

**EXH. KJB-3
DOCKET UE-17____
PCA 15 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 2017 Power
Cost Adjustment Mechanism Report**

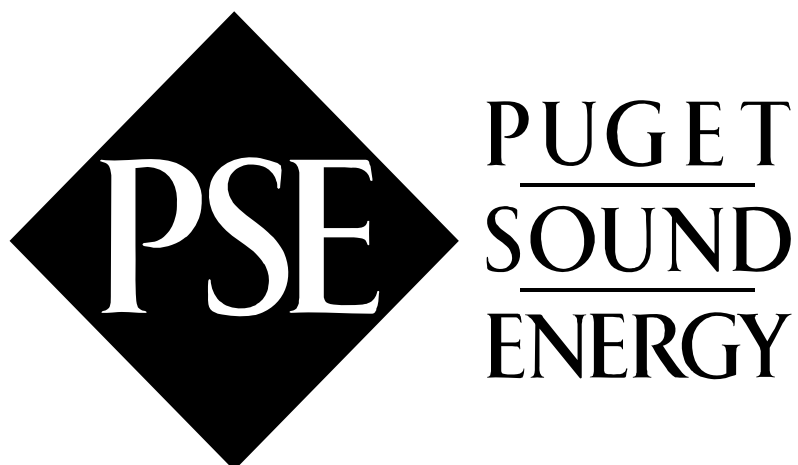
Docket UE-17____

**SECOND EXHIBIT (NONCONFIDENTIAL) TO THE
PREFILED DIRECT TESTIMONY OF**

KATHERINE J. BARNARD

ON BEHALF OF PUGET SOUND ENERGY

APRIL 28, 2017



Power Cost Adjustment Mechanism Annual Report

PCA Period Fifteen

Twelve Months Ended December 31, 2016

**Puget Sound Energy
Power Cost Adjustment Mechanism
2016 Annual Report – PCA Period Fifteen
Twelve Months Ended December 31, 2016**

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Puget Sound Energy

Power Cost Adjustment Mechanism Annual
Report for PCA Period Fifteen
Twelve Months Ended December 31, 2016

PCA Exhibits in Support of Updated Power Cost Rate
From January 1 through December 31, 2016

**Puget Sound Energy
Power Cost Adjustment Summary
Cumulative Amounts
As of December 31, 2016**

| Description | | Power Costs | | | | | | Allocation of Power Costs | | | | |
|--------------------|----|--------------------------|--------------------------|----------------------|--------------------|----------------------|----------------------|----------------------------------|---------------------|-------------------|---------------------|------------------------------------|
| | | Time Period | PCA Period | 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 | \$ 1,828,298 | \$ - | \$ - | \$ - | - |
| 12 mo end 6.30.04 | 2 | 902,349,264 | 872,785,985 | 29,563,279 | (11,956) | 29,551,324 | 29,551,324 | 24,775,662 | 4,775,662 | 59,851 | 4,835,512 | 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 | 9,957,560 | - | 318,471 | 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) | (12,375,488) | - | 633,013 | 633,013 | 633,013 |
| 6 mo end 12.31.06 | 5 | 596,418,335 | 597,089,567 | (671,232) | 198 | (671,033) | (671,033) | (671,033) | - | 97,549 | 97,549 | 97,549 |
| 12 mo end 12.31.07 | 6 | 1,222,865,320 | 1,253,089,187 | (30,223,868) | 11,197 | (30,212,671) | (30,212,671) | (25,106,335) | (5,106,336) | (57,570) | (5,163,906) | (5,163,906) |
| 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) | (1,764,924) | - | (140,876) | (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 | 30,270,097 | 25,135,049 | 5,135,049 | (28,888) | 5,106,160 | 5,106,160 |
| 12 mo end 12.31.10 | 9 | 1,373,029,096 | 1,336,852,576 | 36,176,520 | (12,992) | 36,163,528 | 36,163,528 | 28,081,764 | 8,081,764 | 228,424 | 8,310,188 | 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) | (34,827,818) | (27,413,909) | (7,413,909) | 235,834 | (7,178,074) | (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) | (25,644,564) | (22,822,282) | (2,822,282) | (222,322) | (3,044,604) | (3,044,604) |
| 12 mo end 12.31.13 | 12 | 1,274,102,997 | 1,312,154,859 | (38,051,861) | 12,979 | (38,038,883) | (38,038,883) | (29,019,441) | (9,019,441) | (213,421) | (9,232,863) | (9,232,863) |
| 12 mo end 12.31.14 | 13 | 1,287,974,218 | 1,248,312,259 | 39,661,961 | (14,285) | 39,647,675 | 39,647,675 | 29,823,837 | 9,823,837 | (152,028) | 9,671,810 | 9,671,810 |
| 12 mo end 12.31.15 | 14 | 1,236,017,952 | 1,227,782,113 | 8,235,839 | (2,871) | 8,232,968 | 8,232,968 | 8,232,968 | - | 112,266 | 112,266 | 112,266 |
| 12 mo end 12.31.16 | 15 | 1,220,596,543 | 1,218,537,443 | 2,059,100 | (718) | 2,058,382 | 2,058,382 | 2,058,382 | - | 118,736 | 118,736 | 118,736 |
| Cumulative | | \$ 17,356,573,461 | \$ 17,342,381,662 | \$ 14,191,800 | \$ (17,347) | \$ 14,174,454 | \$ 14,174,454 | \$ 10,720,108 | \$ 3,454,344 | \$ 989,039 | \$ 4,443,383 | \$ 4,443,383 |

Revised (Note 1)
Revised (Note 1)
Revised (Note 1)

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

(Note 1) See section I for detail of revised prior PCA periods 12 thru 14. This revision in PCA 15 load amounts due to 8/16 correction of underbilled KWH's related to a miscalculated meter. This resulted in the restatement of PCA periods 12 - 14.

**PUGET SOUND ENERGY
PCA MECHANISM ANNUAL REPORT - PCA 15
TWELVE MONTHS ENDED DECEMBER 31, 2016**

Exhibit A-1 Power Cost Rate Updated: 1/1/2016 - 12/31/2016

| Row | Test Year | | | |
|-----|---|---------------------------|------------------------|--|
| 3 | \$ 241,716,073 | | | |
| 4 | 91,215,648 | | | |
| 5 | 2,127,242,636 | | | |
| 6 | \$ 2,460,174,357 | | | |
| 7 | 6.69% | | | |
| 8 | | | | |
| 9 | | Test Yr | | |
| 9A | | \$/MWh | | |
| 10 | \$ 24,878,162 | (I) | | |
| 10a | 3,775,542 | \$ 1.217 | (c) | |
| 11 | 9,388,195 | \$ 0.185 | (c) | |
| 12 | 221,111,461 | \$ 0.459 | (a) | |
| 13 | 87,920,315 | \$ 10.820 | (a) | |
| 14 | 395,416,106 | \$ 4.302 | (c) | |
| 15 | 6,588,076 | \$ 19.350 | (c) | |
| 15a | 7,475,380 | \$ 0.322 | (a) | |
| 15b | 2,719,400 | \$ 0.366 | (a) | |
| 15c | 1,750,088 | \$ 0.133 | (a) | |
| 15d | 1,750,088 | \$ 0.086 | (a) | |
| 16 | 1,974,600 | \$ 0.097 | (a) | |
| 16 | 547-Fuel | 127,054,977 | \$ 6.217 (c) | |
| 17 | 565-Wheeling | 110,557,708 | \$ 5.410 (c) | |
| 18 | Variable Transmission Income | (7,508,974) | \$ (0.367) (c) | |
| 19 | Production O&M | 117,451,418 | \$ 5.747 (a) | |
| 19a | Colstrip - Major Maint. Amort (Per UE-141141 Order) | 3,537,906 | \$ 0.173 (c) | |
| 20 | 447-Sales to Others | (50,123,996) | \$ (2.453) (c) | |
| 21 | Purch/Sales Non-Core Gas | 8,407,607 | \$ 0.411 (c) | |
| 22 | Transmission Exp - 500KV | 935,234 | \$ 0.046 (a) | |
| 23 | Depreciation-Production (FERC 403) | 112,666,430 | \$ 5.513 (a) | |
| 24 | Depreciation-Transmission | 4,204,776 | \$ 0.206 (a) | |
| 25 | Amortization - Regulatory Assets (1) | 29,664,602 | \$ 1.452 (c) | |
| 26 | Hedging Line of Credit | 751,529 | \$ 0.037 (c) | |
| 27 | Subtotal & Baseline Rate | \$ 1,220,596,543 | \$ 59.730 (b) | |
| 28 | Revenue Sensitive Items | 0.9543790 | | |
| 29 | | \$ 1,278,943,211 | | |
| 30 | Test Year DELIVERED Load (MWH's) (incl. Firm Whls) | 20,435,279 | | |
| 31 | | | | |
| 32 | | <u>Before Rev.</u> | <u>After Rev.</u> | |
| 33 | | <u>Sensitive Items</u> | <u>Sensitive Items</u> | |
| 34 | Power Cost in Rates with Revenue Sensitive | Rev Req (Column I) | | |
| 35 | Items (the adjusted baseline) | \$ 59.730 | \$ 62.585 | |
| 36 | sum of (a) = Fixed Rate Component | \$ 23.795 | \$ 24.933 | |
| 37 | (b) = Power Cost Rate | \$ 59.730 | \$ 62.585 | |
| 38 | sum of (c) = Variable Power Rate Component | \$ 35.934 | \$ 37.652 | |
| 39 | | | | |
| 40 | (1) - Regulatory Assets are shown in detail on Exhibit D. | | | |

