

Exh. MCC-2r
Dockets UE-170033/UG-170034
Witness: Melissa Cheesman

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

PUGET SOUND ENERGY,

Respondent.

**DOCKETS UE-170033 and
UG-170034 (*Consolidated*)**

**EXHIBIT TO
TESTIMONY OF**

Melissa C. Cheesman

**ON BEHALF OF STAFF OF
WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION**

Electric Results of Operations for the Twelve Months Ended September 30, 2016

June 30, 2017
Revised August 8, 2017

OVERALL REVENUE SUFFICIENCY CALCULATION

PUGET SOUND ENERGY-ELECTRIC
STATEMENT OF OPERATING INCOME AND ADJUSTMENTS
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016
GENERAL RATE INCREASE

STAFF POSITION

LINE NO.	ACTUAL RESULTS OF OPERATIONS	TOTAL ADJUSTMENTS	ADJUSTED RESULTS OF OPERATIONS	REVENUE REQUIREMENT DEFICIENCY	AFTER RATE INCREASE	Rate Incr	NEW (LESS) CURRENT SCHEDULE REVENUE	NEW FINAL OVERALL REVENUE REQUIREMENT SUFFICIENCY	Rate Decr
1	OPERATING REVENUES								
2	SALES TO CUSTOMERS	\$ 2,146,048,308	\$ (177,967,651)	\$ 1,968,080,657	\$ -	2.60%	\$ 86,230,222	\$ (65,084,462)	-1.78%
3	SALES FROM RESALE-FIRM/SPECIAL CONTRACT	324,382	(6,914)	317,468	405,143		(22,000)	427,143	
4	SALES TO OTHER UTILITIES	201,125,742	(179,079,518)	22,046,223	22,046,223				
5	OTHER OPERATING REVENUES	47,841,339	26,133,665	73,975,004	73,975,004				
6	TOTAL OPERATING REVENUES	2,395,339,771	(330,920,418)	2,064,419,353	2,116,020,236	2.5%	86,208,222	(64,607,339)	-1.3%
7	OPERATING REVENUE DEDUCTIONS:								
8	POWER COSTS:								
10	FUEL	235,002,887	(29,985,378)	205,017,509	-				
11	PURCHASED AND INTERCHANGED	532,346,459	(116,132,681)	416,213,779	-				
12	WHEELING	113,800,193	(5,005,510)	108,794,683	-				
13	TOTAL PRODUCTION EXPENSES	811,881,319	(81,855,348)	730,025,971	-				
14	OTHER POWER SUPPLY EXPENSES	125,897,437	13,446,113	139,343,550	-				
15	TRANSMISSION EXPENSE	20,270,050	383,869	20,653,920	-				
16	DISTRIBUTION EXPENSE	83,356,029	7,924,970	91,280,999	-				
17	CUSTOMER ACCTS EXPENSES	47,600,166	1,007,241	48,607,407	369,308		\$41,994	(172,687)	
18	CUSTOMER SERVICE EXPENSES	19,829,127	(17,230,512)	2,598,615	-				
19	CONSERVATION AMORTIZATION	97,566,975	(97,540,765)	26,210	26,210				
20	ADMIN & GENERAL EXPENSE	114,599,759	1,464,930	116,064,688	103,202		151,458	(48,257)	
21	DEPRECIATION	268,356,985	33,271,859	301,628,844	-				
22	AMORTIZATION	45,684,975	8,749,697	54,434,672	-				
23	AMORTIZ OF PROPERTY GAIN/LOSS	20,604,866	(6,969,693)	13,635,174	-				
24	OTHER OPERATING EXPENSES	(9,997,194)	15,864,858	5,867,664	-				
25	ASC 815	(64,111,668)	64,111,668	-	-				
26	TAXES OTHER THAN INCOME TAXES	230,800,257	(143,978,520)	86,821,737	-				
27	INCOME TAXES	800	69,546,227	69,547,027	1,984,415		2,912,319	(927,904)	
28	DEFERRED INCOME TAXES	181,996,915	(140,252,061)	41,744,854	17,200,380		25,243,200	(8,042,820)	
29	TOTAL OPERATING REV. DEDUCT.	1,994,336,799	(272,053,467)	1,722,283,332	19,657,305		28,848,971	(9,191,667)	
30	NET OPERATING INCOME	\$ 401,002,972	\$ (58,864,951)	\$ 342,138,021	\$ 31,943,578		\$ 57,359,251	\$ (25,415,672)	
31	RATE BASE	5,153,204,462	(77,470,417)	5,075,734,045	-				
32	RATE OF RETURN	7.78%	6.74%						
33	GROSS UTILITY PLANT IN SERVICE	9,760,401,507	41,249,552	9,801,651,058	9,801,651,058				
34	ACCUM DEPR AND AMORT	(3,743,804,806)	(1,237,229,292)	(4,981,034,098)	(3,867,534,099)				
35	DEFERRED DEBITS AND CREDITS	253,258,620	6,832,308	260,090,929	260,090,929				
36	DEFERRED TAXES	(1,263,932,468)	31,415,689	(1,232,516,778)	(1,232,516,778)				
37	ALLOWANCE FOR WORKING CAPITAL	227,005,242	(33,238,674)	193,766,567	193,766,567				
38	OTHER	(79,723,633)	-	(79,723,633)	(79,723,633)				
39	TOTAL RATE BASE	\$ 5,153,204,462	\$ (77,470,417)	\$ 5,075,734,045	\$ 5,075,734,045				
40	Rate of Return								
41	Conversion Factor								
42	Revenue Requirement	\$ (34,265,033)	\$ 85,865,916	\$ 51,600,883	\$ (51,600,883)				
43									
44									
45									
46									
47									
48									
49									
50									

PUGET SOUND ENERGY-ELECTRIC
STATEMENT OF OPERATING INCOME AND ADJUSTMENTS
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016

LINE NO.	STAFF POSITION	CONTESSTED		REVISED		FEDERAL INCOME TAX	PROFORMA INTEREST
		ACTUAL RESULTS OF OPERATIONS	REVENUES & EXPENSES	TEMPERATURE NORMALIZATION	PASS-THROUGH REVS. & EXPS.		
		13.01	13.02	13.03	13.04	13.05	
1	OPERATING REVENUES						
2	SALES TO CUSTOMERS	\$ 2,146,048,308	\$ (18,656,298)	\$ 33,201,707	\$ (192,533,061)	\$ -	\$ -
3	SALES FROM RESALE-FIRM/SPECIAL CONTRACT	324,382	147	6,197	(13,258)		
4	SALES TO OTHER UTILITIES	201,125,742					
5	OTHER OPERATING REVENUES	47,841,339	(10,225,163)		(278,053)		
6	TOTAL OPERATING REVENUES	2,395,339,771	(28,861,314)	33,207,905	(192,824,371)		
7	OPERATING REVENUE DEDUCTIONS:						
8							
9	POWER COSTS:						
10	FUEL	235,002,887					
11	PURCHASED AND INTERCHANGED	532,346,459					
12	WHEELING	113,800,193					
13	RESIDENTIAL EXCHANGE	(69,268,220)		69,268,220			
14	TOTAL PRODUCTION EXPENSES	811,881,319		69,268,220			
15							
16	OTHER POWER SUPPLY EXPENSES	125,897,437					
17	TRANSMISSION EXPENSE	20,270,050					
18	DISTRIBUTION EXPENSE	83,356,029					
19	CUSTOMER ACCTS EXPENSES	47,600,166	(206,560)	237,669	(1,378,054)		
20	CUSTOMER SERVICE EXPENSES	19,829,127			(17,275,568)		
21	CONSERVATION AMORTIZATION	97,566,975			(97,540,765)		
22	ADMIN & GENERAL EXPENSE	114,599,759	(57,723)	66,416	(426,522)		
23	DEPRECIATION	268,356,985					
24	AMORTIZATION	45,684,973					
25	AMORTIZ OF PROPERTY GAIN/LOSS	20,604,866					
26	OTHER OPERATING EXPENSES	(9,997,194)	17,342,294		365,335		
27	ASC 815	(64,111,668)					
28	TAXES OTHER THAN INCOME TAXES	230,800,257	(1,109,920)	1,277,076	(144,297,723)		
29	INCOME TAXES	800	(15,690,292)	11,069,360	(538,752)		
30	DEFERRED INCOME TAXES	181,996,915			144,836,216		(52,406,954)
31	TOTAL OPERATING REV. DEDUCT.	1,994,336,799	277,800	12,650,521	(191,823,831)	27,023,239	(52,406,954)
32							
33	NET OPERATING INCOME	\$ 401,002,972	\$ (29,139,114)	\$ 20,557,384	\$ (1,000,540)	\$ (27,023,239)	\$ 52,406,954
34	RATE BASE	\$ 5,153,204,462					
35	RATE OF RETURN	7.78%					
36							
37							
38							
39							
40	RATE BASE:						
41	GROSS UTILITY PLANT IN SERVICE	\$ 9,760,401,507					
42	ACCUM DEPR AND AMORT	(3,743,804,806)					
43	DEFERRED DEBITS AND CREDITS	253,258,620					
44	DEFERRED TAXES	(1,263,932,468)					
45	ALLOWANCE FOR WORKING CAPITAL	227,005,242					
46	OTHER	(79,723,633)					
47	TOTAL RATE BASE	\$ 5,153,204,462	\$ -	\$ -	\$ -	\$ -	\$ -
48	Rate of Return	7.37%					
49	Conversion Factor	61.91%					
50	Revenue Requirement	\$ (34,265,033)	\$ 47,070,619	\$ (33,207,900)	\$ 1,616,249	\$ 43,652,686	\$ (84,656,925)

