694	68,542	21,299,306	16,137,611.39
18	INCREASE (DECREASE) FIT @	21%	1,069,562.02	1,083,956	14,394	4,472,854	3,388,898
19	INCREASE (DECREASE) NOI		4,023,590	4,077,739	54,148	16,826,452	12,748,713

Temperature Normalization Restating

	PSE Initial	Staff	Difference
Income Statement			
Gross Revenue	\$ 42,375	\$ 71,805	\$ 29,430
Revenue Sensitive Expenses	1,926	3,263	1,338
FIT	8,494	14,394	5,899
Increase (Decrease) NOI	31,955	54,148	22,193
Rev Impact due to NOI	(42,375)	(71,805)	(29,430)
Check		\$	(0)

Temperature Normalization Pro Forma

	PSE Initial	Staff	Difference
Income Statement			
Gross Revenue	\$ 35,122,049	\$ 33,936,342	\$ (1,185,707)
Purchase gas cost	\$ 16,597,942	\$ 16,256,426	\$ (341,516)
Revenue Sensitive Expenses	1,596,192	1,542,305	(53,887)
FIT	3,554,862	3,388,898	(165,964)
Increase (Decrease) NOI	13,373,053	12,748,713	(624,340)
Rev Impact due to NOI	(17,733,863)	(16,905,933)	827,930
Check		\$	0
Combined Revenue Impact		\$	798,500







					\$ -		
							UG
							Source: Exh. SEF-6G page 6 of 29

**PUGET SOUND ENERGY - NATURAL GAS**  
**NORMALIZE INJURIES AND DAMAGES**  
**12 MONTHS ENDED DECEMBER 31, 2018**  
**2019 GENERAL RATE CASE**

LINE NO.	DESCRIPTION	% 's	TY ACTUAL (a)	RESTATED (b)	ADJ 6.06 GR		N/A	
					RESTATED ADJUSTMENT (c)=(b)-(a)	PROFORMA (d)	PROFORMA ADJUSTMENT (e)=(d)-(b)	
1	INJURIES & DAMAGES ACCRUALS		\$ (1,380,898)	\$ 243,867	\$ 1,624,765	\$ 243,867	\$ -	
2	INJURIES & DAMAGES PAYMENTS IN EXCESS OF ACCRUALS		915,435	880,947	(34,488)	880,947	-	
3	INCREASE/(DECREASE) IN EXPENSE		(465,463)	1,124,814	1,590,277	1,124,814	-	
4								
5	INCREASE/(DECREASE) IN OPERATING EXPENSE (LINE 3)		\$ (465,463)	\$ 1,124,814	\$ 1,590,277	\$ 1,124,814	\$ -	
6	INCREASE (DECREASE) FIT @	21%	97,747	(236,211)	(333,958)	(236,211)	-	
7						888,603		
8	INCREASE (DECREASE) NOI		\$ 367,716	\$ (888,603)	\$ (1,256,319)	\$ (888,603)	\$ -	





				\$ -		\$ -
						UG
						Source:Exh. SEF-6G page 9 of 29

PUGET SOUND ENERGY - NATURAL GAS  
**EXCISE TAX & FILING FEE**  
12 MONTHS ENDED DECEMBER 31, 2018  
2019 GENERAL RATE CASE

LINE NO. DESCRIPTION	% 's	TY ACTUAL (a)	RESTATE D (b)	ADJ 6.09 GR	PROFORMA (d)	ADJ 6.09 GP
				RESTATE D ADJUSTMENT (c)=(b)-(a)		PROFORMA ADJUSTMENT (e)=(d)-(b)
1 EXCISE TAXES		\$ 34,660,463	\$ 34,517,802	\$ (142,661)	\$ 34,660,463	\$ 142,661
2 WUTC FILING FEE		1,699,068	1,753,265	54,198	1,699,068	(54,198)
3 INCREASE(DECREASE) EXCISE AND WUTC FILING FEE		36,359,531	36,271,067	(88,463)	36,359,531	88,463
4						
5 INCREASE(DECREASE) OPERATING EXPENSE		36,359,531	36,271,067	(88,463)	36,359,531	88,463
6 INCREASE(DECREASE) FIT @	21%	(7,635,501)	(7,616,924)	18,577	(7,635,501)	(18,577)
7 INCREASE(DECREASE) NOI		\$ (28,724,029)	\$ (28,654,143)	\$ 69,886	\$ (28,724,029)	\$ (69,886)



					\$ -		\$ -
							UG
Source: Exh. SEF-6G page 10 of 29							

PUGET SOUND ENERGY - NATURAL GAS  
DIRECTORS & OFFICERS INSURANCE  
12 MONTHS ENDED DECEMBER 31, 2018  
2019 GENERAL RATE CASE

LINE NO.	DESCRIPTION	% 's	TY		ADJ 6.10 GR		ADJ 6.10 GP	
			ACTUAL (a)	RESTATED (b)	RESTATED ADJUSTMENT (c)=(b)-(a)	PROFORMA (d)	PROFORMA ADJUSTMENT (e)=(d)-(b)	
1	D & O INS. CHG EXPENSE		\$ 60,815	\$ 55,965	\$ (4,849)	\$ 60,815	\$ 4,849	
2								
3	INCREASE (DECREASE) IN EXPENSE		\$ 60,815	\$ 55,965	\$ (4,849)	\$ 60,815	\$ 4,849	
4								
5	INCREASE(DECREASE) OPERATING EXPENSE (LIN		\$ 60,815	\$ 55,965	\$ (4,849)	\$ 60,815	\$ 4,849	
6								
7	INCREASE (DECREASE) FIT @	21%	(12,771)	(11,753)	1,018	(12,771)	(1,018)	
8								
9	INCREASE (DECREASE) NOI		\$ (48,044)	\$ (44,213)	\$ 3,831	\$ (48,044)	\$ (3,831)	