Schedule B: Monthly Power Costs -- PCA PERIOD 15
Derived from Original PCA Exhibit B
Subject to PCA Sharing
UE-011570

| Row | Jan-16 | Feb-16 | Mar-16 | Apr-16 | May-16 | Jun-16 | Jul-16 | Aug-16 | Sep-16 | Oct-16 | Nov-16 | Dec-16 | Period to Date |
|-----|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|------------------|
| 6 | | | | | | | | | | | | | |
| 7 | Return on Fixed RB | \$ 782,350 | \$ 782,350 | \$ 782,350 | \$ 782,350 | \$ 782,350 | \$ 782,350 | \$ 782,350 | \$ 782,350 | \$ 782,350 | \$ 782,350 | \$ 782,350 | \$ 9,388,195 |
| 8 | Other Fixed Costs | 18,425,955 | 18,425,955 | 18,425,955 | 18,425,955 | 18,425,955 | 18,425,955 | 18,425,955 | 18,425,955 | 18,425,955 | 18,425,955 | 18,425,955 | 221,111,461 |
| 9 | Subtotal Fixed Costs | \$ 19,208,305 | \$ 19,208,305 | \$ 19,208,305 | \$ 19,208,305 | \$ 19,208,305 | \$ 19,208,305 | \$ 19,208,305 | \$ 19,208,305 | \$ 19,208,305 | \$ 19,208,305 | \$ 19,208,305 | \$ 230,499,656 |
| 10 | Other Fixed Costs - 557 Other Power Expense | 549,006 | 549,006 | 549,006 | 549,006 | 549,006 | 549,006 | 549,006 | 549,006 | 549,006 | 549,006 | 549,006 | 6,598,076 |
| 11 | Payroll Overheads - Worker's Comp | 622,948 | 622,948 | 622,948 | 622,948 | 622,948 | 622,948 | 622,948 | 622,948 | 622,948 | 622,948 | 622,948 | 7,475,380 |
| 12 | Property Insurance | 226,617 | 226,617 | 226,617 | 226,617 | 226,617 | 226,617 | 226,617 | 226,617 | 226,617 | 226,617 | 226,617 | 2,719,400 |
| 13 | Montana Electric Energy Tax | 145,841 | 145,841 | 145,841 | 145,841 | 145,841 | 145,841 | 145,841 | 145,841 | 145,841 | 145,841 | 145,841 | 1,750,088 |
| 14 | Payroll Taxes on Production Wages | 164,550 | 164,550 | 164,550 | 164,550 | 164,550 | 164,550 | 164,550 | 164,550 | 164,550 | 164,550 | 164,550 | 1,974,600 |
| 15 | Other Fixed Costs - Hyato and Other Power | 9,787,618 | 9,787,618 | 9,787,618 | 9,787,618 | 9,787,618 | 9,787,618 | 9,787,618 | 9,787,618 | 9,787,618 | 9,787,618 | 9,787,618 | 117,451,218 |
| 16 | Other Fixed Costs - Transmission 500kv | 77,936 | 77,936 | 77,936 | 77,936 | 77,936 | 77,936 | 77,936 | 77,936 | 77,936 | 77,936 | 77,936 | 935,254 |
| 17 | Other Fixed Costs - Depreciation Production FERC 403 | 9,388,869 | 9,388,869 | 9,388,869 | 9,388,869 | 9,388,869 | 9,388,869 | 9,388,869 | 9,388,869 | 9,388,869 | 9,388,869 | 9,388,869 | 112,666,630 |
| 18 | Other Fixed Costs - Depreciation Transmission | 350,398 | 350,398 | 350,398 | 350,398 | 350,398 | 350,398 | 350,398 | 350,398 | 350,398 | 350,398 | 350,398 | 4,204,776 |
| 20 | Other Fixed Costs | \$ 21,313,784 | \$ 21,313,784 | \$ 21,313,784 | \$ 21,313,784 | \$ 21,313,784 | \$ 21,313,784 | \$ 21,313,784 | \$ 21,313,784 | \$ 21,313,784 | \$ 21,313,784 | \$ 21,313,784 | \$ 255,765,403 |
| 22 | Subtotal Fixed Costs | \$ 40,522,088 | \$ 40,522,088 | \$ 40,522,088 | \$ 40,522,088 | \$ 40,522,088 | \$ 40,522,088 | \$ 40,522,088 | \$ 40,522,088 | \$ 40,522,088 | \$ 40,522,088 | \$ 40,522,088 | \$ 486,265,059 |
| 24 | Total Variable Component Actual | | | | | | | | | | | | |
| 25 | FERC Acct. | | | | | | | | | | | | |
| 26 | Steam Oper. Fuel | 501 | 501 | 501 | 501 | 501 | 501 | 501 | 501 | 501 | 501 | 501 | 5,996,810 |
| 27 | Other Pwr. Gen Fuel | 15,441,326 | 15,441,326 | 15,441,326 | 15,441,326 | 15,441,326 | 15,441,326 | 15,441,326 | 15,441,326 | 15,441,326 | 15,441,326 | 15,441,326 | 184,118,339 |
| 28 | Other Elct. Revenues | 1,431,291 | 1,431,291 | 1,431,291 | 1,431,291 | 1,431,291 | 1,431,291 | 1,431,291 | 1,431,291 | 1,431,291 | 1,431,291 | 1,431,291 | 17,191,427 |
| 29 | Purchase Power | 42,162,107 | 33,154,592 | 37,061,816 | 33,115,312 | 31,733,854 | 19,703,319 | 21,489,823 | 22,434,961 | 33,719,690 | 44,543,082 | 63,448,939 | 406,030,790 |
| 30 | Sales to Other Util | (1,420,751) | (2,962,136) | (2,068,106) | (3,239,676) | (3,716,023) | (5,832,692) | (9,163,008) | (9,463,008) | (5,498,599) | (4,345,071) | (4,776,015) | (50,123,986) |
| 31 | Wholesale | 9,657,855 | 9,600,556 | 9,217,636 | 8,924,222 | 9,665,223 | 9,368,354 | 9,451,754 | 9,577,533 | 9,389,215 | 9,709,719 | 9,904,620 | 114,137,948 |
| 32 | Transmission Revenue | (755,943) | (700,446) | (736,761) | (729,285) | (681,928) | (570,763) | (711,638) | (451,153) | (450,270) | (558,815) | (632,801) | (7,504,974) |
| 33 | White River Amortization | 465,005 | 465,005 | 465,005 | 465,005 | 465,005 | 465,005 | 465,005 | 465,005 | 465,005 | 465,005 | 465,005 | 5,580,060 |
| 34 | UB Unrecovered Plant & Study Cost | 20,106 | 20,106 | 20,106 | 20,106 | 20,106 | 20,106 | 20,106 | 20,106 | 20,106 | 20,106 | 20,106 | 241,271 |
| 35 | Mkt Firm Amortizats | 4070015 | 4070015 | 4070015 | 4070015 | 4070015 | 4070015 | 4070015 | 4070015 | 4070015 | 4070015 | 4070015 | 4,884,686 |
| 36 | LSR Amort- Rtn of BPA Prepay | 57,285 | 57,285 | 57,285 | 57,285 | 57,285 | 57,285 | 57,285 | 57,285 | 57,285 | 57,285 | 57,285 | 687,420 |
| 37 | FERC Amort- Rtn on Plant | 374,970 | 374,970 | 374,970 | 374,970 | 374,970 | 374,970 | 374,970 | 374,970 | 374,970 | 374,970 | 374,970 | 4,494,696 |