PUGET SOUND ENERGY-ELECTRIC
STATEMENT OF OPERATING INCOME AND ADJUSTMENTS
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016

LINE NO.	STAFF POSITION	REVISED		CONTESTED NEW		CONTESTED						
		DEPRECIATION	STUDY	REG. ASSET	COLSTRIP	NORMALIZE	BAD DEBITS	PAY	D&O	INTEREST ON	RATE CASE	DEFERRED G/L ON
1	OPERATING REVENUES											
2	SALES TO CUSTOMERS											
3	SALES FROM RESALE-FIRM/SPECIAL CONTRACT											
4	SALES TO OTHER UTILITIES											
5	OTHER OPERATING REVENUES											
6	TOTAL OPERATING REVENUES											
7	OPERATING REVENUE DEDUCTIONS:											
8	POWER COSTS:											
9	FUEL											
10	PURCHASED AND INTERCHANGED											
11	WHEELING											
12	RESIDENTIAL EXCHANGE											
13	TOTAL PRODUCTION EXPENSES											
14	OTHER POWER SUPPLY EXPENSES											
15	TRANSMISSION EXPENSE											
16	DISTRIBUTION EXPENSE											
17	CUSTOMER ACCTS EXPENSES											
18	CUSTOMER SERVICE EXPENSES											
19	CONSERVATION AMORTIZATION											
20	ADMIN. & GENERAL EXPENSE											
21	DEPRECIATION											
22	AMORTIZATION											
23	PROPERTY GAIN/LOSS											
24	OTHER OPERATING EXPENSES											
25	ASC 815											
26	TAXES OTHER THAN INCOME TAXES											
27	INCOME TAXES											
28	DEFERRED INCOME TAXES											
29	TOTAL OPERATING REV. DEDUCT.											
30	NET OPERATING INCOME											
31	RATE BASE											
32	RATE OF RETURN											
33	RATE BASE:											
34	GROSS UTILITY PLANT IN SERVICE											
35	ACCUM DEPR AND AMORT											
36	DEFERRED DEBITS AND CREDITS											
37	DEFERRED TAXES											
38	ALLOWANCE FOR WORKING CAPITAL											
39	OTHER											
40	TOTAL RATE BASE											
41	Rate of Return											
42	Conversion Factor											
43	Revenue Requirement											

PUGET SOUND ENERGY-ELECTRIC
 STATEMENT OF OPERATING INCOME AND ADJUSTMENTS
 FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016

STAFF POSITION

CONTESTED

CONTESTED

LINE NO.	PROPERTY & LIABILITY INS	PENSION PLAN	WAGE INCREASE	INVESTMENT PLAN	EMPLOYEE INSURANCE	ENVIRONMENTAL REMEDIATION	PROCESSING COSTS	SOUTH KING	EXCISE TAX AND
	13.14	13.15	13.16	13.17	13.18	13.19	13.20	13.21	13.22
1									
2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3									
4									
5									
6									
7									
8									
9									
10									
11			130,547						
12									
13									
14									
15			130,547						
16									
17			311,867						
18			213,679						
19			340,008				3,092,648		
20			122,230						
21			41,683						
22									
23	(101,765)	1,822,993	795,245	148,776	187,309			(363,750)	(51,913)
24								(304,014)	
25									
26									
27									
28									
29									
30	35,618	(638,048)	133,553	(52,071)	(65,558)	850,441			
31	(66,147)	1,184,945	(731,078)	(96,705)	(297,654)	(1,082,427)		233,717	5,526
32			1,357,716	96,705	121,751	552,787	2,010,221	(434,046)	(10,262)
33									
34	\$ 66,147	\$ (1,184,945)	\$ (1,357,716)	\$ (96,705)	\$ (121,751)	\$ (552,787)	\$ (2,010,221)	\$ 434,046	\$ 10,262
35									
36	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (552,787)	\$ -	\$ 15,915,060	\$ -
37									
38									
39									
40									
41									
42									
43									
44									
45									
46						(552,787)		275,003	
47	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (552,787)	\$ -	\$ 15,915,060	\$ -
48									
49									
50	\$ (106,852)	\$ 1,914,132	\$ 2,193,221	\$ 156,214	\$ 196,674	\$ 827,147	\$ 3,247,263	\$ 1,193,591	\$ (16,577)

PUGET SOUND ENERGY-ELECTRIC
STATEMENT OF OPERATING INCOME AND ADJUSTMENTS
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016

LINE NO.	STAFF POSITION	REVISSED		CONTESTED		CONTESTED		CONTESTED		CONTESTED		CONTESTED		CONTESTED	
		CONTESTED NEW	NEW	CONTESTED NEW	NEW	CONTESTED	NEW	CONTESTED	NEW	CONTESTED	NEW	CONTESTED	NEW	CONTESTED	NEW
1	OPERATING REVENUES														
2	SALES TO CUSTOMERS														
3	SALES FROM RESALE-FIRM/SPECIAL CONTRACT														
4	SALES TO OTHER UTILITIES														
5	OTHER OPERATING REVENUES														
6	TOTAL OPERATING REVENUES	13,23	13,23												
7	OPERATING REVENUE DEDUCTIONS:														
8															
9	POWER COSTS:														
10	FUEL														
11	PURCHASED AND INTERCHANGED														
12	WHEELING														
13	RESIDENTIAL EXCHANGE														
14	TOTAL PRODUCTION EXPENSES														
15															
16	OTHER POWER SUPPLY EXPENSES														
17	TRANSMISSION EXPENSE														
18	DISTRIBUTION EXPENSE														
19	CUSTOMER ACCTS EXPENSES														
20	CUSTOMER SERVICE EXPENSES														
21	CONSERVATION AMORTIZATION														
22	ADMIN & GENERAL EXPENSE														
23	DEPRECIATION														
24	AMORTIZATION														
25	AMORTIZ OF PROPERTY GAIN/LOSS														
26	OTHER OPERATING EXPENSES														
27	ASC 815														
28	TAXES OTHER THAN INCOME TAXES														
29	INCOME TAXES														
30	DEFERRED INCOME TAXES														
31	TOTAL OPERATING REV. DEDUCT.														
32															
33	NET OPERATING INCOME														
34															
35	RATE BASE														
36															
37	RATE OF RETURN														
38															
39	RATE BASE:														
40	GROSS UTILITY PLANT IN SERVICE														
41	ACCUM DEPR AND AMORT														
42	DEFERRED DEBITS AND CREDITS														
43	DEFERRED TAXES														
44	ALLOWANCE FOR WORKING CAPITAL														
45	OTHER														
46															
47	TOTAL RATE BASE														
48	Rate of Return														
49	Conversion Factor														
50	Revenue Requirement														

PUGET SOUND ENERGY-ELECTRIC
REVENUES AND EXPENSES
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016
2017 GENERAL RATE CASE