					\$ -		
							UG
Source:Exh. SEF-6G page 11 of 29							

PUGET SOUND ENERGY - NATURAL GAS  
**INTEREST ON CUSTOMER DEPOSITS**  
12 MONTHS ENDED DECEMBER 31, 2018  
2019 GENERAL RATE CASE

LINE NO.	DESCRIPTION	%	TY ACTUAL (a)	RESTATED (b)	ADJ 6.11 GR	PROFORMA (d)	N/A
					RESTATED ADJUSTMENT (c)=(b)-(a)		PROFORMA ADJUSTMENT (e)=(d)-(b)
1	INTEREST EXPENSE AT MOST CURRENT INTEREST RATE		\$ -	\$ 204,504	\$ 204,504	\$ 204,504	\$ -
2							
3	INCREASE (DECREASE) NOI		\$ -	\$ (204,504)	\$ (204,504)	\$ (204,504)	\$ -

					\$ -		
							UG
							Source:Exh. SEF-6G page 12 of 29

PUGET SOUND ENERGY - NATURAL GAS  
**RATE CASE EXPENSES**  
12 MONTHS ENDED DECEMBER 31, 2018  
2019 GENERAL RATE CASE

LINE NO.	DESCRIPTION	%	TY		ADJ 6.12 GR		N/A	
			ACTUAL (a)	RESTATED (b)	RESTATED ADJUSTMENT (c)=(b)-(a)	PROFORMA (d)	PROFORMA ADJUSTMENT (e)=(d)-(b)	
1	EXPENSES TO BE NORMALIZED:							
2								
3	EXPENSES OF LAST 2 COMPLETED GRCS (2017 GRC AND 2011	\$	(6,029)	\$ 548,500	\$ 554,529	\$ 548,500	\$ -	
4	TOTAL INCREASE (DECREASE) EXPENSE		(6,029)	548,500	554,529	548,500	-	
5								
6	INCREASE(DECREASE) FIT	21%	1,266	(115,185)	(116,451)	(115,185)	-	
7	INCREASE(DECREASE) NOI		\$ 4,763	\$ (433,315)	\$ (438,078)	\$ (433,315)	\$ -	

					\$ -	
UG						
Source: Exh. SEF-6G page 13 of 29						

**PUGET SOUND ENERGY - NATURAL GAS**  
**PENSION PLAN**  
**12 MONTHS ENDED DECEMBER 31, 2018**  
**2019 GENERAL RATE CASE**

LINE NO.	DESCRIPTION	% 's	TY ACTUAL (a)	RESTATED (b)	ADJ 6.13 GR	PROFORMA (d)	N/A
					RESTATED ADJUSTMENT (c)=(b)-(a)		PROFORMA ADJUSTMENT (e)=(d)-(b)
1	QUALIFIED RETIREMENT FUND		\$ 2,033,423	\$ 3,008,677	\$ 975,254	\$ 3,008,677	\$ -
2	INCREASE(DECREASE) EXPENSE		2,033,423	3,008,677	975,254	3,008,677	-
3							
4	INCREASE(DECREASE) OPERATING EXPENSE (LINE 2)		2,033,423	3,008,677	975,254	3,008,677	-
5	INCREASE (DECREASE) FIT @ 21% (LINE 4 X 21%)	21%	(427,019)	(631,822)	(204,803)	(631,822)	-
6	INCREASE (DECREASE) NOI		<u>\$ (1,606,404)</u>	<u>\$ (2,376,855)</u>	<u>\$ (770,451)</u>	<u>\$ (2,376,855)</u>	<u>\$ -</u>

					\$ -		
							UG _____
							Source:Exh. SEF-6G page 14 of 29

**PUGET SOUND ENERGY - NATURAL GAS**  
**PROPERTY & LIABILITY INSURANCE**  
**12 MONTHS ENDED DECEMBER 31, 2018**  
**2019 GENERAL RATE CASE**

LINE NO.	DESCRIPTION	% 's	TY ACTUAL (a)	RESTATED (b)	ADJ 6.14 GR	PROFORMA (d)	ADJ 6.14 GP
					RESTATED ADJUSTMENT (c)=(b)-(a)		PROFORMA ADJUSTMENT (e)=(d)-(b)
1	PROPERTY INSURANCE EXPENSE		\$ 149,852	\$ 121,923	\$ (27,929)	\$ 139,711	\$ 17,788
2	LIABILITY INSURANCE EXPENSE		1,079,999	1,174,568	94,570	1,187,768	13,200
3	INCREASE(DECREASE) EXPENSE		\$ 1,229,851	\$ 1,296,491	\$ 66,641	\$ 1,327,479	\$ 30,988
4							
5	INCREASE (DECREASE) FIT @	21%	(258,269)	(272,263)	(13,995)	(278,771)	(6,507)
6	INCREASE (DECREASE) NOI		<u>\$ (971,582)</u>	<u>\$ (1,024,228)</u>	<u>\$ (52,646)</u>	<u>\$ (1,048,708)</u>	<u>\$ (24,480)</u>