| 38 | Federal Amortization | 376,702 | 376,702 | 376,702 | 376,702 | 376,702 | 376,702 | 376,702 | 376,702 | 376,702 | 376,702 | 376,702 | 4,500,234 |
| 39 | Baker Amortization | 56,113 | 56,113 | 56,113 | 56,113 | 56,113 | 56,113 | 56,113 | 56,113 | 56,113 | 56,113 | 56,113 | 674,356 |
| 40 | Snouqualmie Amortization | 220,344 | 220,344 | 220,344 | 220,344 | 220,344 | 220,344 | 220,344 | 220,344 | 220,344 | 220,344 | 220,344 | 2,644,128 |
| 41 | Arnot Property Less- Electron | 282,625 | 282,625 | 282,625 | 282,625 | 282,625 | 282,625 | 282,625 | 282,625 | 282,625 | 282,625 | 282,625 | 3,391,500 |
| 42 | Snouqualmie Treasury Grant Amort | (138,185) | (138,185) | (138,185) | (138,185) | (138,185) | (138,185) | (138,185) | (138,185) | (138,185) | (138,185) | (138,185) | (1,659,220) |
| 43 | Baker Treasury Grant Amort | (40,002) | (40,002) | (40,002) | (40,002) | (40,002) | (40,002) | (40,002) | (40,002) | (40,002) | (40,002) | (40,002) | (488,024) |
| 44 | Colstrip 1&2 Major Maint Amortization | 142,344 | 142,344 | 142,344 | 142,344 | 142,344 | 142,344 | 142,344 | 142,344 | 142,344 | 142,344 | 142,344 | 1,731,144 |
| 45 | Colstrip 3&4 Major Maint Amortization | 90,391 | 90,391 | 90,391 | 90,391 | 90,391 | 90,391 | 90,391 | 90,391 | 90,391 | 90,391 | 90,391 | 1,084,335 |
| 46 | Subtotal Variable Components | \$ 75,051,257 | \$ 63,357,354 | \$ 63,731,619 | \$ 53,296,996 | \$ 49,876,134 | \$ 45,660,491 | \$ 49,049,352 | \$ 48,243,709 | \$ 56,795,641 | \$ 65,343,581 | \$ 85,417,110 | \$ 704,926,251 |
| 47 | Regulatory Assets (Return on BE portion only) | 2,090,796 | 2,090,796 | 2,090,796 | 2,090,796 | 2,090,796 | 2,090,796 | 2,090,796 | 2,090,796 | 2,090,796 | 2,090,796 | 2,090,796 | 24,878,162 |
| 48 | Fixed & Int Cost on Hedging Facility 42806051, 42816025, 43100071 | 63,172 | 60,993 | 62,083 | 63,172 | 62,083 | 63,172 | 63,172 | 62,083 | 63,172 | 63,172 | 63,172 | 751,529 |
| 49 | SUBTOTAL before Adjustments | \$ 117,727,313 | \$ 106,031,231 | \$ 106,410,870 | \$ 95,967,453 | \$ 92,547,880 | \$ 88,325,184 | \$ 91,714,045 | \$ 90,874,689 | \$ 99,456,709 | \$ 108,003,560 | \$ 128,029,921 | \$ 1,216,821,001 |
| 50 | Adjustments: | | | | | | | | | | | | |
| 51 | Colstrip availability adjustment | | | | | | | | | | | | |
| 52 | Centralia PPA ROR Equity Adjustment | | | | | | | | | | | | |
| 53 | Subtotal Adjustments | 310,397 | 290,371 | 309,980 | 300,384 | 310,397 | 300,384 | 310,397 | 300,384 | 310,397 | 300,384 | 310,397 | 3,775,542 |
| 54 | Total allowable costs | \$ 118,037,710 | \$ 106,321,602 | \$ 106,720,850 | \$ 96,267,837 | \$ 92,858,277 | \$ 88,625,568 | \$ 92,028,442 | \$ 91,175,073 | \$ 99,767,106 | \$ 108,303,944 | \$ 128,451,174 | \$ 1,220,596,543 |
| 56 | PCA period delivered load (kwh) | 2,109,647,580 | 1,829,822,241 | 1,792,363,776 | 1,488,052,247 | 1,482,590,366 | 1,560,718,750 | 1,569,139,692 | 1,468,085,744 | 1,646,585,553 | 1,686,722,627 | 2,316,715,447 | 20,431,719,508 |
| 57 | Correction of unbillable kWh's - 8/16 | 739,956 | 682,066 | 734,662 | 712,623 | 712,623 | | | | | | | 3,566,275 |
| 58 | Baseline Power Cost | \$ 126,240,013 | \$ 109,409,535 | \$ 107,281,355 | \$ 89,055,250 | \$ 89,327,891 | \$ 93,360,635 | \$ 93,864,367 | \$ 87,819,421 | \$ 98,497,101 | \$ 100,998,081 | \$ 134,703,103 | \$ 1,218,537,443 |
| 59 | Imbalance for Steering | (8,200,343) | (3,177,933) | (540,505) | (7,212,587) | (3,530,186) | (4,725,054) | (1,839,925) | (3,355,652) | (1,270,005) | (7,405,300) | (6,251,929) | (2,059,100) |
| 60 | positive is potential cost surcharge, negative is potential cost credit | \$ (8,200,343) | \$ (3,177,933) | \$ (540,505) | \$ (7,212,587) | \$ (3,530,186) | \$ (4,725,054) | \$ (1,839,925) | \$ (3,355,652) | \$ (1,270,005) | \$ (7,405,300) | \$ (6,251,929) | \$ 2,059,100 |
| 61 | Dec-14 - Nov-16 | | | | | | | | | | | | |
| 62 | Less Firm Wholesale | (8,200,343) | (3,177,933) | (540,505) | (7,212,587) | (3,530,186) | (4,725,054) | (1,839,925) | (3,355,652) | (1,270,005) | (7,405,300) | (6,251,929) | (2,059,100) |
| 63 | Gross PCA | (8,200,343) | (3,177,933) | (540,505) | (7,212,587) | (3,530,186) | (4,725,054) | (1,839,925) | (3,355,652) | (1,270,005) | (7,405,300) | (6,251,929) | (2,059,100) |
| 64 | Gross PCA Contra | (8,200,343) | (3,177,933) | (540,505) | (7,212,587) | (3,530,186) | (4,725,054) | (1,839,925) | (3,355,652) | (1,270,005) | (7,405,300) | (6,251,929) | (2,059,100) |
| 65 | Cumulative Gross PCA | (8,200,343) | (11,377,168) | (11,917,485) | (4,707,412) | (2,843,058) | (1,880,348) | (3,719,632) | (904,413) | (904,413) | (8,308,131) | (2,058,382) | (2,058,382) |
| 66 | Cumulative Gross PCA Contra | 8,200,343 | 11,377,168 | 11,917,485 | 4,707,412 | 2,843,058 | 1,880,348 | 3,719,632 | 904,413 | 904,413 | 8,308,131 | 2,058,382 | 2,058,382 |

Note: This schedule was derived from original PCA collaborative exhibit B

Exhibit D: Regulatory Assets and Liabilities net of Accumulated Amortization and Deferred Taxes (PCA Periods)
PCA 15 (CY 2016)