LINE NO.	DESCRIPTION	ADJUSTMENT
1		
2		
3	SALES TO CUSTOMERS:	
4	REMOVE SCHEDULE 132 - MERGER RATE CREDIT	\$ 6,318,303
5	REMOVE SCHEDULE 95A - FEDERAL INCENTIVE TRACKER	54,955,984
6	REMOVE SCHEDULE 95 - POWER COST ONLY RATE CASE	29,011,926
7	REMOVE SCHEDULE 141 - EXPEDITED RATE FILING	(29,745,544)
8	REMOVE SCHEDULE 142 - DECOUPLING AND K-FACTOR REVENUE	(82,720,472)
9	SALES FOR RESALE FIRM	147
10	RECLASSIFY TRANSPORTATION REVENUE FROM OTHER OP. REVENUES	7,446,505
11	OTHER	(3,903,000)
12	TOTAL ADJUSTMENTS TO SALES TO CUSTOMERS	<u>(18,636,151)</u>
13		
14		
15		
16	ADJUSTMENTS TO OTHER OPERATING REVENUE:	
17	RECLASSIFY TRANSPORTATION REVENUE TO SALES TO CUSTOMERS	(7,446,505)
18	REMOVE OVERTHEARNINGS ACCRUALS	11,994,134
19	REMOVE CURRENT PERIOD DECOUPLING DEFERRALS	(32,491,235)
20	REMOVE AMORTIZATION DECOUPLING DEFERRALS	17,718,443
21	ADJUSTMENTS SALES TO CUSTOMERS	<u>(10,225,163)</u>
22	TOTAL INCREASE (DECREASE) REVENUES	\$ (28,861,314)
23	OPERATING EXPENSES:	
24	REMOVE EXPENSE RECOGNIZED FOR FUTURE PTC LIABILITY	(22,899,640)
25	REMOVE SCHEDULE 95A TREASURY GRANTS AMORTIZATION OF INTEREST AND GRANTS	40,241,934
26		
27	TOTAL INCREASE (DECREASE) EXPENSES	<u>17,342,294</u>
28		
29	UNCOLLECTIBLES @	0.00716 (206,560)
30	ANNUAL FILING FEE @	0.00200 (57,723)
31	STATE UTILITY TAX @	0.03846 (1,109,920)
32	TOTAL INCREASE (DECREASE) RSI	<u>(1,374,203)</u>
33		
31	INCREASE (DECREASE) INCOME	<u>(44,829,405)</u>
32		
33		
34	INCREASE (DECREASE) FIT @	35% (15,690,292)
35	INCREASE (DECREASE) NOI	<u>\$ (29,139,114)</u>

CONTESTED

PUGET SOUND ENERGY-ELECTRIC
TEMPERATURE NORMALIZATION
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016
2017 GENERAL RATE CASE

LINE NO.	DESCRIPTION	ACTUAL	TEMP ADJ	MWH
<u>TEMPERATURE NORMALIZATION ADJUSTMENT:</u>				
1				
2		<u>GPI MWh</u>	<u>GPI MWh</u>	<u>CHANGE</u>
3	Oct-15	1,709,553,137	1,773,384,764	63,831,627
4	Nov-15	2,071,074,561	2,023,200,986	(47,873,575)
5	Dec-15	2,293,718,205	2,338,333,255	44,615,050
6	Jan-16	2,264,400,226	2,308,995,644	44,595,418
7	Feb-16	1,926,704,963	2,022,391,041	95,686,078
8	Mar-16	1,958,545,780	2,012,348,657	53,802,877
9	Apr-16	1,641,032,699	1,722,339,991	81,307,292
10	May-16	1,626,432,632	1,650,865,088	24,432,456
11	Jun-16	1,597,200,862	1,581,091,454	(16,109,408)
12	Jul-16	1,647,778,275	1,645,122,247	(2,656,028)
13	Aug-16	1,712,297,533	1,683,439,146	(28,858,387)
14	Sep-16	1,559,199,266	1,572,781,670	13,582,404
15		<u>22,007,938,139</u>	<u>22,334,293,941</u>	<u>326,355,802</u>
16				
17	REVENUE ADJUSTMENT SCHEDULE 7			30,342,027
18	SCHEDULE 8 and 24			2,348,581
19	SCHEDULE 11 and 25			259,845
20	SCHEDULE 12 and 26			(30,378)
21	SCHEDULE 29			-
22	SCHEDULE 10 and 31			36,096
23	SCHEDULE 43			243,111
24	SCHEDULE 40 - MED SEC VOLTAGE			7,649
25	SCHEDULE 40 - LARGE DEC VOLTAC			8,423
26	SCHEDULE 40 - PRIMARY VOLTAGE			(13,647)
27	FIRM RESALE			6,197
28				
29	INCREASE (DECREASE) SALES TO CUSTOMERS			33,207,905
30				33,207,905
31	UNCOLLECTIBLES @		0.007157	237,669
32	ANNUAL FILING FEE @		0.002000	66,416
33	INCREASE (DECREASE) EXPENSES			304,085
34				
35	STATE UTILITY TAX @		0.038457	1,277,076
36	INCREASE (DECREASE) TAXES OTHER			1,277,076
37				
38	INCREASE (DECREASE) INCOME			31,626,744
39				
40	INCREASE (DECREASE) FIT @		35%	11,069,360
41	INCREASE (DECREASE) NOI			<u>\$ 20,557,384</u>

PUGET SOUND ENERGY-ELECTRIC
PASS-THROUGH REVENUES AND EXPENSES
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016
2017 GENERAL RATE CASE

LINE NO.	DESCRIPTION	ADJUSTMENT
1	<u>REMOVE REVENUE ASSOCIATED WITH RIDERS:</u>	
2	REMOVE CONSERVATION RIDER - SCHEDULE 120	\$ 102,287,067
3	REMOVE PROPERTY TAX TRACKER - SCHEDULE 140	58,785,501
4	REMOVE MUNICIPAL TAXES - SCHEDULE 81	84,690,570
5	REMOVE MUNICIPAL TAXES - SCHEDULE 81 - SALES FOR RESALE	13,258
6	REMOVE LOW INCOME RIDER - SCHEDULE 129	17,088,659
7	REMOVE RESIDENTIAL EXCHANGE - SCH 194	(72,579,363)
8	REMOVE REC PROCEEDS - SCH 137	(2,081,681)
9	REMOVE EXPENSES ASSOCIATED WITH SCH 137 REC PROCEEDS	1,841,462
10		
11		
12	GREEN POWER - SCH 135/136	4,599,594
13	GREEN POWER - SCH 135/136 ELIMINATE OVER EXPENSED	(1,563,409)
14	REMOVE JPUD GAIN ON SALE SCH 133	(257,285)
15	TOTAL (INCREASE) DECREASE IN REVENUES	<u>192,824,371</u>
16		
17	<u>DECREASE REVENUE SENSITIVE ITEMS FOR DECREASE IN REVENUES:</u>	
18	BAD DEBTS	0.71570% (1,378,054)
19	ANNUAL FILING FEE	0.20000% (385,093)
20	STATE UTILITY TAX	3.84570% (7,404,754)
21	TOTAL	<u>(9,167,900)</u>
22		
23	<u>REMOVE EXPENSES ASSOCIATED WITH RIDERS</u>	
24	REMOVE CONSERVATION AMORTIZATON - SCHEDULE 120	(97,540,765)
25	REMOVE PROPERTY TAX AMORTIZATION EXP - SCHEDULE 140	(55,961,766)
26	REMOVE MUNICIPAL TAXES - SCHEDULE 81	(80,920,052)
27	REMOVE LOW INCOME AMORTIZATION - SCHEDULE 129	(16,296,501)
28	REMOVE RESIDENTIAL EXCHANGE - SCH 194	69,268,220
29	REMOVE AMORT ON INTEREST ON REC PROCEEDS SCH 137	138,514
30	GREEN POWER - SCH 135/136 CHARGED TO 908/909	(979,068)
31	GREEN POWER - SCH 135/136 BENEFITS PORTION OF ADMIN	(41,430)
32	GREEN POWER - SCH 135/136 TAXES PORTION OF ADMIN	(11,151)
33	REMOVE JPUD AMORT EXPENSE SCH 133	226,821
34	TOTAL INCREASE (DECREASE) EXPENSE	<u>(182,117,178)</u>
35		
36	INCREASE (DECREASE) OPERATING INCOME BEFORE FIT	(1,539,293)
37	INCREASE (DECREASE) FIT	(538,752)
38	INCREASE (DECREASE) NOI	<u>\$ (1,000,540)</u>

PUGET SOUND ENERGY-ELECTRIC
FEDERAL INCOME TAX
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016
2017 GENERAL RATE CASE

LINE NO.	DESCRIPTION	AMOUNT
1	TAXABLE INCOME (LOSS)	\$ 413,817,759
2		
3	FEDERAL INCOME TAX	35% 144,836,216
4	CURRENTLY PAYABLE	144,836,216
5		
6	DEFERRED FIT-DEBIT	64,183,938
7	DEFERRED FIT-OTHER	
8	DEFERRED FIT - INV TAX CREDIT, NET OF AMORT	
9	TOTAL RESTATED FIT	209,020,153
10		
11	FIT PER BOOKS:	
12	CURRENTLY PAYABLE	0
13	DEFERRED FIT - DEBT	581,832,301
14	DEFERRED FIT-CREDIT	(399,835,386)
15	DEFERRED FIT- INV TAX CREDIT, NET OF AMORT	
16	TOTAL CHARGED TO EXPENSE	181,996,915
17		
18	INCREASE(DECREASE) FIT	144,836,216
19	INCREASE(DECREASE) DEFERRED FIT	(117,812,977)
20	INCREASE(DECREASE) NOI	\$ (27,023,239)

REVISED
CONTESTED

Exh. MCC-2r
Dockets UE-170033/UG-170034
Page 11 of 45
Adj. 13.05

PUGET SOUND ENERGY-ELECTRIC
TAX BENEFIT OF PRO FORMA INTEREST
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016
2017 GENERAL RATE CASE

LINE NO.	DESCRIPTION	AMOUNT	REVISED
1	RATE BASE	\$ 5,075,734,045	
2			
3	NET RATE BASE	5,075,734,045	
4			
5	WEIGHTED AVERAGE COST OF DEBT	2.95%	
6	PROFORMA INTEREST	149,734,154	
7			
8	INCREASE (DECREASE) INCOME	(149,734,154)	
9			
10	INCREASE (DECREASE) FIT @	35%	(52,406,954)
11	INCREASE (DECREASE) NOI	\$ 52,406,954	

Note: Amounts in bold and italics are different from January 13, 2017 original filing.