				\$ -	\$ -
					UG _____
					Source: Exh. SEF-6G page 15 of 29

**PUGET SOUND ENERGY - NATURAL GAS**  
**WAGE INCREASE**  
12 MONTHS ENDED DECEMBER 31, 2018  
2019 GENERAL RATE CASE

LINE NO.	DESCRIPTION	TY ACTUAL % <sup>'s</sup> (a)	RESTATED (b)	ADI 6.15 GR		ADI 6.15 GP	
				RESTATED ADJUSTMENT (c)=(b)-(a)	PROFORMA (d)	PROFORMA ADJUSTMENT (e)=(d)-(b)	
1	<u>WAGES:</u>						
2	PRODUCTION MANUF. GAS	\$ 87,900	\$ 88,886	\$ 986	\$ 93,146	\$ 4,260	
3	OTHER GAS SUPPLY	1,821,447	1,823,269	1,821	1,893,100	69,831	
4	STORAGE, LNG T&G	1,457,876	1,461,357	3,481	1,497,998	36,641	
5	TRANSMISSION	-	-	-	-	-	
6	DISTRIBUTION	25,614,609	26,017,232	402,623	27,367,438	1,350,206	
7	CUSTOMER ACCTS	8,106,313	8,119,269	12,956	8,393,647	274,377	
8	CUSTOMER SERVICE	852,371	853,096	724	884,708	31,612	
9	SALES	-	-	-	-	-	
10	ADMIN. & GENERAL	14,431,674	14,448,287	16,612	15,001,205	552,919	
11	TOTAL WAGE INCREASE	52,372,191	52,811,396	439,205	55,131,241	2,319,846	
12							
13	PAYROLL TAXES	3,609,898	3,625,629	15,731	3,723,477	97,848	
14	TOTAL WAGES & TAXES	55,982,089	52,827,127	454,936	55,244,821	2,417,694	
15							
16	INCREASE (DECREASE) OPERATING EXPENSE	\$ 55,982,089	\$ 52,827,127	\$ 454,936	\$ 55,244,821	\$ 2,417,694	
17	INCREASE (DECREASE) FIT @ 21%	21% (11,756,239)	(11,093,697)	(95,537)	(11,601,412)	(507,716)	
18	INCREASE (DECREASE) NOI	\$ (44,225,850)	\$ (41,733,430)	\$ (359,399)	\$ (43,643,408)	\$ (1,909,978)	

					\$ -		\$ -
							UG
Source: Exh. SEF-6G page 16 of 29							

PUGET SOUND ENERGY - NATURAL GAS  
**INVESTMENT PLAN**  
12 MONTHS ENDED DECEMBER 31, 2018  
2019 GENERAL RATE CASE

LINE NO.	DESCRIPTION	%'	TY ACTUAL (a)	RESTATED (b)	ADI 6.16 GR		ADI 6.16 GP	
					RESTATED ADJUSTMENT (c)=(b)-(a)	PROFORMA (d)	PROFORMA ADJUSTMENT (e)=(d)-(b)	
1	NON-UNION (INC. EXECUTIVES)							
2	INVESTMENT PLAN APPLICABLE TO MANAGEMENT		\$ 4,258,316	\$ 4,258,316	\$ -	\$ 4,421,410	\$ 163,094	
3								
4	IBEW							
5	INVESTMENT PLAN APPLICABLE TO IBEW		1,462,408	1,462,408	0	1,506,281	43,872	
6								
7	UA							
8	INVESTMENT PLAN APPLICABLE TO UA		471,519	482,128	10,609	510,249	28,120	
9								
10	TOTAL							
11	TOTAL PROFORMA COSTS (LN 2 + LN 5 + LN 8)		\$6,192,243.85	\$ 6,202,853	10,609	\$ 6,437,939	\$ 235,086	
12								
13	COSTS APPLICABLE TO OPERATIONS	50%	3,095,944	3,101,249	5,304	3,218,785	\$ 117,536	
14								
15	INCREASE (DECREASE) IN EXPENSE		\$ 3,095,944	\$ 3,101,249	\$ 5,304	\$ 3,218,785	\$ 117,536	
16								
17	INCREASE(DECREASE) OPERATING EXPENSE		\$ 3,095,944	\$ 3,101,249	\$ 5,304	\$ 3,218,785	\$ 117,536	
18								
19	INCREASE (DECREASE) FIT @	21%	(650,148)	(651,262)	(1,114)	(675,945)	(24,683)	
20								
21	INCREASE (DECREASE) NOI		\$ (2,445,796)	\$ (2,449,986)	\$ (4,190)	\$ (2,542,840)	\$ (92,854)	

				\$ -		\$ -
						UG
Source: Exh. SEF-6G page 17 of 29						

PUGET SOUND ENERGY - NATURAL GAS  
EMPLOYEE INSURANCE  
12 MONTHS ENDED DECEMBER 31, 2018  
2019 GENERAL RATE CASE

LINE NO.	DESCRIPTION	% 's	TY		ADJ 6.17 GR		ADJ 6.17 GP	
			ACTUAL (a)	RESTATED (b)	RESTATED ADJUSTMENT (c)=(b)-(a)	PROFORMA (d)	PROFORMA ADJUSTMENT (e)=(d)-(b)	
1	<u>BENEFIT CONTRIBUTION:</u>							
2	NON-UNION EMPLOYEES		\$ 8,855,914	\$ 8,840,311	\$ (15,603)	\$ 9,350,086	\$ 509,775	
3	UNION EMPLOYEES		4,614,715	4,657,270	42,555	4,928,633	271,363	
4	TOTAL INSURANCE COSTS		13,470,629	13,497,581	26,952	14,278,719	781,138	
5								
6	APPLICABLE TO OPERATIONS @	50%	6,734,928	6,748,404	13,475	7,138,950	390,546	
7	CHARGED TO EXPENSE		6,749,185	6,749,185	-	6,749,185	-	
8	INCREASE (DECREASE ) EXPENSE		(14,257)	(782)	13,475	389,765	390,546	
9								
10	INCREASE (DECREASE) FIT @	21%	2,994	164	(2,830)	(81,851)	(82,015)	
11								
12	INCREASE (DECREASE) NOI		\$ 11,263	\$ 617	\$ (10,645)	\$ (307,914)	\$ (308,532)	