Rate Case
2013 ERF

Effective Date
7/1/2013

Rate
6.69%

| Ref | Description | 12 Months Ended | | PCA Period | | Return | Monthly |
|-----|--|---------------------------|-----------------|--|--------|---------------|-----------|
| | | Asset Amort | Asset Amort | AMA Ratebase as of | Amount | | |
| | | Balance net of AA & ADFIT | | | | | |
| | | (Note 1) | | | | | |
| 8 | BEP | | | | | | |
| 13 | Dec 2016 | \$ (3,526,620) | \$ 1,106,107 | GL Accts #18230071, #18230081, and #28300431 and Order #55500007 | 12/16 | 6.69% | 19,952 |
| 15 | White River Relicensing | | | 2,326,296 | | | 239,430 |
| 20 | Dec 2016 | \$ 25,667,701 | \$ - | GL Accts #18230641, 691, #18236021, 31, 41, 51, 61, 71, 91, 6101, #18230971, #19000021 and #28300011 | 12/16 | 6.69% | 202,672 |
| 22 | White River Plant Costs | | | 23,629,908 | | | 2,432,063 |
| 27 | Dec 2016 | \$ (1,494,702) | \$ 28,264,538 | GL Accts #18220011, #21, #31, #41 and #51 and Order #40700015, portion of #28200121 | 12/16 | 6.69% | 248,833 |
| 29 | CWA Sales Proceeds | | | (1,494,702) | | | 1,940,895 |
| 30 | Dec 2016 | \$ (30,211,680) | \$ (30,211,680) | GL Accts #18220061 | 12/16 | 6.69% | (259,123) |
| 36 | White River DFIT | | | | | | (67,071) |
| 37 | Dec 2016 | \$ (7,567,549) | \$ (7,819,930) | GL Accts #28300651 | 12/16 | 6.69% | (804,851) |
| 43 | FB Energy Capacity Payment - UE-082013 | | | | | | (61,218) |
| 44 | Dec 2016 | \$ 392,170 | \$ (467,336) | GL Accts #25300601 and #19000151 and Order #54700005 | 12/16 | 6.69% | (39,791) |
| 52 | Mint Farm Deferral (Note 2) | | | (594,791) | | | - |
| 53 | Dec 2016 | \$ (2,885,052) | \$ 15,363,036 | GL Accts #18600351, 361, 371, #18235521, #28300601, 611, 661 and Orders #40740061 | 12/16 | 6.69% | 1,090,515 |
| 59 | BNP Capacity - UE-100503 (Note 3) | | | 16,300,678 | | | 1,677,716 |
| 60 | Dec 2016 | \$ 537,626 | \$ (640,671) | GL Accts # 19000711, # 25302121, #25400191 and Order #54700010 | 12/16 | 6.69% | (83,923) |
| 64 | Chelan PUD Contract Initiation (Note 3) | | | (815,400) | | | (54,550) |
| 67 | Dec 2016 | \$ (7,088,066) | \$ 91,443,875 | GL Accts # 18230351, #28300561, #18600271 Order #55500163 | 12/16 | 6.69% | 6,323,806 |
| 68 | Chelan - Rock Island Security Deposit (Note 3) | | | 94,526,246 | | | 9,728,932 |
| 69 | Dec 2012 | \$ - | \$ 18,500,000 | GL Accts # 12800001 | 12/12 | 6.9% & 6.71% | 786,867 |
| 76 | Dec 2013 | \$ - | \$ 18,500,000 | | 12/13 | 6.71% & 6.69% | 1,239,485 |
| 77 | Dec 2014 | \$ - | \$ 18,500,000 | | 12/14 | 6.69% | 1,237,650 |
| 78 | Dec 2015 | \$ - | \$ 18,500,000 | | 12/15 | 6.69% | 1,237,650 |
| 79 | Dec 2016 | \$ - | \$ 18,500,000 | | 12/16 | 6.69% | 1,237,650 |
| 80 | Colstrip 1 and 2 (WECO) Note 4 | | | | | | 15,010 |
| 82 | Reservation Payment | | | 1,750,000 | | | 117,075 |
| 83 | Dec 2016 | \$ (500,000) | \$ 1,500,000 | GL Accts # 16599011, 18232321 Order #50106003 | 12/16 | 6.69% | 180,115 |
| 84 | FERC PART 12 Non-Construction Study Costs \$1.2M | | | (500,000) | | | 8,070 |
| 88 | Dec 2016 | \$ (241,268) | \$ - | GL Accts # 18220091 | 12/16 | 6.69% | 12,416 |
| 90 | Lower Snake River Prepaid Transm Principal \$99.8M | | | 120,634 | | | 4,557,150 |
| 91 | Dec 2016 | \$ (3,360,322) | \$ 66,431,156 | GL Accts # 18232301, 18600581 | 12/16 | 6.69% | 7,011,000 |
| 95 | Carrying Charges on LSR Prepaid Transm \$99.8M | | | 68,118,836 | | | 626,207 |
| 96 | Dec 2016 | \$ (687,420) | \$ 9,136,936 | GL Accts # 18232311, 28300081, 18600591, 40730101 | 12/16 | 6.69% | 963,396 |
| 97 | Lower Snake River Plant Deferral \$18.3M | | | 162,485 | | | 10,870 |
| 100 | Dec 2016 | \$ (1,499,867) | \$ 0 | GL Accts # 18232331, 28300721, 18600311, 18600391, 40730111 | 12/16 | 6.69% | 16,723 |
| 103 | Snoqualmie License Upgrade Deferral (2013 PCORC) | | | 4,010,254 | | | 412,748 |
| 104 | Dec 2016 | \$ (2,644,123) | \$ 3,150,914 | GL Accts # 18238331, 18600001, 18600451, 40730141 | 12/16 | 6.69% | 268,286 |
| 108 | Dec 2016 | \$ (2,644,123) | \$ 3,150,914 | | 12/16 | 6.69% | 34,396 |

Exhibit D: Regulatory Assets and Liabilities net of Accumulated Amortization and Deferred Taxes (PCA Periods)
PCA 15 (CY 2016)

Rate Case
2013 ERF
Effective Date
7/1/2013
Rate
6.69%

| Ref | Description | 12 Months Ended | | PCA Period | | Return | Pre Tax | Monthly | | |
|-----|--|---------------------------|-------------|---|--------------------|--------|---------|-----------|-----------|----------|
| | | Asset Amort | Asset Amort | AMA Ratebase as of | AMA Ratebase as of | | | | | |
| | | Balance net of AA & ADFIT | | A.T. % | | Amount | | Amount | | |
| | | (Note 1) | | (Note 1) | | | | | | |
| 123 | Baker License Upgrade Deferral (2013 PCORC) | | | | | | | | | |
| 124 | Dec 2016 \$ | (673,352) | 802,411 | G/L Accts #18238321, 18600801, 18600811, 40730131 | 1,021,250 | 12/16 | 6.69% | 68,322 | 105,110 | 8,759 |
| 130 | Ferndale Deferral (2013 PCORC) | | | | | | | | | |
| 131 | Dec 2016 \$ | (4,520,423) | 8,325,111 | G/L Accts #18238311, 18600531, 18600691, 18600791, 18600871, 40730121 | 9,794,249 | 12/16 | 6.69% | 655,235 | 1,008,054 | 84,005 |
| 137 | Baker Treasury Grant Deferral until Oct 2018 (2014 PCORC) #40740191, #43100086, #25400501, #19003021, #40740181 | | | | | | | | | |
| 141 | Dec 2016 \$ | 480,026 | (572,031) | (728,039) | 12/16 | | 6.69% | (48,706) | (74,932) | (6,244) |
| 144 | Snoqualmie Treasury Grant Deferral until Oct 2018 (2014 PCORC) #25400491, #43100085, #40740171, #19003011, #40740161 | | | | | | | | | |
| 147 | Dec 2016 \$ | 1,658,222 | (1,976,048) | (2,514,970) | 12/16 | | 6.69% | (168,252) | (258,848) | (21,571) |
| 149 | Electron Unrecovered Cost (2014 PCORC) #18220101, #28302061, #40700014 | | | | | | | | | |
| 150 | Dec 2016 \$ | (3,391,500) | 4,665,575 | 5,767,812 | 12/16 | | 6.69% | 385,867 | 593,641 | 49,470 |

| Period | From | To | Return | | Pre Tax | Monthly | | | |
|---------|------|--------------|-------------|--------------------|---------|---------|------------|------------|-----------|
| | | | Asset Amort | AMA Ratebase as of | | | | | |
| | | A.T. % | | Amount | | Amount | | | |
| | | (Annualized) | | | | | | | |
| PCA #15 | \$ | Jan 2016 | Dec 2016 | 241,716,073 | 12/16 | 6.69% | 16,170,805 | 24,878,162 | 2,077,361 |

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

Note (2) Return on ratebase was being recognized and deferred on these regulatory assets up until 4/7/2010. Therefore, recognizer of return on these assets in Exhibit D for purposes of calculating the PCA deferral beginning 4/8/2010 is appropriate.