REVISED
CONTESTED

Exh. MCC-2r
Dockets UE-170033/UG-170034
Page 12 of 45
Adj. 13.06

PUGET SOUND ENERGY-ELECTRIC
DEPRECIATION STUDY
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016
2017 GENERAL RATE CASE

LINE NO.	DESCRIPTION	TEST YEAR	RESTATED	ADJUSTMENT
1	403 ELEC. DEPRECIATION EXPENSE	\$ 249,419,038	\$ 286,357,198	\$ 36,938,159
2	403 ELEC. PORTION OF COMMON	15,207,048	13,232,379	(1,974,669)
3	403 DEPR. EXP. ON ASSETS NOT INCLUDED IN STUDY	55,938	55,938	-
4	404 DEPR. EXP. ON ASSETS NOT INCLUDED IN STUDY	29,770,695	29,770,695	-
5	SUBTOTAL DEPRECIATION EXPENSE 403	294,452,719	329,416,210	34,963,491
6				
7	403.1 DEPR. EXP- FAS 143 (RECOVERED IN RATES)	1,352,125	1,739,118	386,994
8	403.1 DEPR. EXP - FAS 143 (NOT RECOVERED IN RATES)	1,476,017	-	(1,476,017)
9	SUBTOTAL DEPRECIATION EXPENSE 403.1	2,828,141	1,739,118	(1,089,023)
10				
11	TOTAL DEPRECIATION EXPENSE	297,280,860	331,155,328	33,874,468
12				
13	AMORTIZATION EXPENSE			
14	411.10 ACCRETION EXP. - ASC 410 (RECOVERED IN RATES)	1,424,661	1,813,989	389,327
15	411.10 ACCRETION EXP. - ASC 410 (NOT RECOVERED IN RATES)	1,148,003	-	(1,148,003)
16	SUBTOTAL ACCRETION EXPENSE 411.10	2,572,664	1,813,989	(758,676)
17				
18	DEPRECIATION EXPENSE 403 ASSOCIATED WITH FLEET	846,819	539,849	(306,970)
19				
20				
21	INCREASE (DECREASE) EXPENSE			32,808,822
22	INCREASE (DECREASE) FIT			(11,483,088)
23	INCREASE (DECREASE) NOI			\$ (21,325,734)
24				
25				
26	ADJUSTMENT TO RATE BASE			
27	ADJUSTMENT TO ACCUM. DEPREC. AT 50% DEPREC. EXP. LINE 21	50%		\$ (16,404,411)
28	DFIT			5,741,544
29				
30	TOTAL ADJUSTMENT TO RATEBASE			\$ (10,662,867)

CONTESTED
STAFF ADJUSTMENT
PUGET SOUND ENERGY-ELECTRIC
REGULATORY ASSET COLSTRIP
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016
2017 GENERAL RATE CASE

LINE NO.	DESCRIPTION	TEST YEAR	PRO FORMA	ADJUSTMENT
1	<u>COLSTRIP RATEBASE (AMA)</u>			
2	<u>UTILITY PLANT RATEBASE</u>			
3	PLANT BALANCE	\$ -	\$ -	\$ -
4	ACCUM DEPRECIATION	-	(127,629,534)	(127,629,534)
5	DEFERRED FIT	-	-	-
6	TOTAL RATEBASE	<u>\$ -</u>	<u>\$ (127,629,534)</u>	<u>\$ (127,629,534)</u>
7				
8	<u>OPERATING EXPENSE</u>			
9	AMORTIZATION EXPENSE (over 18 years)	\$ -	\$ 7,090,530	\$ 7,090,530
10	INCREASE (DECREASE) EXPENSE	-	7,090,530	7,090,530
11				
12				
13				
14	INCREASE (DECREASE) EXPENSE	-	7,090,530	7,090,530
15				
16	INCREASE (DECREASE) FIT @	35%		(2,481,685)
17	INCREASE (DECREASE) NOI			<u>\$ (4,608,844)</u>

PUGET SOUND ENERGY-ELECTRIC
NORMALIZE INJURIES AND DAMAGES
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016
2017 GENERAL RATE CASE

LINE NO.	DESCRIPTION	TEST YEAR	RESTATE	ADJUSTMENT
1	INJURIES & DAMAGES ACCRUALS	\$ 162,500	\$ 76,667	\$ (85,833)
2	INJURIES & DAMAGES PAYMENTS IN EXCESS OF ACCRUALS	300,359	279,443	(20,917)
3	INCREASE/(DECREASE) IN EXPENSE	462,859	356,109	(106,750)
4				
5	INCREASE/(DECREASE) IN OPERATING EXPENSE (LINE 3)			(106,750)
6	INCREASE (DECREASE) FIT @		35%	37,363
7				
8	INCREASE (DECREASE) NOI			\$ 69,387

PUGET SOUND ENERGY-ELECTRIC
BAD DEBTS
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016
2017 GENERAL RATE CASE

LINE NO.	YEAR	NET WRITEOFF'S	GROSS REVENUES	SALES FOR RESALE OTHER	OTHER OPERATING REVENUES	SALES FOR RESALE FIRM	NET REVENUES	REVISED WRITE-OFF'S TO REVENUE
1	12 MOS ENDED	September	May	May	May	May	May	
2	12 ME 9/30/2013 AND 5/31/2013	\$ 13,270,216	\$ 2,127,321,375	\$ 29,723,814	\$ 3,626,759	\$ 352,509	\$ 2,093,618,293	0.6338%
3	12 ME 9/30/2015 AND 5/31/2015	13,381,338	2,006,366,630	33,059,230	65,827,879	321,888	1,907,157,634	0.7016%
4	12 ME 9/30/2016 AND 5/31/2016	17,507,853	2,204,873,603	51,568,623	(4,047,083)	323,283	2,157,028,780	0.8117%
5	3-YR AVERAGE OF NET WRITE OFF RATE							0.7157%
6								
7	TEST PERIOD REVENUES		2,395,339,771	201,125,742	47,841,339	324,382	2,146,048,308	
8								
9								
10	PROFORMA BAD DEBT RATE						0.7157%	
11	PROFORMA BAD DEBTS						15,359,268	
12								
13	UNCOLLECTIBLES CHARGED TO EXPENSE IN TEST YEAR						16,407,060	
14	INCREASE (DECREASE) EXPENSE							<i>(1,047,792)</i>
15								
16	INCREASE (DECREASE) FIT						35%	366,727
17	INCREASE (DECREASE) NOI							\$ 681,065

Note: Amounts in bold and italics are different from January 13, 2017 original filing.

PUGET SOUND ENERGY-ELECTRIC
INCENTIVE PAY
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016
2017 GENERAL RATE CASE

LINE NO.	DESCRIPTION	ACTUAL	PROFORMA RESTATED	REVISED
				ADJUSTMENT
1	INCENTIVE / MERIT PAY			
2	OTHER PWR - 557	\$ 330,277	\$ 340,657	\$ 10,380
3	OTHER POWER SUPPLY (PROD O&M)	1,539,503	1,565,461	25,959
4	TRANSMISSION	675,497	692,669	17,172
5	DISTRIBUTION	1,814,059	1,842,545	28,487
6	CUSTOMER ACCTS	831,692	842,186	10,494
7	CUSTOMER SERVICE	104,449	107,444	2,995
8	SALES	15,752	16,130	378
9	ADMIN. & GENERAL	2,049,530	2,112,756	63,227
10	TOTAL INCENTIVE/MERIT PAY	7,360,758	7,519,849	159,091
11				
12	PAYROLL TAXES ASSOC WITH MERIT PAY	462,246	472,236	9,991
13	INCREASE(DECREASE) EXPENSE	7,823,004	7,992,086	169,082
14				
15	INCREASE (DECREASE) OPERATING EXPENSE			169,082
16				
17	INCREASE (DECREASE) FIT @		35%	(59,179)
18	INCREASE (DECREASE) NOI			\$ (109,903)

Note: Amounts in bold and italics are different from January 13, 2017 original filing.