				\$ -		
						UG
						Source: Exh. SEF-6G page 18 of 29

**Staff Recommendation**

**PUGET SOUND ENERGY - NATURAL GAS  
AMA TO EOP RATE BASE  
12 MONTHS ENDED DECEMBER 31, 2018  
2019 GENERAL RATE CASE**

LINE NO. DESCRIPTION	%s	TY ACTUAL (a)	RESTATED (b)	ADJ 6.18 GR	PROFORMA (d)	N/A
				RESTATED ADJUSTMENT (c)=(b)-(a)		PROFORMA ADJUSTMENT (e)=(d)-(b)
<b>RATE BASE:</b>						
1 GROSS UTILITY PLANT IN SERVICE		\$ 4,100,600,279	\$ 4,300,940,372	\$ 200,340,093	\$ 4,300,940,372	\$ -
2 ACCUM DEPR AND AMORT		(1,569,795,173)	(1,625,310,955)	(55,515,782)	(1,625,310,955)	-
3 DEFERRED DEBITS AND CREDITS		(604,032,301)	(600,273,755)	3,758,546	(600,273,755)	-
4 DEFERRED TAXES		(29,952,462)	(26,993,657)	2,958,805	(26,993,657)	-
5 ALLOWANCE FOR WORKING CAPITAL		54,431,800	54,431,800	-	54,431,800	-
6 OTHER		-	-	-	-	-
7 TOTAL RATE BASE		\$ 1,951,252,143	\$ 2,102,793,806	\$ 151,541,663	\$ 2,102,793,806	\$ -

	PSE	Staff	Difference
PSE As Filed			
Rate Base	\$ 150,665,688	151,541,663	875,974
RoR	7.62%	7.33%	
Return	11,480,725	11,108,004	(372,722)
Rev Impact due to rate base	15,224,468	14,730,206	(494,262)
Check			-

			\$	-	\$	-	
							UG _____
Source: Exh. SEF-6G page 19 of 29							

**PUGET SOUND ENERGY - NATURAL GAS  
DEPRECIATION RESTATEMENT  
12 MONTHS ENDED DECEMBER 31, 2018  
2019 GENERAL RATE CASE**

LINE NO.	DESCRIPTION	%s	TY		ADJ 6.19 GR		N/A	
			ACTUAL (a)	RESTATED (b)	RESTATED ADJUSTMENT (c)=(b)-(a)	PROFORMA (d)	PROFORMA ADJUSTMENT (e)=(d)-(b)	
1	403 GAS DEPRECIATION EXPENSE	\$	107,878,753	\$ 111,415,456	\$ 3,536,703	\$ 111,415,456	\$ -	
2	403 GAS PORTION OF COMMON		8,928,406	9,523,330	594,924	9,523,330	-	
3	404 GAS DEPRECIATION EXPENSE		3,292,940	3,442,118	149,178	3,442,118	-	
4	404 GAS PORTION OF COMMON		22,665,497	30,696,939	8,031,442	30,696,939	-	
5	SUBTOTAL DEPRECIATION EXPENSE 403		142,765,596	155,077,843	12,312,247	155,077,843	-	
6	403.1 GAS ASSET RETIREMENT COST DEPRECIATION		150,571	155,900	5,329	155,900	-	
7	411.10 GAS ASSET RETIREMENT OBLIGATION ACCRETION		159,133	168,529	9,396	168,529	-	
8	TOTAL DEPRECIATION AND ACCRETION		143,075,300	155,402,272	12,326,972	155,402,272	-	
9								
10	INCREASE (DECREASE) EXPENSE		143,075,300	155,402,272	12,326,972	155,402,272	-	
11								
12	INCREASE (DECREASE) FIT	21%	(30,045,813)	(32,634,477)	(2,588,664)	(32,634,477)	-	
13	INCREASE (DECREASE) NOI		\$ (113,029,487)	\$ (122,767,795)	\$ (9,738,308)	\$ (122,767,795)	\$ -	
14								
15	ADJUSTMENT TO RATE BASE							
16	ADJUSTMENT TO ACCUM. DEPREC. AT 100% DEPREC. EXP.	\$	(143,075,300)	\$ (155,402,272)	\$ (12,326,972)	\$ (155,402,272)	\$ -	
17	DFIT		30,045,813	32,634,477	2,588,664	32,634,477	-	
18	TOTAL ADJUSTMENT TO RATEBASE	\$	(113,029,487)	\$ (122,767,795)	\$ (9,738,308)	\$ (122,767,795)	\$ -	

	\$ -
	UG _____
	Source: Exh. SEF-6G page 20 of 29

**PUGET SOUND ENERGY - NATURAL GAS**  
**DEFERRED GAINS/LOSSES ON PROPERTY SALES**  
**12 MONTHS ENDED DECEMBER 31, 2018**  
**2019 GENERAL RATE CASE**

LINE NO. DESCRIPTION	%	TY			N/A		ADJ 6.20 GP	
		ACTUAL (a)	RESTATE (b)	ADJUST (c)=(b)-(a)	PROFORMA (d)	PROFORMA ADJUSTMENT (e)=(d)-(b)		
1 AMORTIZATION of NET DEFERRED GAIN								
2 APPROVED IN UE-170033 & PENDING APPROVAL		\$ 116,306	\$ 116,306	\$ -	\$ 24,348		\$ (91,958)	
3								
4 INCREASE (DECREASE) EXPENSE (LINE 2)		116,306	116,306	-	24,348		(91,958)	
5								
6 INCREASE (DECREASE) FIT	21%	(24,424)	(24,424)	-	(5,113)		19,311	
7 INCREASE (DECREASE) NOI		\$ (91,882)	\$ (91,882)	\$ -	\$ (19,235)		\$ 72,647	

								\$ -
								UG
								Source: Exh. SEF-6G page 21 of 29

PUGET SOUND ENERGY - NATURAL GAS  
**ENVIRONMENTAL REMEDIATION**  
12 MONTHS ENDED DECEMBER 31, 2018  
2019 GENERAL RATE CASE