Note (3) The monthly return amount are only for applicable months for the rate year.

Note (4) The Colstrip reservation payment will be in working capital until the beginning of the new rate year estimated to be May 2012 at this time.

Puget Sound Energy

Power Cost Adjustment Mechanism Annual
Report for PCA Period Fifteen
Twelve Months Ended December 31, 2016

PCA Exhibits
From January 1 through November, 2016
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 Factor | Per Month for |
|--|-----------|---------------|-----------------------------|-------------------|---------------|
| | | | Test Yr | 0.99019 | Schedule B |
| | | | \$/MWh | Rate Year | |
| 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 | | | Test Yr | | |
| 9 | | | \$/MWh | | |
| 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 | 83,459,042 | (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 | 8,196 | 8,461 | 8,384,161 | 1.72% | 144,308 | (5,054,546) | |
| 17 E312 | 81,834 | 85,501 | 83,232,112 | 1.68% | 1,394,502 | (41,844,937) | |
| 18 E314 | 30,482 | 31,497 | 30,659,665 | 2.32% | 710,057 | (10,341,158) | |
| 19 E315 | 6,053 | 6,108 | 6,069,701 | 0.93% | 56,531 | (4,540,690) | |
| 20 E316 | 837 | 871 | 858,375 | 2.29% | 19,689 | (306,445) | |
| 21 | <u>127,402</u> | <u>132,438</u> | <u>129,204,014</u> | <u>1.80%</u> | <u>2,325,087</u> | <u>(62,087,776)</u> | |
| 22 | COLSTRIP #2 | | | | | | |
| 23 E311 | 3,407 | 3,655 | 3,593,945 | 1.29% | 46,247 | (1,072,377) | |
| 24 E312 | 71,101 | 73,217 | 71,392,628 | 1.75% | 1,246,456 | (33,527,346) | |
| 25 E314 | 27,424 | 32,687 | 27,666,095 | 2.01% | 556,590 | (4,694,730) | |
| 26 E315 | 3,025 | 3,080 | 3,031,727 | 1.36% | 41,260 | (1,377,907) | |
| 27 E316 | 959 | 960 | 959,671 | 2.38% | 22,870 | (405,916) | |
| 28 | <u>105,916</u> | <u>113,599</u> | <u>106,644,066</u> | <u>1.79%</u> | <u>1,913,423</u> | <u>(41,078,276)</u> | |
| 29 | COLSTRIP 1 & 2 COMMON | | | | | | |
| 30 E311 | 31,062 | 31,131 | 31,064,969 | 0.40% | 124,713 | (25,374,520) | |
| 31 E312 | 6,160 | 6,175 | 6,160,779 | 1.27% | 78,102 | (5,047,871) | |
| 32 E314 | 3,821 | 3,821 | 3,821,241 | 1.24% | 47,388 | (3,429,667) | |
| 33 E315 | 2,287 | 2,287 | 2,286,589 | 1.14% | 26,064 | (1,851,039) | |
| 34 E316 | 6,206 | 6,206 | 6,205,597 | 1.40% | 86,880 | (5,048,841) | |
| 35 | <u>49,536</u> | <u>49,620</u> | <u>49,539,175</u> | <u>0.73%</u> | <u>363,147</u> | <u>(40,751,938)</u> | |
| 36 | COLSTRIP 3 | | | | | | |
| 37 E311 | 29,084 | 29,246 | 29,178,119 | 1.33% | 387,920 | (20,354,131) | |
| 38 E312 | 129,582 | 132,272 | 130,643,399 | 1.43% | 1,868,231 | (87,445,817) | |
| 39 E314 | 40,212 | 42,868 | 40,614,472 | 1.74% | 706,059 | (13,080,284) | |
| 40 E315 | 6,444 | 6,489 | 6,471,957 | 1.28% | 82,781 | (4,244,449) | |
| 41 E316 | 791 | 791 | 791,366 | 2.01% | 15,932 | (320,075) | |
| 42 | <u>206,113</u> | <u>211,666</u> | <u>207,699,313</u> | <u>1.47%</u> | <u>3,060,923</u> | <u>(125,444,756)</u> | |
| 43 | COLSTRIP 4 | | | | | | |
| 44 E311 | 27,205 | 27,423 | 27,306,371 | 1.42% | 387,576 | (18,191,032) | |
| 45 E312 | 116,083 | 119,867 | 117,989,635 | 1.63% | 1,926,323 | (71,533,921) | |
| 46 E314 | 40,132 | 46,881 | 42,830,033 | 1.90% | 812,451 | (19,075,914) | |
| 47 E315 | 5,742 | 5,911 | 5,848,060 | 1.39% | 81,425 | (3,563,258) | |
| 48 E316 | 918 | 938 | 930,540 | 1.93% | 17,913 | (362,069) | |
| 49 | <u>190,080</u> | <u>201,020</u> | <u>194,904,639</u> | <u>1.66%</u> | <u>3,225,688</u> | <u>(112,726,194)</u> | |
| 50 | COLSTRIP 3 & 4 COMMON | | | | | | |
| 51 E311 | 70,392 | 70,407 | 70,392,983 | 1.13% | 794,981 | (48,874,491) | |
| 52 E312 | 14,552 | 15,675 | 14,599,081 | 1.44% | 209,708 | (8,670,811) | |
| 53 E314 | 11 | 11 | 10,515 | 26.59% | 2,796 | 98,503 | |
| 54 E315 | 7,550 | 7,645 | 7,553,954 | 1.27% | 96,128 | (4,983,371) | |
| 55 E316 | 4,444 | 4,444 | 4,444,375 | 1.63% | 72,444 | (2,675,497) | |
| 56 | <u>96,949</u> | <u>98,182</u> | <u>97,000,908</u> | <u>1.21%</u> | <u>1,176,057</u> | <u>(65,105,667)</u> | |
| 57 | COLSTRIP 1 & 2 / 3 & 4COMMON | | | | | | |
| 58 E317 | 14,385 | 1,167 | 2,818,900 | 0.00% | 41,463 | (942,152) | |
| 59 | <u>14,385</u> | <u>1,167</u> | <u>2,818,900</u> | <u>0.00%</u> | <u>41,463</u> | <u>(942,152)</u> | |
| 60 | | | | | | | |
| 61 | | | | | | | |
| 62 | COLSTRIP 1-4 COMMON | | | | | | |
| 63 E316 | 252 | 252 | 251,534 | 1.38% | 3,468 | (183,746) | |
| 64 | <u>252</u> | <u>252</u> | <u>251,534</u> | <u>1.38%</u> | <u>3,468</u> | <u>(183,746)</u> | |
| 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.) | | | <u>1,145,778</u> | | 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 | Prod. Adj. | |
| 81 | 50004011 Colstrip 1&2 - Supv & Eng'g - Steam Ope | 128,799 | |
| 82 | 50005011 Colstrip 3&4 - Supv & Eng'g - Steam Ope | 103,411 | |
| 83 | 50204001 Colstrip 1&2 - Steam Exp - Steam Gen Op | 4,331,115 | |
| 84 | 50205001 Colstrip 3&4 - Steam Exp - Steam Gen Op | 2,316,737 | |
| 85 | 50504001 Colstrip 1&2 - Electric Exp - Steam Gen | 123,245 | |
| 86 | 50505001 Colstrip 3&4 - Electric Exp - Steam Gen | 110,674 | |
| 87 | 50604001 Colstrip 1&2 - Misc Stm Pwr - Steam Gen | 4,720,045 | |
| 88 | 50604009 Colstrip 1&2 - Steam Gen-Thermal Jnt O&PC | 184,373 | |
| 89 | 50605001 Colstrip 3&4 - Misc Stm Pwr - Steam Gen | 3,917,973 | |
| 90 | 50605009 Colstrip 3&4 - Steam Gen-Thermal Jnt O&PC | 167,537 | |
| 91 | 50704001 Colstrip 1&2 - Rents - Steam Gen Oper | 20,114 | |
| 92 | 50705001 Colstrip 3&4 - Rents - Steam Gen Oper | 49,058 | |
| 93 | 51004001 Colstrip 1&2 - Supv & Eng'g - Steam Gen | 770,891 | |
| 94 | 51005001 Colstrip 3&4 - Supv & Eng'g - Steam Gen | 620,075 | |
| 95 | 51104001 Colstrip 1&2 - Structures - Steam Gen M | 1,246,787 | |
| 96 | 51105001 Colstrip 3&4 - Structures - Steam Gen M | 996,726 | |
| 97 | 51204001 Colstrip 1&2 - Boiler Plant - Steam Gen | 5,444,942 | |
| 98 | 51205001 Colstrip 3&4 - Boiler Plant - Steam Gen | 5,976,621 | |
| 99 | 51304001 Colstrip 1&2 - Electric Plant - Steam G | 776,929 | |
| 100 | 51305001 Colstrip 3&4 - Electric Plant - Steam G | 1,384,162 | |
| 101 | 51404001 Colstrip 1&2 -Misc Steam Plt -Steam Gen | 968,274 | |
| 102 | 51405001 Colstrip 3&4 -Misc Steam Plt -Steam Gen | 847,361 | |
| 103 | 50604002 Colstrip 1&2 Belmontez Settlement | - | |
| 104 | 50604003 Colstrip 1&2 Global Settlement | - | |
| 105 | 50604004 Colstrip 1&2 Ash Pond Settlement | - | |
| 106 | 50605003 Colstrip 3&4 Global Settemt | - | |
| 107 | 50605004 Colstrip 3&4 Ash Pond Settlement | 1 | |
| 108 | Subtotal for the test year | 35,205,850 | |
| 109 | Adjustment to the rate year | 7,220,735 | |
| 110 | Subtotal on Orders | 42,426,585 | |
| 111 | | | |
| 112 | Electric Energy Tax | 1,750,088 | |
| 113 | 403xxxxx Depreciation / Accretion | 12,737,418 | |
| 114 | | <u>\$ 56,914,092</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

