

**PUGET SOUND ENERGY
POWER COST ONLY RATE CASE
TEST YEAR 12 ME DECEMBER 31, 2013
RATE YEAR 12 ME NOVEMBER 30, 2015**

**2014 PCORC
Compliance Filing
(UE-141141)**

Exhibit A-1 Power Cost Baseline Rate

Row	Test Year				
			Test Yr		Production
			\$/MWh		Factor
			(I)		0.99019
				Rate Year	Monthly
				(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					
9					
9A					
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
12	Fixed Asset Recovery-Prod Factored (on Row 5)	218,942,357	\$ 10.379	(a)	221,111,461
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
15a	Payroll Overheads - Benefits (Inc. Worker's Comp)	7,402,047	\$ 0.351	(a)	7,475,380
15b	Property Insurance	2,692,723	\$ 0.128	(a)	2,719,400
15c	Montana Electric Energy Tax	1,732,920	\$ 0.082	(a)	1,750,088
15d	Payroll Taxes on Production Wages	1,955,229	\$ 0.093	(a)	1,974,600
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
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
23	Depreciation-Production (FERC 403)	111,561,172	\$ 5.288	(a)	112,666,430
24	Depreciation-Transmission	4,204,776	\$ 0.199	(a)	4,204,776
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
28	Revenue Sensitive Items	0.9543790			
29		\$ 1,322,216,614			
30	Test Year DELIVERED Load (MWH's)	21,095,348	<-- includes Firm Wholesale		
31					
32					
33					
34	Power Cost in Rates with Revenue Sensitive		<u>Before Rev.</u>	<u>After Rev.</u>	
35	Items (the adjusted baseline)		<u>Sensitive Items</u>	<u>Sensitive Items</u>	
36	sum of (a) = Fixed Rate Component	\$	Rev Req (Column (I))		
37	(b) = Power Cost Rate	\$	59.819	\$ 62.678	
38	sum of (c) = Variable Power Rate Component	\$	22.831	\$ 23.922	
39		\$	59.819	\$ 62.678	
40	(1) - Regulatory Assets are shown in detail on Exhibit D.	\$	36.988	\$ 38.756	

73 **Exhibit A-3 Colstrip Fixed Costs (Page 2 of 2)**

Compliance Filing
2014 PCORC
(UE-141141)

74
75
76
77

78 Support for Revenue Requirement - Expenses

12ME December 2013

79

Amount before

80

Prod. Adj.

Order	Description	
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
 (UE-141141) Compliance Filing