LINE NO.	DESCRIPTION	% 's	TY ACTUAL (a)	RESTATED (b)	N/A	PROFORMA (d)	ADJ 6.21 GP
					RESTATED ADJUSTMENT (c)=(b)-(a)		PROFORMA ADJUSTMENT (e)=(d)-(b)
1							
2	AMORTIZATION OF DEFERRED ENVIRONMENTAL REMEDIATION COSTS AND RI		8,603,274	8,603,274	-	9,460,164	856,891
3	TOTAL INCREASE (DECREASE) OPERATING EXPENSE		8,603,274	8,603,274	-	9,460,164	856,891
4							
5	INCREASE (DECREASE) FIT @ 21%	21%	(1,806,687)	(1,806,687)	-	(1,986,634)	(179,947)
6	INCREASE (DECREASE) NOI		(6,796,586)	(6,796,586)	-	(7,473,530)	(676,944)

					\$	-	\$	-
								UG
								Source: Exh. SEF-6G page 22 of 29

PUGET SOUND ENERGY - NATURAL GAS  
AMI  
12 MONTHS ENDED DECEMBER 31, 2018  
2019 GENERAL RATE CASE

LINE NO.	DESCRIPTION	%s	TY ACTUAL (a)	RESTATED (b)	N/A	PROFORMA (d)	ADJ 6.22 GP
					RESTATED ADJUSTMENT (c)=(b)-(a)		PROFORMA ADJUSTMENT (e)=(d)-(b)
1	<u>RATEBASE (AMA) UTILITY PLANT RATEBASE</u>						
2	<u>UTILITY PLANT</u>						
3	PLANT ADDITIONS JAN-JUN 2019 (1)				\$ -	\$ 12,465,833	\$ 12,465,833
4	ACCUM DEPRECIATION (1)				-	(1,019,306)	(1,019,306)
5	DEFERRED INCOME TAX LIABILITY (1)				-	(872,688)	(872,688)
6	TOTAL UTILITY PLANT				-	10,573,839	10,573,839
7	<u>DEFERRALS</u>						
8	DEPRECIATION DEFERRAL (3)				-	5,026,061	5,026,061
9	ACCUM AMORT ON DEPRECIATION DEFERRAL (2)				-	(837,677)	(837,677)
10	DFIT ON DEPRECIATION DEFERRAL (2)				-	(879,561)	(879,561)
11	TOTAL DEFERRED DEPRECIATION		-	-	-	3,308,823	3,308,823
12							
13	NET RATEBASE		\$ -	\$ -	\$ -	\$ 13,882,663	\$ 13,882,663
14							
15	<u>OPERATING EXPENSE</u>						
16	DEPRECIATION EXPENSE (1)				-	654,456	654,456
17	LESS AVOIDED DEPRECIATION FROM AMR RETIREMENTS IN RATE YR (1)					(45,793)	(45,793)
18	AMORT OF DEF'D RETURN THROUGH APR 2020: 3YRS MAY '20 - APR '23 (2)		-	-	-	390,538	390,538
19	AMORT OF DEF'D DEPREC THROUGH APR 2020: 3YRS MAY '20 - APR '23 (3)		-	-	-	1,675,354	1,675,354
20	TOTAL OPERATING EXPENSES		-	-	-	2,674,555	2,674,555
21							
22	INCREASE (DECREASE ) EXPENSE				-	2,674,555	2,674,555
23							
24	INCREASE (DECREASE) FIT @	21%				(561,657)	(561,657)
25	INCREASE (DECREASE) NOI					\$ (2,112,898)	\$ (2,112,898)
26							
27	(1) PRO FORMA PLANT ADDITIONS						
28	(2) AMORT OF DEFERRAL OF RETURN ON INVESTMENT						
29	(3) AMORT OF DEFERRAL OF DERPRECIATION						

	\$ -
	UG _____
	Source: Exh. SEF-6G page 23 of 29

**PUGET SOUND ENERGY - NATURAL GAS**  
**ANNUALIZE RENT EXPENSE**  
**12 MONTHS ENDED DECEMBER 31, 2018**  
**2019 GENERAL RATE CASE**

LINE NO.	DESCRIPTION	% 's	ADJ 6.23 GR			ADJ 6.23 GP	
			TY ACTUAL (a)	RESTATED (b)	RESTATED ADJUSTMENT (c)=(b)-(a)	PROFORMA (d)	PROFORMA ADJUSTMENT (e)=(d)-(b)
1							
2	PSE BLDG		\$ 525,852	\$ -	\$ (525,852)	\$ -	\$ -
3	PSE BLDG 4th Floor Rent		133,122	-	(133,122)	-	-
4	PSE BLDG 4th Sublease		-	-	-	-	-
5	EST BLDG		1,567,216	1,567,216	-	1,505,386	(61,830)
6	Parking		450,521	450,521	-	337,383	(113,137)
7	Bothell O		165,632	165,632	-	400,014	234,382
8	Bothell G/H		456,719	456,719	-	365,490	(91,229)
9	Vernell		-	-	-	-	-
10	Small Offices:						
11	Oak Harbor Office		-	-	-	-	-
12	Bellingham Business Office		-	-	-	-	-
13	Ellensburg Office		9,086	9,086	-	-	(9,086)
14	South Whidbey Business Office (Freeland)		19,839	19,839	-	-	(19,839)
15	LRO and Commissions		109,086	109,086	-	-	(109,086)
16	TOTAL INCREASE (DECREASE) EXPENSE		3,437,071	2,778,097	(658,974)	2,608,272	(169,825)
17							
18	INCREASE(DECREASE) FIT	21%	(721,785)	(583,400)	138,384	(547,737)	35,663
19	INCREASE(DECREASE) NOI		<u>\$ (2,715,286)</u>	<u>\$ (2,194,697)</u>	<u>\$ 520,589</u>	<u>\$ (2,060,535)</u>	<u>\$ 134,162</u>

					\$ -	\$ -
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UG  
Source: Exh. SEF-6G page 24 of 29