| | | |
|----------|-----------|-------|
| 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 |
| 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 |

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) | | | | | |
| 60 | | | | | | | | | | |
| 61 | BNP Capacity - UE-100503 | | | G/L Accts # 19000711, # 25302121, #25400191 and Order #54700010 | | | | | | |
| 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. | | | G/L Accts # 18600841, #18231011 Order #55362083 &553002864 | | | | | | |
| 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) | | | G/L Accts # 18231031, 16500741, Order #5XX (Prod O&M) | | | | | | |
| 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 | | | G/L Accts # 18230351, #28300561, #18600271 Order #55500153 | | | | | | |
| 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 | | | G/L Accts # 12800001 | | | | | | |
| 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) | | | G/L Accts # 16599011, 18232321 Order #50106003 | | | | | | |
| 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 Costs | | | G/L Accts # 18220091 | | | | | | |
| 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 |
| 96 | Dec 2016 \$ | (241,268) | - | (241,268) | 120,634 | 42,735 | 6.69% | 8,070 | 12,416 | 1,035 |
| 97 | | | | | | | | | | |
| 98 | Lower Snake River Prepaid Transm Principal \$99.8M | | | G/L Accts # 18232301, 18600581 | | | | | | |
| 99 | Dec 2012 \$ | - | 99,765,789 | - | 99,765,789 | 41,274 | 6.9%&6.71% | 4,243,372 | 6,528,264 | 858,242 |
| 99 | Dec 2013 \$ | (1,165,888) | 76,213,067 | (1,165,888) | 94,826,912 | 41,639 | 6.71%&6.69% | 6,353,325 | 9,774,346 | 814,529 |
| 100 | Dec 2014 \$ | (3,098,754) | 73,009,214 | (3,098,754) | 74,575,644 | 42,004 | 6.69% | 4,989,111 | 7,675,555 | 639,630 |
| 101 | Dec 2015 \$ | (3,211,193) | 69,798,022 | (3,211,193) | 71,407,902 | 42,369 | 6.69% | 4,777,189 | 7,349,521 | 612,460 |
| 102 | Dec 2016 \$ | (3,320,229) | 66,477,793 | (3,320,229) | 68,145,307 | 42,735 | 6.69% | 4,558,921 | 7,013,725 | 584,477 |
| 103 | Dec 2017 \$ | (3,447,270) | 63,030,523 | (3,447,270) | 64,759,606 | 43,100 | 6.69% | 4,332,418 | 6,665,258 | 555,438 |
| 104 | | | | | | | | | | |
| 105 | Carrying Charges on LSR Prepaid Transm \$99.8M | | | G/L Accts # 18232311, 28300081, 18600591, 40730101 | | | | | | |
| 106 | Dec 2012 \$ | (463,265) | 10,990,951 | (463,265) | 12,744,430 | 41,274 | 6.9%&6.71% | 542,063 | 833,943 | 109,635 |
| 106 | Dec 2013 \$ | (694,253) | 10,477,013 | (694,253) | 10,757,310 | 41,639 | 6.71%&6.69% | 720,731 | 1,108,817 | 92,401 |
| 107 | Dec 2014 \$ | (686,817) | 10,030,582 | (686,817) | 10,253,977 | 42,004 | 6.69% | 685,991 | 1,055,371 | 87,948 |