PUGET SOUND ENERGY-ELECTRIC
DIRECTORS & OFFICERS INSURANCE
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016
2017 GENERAL RATE CASE

LINE NO.	DESCRIPTION	TEST YEAR	RESTATED	ADJUSTMENT
1	D & O INS. CHG EXPENSE	\$ 117,054	\$ 92,222	\$ (24,832)
2				
3	INCREASE (DECREASE) IN EXPENSE			(24,832)
4				
5	INCREASE (DECREASE) FIT @		35%	8,691
6				
7	INCREASE (DECREASE) NOI			\$ 16,141

PUGET SOUND ENERGY-ELECTRIC
INTEREST ON CUSTOMER DEPOSITS
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016
2017 GENERAL RATE CASE

		<i>REVISED</i>	
LINE NO.	DESCRIPTION		AMOUNT
1	INTEREST EXPENSE AT MOST CURRENT INTEREST RATE	\$	<i>176,606</i>
2			
3	INCREASE (DECREASE) NOI	\$	<i>(176,606)</i>

Note: Amounts in bold and italics are different from January 13, 2017 original filing

CONTESTED

PUGET SOUND ENERGY-ELECTRIC
RATE CASE EXPENSES
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016
2017 GENERAL RATE CASE

LINE NO.	DESCRIPTION	AMOUNT
1	EXPENSES TO BE NORMALIZED:	
2		
3	2009 AND 2011 GRC EXPENSES TO BE NORMALIZED	\$ -
4		
5	ANNUAL NORMALIZATION (LINE 3 ÷ 2 YEARS)	-
6	LESS TEST YEAR EXPENSE	-
7	INCREASE (DECREASE) EXPENSE	-
8		
9	2014 AND 2013 PCORC EXPENSES TO BE NORMALIZED	-
10		
11	ANNUAL NORMALIZATION (LINE 9 ÷ 4 YEARS)	-
12	LESS TEST YEAR EXPENSE	-
13	INCREASE (DECREASE) EXPENSE	-
14		
15		
16	TOTAL INCREASE (DECREASE) EXPENSE	-
17		
18	INCREASE(DECREASE) FIT @	35% -
19	INCREASE(DECREASE) NOI	\$ -

PUGET SOUND ENERGY-ELECTRIC
DEFERRED GAINS/LOSSES ON PROPERTY SALES
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016
2017 GENERAL RATE CASE

LINE NO.	DESCRIPTION	AMOUNT
1	DEFERRED GAIN RECORDED FOR UE-111048, at 12/31/2017	\$ 1,736,007
2	DEFERRED LOSS RECORDED FOR UE-111048, at 12/31/2017	(353,279)
3	TOTAL DEFERRED NET LOSS FOR UE-111048, at 12/31/2017 TO AMORTIZE (LN 1 + LN 2)	1,382,729
4		
5	DEFERRED GAIN PENDING APPROVAL SINCE UE-111048	(4,002,174)
6	DEFERRED LOSS PENDING APPROVAL SINCE UE-111048	328,215
7	NET LOSS PENDING APPROVAL (LN 5 + LN 6)	(3,673,959)
8		
9	NET GAIN (LN 3 + LN 7)	(2,291,230)
10		
11	ANNUAL AMORTIZATION (LN 9 ÷ 36) x 12	(763,743.36)
12		
13	AMORTIZATION OF DEFERRED NET GAIN FOR TEST YEAR	(500,359)
14		
15	INCREASE (DECREASE) EXPENSE (LN 13 - LN 11)	(263,384)
16		
17	INCREASE (DECREASE) FIT @ 35%	92,184
18		
19	INCREASE (DECREASE) NOI	\$ 171,200

PUGET SOUND ENERGY-ELECTRIC
PROPERTY & LIABILITY INSURANCE
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016
2017 GENERAL RATE CASE

LINE NO.	DESCRIPTION	ACTUAL	PROFORMA	ADJUSTMENT
1	PROPERTY INSURANCE EXPENSE	\$ 4,178,644	\$ 4,124,900	\$ (53,743)
2	LIABILITY INSURANCE EXPENSE	2,006,229	1,958,208	(48,022)
3	INCREASE(DECREASE) EXPENSE	6,184,873	6,083,108	(101,765)
4				
5	INCREASE (DECREASE) OPERATING EXPENSE			(101,765)
6				
7	INCREASE (DECREASE) FIT @	35%		35,618
8	INCREASE (DECREASE) NOI			\$ 66,147

PUGET SOUND ENERGY-ELECTRIC
PENSION PLAN
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016
2017 GENERAL RATE CASE

LINE NO.	DESCRIPTION	ACTUAL	RESTATE	ADJUSTMENT
1	QUALIFIED RETIREMENT FUND	\$ 6,111,576	\$ 7,934,569	\$ 1,822,993
2				
3	INCREASE(DECREASE) EXPENSE	6,111,576	7,934,569	1,822,993
4				
5	INCREASE (DECREASE) FIT @	35%		(638,048)
6	INCREASE (DECREASE) NOI			\$ (1,184,945)

PUGET SOUND ENERGY-ELECTRIC
WAGE INCREASE
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016
2017 GENERAL RATE CASE

REVISED

LINE NO.	DESCRIPTION	TEST YEAR	RATE YEAR	ADJUSTMENT
1	WAGES:			
2	PURCHASED POWER	\$ 4,380,760	\$ 4,511,306	\$ 130,547
3	OTHER POWER SUPPLY	20,419,279	20,731,146	311,867
4	TRANSMISSION	8,959,227	9,172,906	213,679
5	DISTRIBUTION	24,060,543	24,400,551	340,008
6	CUSTOMER ACCTS	11,030,664	11,152,894	122,230
7	CUSTOMER SERVICE	1,385,463	1,422,850	37,387
8	SALES	209,318	213,614	4,296
9	ADMIN. & GENERAL	27,183,671	27,978,916	795,245
10	TOTAL WAGE INCREASE	97,628,925	99,584,185	1,955,260
11				
12	PAYROLL TAXES	6,486,464	6,619,998	133,533
13	TOTAL WAGES & TAXES	104,115,389	106,204,183	2,088,793
14				
15	INCREASE (DECREASE) OPERATING EXPENSE			2,088,793
16	INCREASE (DECREASE) FIT @ 35%			(731,078)
17	INCREASE (DECREASE) NOI			\$ (1,357,716)

Note: Amounts in bold and italics are different from January 13, 2017 original filing.

PUGET SOUND ENERGY-ELECTRIC
INVESTMENT PLAN
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016
2017 GENERAL RATE CASE

		<i>REVISED</i>
LINE NO.	DESCRIPTION	AMOUNT
1	NON-UNION (INCLUDING EXECUTIVES)	
2	INVESTMENT PLAN APPLICABLE TO MANAGEMENT	\$7,483,208
3	RATE YEAR NON-UNION WAGE INCREASE 2.98%	<u>223,000</u>
4	TOTAL COMPANY CONTRIBUTION FOR MANAGEMENT	7,706,208
5		
6	IBEW	
7	INVESTMENT PLAN APPLICABLE TO IBEW	2,733,666
8	RATE YEAR IBEW WAGE INCREASE 0.69%	<u>18,794</u>
9	TOTAL COMPANY CONTRIBUTION FOR IBEW	2,752,460
10		
11	UA	
12	INVESTMENT PLAN APPLICABLE TO UA	1,013,155
13	RATE YEAR UA WAGE INCREASE 3.00%	<u>30,395</u>
14	TOTAL COMPANY CONTRIBUTION FOR UA	1,043,550
15		
16	TOTAL	
17	TOTAL PROFORMA COSTS (LN 4 + LN 9 + LN 14 + LN 19)	<i>11,502,217</i>
18	PRO FORMA COSTS APPLICABLE TO OPERATIONS 54.66%	<i>6,287,011</i>
19	FOR TEST YEAR 9/30/16	<i>6,138,235</i>
20	INCREASE (DECREASE) EXPENSE	<i>\$ 148,776</i>
21		
22	INCREASE (DECREASE) FIT @ 35%	<i>(52,071)</i>
23	INCREASE (DECREASE) NOI	<i>\$ (96,705)</i>

Note: Amounts in bold and italics are different from January 13, 2017 original filing.