**Staff Recommendation**

**PUGET SOUND ENERGY - NATURAL GAS  
GET TO ZERO PROFORMA PLANT ADDITIONS AND DEFERRAL ADJUSTMENT  
12 MONTHS ENDED DECEMBER 31, 2018  
2019 GENERAL RATE CASE**

LINE NO.	DESCRIPTION	%'s	N/A			ADJ 6.24 GP	
			TY ACTUAL (a)	RESTATED (b)	RESTATED ADJUSTMENT (c)=(b)-(a)	PROFORMA (d)	PROFORMA ADJUSTMENT (e)=(d)-(b)
1	<u>RATEBASE (AMA) UTILITY PLANT RATEBASE</u>						
2	<u>UTILITY PLANT</u>						
3	PLANT ADDITIONS JAN-JUN 2019		\$ -	\$ -	\$ -	\$ 4,408,606	\$ 4,408,606
4	ACCUM DEPRECIATION		-	-	-	(2,449,226)	(2,449,226)
5	DEFERRED INCOME TAX LIABILITY		-	-	-	128,584	128,584
6	TOTAL UTILITY PLANT		-	-	-	2,087,965	2,087,965
7							
8	<u>DEFERRALS</u>						
9	DEPRECIATION DEFERRAL		-	-	-	5,642,062	5,642,062
10	ACCUM AMORT ON DEPRECIATION DEFERRAL		-	-	-	(940,344)	(940,344)
11	DFIT ON DEPRECIATION DEFERRAL		-	-	-	(987,361)	(987,361)
12	TOTAL DEPRECIATION DEFERRALS		-	-	-	3,714,357	3,714,357
13							
14	NET RATEBASE		\$ -	\$ -	\$ -	\$ 5,802,322	\$ 5,802,322
15							
16	<u>OPERATING EXPENSE</u>						
17	DEPRECIATION EXPENSE ON UTILITY PLANT		\$ -	\$ -	\$ -	\$ 1,469,535	\$ 1,469,535
18	AMORTIZATION OF AMORTIZATION DEFERRAL		-	-	-	1,880,687	1,880,687
19	AMORTIZATION OF CARRYING CHARGES DEFERRAL		-	-	-	-	-
20	TOTAL OPERATING EXPENSES		\$ -	\$ -	\$ -	\$ 3,350,223	\$ 3,350,223
21	Four Factor Allocator	66.19%					
22	INCREASE (DECREASE ) EXPENSE		-	-	-	3,350,223	\$ 3,350,223
23							
24	INCREASE (DECREASE) FIT @	21%	-	-	-	(703,547)	(703,547)
25	INCREASE (DECREASE) NOI		\$ -	\$ -	\$ -	\$ (2,646,676)	\$ (2,646,676)

							\$ -
							UG
Source: Exh. SEF-6G page 25 of 29							

**PUGET SOUND ENERGY - NATURAL GAS**  
**PAYMENT PROCESSING FEES**  
**12 MONTHS ENDED DECEMBER 31, 2018**  
**2019 GENERAL RATE CASE**

LINE NO.	DESCRIPTION	% 's	TY ACTUAL (a)	RESTATED (b)	N/A	PROFORMA (d)	ADJ 6.25 GP
					RESTATED ADJUSTMENT (c)=(b)-(a)		PROFORMA ADJUSTMENT (e)=(d)-(b)
1	AMORTIZATION of NET DEFERRED GAIN						
2	APPROVED IN UE-170033 & PENDING APPROVAL		\$ 597,372	\$ 597,372	-	\$ 161,804	\$ (435,568)
3							
4	INCREASE (DECREASE) EXPENSE (LINE 2)		597,372	597,372	-	161,804	(435,568)
5							
6	INCREASE (DECREASE) FIT	21%	(125,448)	(125,448)	-	(33,979)	91,469
7	INCREASE (DECREASE) NOI		\$ (471,924)	\$ (471,924)	-	\$ (127,825)	\$ 344,098



					\$	-	\$	-
								UG
								Source: Exh. SEF-6G page 26 of 29

**PUGET SOUND ENERGY - NATURAL GAS**  
**UNPROTECTED EXCESS DEFERRED INCOME TAXES**  
12 MONTHS ENDED DECEMBER 31, 2018  
2019 GENERAL RATE CASE

LINE NO.	DESCRIPTION	% 's	TY ACTUAL (a)	RESTATED (b)	N/A	PROFORMA (d)	ADJ 6.26 GP
					RESTATED ADJUSTMENT (c)=(b)-(a)		PROFORMA ADJUSTMENT (e)=(d)-(b)
1	<b>RATEBASE:</b>						
2	UNPROTECTED DFIT		\$ (2,890,522)	\$ (2,890,522)	\$ -	\$ (2,529,206)	\$ 361,315
3	TOTAL RATE BASE		<u>\$ (2,890,522)</u>	<u>\$ (2,890,522)</u>	<u>\$ -</u>	<u>\$ (2,529,206)</u>	<u>\$ 361,315</u>
4							
5	<b>EXPENSES:</b>						
6	411.1 ANNUAL AMORTIZATION		\$ -	\$ -	\$ -	\$ (722,630)	\$ (722,630)
7	INCREASE (DECREASE) OPERATING EXPENSE		-	-	-	(722,630)	(722,630)
8							
9	INCREASE (DECREASE) FIT	21%	N/A	N/A	N/A	N/A	N/A
10	INCREASE (DECREASE) NOI		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>722,630</u>	<u>722,630</u>