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) | | | | | |
| 108 | Dec 2015 | \$ (687,420) | 9,583,759 | (687,420) | 9,807,170 | 42,369 | 6.69% | 656,100 | 1,009,384 | 84,115 |
| 109 | Dec 2016 | \$ (687,420) | 9,136,936 | (687,420) | 9,360,347 | 42,735 | 6.69% | 626,207 | 963,396 | 80,283 |
| 110 | Dec 2017 | \$ (687,420) | 8,690,113 | (687,420) | 8,913,524 | 43,100 | 6.69% | 596,315 | 917,407 | 76,451 |
| 111 | 112 Lower Snake River Plant Deferral \$18.3M | | | | | | | | | |
| | | | | | G/L Accts # 18232331, 28300721, 18600311, 18600331, 18600391, 40730111 | | | | | |
| 113 | Dec 2012 | \$ (2,893,654) | 9,793,061 | (2,893,654) | 8,953,340 | 41,274 | 6.9%&6.71% | 380,815 | 585,870 | 77,022 |
| 113 | Dec 2013 | \$ (4,580,592) | 6,815,676 | (4,580,592) | 8,304,368 | 41,639 | 6.71%&6.69% | 556,386 | 855,978 | 71,332 |
| 114 | Dec 2014 | \$ (4,486,148) | 3,899,680 | (4,486,148) | 5,361,697 | 42,004 | 6.69% | 358,698 | 551,842 | 45,987 |
| 115 | Dec 2015 | \$ (4,499,640) | 974,914 | (4,499,640) | 2,437,297 | 42,369 | 6.69% | 163,055 | 250,854 | 20,905 |
| 116 | Dec 2016 | \$ (1,499,867) | 0 | (1,499,867) | 162,485 | 42,735 | 6.69% | 10,870 | 16,723 | 1,394 |
| 117 | 118 Snoqualmie License Upgrade Deferral (2013 PCORC) | | | | | | | | | |
| | | | | | G/L Accts # 18238331, 18600001, 18600461, 18600451, 40730141 | | | | | |
| 119 | Dec 2013 | \$ (322,316) | 7,874,094 | (322,316) | 3,205,253 | 41,639 | 6.71%&6.69% | 35,836 | 55,133 | 27,567 |
| 120 | Dec 2014 | \$ (1,978,184) | 6,588,274 | (1,978,184) | 7,249,840 | 42,004 | 6.69% | 485,014 | 746,176 | 62,181 |
| 121 | Dec 2015 | \$ (2,644,123) | 4,869,594 | (2,644,123) | 5,728,934 | 42,369 | 6.69% | 383,266 | 589,640 | 49,137 |
| 122 | Dec 2016 | \$ (2,644,123) | 3,150,914 | (2,644,123) | 4,010,254 | 42,735 | 6.69% | 268,286 | 412,748 | 34,396 |
| 123 | Dec 2017 | \$ (2,644,123) | 1,432,233 | (2,644,123) | 2,291,574 | 43,100 | 6.69% | 153,306 | 235,856 | 19,655 |
| 124 | 125 Baker License Upgrade Deferral (2013 PCORC) | | | | | | | | | |
| | | | | | G/L Accts # 18238321, 18600801, 18600811, 40730131 | | | | | |
| 126 | Dec 2013 | \$ (89,850) | 2,028,695 | (89,850) | 628,104 | 41,639 | 6.71%&6.69% | 7,023 | 10,804 | 5,402 |
| 127 | Dec 2014 | \$ (539,888) | 1,677,768 | (539,888) | 1,857,279 | 42,004 | 6.69% | 124,252 | 191,157 | 15,930 |
| 128 | Dec 2015 | \$ (673,352) | 1,240,089 | (673,352) | 1,458,928 | 42,369 | 6.69% | 97,602 | 150,157 | 12,513 |
| 129 | Dec 2016 | \$ (673,352) | 802,411 | (673,352) | 1,021,250 | 42,735 | 6.69% | 68,322 | 105,110 | 8,759 |
| 130 | Dec 2017 | \$ (673,352) | 364,732 | (673,352) | 583,571 | 43,100 | 6.69% | 39,041 | 60,063 | 5,005 |
| 131 | 132 Ferndale Deferral (2013 PCORC) | | | | | | | | | |
| | | | | | G/L Accts # 18238311, 18600531, 18600691, 18600791, 18600671, 40730121 | | | | | |
| 133 | Dec 2013 | \$ (691,933) | 16,908,876 | (691,933) | 10,375,524 | 41,639 | 6.71%&6.69% | 116,004 | 178,468 | 89,234 |
| 134 | Dec 2014 | \$ (4,164,947) | 14,201,661 | (4,164,947) | 15,565,620 | 42,004 | 6.69% | 1,041,340 | 1,602,062 | 133,505 |
| 135 | Dec 2015 | \$ (4,520,423) | 11,263,386 | (4,520,423) | 12,732,523 | 42,369 | 6.69% | 851,806 | 1,310,470 | 109,206 |
| 136 | Dec 2016 | \$ (4,520,423) | 8,325,111 | (4,520,423) | 9,794,249 | 42,735 | 6.69% | 655,235 | 1,008,054 | 84,005 |
| 137 | Dec 2017 | \$ (4,520,423) | 5,386,837 | (4,520,423) | 6,855,974 | 43,100 | 6.69% | 458,665 | 705,638 | 58,803 |
| 138 | 139 Baker Treasury Grant Deferral until Oct 2018 | | | | | | | | | |
| | | | | | G/L Accts #40740191, #43100086, #25400501 | | | | | |
| 140 | Dec 2014 | \$ 40,002 | (1,196,064) | 40,002 | (437,722) | 42,004 | 6.69% | (17,811) | (27,401) | (3,754) |
| 141 | Dec 2015 | \$ 480,026 | (884,048) | 480,026 | (1,040,056) | 42,369 | 6.69% | (69,580) | (107,046) | (8,920) |
| 142 | Dec 2016 | \$ 480,026 | (572,031) | 480,026 | (728,039) | 42,735 | 6.69% | (48,706) | (74,932) | (6,244) |
| 143 | Dec 2017 | \$ 480,026 | (260,014) | 480,026 | (416,022) | 43,100 | 6.69% | (27,832) | (42,818) | (3,568) |
| 144 | 145 Snoqualmie Treasury Grant Deferral until Oct 2018 | | | | | | | | | |
| | | | | | G/L Acct #25400491, #43100085, #40740171, #19003011 | | | | | |
| 146 | Dec 2014 | \$ 138,185 | (4,131,737) | 138,185 | (1,624,734) | 42,004 | 6.69% | (75,044) | (115,452) | (13,935) |
| 147 | Dec 2015 | \$ 1,658,222 | (3,053,892) | 1,658,222 | (3,592,814) | 42,369 | 6.69% | (240,359) | (369,784) | (30,815) |
| 148 | Dec 2016 | \$ 1,658,222 | (1,976,048) | 1,658,222 | (2,514,970) | 42,735 | 6.69% | (168,252) | (258,848) | (21,571) |
| 149 | Dec 2017 | \$ 1,658,222 | (898,204) | 1,658,222 | (1,437,126) | 43,100 | 6.69% | (96,144) | (147,913) | (12,326) |
| 150 | 151 Electron (2014 PCORC) NEW in Supplemental Filing | | | | | | | | | |
| 152 | Dec 2014 | \$ (1,929,202) | 8,634,179 | (1,929,202) | 3,432,837 | 42,004 | 6.69% | 19,505 | 30,008 | 30,008 |
| 153 | Dec 2015 | \$ (3,391,494) | 6,429,708 | (3,391,494) | 7,531,944 | 42,369 | 6.69% | 503,887 | 775,211 | 64,601 |
| 154 | Dec 2016 | \$ (3,391,494) | 4,225,237 | (3,391,494) | 5,327,472 | 42,735 | 6.69% | 356,408 | 548,320 | 45,693 |
| 155 | Dec 2017 | \$ (3,391,494) | 2,020,765 | (3,391,494) | 3,123,001 | 43,100 | 6.69% | 208,929 | 321,429 | 26,786 |
| 156 | 158 Period | | | | | | | | | |
| | | From | To | Asset Amort | AMA Ratebase as of | | Return A.T. % | Amount | Pre Tax | Monthly |
| 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.

Puget Sound Energy

Power Cost Adjustment Mechanism Annual
Report for PCA Period Fifteen
Twelve Months Ended December 31, 2016

PCA Exhibit A-1
From December 1 through December 31, 2016
PCA Exhibits Approved in 2014 PCORC
Compliance Update in Docket No. UE-161135

Use Full Baseline Rate (but Fixed Costs from Original 2014 PCORC BLR) for December 2016
Use Variable Baseline Rate from January 2017 forward