PUGET SOUND ENERGY-ELECTRIC
EMPLOYEE INSURANCE
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016
2017 GENERAL RATE CASE

LINE NO.	DESCRIPTION	AMOUNT
1	<u>BENEFIT CONTRIBUTION:</u>	
2	NON-UNION EMPLOYEES	\$ 15,271,332
3	UNION EMPLOYEES	9,200,244
4	PRO FORMA INSURANCE COSTS	24,471,575
5		
6	APPLICABLE TO OPERATIONS @ 54.66%	13,375,948
7	CHARGED TO EXPENSE DURING TEST YEAR	13,188,639
8	INCREASE(DECREASE) EXPENSE	187,309
9		
10	INCREASE(DECREASE) FIT @ 35%	(65,558)
11		
12	INCREASE(DECREASE) NOI	\$ (121,751)

CONTESTED

PUGET SOUND ENERGY-ELECTRIC
ENVIRONMENTAL REMEDIATION
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016
2017 GENERAL RATE CASE

LINE NO.	DESCRIPTION	AMOUNT
1	<u>ELECTRIC ENVIRONMENTAL REMEDIATION</u>	
2		
3	DEFERRED COSTS NET OF SITE SPECIFIC RECOVERIES AS OF SEPTEMBER 30, 2016	\$ 4,252,203
4	ANNUAL AMORTIZATION (LINE 3 ÷ 5 YEARS)	850,441
5		
6	TOTAL RATE YEAR AMORTIZATION ENVIRONMENTAL (LINE 4 + LINE 9)	850,441
7		
8	INCREASE (DECREASE) FIT @ 35% (LINE 11 X 35%)	35% (297,654)
9		
10	INCREASE (DECREASE) NOI	\$ (552,787)

CONTESTED

PUGET SOUND ENERGY-ELECTRIC
PAYMENT PROCESSING COSTS
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016
2017 GENERAL RATE CASE

LINE NO.	DESCRIPTION	TEST YEAR	RESTATED	ADJUSTMENT
1	NEW SERVICE AGREEMENT			
2	CUST REC & COLLECTION EXPENSE	\$ 1,047,962	\$ 835,892	\$ (212,070)
3	INCREASE (DECREASE) IN EXPENSE	1,047,962	835,892	(212,070)
4				
5				
6	<u>DOCKET UE-160203 & UG-160204 CREDIT CARD FEES</u>			
7	EXPECTED RATE YEAR LEVEL OF FEES		2,476,041	2,476,041
8	AMORTIZATION OF DEFERRAL (over 3 years)	-	828,677	828,677
9	INCREASE (DECREASE) IN EXPENSE	-	3,304,718	3,304,718
10				
11	INCREASE (DECREASE) OPERATING EXPENSE (LINES 3 & 9)			3,092,648
12				
13	INCREASE (DECREASE) FIT @		35%	(1,082,427)
14				
15	INCREASE (DECREASE) NOI			\$ (2,010,221)

PUGET SOUND ENERGY-ELECTRIC
SOUTH KING SERVICE CENTER
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016
2017 GENERAL RATE CASE

LINE NO.	DESCRIPTION	TEST YEAR	RESTATED	ADJUSTMENT
1	<u>SOUTH KING SERVICE CENTER RATEBASE (AMA)</u>			
2	<u>UTILITY PLANT RATEBASE</u>			
3	PLANT BALANCE-BUILDING PURCHASE	\$ 2,565,876	\$ 20,603,888	\$ 18,038,011
4	PLANT BALANCE-LEASE IMPROV	2,296,591	-	(2,296,591)
5	ACCUM DEPRECIATION-ON BUILDING PURCHASE	(41,075)	(1,199,152)	(1,158,077)
6	ACC DEP-NEW BLG-PORITION INC IN DEP STUDY	31,060	-	(31,060)
7	ACCUM DEP-LEASE IMPROVE.	(1,087,774)	-	1,087,774
8	DEFERRED FIT	13,549	283,809	270,261
9	DEF TAX LIAB-PORT INC IN DEPR STUDY	(4,742)		4,742
10	NET SOUTH KING RATEBASE	<u>3,773,485</u>	<u>19,688,545</u>	<u>15,915,060</u>
11				
12	<u>OPERATING EXPENSE</u>			
13	RENT CHARGED TO O&M	363,750	-	(363,750)
14	DEPRECIATION EXPENSE	52,294	101,998	49,704
15	DEPR EXP-PORITION INC DEPR STUDY ADJ	(39,544)	-	39,544
16	DEPR-LEASEHOLD IMPROV.	393,262	-	(393,262)
17				
18	INCREASE (DECREASE) EXPENSE	<u>769,761</u>	<u>101,998</u>	<u>(667,764)</u>
19				
20	INCREASE (DECREASE) FIT @		35%	233,717
21				
22	INCREASE (DECREASE) NOI			<u>\$ 434,046</u>
23				

PUGET SOUND ENERGY-ELECTRIC
FILING FEE AND EXCISE TAX
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016
2017 GENERAL RATE CASE

LINE NO.	DESCRIPTION	TEST YEAR	RESTATED	ADJUSTMENT
1	EXCISE TAXES	\$ 84,291,892	\$ 84,328,017	\$ 36,125
2	WUTC FILING FEE	4,386,765	4,334,852	(51,913)
3	INCREASE(DECREASE) EXCISE AND WUTC FILING FEE	88,678,657	88,662,869	(15,788)
4				
5	INCREASE(DECREASE) OPERATING EXPENSE			(15,788)
6	INCREASE(DECREASE) FIT @	35%		5,526
7	INCREASE(DECREASE) NOI			\$ 10,262

CONTESTED

LINE NO.	DESCRIPTION	ADJUSTMENT
1	<u>ELECTRIC LEGAL COSTS</u>	
2		
3	TOTAL RATE YEAR LEGAL COSTS	(485,780)
4		
5	INCREASE (DECREASE) FIT @	35% 170,023
6		
7	INCREASE (DECREASE) NOI	315,757
8		
9		

CONTESTED

PUGET SOUND ENERGY-ELECTRIC
POWER COSTS
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016
GENERAL RATE CASE

LINE NO.	DESCRIPTION	ACTUAL	PROFORMA	REVISED INCREASE (DECREASE)
1	PRODUCTION EXPENSES:			
2	501-STEAM FUEL	\$ 85,246,015	\$ 77,997,834	\$ (7,248,181)
3	547-FUEL	149,756,872	127,019,675	(22,737,197)
4	555-PURCHASED POWER	523,037,996	404,481,746	(118,556,250)
5	557-OTHER POWER EXPENSE	9,308,464	6,811,348	(2,497,116)
6	565-WHEELING	113,800,193	108,794,683	(5,005,510)
7	447-SALES FOR RESALE	(201,125,742)	(22,046,223)	179,079,518
8	456-PURCHASES/SALES OF NON-CORE GAS	18,023,678	(16,897,673)	(34,921,351)
9				-
10	PRODUCTION O&M	125,897,437	139,005,724	13,108,287
11	TRANS. EXP. INCL. 500KV O&M	662,135	662,135	-
12	456-1 VARIABLE TRANSM. INCOME - COLSTRIP, 3RD AC & NI	(8,228,549)	(9,944,078)	(1,715,530)
13	EQUITY RETURN ON CENTRALIA TRANSITION COAL PPA		4,779,758	4,779,758
14	INCREASE (DECREASE) EXPENSE	816,378,499	820,664,929	4,286,430
15				
16	INCREASE (DECREASE) OPERATING INCOME	(816,378,499)	(820,664,929)	(4,286,430)
17				
18	STATE UTILITY TAX SAVINGS FOR LINE 12	3.873%		(66,449)
19	INCREASE (DECREASE) INCOME			(4,352,880)
20	INCREASE (DECREASE) FIT @	35%		(1,523,508)
21	INCREASE (DECREASE) NOI			\$ (2,829,372)
22				
23	<i>Note: Amounts in bold and italics are different from January 13, 2017 original filing.</i>			

PUGET SOUND ENERGY-ELECTRIC
 MONTANA ELECTRIC ENERGY TAX
 FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016
 GENERAL RATE CASE

		<i>REVISED</i>	
LINE			
NO.	DESCRIPTION	PROFORMA	AMOUNT
1	Rate Year KWh	<i>4,224,063,646</i>	
2	TRANSMISSION LINE LOSS % FOR WECC	5.0%	
3	WETT Tax Rate	0.000150	
4	WETT Tax	<i>\$ 601,929</i>	
5			
6	EEELT Tax Rate	0.000200	
7	EEELT Tax	<i>\$ 844,813</i>	
8			
9	RESTATED ENERGY TAX (LINE 1 X LINE 2)		<i>\$ 1,446,742</i>
10	CHARGED TO EXPENSE		<u>1,540,793</u>
11	INCREASE (DECREASE) INCOME		<i>94,051</i>
12			
13	INCREASE (DECREASE) FIT @ 35%		<u>32,918</u>
14	INCREASE (DECREASE) NOI		<u><i>\$ 61,133</i></u>

Note: Amounts in bold and italics are different from January 13, 2017 original filing.