						UG
						Source: Exh. SEF-6G page 27 of 29

**Staff Recommendation** Remove the entire adjustment

PUGET SOUND ENERGY - NATURAL GAS  
PUBLIC IMPROVEMENT  
12 MONTHS ENDED DECEMBER 31, 2018  
2019 GENERAL RATE CASE

LINE NO.	DESCRIPTION	% 's	TY		N/A	PROFORMA	ADJ 6.27 GP
			ACTUAL (a)	RESTATED (b)	RESTATED ADJUSTMENT (c)=(b)-(a)	(d)	PROFORMA ADJUSTMENT (e)=(d)-(b)
1	<u>UTILITY PLANT RATEBASE</u>						
2	PLANT BALANCE		\$ -	\$ -	\$ -	\$ 6,264,184	\$ 6,264,184
3	ACCUM DEPRECIATION		-	-	-	(259,802)	(259,802)
4	DEFERRED FIT		-	-	-	(57,734)	(57,734)
5	TOTAL RATEBASE		-	-	-	<u>5,946,648</u>	<u>5,946,648</u>
6							
7	<u>OPERATING EXPENSE</u>						
8	DEPRECIATION EXPENSE		-	-	-	-156,400	-156,400
9	TOTAL OPERATING EXPENSES		-	-	-	-156,400	-156,400
10							
11	INCREASE (DECREASE ) EXPENSE		-	-	-	-156,400	-156,400
12							
13	INCREASE (DECREASE) FIT @	21%	-	-	-	(32,844)	(32,844)
14	INCREASE (DECREASE) NOI		\$ -	\$ -	\$ -	\$ (123,556)	\$ (123,556)

PSE As Filed	PSE	Staff	Difference
Depreciation Expense	156,400	-	(156,400)
FIT	(32,844)	-	32,844
NOI	(123,556)	-	123,556
Rev Impact due to NOI	163,847	-	(163,847)
Rate Base	\$ 5,946,648	-	
RoR	7.62%	-	
Return	453,135	-	(453,135)
Rev Impact due to rate base	600,896.90	-	(600,897)
Combined Rev Impact	764,743	-	(764,743)
Check			-

	\$ -
	UG _____
	Source: Exh. SEF-6G page 28 of 29

**PUGET SOUND ENERGY - NATURAL GAS**  
**CONTRACT ESCALATIONS**  
**12 MONTHS ENDED DECEMBER 31, 2018**  
**2019 GENERAL RATE CASE**

LINE NO.	DESCRIPTION	% 's	TY		N/A	PROFORMA	ADJ 6.28 GP
			ACTUAL (a)	RESTATED (b)	RESTATED ADJUSTMENT (c)=(b)-(a)	ADJUSTMENT (d)	PROFORMA ADJUSTMENT (e)=(d)-(b)
1	OTHER POWER SUPPLY EXPENSES		\$ 1,478	\$ 1,478	\$ -	\$ 1,522	\$ 44
2	TRANSMISSION EXPENSE		1,906	1,906	-	1,964	58
3	DISTRIBUTION EXPENSE		16,474,239	16,474,239	-	16,752,856	278,618
4	CUSTOMER ACCTS EXPENSES		7,112,059	7,112,059	-	7,217,318	105,258
5	ADMIN & GENERAL EXPENSE		19,366	19,366	-	19,967	601
6	TOTAL INCREASE (DECREASE) EXPENSE		23,609,047	23,609,047	-	23,993,626	384,579
7							
8	INCREASE(DECREASE) FIT	21%	(4,957,900)	(4,957,900)	-	(5,038,662)	(80,762)
9	INCREASE(DECREASE) NOI		\$ (18,651,147)	\$ (18,651,147)	\$ -	\$ (18,954,965)	\$ (303,817)

						UG
						Source: Exh. SEF-6G page 29 of 29

**Staff Recommendation** Remove the entire adjustment

PUGET SOUND ENERGY - NATURAL GAS  
**HR TOP**  
12 MONTHS ENDED DECEMBER 31, 2018  
2019 GENERAL RATE CASE

LINE NO.	DESCRIPTION	% 's	TY ACTUAL (a)	RESTATED (b)	N/A	ADJ 6.29 GP
					RESTATED ADJUSTMENT (c)=(b)-(a)	PROFORMA ADJUSTMENT (e)=(d)-(b)
1	RATEBASE (AMA) UTILITY PLANT RATEBASE					
2	HR TOPS					
3	PLANT ADDITIONS		\$ -	\$ -	\$ -	\$ 3,482,430
4	ACCUM DEPRECIATION					(493,344)
5	DEFERRED INCOME TAX LIABILITY					(189,353)
6	TOTAL UTILITY PLANT					2,799,732
7						
8	NET RATEBASE		\$ -	\$ -	\$ -	2,799,732
9						
10	OPERATING EXPENSE					
11	DEPRECIATION EXPENSE		\$ -	\$ -	\$ -	348,243
12	TOTAL OPERATING EXPENSES					348,243
13						
14	INCREASE (DECREASE ) EXPENSE					348,243
15						
16	INCREASE (DECREASE) FIT @	21%				(73,131)
17	INCREASE (DECREASE) NOI					(275,112)

PSE As Filed	PSE	Staff	Difference
Depreciation Expense	348,243	-	(348,243)
FIT	(73,131)	-	73,131
NOI	(275,112)	-	275,112
Rev Impact due to NOI	364,823	-	(364,823)
Rate Base	\$ 2,799,732	-	
RoR	7.62%	-	
Return	213,340	-	(213,340)
Rev Impact due to rate base	282,907.38	-	(282,907)
Combined Rev Impact Check	647,730	-	(647,730)

\$ -					\$ -	\$ -
						UG
						Source:Exh. SEF-8G page 1 of 2

**PUGET SOUND ENERGY - NATURAL GAS**  
**REMOVE 2018 CRM**  
**12 MONTHS ENDED DECEMBER 31, 2018**  
**2019 GENERAL RATE CASE**