Use these Fixed Costs through December 2016

| Row | December 2016 Compliance Update | (I) | (II) | (III) | (IV) | (V) | (VI) | (VII) | (VIII) | Monthly (IX) | Difference vs December 2016 14PCORC (X) |
|-----|--|----------------------------------|--------------------------------|----------------------------------|-------------------------------------|---------------------------|------------------|----------------|-----------|-------------------|---|
| | | Pwr Cost Update December 1, 2016 | Test Yr \$/MWh | Fixed Production Costs Test Year | Variable Production Costs Test Year | Production Factor 0.99019 | Test Yr \$/MWh | Test Yr \$/MWh | Rate Year | 14PCORC Rate Year | |
| 3 | Regulatory Assets (1) (Variable) | \$ 27,325,814 | \$ 1,2953 | F | \$ 27,325,814 | \$ 1,2953 | \$ 27,325,814 | \$ 1,2953 | V | \$ | \$ |
| 4 | Transmission Rate Base (Fixed) | \$ 4,911,255 | \$ 0.2328 | V | \$ 4,911,255 | \$ 0.2328 | \$ 4,911,255 | \$ 0.2328 | V | \$ | \$ 2,584,871 |
| 5 | Production Rate Base (Fixed) | \$ 9,388,195 | \$ 0.4450 | V | \$ 9,388,195 | \$ 0.4450 | \$ 9,388,195 | \$ 0.4450 | F | \$ | \$ |
| 6 | Net of tax rate of return | \$ 218,942,357 | \$ 10.3787 | F | \$ 218,942,357 | \$ 10.3787 | \$ 218,942,357 | \$ 10.3787 | F | \$ | \$ |
| 7 | | \$ 406,582,559 | \$ 19.2736 | V | \$ 406,582,559 | \$ 19.2736 | \$ 406,582,559 | \$ 19.2736 | V | \$ | \$ 429,520 |
| 8 | | \$ 6,286,927 | \$ 0.2980 | F | \$ 6,286,927 | \$ 0.2980 | \$ 6,286,927 | \$ 0.2980 | F | \$ | \$ 17,070,604 |
| 9 | | \$ 7,402,047 | \$ 0.3509 | F | \$ 7,402,047 | \$ 0.3509 | \$ 7,402,047 | \$ 0.3509 | F | \$ | \$ |
| 10 | Regulatory Asset Recovery (on Row 3) | \$ 4,911,255 | \$ 0.2328 | V | \$ 4,911,255 | \$ 0.2328 | \$ 4,911,255 | \$ 0.2328 | V | \$ | \$ |
| 11 | Equity Adder Centralia Coal Transition PPA | \$ 9,388,195 | \$ 0.4450 | V | \$ 9,388,195 | \$ 0.4450 | \$ 9,388,195 | \$ 0.4450 | F | \$ | \$ |
| 12 | Fixed Asset Recovery-Prod Factored (on Row 5) | \$ 218,942,357 | \$ 10.3787 | F | \$ 218,942,357 | \$ 10.3787 | \$ 218,942,357 | \$ 10.3787 | F | \$ | \$ |
| 13 | 501-Steam Fuel Incl PC Reg Amort | \$ 95,629,066 | \$ 4.5332 | V | \$ 95,629,066 | \$ 4.5332 | \$ 95,629,066 | \$ 4.5332 | V | \$ | \$ |
| 14 | 555-Purchased power Incl PC Reg Amort | \$ 406,582,559 | \$ 19.2736 | V | \$ 406,582,559 | \$ 19.2736 | \$ 406,582,559 | \$ 19.2736 | V | \$ | \$ |
| 15 | 557-Other Power Exp excluding brokerage fees - now in Line 15e | \$ 6,286,927 | \$ 0.2980 | F | \$ 6,286,927 | \$ 0.2980 | \$ 6,286,927 | \$ 0.2980 | F | \$ | \$ |
| 15a | Payroll Overheads - Benefits (Inc. Worker's Comp) | \$ 7,402,047 | \$ 0.3509 | F | \$ 7,402,047 | \$ 0.3509 | \$ 7,402,047 | \$ 0.3509 | F | \$ | \$ |
| 15b | Property Insurance | \$ 2,692,723 | \$ 0.1276 | F | \$ 2,692,723 | \$ 0.1276 | \$ 2,692,723 | \$ 0.1276 | F | \$ | \$ |
| 15c | Montana Electric Energy Tax | \$ 1,732,920 | \$ 0.0821 | V | \$ 1,732,920 | \$ 0.0821 | \$ 1,732,920 | \$ 0.0821 | F | \$ | \$ |
| 15d | Payroll Taxes on Production Wages | \$ 1,955,229 | \$ 0.0927 | F | \$ 1,955,229 | \$ 0.0927 | \$ 1,955,229 | \$ 0.0927 | F | \$ | \$ |
| 15e | Brokerage Fees 55700003 Used to be in Line 15 | \$ 236,520 | \$ 0.0112 | V | \$ 236,520 | \$ 0.0112 | \$ 236,520 | \$ 0.0112 | V | \$ | \$ |
| 16 | 547-Fuel Incl PC Reg Amort | \$ 180,436,346 | \$ 8.5534 | V | \$ 180,436,346 | \$ 8.5534 | \$ 180,436,346 | \$ 8.5534 | V | \$ | \$ 13,610,784 |
| 17 | 565-Wheeling Incl PC Reg Amort | \$ 109,376,123 | \$ 5.1848 | V | \$ 109,376,123 | \$ 5.1848 | \$ 109,376,123 | \$ 5.0426 | V | \$ | \$ 3,000,233 |
| 18 | Transmission Revenue 456.1 | \$ (6,685,935) | \$ (0.3169) | F | \$ (6,685,935) | \$ (0.3169) | \$ (6,685,935) | \$ (0.3169) | V | \$ | \$ |
| 19 | Production O&M | \$ 117,619,474 | \$ 5.5756 | F | \$ 117,619,474 | \$ 5.5756 | \$ 117,619,474 | \$ 5.5130 | F | \$ | \$ |
| 19a | N/A (this line formerly Colstrip Major Maintenance) | \$ (75,690,740) | \$ (3.5880) | V | \$ (75,690,740) | \$ (3.5880) | \$ (75,690,740) | \$ (3.7877) | V | \$ | \$ 1,320,254 |
| 20 | 447-Sales to Others | \$ (17,511,597) | \$ (0.8301) | V | \$ (17,511,597) | \$ (0.8301) | \$ (17,511,597) | \$ (0.2533) | V | \$ | \$ (46,605,559) |
| 21 | 496-Purch/Sales Non-Core Gas | \$ 926,060 | \$ 0.0439 | F | \$ 926,060 | \$ 0.0439 | \$ 926,060 | \$ 0.0439 | F | \$ | \$ (12,169,141) |
| 22 | Transmission Exp - 500KV | \$ 111,561,172 | \$ 5.2884 | F | \$ 111,561,172 | \$ 5.2884 | \$ 111,561,172 | \$ 5.2884 | F | \$ | \$ |
| 23 | Depreciation-Production (FERC 403) | \$ 4,204,776 | \$ 0.1993 | F | \$ 4,204,776 | \$ 0.1993 | \$ 4,204,776 | \$ 0.1993 | F | \$ | \$ |
| 24 | Depreciation-Transmission | \$ 18,713,824 | \$ 0.8871 | F | \$ 18,713,824 | \$ 0.8871 | \$ 18,713,824 | \$ 1.5155 | V | \$ | \$ |
| 25 | Amortization - Regulatory Assets & Liab - Non PC Only (1) | \$ 526,847 | \$ 0.0250 | F | \$ 526,847 | \$ 0.0250 | \$ 526,847 | \$ 0.0250 | V | \$ | \$ |
| 26 | N/A - Hedging Line of Credit will be in COC in next GRC; incl here to tie to BLR | \$ 1,226,561,962 | \$ 58.144 | F | \$ 705,702,452 | \$ 33.453 | \$ 1,261,895,770 | \$ 59.819 | V | \$ | \$ (13,255,121) |
| 27 | Subtotal & Baseline Rate | \$ 0.9543790 | \$ 0.9543790 | | \$ 0.9543790 | \$ 0.9543790 | \$ 1,261,895,770 | \$ 59.819 | V | \$ | \$ (35,333,808) |
| 28 | Revenue Sensitive Items | \$ 1,285,193,788 | \$ 60.923 | | \$ 545,757,513 | \$ 25.871 | \$ 1,322,216,614 | \$ 60.923 | V | \$ | \$ |
| 29 | Grossed up for RSI | \$ 21,095,348 | \$ <-- includes Firm Wholesale | | \$ 739,436,275 | \$ 35.052 | \$ 21,095,348 | \$ 21,095,348 | V | \$ | \$ |
| 30 | Test Year DELIVERED Load (MWHs) | | | | | | | | | | |
| 31 | Baseline Rate Summarized | | | | | | | | | | |
| 32 | BLR Before RSI | \$ 58,144 | \$ | | \$ 24,691 | \$ | \$ 33,453 | \$ | | | |
| 33 | BLR Net of RSI | \$ 60,923 | \$ | | \$ 25,871 | \$ | \$ 35,052 | \$ | | | |
| 34 | | | | | | | | | | | |
| 35 | | | | | | | | | | | |
| 36 | (1) - Amortization is picked up in Regulatory Assets and Liabilities Adjustment. | | | | | | | | | | |

<-- includes Firm Wholesale

<-- includes Firm Wholesale

<-- includes Firm Wholesale

<-- includes Firm Wholesale

<-- includes Firm Wholesale