PUGET SOUND ENERGY-ELECTRIC
WILD HORSE SOLAR
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016
GENERAL RATE CASE

LINE NO.	DESCRIPTION	ACTUAL	PROFORMA	ADJUSTMENT
1				
2	<u>RATEBASE (AMA) UTILITY PLANT RATEBASE</u>			
3	PLANT BALANCE	\$ 4,539,303	\$ -	\$ (4,539,303)
4	ACCUM DEPRECIATION	(1,578,037)		1,578,037
5	A/D PORTION INCLUDED IN DEPRECIATION STUDY ADJ	(11,979)		11,979
6	DEFERRED INCOME TAX LIABILITY	(984,139)		984,139
7	ADFIT PORTION INCLUDED IN DEPRECIATION STUDY ADJ	4,193		(4,193)
8	NET WILD HORSE SOLAR PLANT RATEBASE	<u>\$ 1,969,341</u>	<u>\$ -</u>	<u>\$ (1,969,341)</u>
9				
10	<u>OPERATING EXPENSE</u>			
11	DEPRECIATION EXPENSE	\$ 188,181	\$ -	\$ (188,181)
12	PORTION INCLUDED IN DEPRECIATION STUDY ADJ	<u>23,957</u>		<u>(23,957)</u>
13	INCREASE (DECREASE) EXPENSE	212,138	-	(212,138)
14				
15	INCREASE (DECREASE) FIT @		35%	74,248
16	INCREASE (DECREASE) NOI			<u>\$ 137,890</u>

PUGET SOUND ENERGY-ELECTRIC
ACCOUNTING STANDARDS CODIFICATION 815 (FORMERLY SFAS 133)
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016
GENERAL RATE CASE

LINE NO.		ACTUAL	RESTATED	ADJUSTMENT
1	ASC 815 OPERATING EXPENSE	\$ (64,111,668)	\$ -	\$ 64,111,668
2				
3	INCREASE (DECREASE) IN EXPENSE	(64,111,668)	-	64,111,668
4				
5	INCREASE(DECREASE) OPERATING INCOME			(64,111,668)
6				
7	INCREASE (DECREASE) DEFERRED I	35%		(22,439,084)
8				
9	INCREASE (DECREASE) NOI			<u>\$ (41,672,584)</u>

CONTESTED

PUGET SOUND ENERGY-ELECTRIC
STORM DAMAGE
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016
GENERAL RATE CASE

LINE NO.	DESCRIPTION	TRANSMISSION DISTRIBUTION		AMOUNT
1	NORMAL STORMS			
2	ACTUAL O&M:			
3	TWELVE MONTHS ENDED 09/30/11	\$ 146,578	\$ 9,324,413	\$ 9,470,991
4	TWELVE MONTHS ENDED 09/30/12	345,321	12,020,048	12,365,369
5	TWELVE MONTHS ENDED 09/30/13	168,307	6,580,199	6,748,506
6	TWELVE MONTHS ENDED 09/30/14 + balance from line 23 allocated to T & D	428,007	12,682,043	13,110,050
7	TWELVE MONTHS ENDED 09/30/15 + balance from line 24	1,550,964	35,262,842	36,813,806
8	TWELVE MONTHS ENDED 09/30/16 + balance from line 25	1,315,344	32,790,234	34,105,578
9	TOTAL NORMAL STORMS	3,954,520	108,659,779	112,614,300
10				
11	SIX-YEAR AVERAGE STORM EXPENSE FOR RATE YEAR (LINE 9 ÷ 6 YEARS)	659,087	18,109,963	18,769,050
12				
13	CHARGED TO EXPENSE 12 MONTH ENDED 09/30/16			
14	STORM DAMAGE EXPENSE (per PSE Supplemental Filing)	506,069	10,553,488	11,059,557
15				
16	INCREASE (DECREASE) OPERATING EXPENSE (LINE 11-LINE 14)	153,018	7,556,475	7,709,493
17				

CONTESTED

PUGET SOUND ENERGY-ELECTRIC
STORM DAMAGE
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016
GENERAL RATE CASE

LINE NO.	DESCRIPTION	TRANSMISSION	DISTRIBUTION	AMOUNT
18	<u>Big but not CATASTROPHIC STORMS</u>			
19				
20	Remove from deferred accounts. Add back to normal storms			
21	2012 Deferred Balance Oct. 2011 to Sep. 2012	(420,528)		
22	2013 Deferred Balance Oct. 2012 to Sep. 2013	(1,504,102)		
23	2014 Deferred Balance Oct. 2013 to Sep. 2014	(5,666)		
24	2015 Deferred Balance Oct. 2014 to Sep. 2015	(23,700,508)		
25	2016 Deferred Balance Oct. 2015 to Sep. 2016 - return to test year expense	(23,046,021)		
26	TOTAL (LINE 21 THROUGH LINE 25) - WORKING CAPITAL INCREASE (DEC	(48,676,825)		
27	DEFERRED TAXES (Remove) -	17,036,889		
28				
29	PSE added Oct. 2016 Storm -- out of test period. No deferral, captured in a future averag	6,023,911		-
30	PSE added 2017 Storm -- out of test period. No deferral, captured in a future average	8,153,023		
31				
32	DEFERRED BALANCES FOR 10 YEAR AMORTIZATION AT			
33	START OF RATE YEAR (01/31/18):			
34	2010 STORM DAMAGE over amortization balance at Dec. 2017	(12,560,038)		
35	2010 STORM DAMAGE - APPROVE, recover from 2010 over amortization	50,186		
36	12/13/06 WIND STORM - recover EOY 2017 balance from 2010 over amortization*	\$ 6,632,821		-
37				
38	Remaining balance of 2010 over amortization. Apply to 1/18/12 storm	(5,877,031)		
39				
40				
41	<u>CATASTROPHIC STORMS</u>			
42	DEFERRED BALANCES FOR 6 YEAR AMORTIZATION AT			
43	01/18/12 SNOW STORM - Approve. Apply remaining 2010 over amortization	58,370,860		
44	Less remaining 2010 over amortization	(5,877,031)		
45	AMORTIZE balance over six years	52,493,829	8,748,972	
46				
47	TOTAL RATE YEAR AMORTIZATION (LINE 27 + LINE 34 + LINE 38)		8,748,972	
48	LESS TOTAL RATE YEAR AMORTIZATION per books		15,477,396	
49				
50	INCREASE (DECREASE) OPERATING EXPENSE			(6,728,425)
51				
52	TOTAL INCREASE (DECREASE) OPERATING EXPENSE (LINE 16 + LINE 43)			981,068
53				
54	INCREASE (DECREASE) FIT @ 35% (LINE 45 X 35%)		35%	(343,374)
55				
56	INCREASE (DECREASE) NOI			\$ (637,694)

PUGET SOUND ENERGY-ELECTRIC
REGULATORY ASSETS AND LIABILITIES
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016
GENERAL RATE CASE