		Rate
2011 GRC	5/14/2012	6.71%
2013 ERF	7/1/2013	6.69%

Ref	Description	12 Months Ended				PCA Period				
		Asset Amort	AA & ADFIT <small>(Note 1)</small>	Asset Amort	AMA Ratebase as of <small>(Note 1)</small>	A.T. %	Return Amount	Pre Tax	Monthly	
9										
10	BEP									
11	Dec 2013	\$ (3,526,620)	8,416,383	(3,526,620)	9,615,693	12/13	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	12/14	6.69%	482,822	742,803	61,900
13	Dec 2015	\$ (3,526,620)	3,619,143	(3,526,620)	4,818,453	12/15	6.69%	322,355	495,930	41,328
14	Dec 2016	\$ (3,526,620)	1,220,523	(3,526,620)	2,419,833	12/16	6.69%	161,887	249,057	20,755
15	Dec 2017	\$ (1,763,261)	0	(1,763,261)	309,550	12/17	6.69%	20,709	31,860	2,655
16										
17	White River Relicensing									
18	Dec 2013	\$	25,650,904	-	25,636,717	12/13	6.71% & 6.69%	1,717,639	2,042,522	220,210
19	Dec 2014	\$	25,658,116	-	25,657,313	12/14	6.69%	1,716,474	2,640,730	220,061
20	Dec 2015	\$	25,658,116	-	25,658,116	12/15	6.69%	1,716,528	2,640,812	220,068
21	Dec 2016	\$	25,658,116	-	25,658,116	12/16	6.69%	1,716,528	2,640,812	220,068
22	Dec 2017	\$	25,658,116	-	25,658,116	12/17	6.69%	1,716,528	2,640,812	220,068
23										
24	White River Plant Costs									
25	Dec 2013	\$ (1,494,702)	32,750,328	(1,494,702)	33,497,679	12/13	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	12/14	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	12/15	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	12/16	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	12/17	6.69%	1,841,013	2,832,327	236,027
30										
31	CWA Sales Proceeds									
32	Dec 2013	\$	(30,211,680)	(30,211,680)	(30,211,680)	12/13	6.71% & 6.69%	(2,024,158)	(3,114,089)	(259,507)
33	Dec 2014	\$	(30,211,680)	(30,211,680)	(30,211,680)	12/14	6.69%	(2,021,161)	(3,109,479)	(259,123)
34	Dec 2015	\$	(30,211,680)	(30,211,680)	(30,211,680)	12/15	6.69%	(2,021,161)	(3,109,479)	(259,123)
35	Dec 2016	\$	(30,211,680)	(30,211,680)	(30,211,680)	12/16	6.69%	(2,021,161)	(3,109,479)	(259,123)
36	Dec 2017	\$	(30,211,680)	(30,211,680)	(30,211,680)	12/17	6.69%	(2,021,161)	(3,109,479)	(259,123)
37										
38	White River DFIT									
39	Dec 2013	\$	(9,866,342)	(9,866,342)	(10,122,932)	12/13	6.71% & 6.69%	(678,228)	(1,043,428)	(86,952)
40	Dec 2014	\$	(9,345,941)	(9,345,941)	(9,607,169)	12/14	6.69%	(642,720)	(988,799)	(82,400)
41	Dec 2015	\$	(8,822,795)	(8,822,795)	(9,084,368)	12/15	6.69%	(607,744)	(934,991)	(77,916)
42	Dec 2016	\$	(8,299,649)	(8,299,649)	(8,561,222)	12/16	6.69%	(572,746)	(881,147)	(73,429)
43	Dec 2017	\$	(7,776,504)	(7,776,504)	(8,038,077)	12/17	6.69%	(537,747)	(827,304)	(68,942)
44										
45	FB Energy Capacity Payment - UE-082013									
46	Dec 2013	\$ 392,170	(1,232,066)	392,170	(1,359,521)	12/13	6.71% & 6.69%	(91,087)	(140,134)	(11,678)
47	Dec 2014	\$ 392,170	(977,156)	392,170	(1,104,611)	12/14	6.69%	(73,898)	(113,690)	(9,474)
48	Dec 2015	\$ 392,170	(722,246)	392,170	(849,701)	12/15	6.69%	(56,845)	(87,454)	(7,288)
49	Dec 2016	\$ 392,170	(467,336)	392,170	(594,791)	12/16	6.69%	(39,791)	(61,218)	(5,101)
50	Dec 2017	\$ 392,170	(212,425)	392,170	(339,880)	12/17	6.69%	(22,738)	(34,982)	(2,915)
51	Dec 2018	\$ 326,808	0	326,808	(88,510)	12/18	6.69%	(5,921)	(9,110)	(759)
52	Dec 2019	\$ -	0	-	0	12/19	6.69%	0	0	0
53										
54	Mint Farm Deferral									
55	Dec 2013	\$ (2,885,052)	20,988,887	(2,885,052)	21,926,523	12/13	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	12/14	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	12/15	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	12/16	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	12/17	6.69%	965,059	1,484,706	123,725
60										
61	BNP Capacity - UE-100503									
62	Dec 2013	\$ 537,626	(1,689,042)	537,626	(1,863,771)	12/13	6.71% & 6.69%	(124,871)	(192,109)	(16,009)
63	Dec 2014	\$ 537,626	(1,339,585)	537,626	(1,514,314)	12/14	6.69%	(101,308)	(155,858)	(12,988)
64	Dec 2015	\$ 537,626	(990,128)	537,626	(1,164,857)	12/15	6.69%	(77,929)	(119,891)	(9,991)
65	Dec 2016	\$ 537,626	(640,671)	537,626	(815,400)	12/16	6.69%	(54,550)	(83,923)	(6,994)
66	Dec 2017	\$ 537,626	(291,214)	537,626	(465,943)	12/17	6.69%	(31,172)	(47,956)	(3,996)
67	Dec 2018	\$ 448,022	-	448,022	(121,339)	12/18	6.69%	(8,118)	(12,489)	(1,041)
68										
69	Chelan PUD Contract Initiation									
70	Payment									
71	Dec 2013	\$ (7,088,066)	\$109,938,102	(7,088,066)	113,020,474	12/13	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	12/14	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	12/15	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	12/16	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	12/17	6.69%	5,911,385	9,094,438	757,870
76										
77	Chelan - Rock Island Security Deposit									
78	Dec 2013	\$ -	18,500,000	-	18,500,000	12/13	6.71% & 6.69%	1,239,485	1,906,900	158,908
79	Dec 2014	\$ -	18,500,000	-	18,500,000	12/14	6.69%	1,237,650	1,904,077	158,673

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 2014 PCORC - PCA Time Periods
 (UE-141141) Compliance Filing

		Rate
2011 GRC	5/14/2012	6.71%
2013 ERF	7/1/2013	6.69%

Ref	Description	12 Months Ended			PCA Period		Return				
		Asset Amort	Balance net of AA & ADFIT (Note 1)	Asset Amort	AMA Ratebase as of (Note 1)	A.T. %	Amount	Pre Tax	Monthly		
151	Electron (2014 PCORC) NEW in Supplemental Filing										
152	Dec 2014	\$ (1,929,202)	8,634,179	(1,929,202)	0	12/14	6.69%	-	-	-	
153	Dec 2015	\$ (3,391,494)	6,429,708	(3,391,494)	7,531,944	12/15	6.69%	503,887	775,211	64,601	
154	Dec 2016	\$ (3,391,494)	4,225,237	(3,391,494)	5,327,472	12/16	6.69%	356,408	548,320	45,693	
155	Dec 2017	\$ (3,391,494)	2,020,765	(3,391,494)	3,123,001	12/17	6.69%	208,929	321,429	26,786	
156											
157											
158	Period	From	To	Asset Amort	AMA Ratebase as of		A.T. %	Return Amount	Pre Tax	Monthly	
159											
163											
164	PCA #13	\$	Jan 2014	Dec 2014	(31,511,664)	573,497,969	12/14	6.69%	48,467,388	74,565,212	7,899,898
165	PCA #14	\$	Jan 2015	Dec 2015	(32,295,308)	266,124,919	12/15	6.69%	17,803,757	27,390,396	2,282,533
166	PCA #15	\$	Jan 2016	Dec 2016	(29,404,571)	242,684,342	12/16	6.69%	16,235,583	24,977,819	2,081,485
167	PCA #16	\$	Jan 2017	Dec 2017	(26,027,118)	221,641,958	12/17	6.69%	14,827,847	22,812,072	1,901,006
168											
169	Note (1) Amounts in these columns are net of accumulated amortization AND the associated Deferred FIT liability / asset.										