LINE NO.	DESCRIPTION	%s	TY		N/A	ADJ 8.01 GP	
			ACTUAL (a)	RESTATED (b)	RESTATED ADJUSTMENT (c)=(b)-(a)	PROFORMA (d)	PROFORMA ADJUSTMENT (e)=(d)-(b)
1	<u>ADJUSTMENT TO RATE BASE</u>						
2	PLANT		\$ 9,377,979	\$ 9,377,979	\$ -	\$ -	\$ (9,377,979)
3	ACCUM DEPRECIATION		(39,544)	(39,544)	-	-	39,544
4	ACCUMULATED DEFERRED INCOME TAXES		(10,925)	(10,925)	-	-	10,925
5							
6	TOTAL ADJUSTMENT TO RATEBASE		\$ 9,327,511	\$ 9,327,511	\$ -	\$ -	\$ (9,327,511)
7							
8	<u>ADJUSTMENT TO EXPENSE</u>						
9	DEPRECIATION EXPENSE		39,544	39,544	-	-	(39,544)
10							
11	INCREASE (DECREASE) FIT @	21%	(8,304)	(8,304)	-	-	8,304
12							
13	INCREASE (DECREASE) NOI		\$ (31,240)	\$ (31,240)	\$ -	\$ -	\$ 31,240

\$ -		\$ -	
UG			
Source:Exh. SEF-SG page 2 of 2			

**PUGET SOUND ENERGY - NATURAL GAS**  
**PROFORM EXISTING CRM**  
**12 MONTHS ENDED DECEMBER 31, 2018**  
**2019 GENERAL RATE CASE**

LINE NO. DESCRIPTION	%s	TY		N/A	ADJ 8.02 GP	
		ACTUAL (a)	RESTATED (b)	RESTATED ADJUSTMENT (c)=(b)-(a)	PROFORMA (d)	PROFORMA ADJUSTMENT (e)=(d)-(b)
1 <u>ADJUSTMENT TO OPERATING REVENUES</u>						
2 PROFORM SCH. 149 REVENUE		\$ 6,980,521	\$ 6,980,521	\$ -	\$ -	\$ (6,980,521)
3						
4 <u>ADJUSTMENT TO OPERATING EXPENSES</u>						
5 403 DEPRECIATION EXPENSE		2,616,180	2,616,180	-	2,616,180	-
6						
7 ADJUSTED DEPRECIATION EXPENSE		2,616,180	2,616,180	-	2,616,180	-
8						
9 UNCOLLECTIBLES @	0.005124	35,768	35,768	-	-	(35,768)
10 ANNUAL FILING FEE @	0.002000	13,961	13,961	-	-	(13,961)
11 INCREASE (DECREASE) EXPENSES		49,729	49,729	-	-	(49,729)
12						
13 STATE UTILITY TAX @	0.038323	267,515	267,515	-	-	(267,515)
14						
15 INCREASE (DECREASE) TAXES OTHER		317,244	317,244	-	-	(317,244)
16						
17 INCREASE (DECREASE) INCOME		4,047,098	4,047,098	-	(2,616,180)	(6,663,277)
18 INCREASE (DECREASE) FIT @	21.0%	849,891	849,891	-	(549,398)	(1,399,288)
19						
20 INCREASE (DECREASE) NOI		\$ 3,197,207	\$ 3,197,207	\$ -	\$ (2,066,782)	\$ (5,263,989)
21						
22						
23 <u>ADJUSTMENT TO RATE BASE</u>						
24 PLANT		\$ 105,802,468	\$ 105,802,468	\$ -	\$ 105,802,468	\$ -
25 ACCUM DEPRECIATION		(4,408,806)	(4,408,806)	-	(10,067,231)	(5,658,425)
26 ACCUMULATED DEFERRED INCOME TAXES		(8,207,638)	(8,207,638)	-	(8,937,256)	(729,618)
27						
28 TOTAL ADJUSTMENT TO RATEBASE		\$ 93,186,025	\$ 93,186,025	\$ -	\$ 86,797,981	\$ (6,388,044)

UTC Staff Adjustment  
Staff-12.03G

PUGET SOUND ENERGY-GAS  
Remove Rate Base Associated with Green Direct  
12 MONTHS ENDED DECEMBER 31, 2018  
2019 GENERAL RATE CASE

LINE NO.	DESCRIPTION	TY ACTUAL (a)	RESTATED (b)	RESTATED ADJUSTMENT (c)=(b)-(a)
1	RATE BASE			
2	Plant in Service	\$ 113,323	\$ -	\$ (113,323)
3	Accumulated Depreciation	-	0	-
4	Accumulated Deferred FIT	(7,932)	0	7,932
5	Total Rate Base	\$ 105,392	0	\$ (105,392)
	Impact on Revenue Requirement			\$ (10,244)
	Check			\$ -

UTC Staff Adjustment  
Staff-12.05G

PUGET SOUND ENERGY - GAS  
Remove Tacoma LNG Expense and Rate Base  
12 MONTHS ENDED DECEMBER 31, 2018  
2019 GENERAL RATE CASE

LINE NO.	DESCRIPTION	% 's	TY ACTUAL (a)	RESTATED (b)	RESTATED ADJUSTMENT (c)=(b)-(a)
1	Income Statement				
2	Other Power Supply Expense		\$ 1,698	\$ -	\$ (1,698)
2	Admin & General Expense		79,928	-	(79,928)
3	Depreciation Expense		712,423	-	(712,423)
3	Increase (Decrease) FIT @	21%	(166,750)	-	166,750
4	INCREASE (DECREASE) NOI		\$ 627,299	\$ -	\$ (627,299)
5					
5	RATE BASE				
6	Plant in Service		\$ 32,233,800	\$ -	\$ (32,233,800)
6	Accumulated Depreciation		(1,111,624)	-	1,111,624
7	Accumulated Deferred FIT		(4,930,706)	-	4,930,706
7	Total Rate Base		\$ 26,191,470	\$ -	\$ (26,191,470)