LINE NO. DESCRIPTION	TEST YEAR	RATE YEAR	ADJUSTMENT
1 <u>AMA OF REGULATORY ASSET/LIABILITY NET OF ACCUM AMORT AND DFIT</u>			
2 BEP	\$ 2,930,265	\$ -	\$ (2,930,265)
3 WESTCOAST PIPELINE CAPACITY - UE-082013 (FB ENERGY)	(658,519)	(88,510)	570,008
4 WESTCOAST PIPELINE CAPACITY - UE-100503 (BNP PARIBUS)	(902,764)	(121,339)	781,425
5 MINT FARM DEFFRED - UE-090704 (FERC 407.3)	16,769,498	12,550,110	(4,219,388)
6 CHELAN PUD	96,067,433	82,196,761	(13,870,672)
7 CHELAN - ROCK ISLAND SECURITY DEPOSIT	18,500,000	18,500,000	-
8 COLSTRIP 1&2 (WEC _o) PREPAYMENT	1,875,000	750,000	(1,125,000)
9 FERC PART 12 STUDY NON-CONSTRUCTION COSTS UE-070074 (FERC 407)	180,951	-	(180,951)
10 LOWER SNAKE RIVER PP TRANSM PRINCIPAL \$99.8M	68,955,038	60,863,794	(8,091,244)
11 CARRYING CHARGES ON LSR PP TRANSM \$99.8M (FERC 407.3)	9,472,053	8,466,701	(1,005,352)
12 LOWER SNAKE RIVER PLANT DEFERRAL \$18.3M (FERC 407.3)	497,612	0	(497,612)
13 BAKER LICENSE UPGRADE DEFERRAL (2013 PCORC) (FERC 407.3)	1,130,666	151,972	(978,694)
14 SNOQUALMIE LICENSE UPGRADE DEFERRAL (2013 PCORC) (FERC 407.3)	4,439,920	596,764	(3,843,156)
15 FERNDALE DEFERRAL (2013 PCORC) (FERC 407.3)	10,528,817	3,917,700	(6,611,117)
16 BAKER TREASURY GRANT DEFERRAL (2014 PCORC) (FERC 407.4)	(806,046)	(108,339)	697,707
17 SNOQUALMIE TREASURY GRANT DEFERRAL (2014 PCORC) (FERC 407.4)	(2,784,432)	(374,252)	2,410,180
18 ELECTRON UNRECOVERED COST (2014 PCORC) (FERC 407.3)	6,319,201	1,128,004	(5,191,197)
19			
20			
21 TOTAL REGULATORY ASSETS AND LIABILITIES RATEBASE	<u>\$ 232,514,692</u>	<u>\$ 188,429,365</u>	<u>\$ (44,085,326)</u>
22			
23			
24 <u>AMORTIZATION OF REGULATORY ASSET/LIABILITY</u>			
25 BEP		----- (NOTE 1) -----	
26 WESTCOAST PIPELINE CAPACITY - UE-082013 (FB ENERGY)		----- (NOTE 1) -----	
27 WESTCOAST PIPELINE CAPACITY - UE-100503 (BNP PARIBUS)		----- (NOTE 1) -----	
28 MINT FARM DEFFRED - UE-090704 (FERC 407.3)	\$ 2,885,052	\$ 2,885,052	\$ -
29 CHELAN PUD		----- (NOTE 1) -----	
30 COLSTRIP 1&2 (WEC _o) PREPAYMENT		----- (NOTE 1) -----	
31 FERC PART 12 STUDY NON-CONSTRUCTION COSTS UE-070074 (FERC 407)	241,268	-	(241,268)
32 LOWER SNAKE RIVER PP TRANSM PRINCIPAL \$99.8M		----- (NOTE 1) -----	
33 CARRYING CHARGES ON LSR PP TRANSM \$99.8M (FERC 407.3)	687,420	687,420	-
34 LOWER SNAKE RIVER PLANT DEFERRAL \$18.3M (FERC 407.3)	2,624,777	-	(2,624,777)
35 BAKER LICENSE UPGRADE DEFERRAL (2013 PCORC) (FERC 407.3)	673,352	561,126	(112,225)
36 SNOQUALMIE LICENSE UPGRADE DEFERRAL (2013 PCORC) (FERC 407.3)	2,644,123	2,203,436	(440,687)
37 FERNDALE DEFERRAL (2013 PCORC) (FERC 407.3)	4,520,423	4,520,423	-
38 BAKER TREASURY GRANT DEFERRAL (2014 PCORC) (FERC 407.4)	(480,026)	(400,022)	80,004
39 SNOQUALMIE TREASURY GRANT DEFERRAL (2014 PCORC) (FERC 407.4)	(1,658,222)	(1,381,852)	276,370
40 ELECTRON UNRECOVERED COST (2014 PCORC) (FERC 407.3)	3,394,820	3,786,308	391,487
41 TOTAL AMORTIZATION OF REG ASSETS/LIABS	<u>\$ 15,532,987</u>	<u>\$ 14,356,593</u>	<u>\$ (2,671,095)</u>
42			
43			
44			
45 INCREASE (DECREASE) EXPENSE			(2,671,095)
46			
47 INCREASE (DECREASE) FIT		35%	934,883
48			
49 INCREASE (DECREASE) NOI			<u>\$ 1,736,212</u>
50			
51			
52 (NOTE 1) THE ADJUSTMENTS FOR AMORTIZATION OF POWER COST RELATED REGULATORY ASSETS AND			
53 LIABILITIES ARE PERFORMED IN THE POWER COST ADJUSTMENT (ADJUSTMENT NO. 9.01)			
54 AND THEREFORE ARE NOT ADJUSTED HERE.			

PUGET SOUND ENERGY-ELECTRIC
GLACIER BATTERY STORAGE
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016
GENERAL RATE CASE

LINE NO.	DESCRIPTION	ADJUSTED		
		TEST YEAR	TEST YEAR	ADJUSTMENT
1	RATEBASE (AMA) UTILITY PLANT RATEBASE			
2	PLANT BALANCE	\$ 2,532,527	\$ 7,815,670	\$ 5,283,143
3	ACCUM DEPRECIATION	(23,967)	(746,090)	(722,123)
4	ACCUM DEPR-PORTION NEW DEPR STUD	1,602	-	(1,602)
5	DEFERRED INCOME TAX LIABILITY	(205,321)	(1,922,512)	(1,717,191)
6	DEF IN TAX LIAB-PORT NEW DEPR STUDY	(561)	-	561
7	GLACIER BATTERY STORAGE RATEBASE	<u>\$ 2,304,280</u>	<u>\$ 5,147,067</u>	<u>\$ 2,842,787</u>
8				
9	OPERATING EXPENSE			
10	DEPRECIATION EXPENSE	\$ 123,837	\$ 340,034	\$ 216,197
11	DEPR EXP-PORTION FOR NEW DEPR ST	(7,634)	-	7,634
12	TOTAL OPERATING EXPENSES	116,203	340,034	223,831
13				
14	INCREASE (DECREASE) EXPENSE			223,831
15				
16	INCREASE (DECREASE) FIT @		35%	(78,341)
17	INCREASE (DECREASE) NOI			<u>\$ (145,490)</u>

CONTESTED

PUGET SOUND ENERGY-ELECTRIC
ENERGY IMBALANCE MARKET
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016
GENERAL RATE CASE

LINE NO.	DESCRIPTION	TEST YEAR	PROFORMA	ADJUSTMENT
1	<u>EIM RATEBASE (AMA)</u>			
2	<u>UTILITY PLANT RATEBASE</u>			
3	PLANT BALANCE	\$ -	\$ -	\$ -
4	ACCUM DEPRECIATION	-	-	-
5	DEFERRED FIT	-	-	-
6	TOTAL RATEBASE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
7				
8	<u>EIM OPERATING EXPENSE</u>			
9	DEPRECIATION EXPENSE	\$ -	\$ -	\$ -
10	INCREASE (DECREASE) EXPENSE	-	-	-
11				
12				
13				
14	INCREASE (DECREASE) EXPENSE	-	-	-
15				
16	INCREASE (DECREASE) FIT @	35%		-
17	INCREASE (DECREASE) NOI			<u>\$ -</u>

PUGET SOUND ENERGY-ELECTRIC
GOLDENDALE CAPACITY UPGRADE
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016
GENERAL RATE CASE

LINE NO.	DESCRIPTION	TEST YEAR	NEW RATE YEAR	NEW ADJUSTMENT
1	<u>UTILITY PLANT RATEBASE - RETIRED ASSET</u>			
2	PLANT BALANCE	\$ 21,985,164	\$ -	\$ (21,985,164)
3	ACCUM DEPRECIATION	(4,782,185)	17,053,554	21,835,739
4	A/D PORTION INCLUDED IN DEPRECIATION STUDY	(770,445)	-	770,445
5	ACCUM DEFERRED FIT	(1,771,037)	-	1,771,037
6	DFIT PORTION INCLUDED IN DEPRECIATION STUDY	269,656	-	(269,656)
7	TOTAL RATEBASE	<u>\$ 14,931,153</u>	<u>\$ 17,053,554</u>	<u>\$ 2,122,401</u>
8				
9	<u>UTILITY PLANT RATEBASE - NEW ADDITION</u>			
10	PLANT BALANCE	\$ 3,134,073	\$ 25,072,580	\$ 21,938,508
11	ACCUM DEPRECIATION	(3,365)	(1,607,189)	(1,603,824)
12	A/D PORTION INCLUDED IN DEPRECIATION STUDY	(109,553)	-	109,553
13	ACCUM DEFERRED FIT	(150,564)	(4,537,904)	(4,387,340)
14	DFIT PORTION INCLUDED IN DEPRECIATION STUDY	38,344	-	(38,344)
15	TOTAL RATEBASE	<u>\$ 2,908,934</u>	<u>\$ 18,927,487</u>	<u>\$ 16,018,553</u>
16				
17	<u>GOLDENDALE CAPACITY UPGRADE OPERATING EXPENSE</u>			
18	RETIRED ASSET DERPRECIATION EXPENSE	\$ 340,770	\$ -	\$ (340,770)
19	DEP EXP PORTION INCLUDED IN DEPRECIATION STUDY	1,540,889	-	(1,540,889)
20	NEW ASSET DEPRECIATION EXPENSE	48,456	2,145,904	2,097,448
21	DEP EXP PORTION INCLUDED IN DEPRECIATION STUDY	219,106	-	(219,106)
22	TOTAL DEPRECIATION	<u>2,149,221</u>	<u>2,145,904</u>	<u>(3,317)</u>
23				
24				
25				
26	INCREASE (DECREASE) FIT @	35%		<u>1,161</u>
27	INCREASE (DECREASE) NOI			<u>\$ 2,156</u>

PUGET SOUND ENERGY-ELECTRIC
MINT FARM CAPACITY UPGRADE
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016
GENERAL RATE CASE

LINE NO. DESCRIPTION	TEST YEAR	NEW RATE YEAR	NEW ADJUSTMENT
1 MINT FARM CAPACITY UPGRADE RATEBASE (AMA)			
2 UTILITY PLANT RATEBASE			
3 PLANT BALANCE	\$ -	\$ 24,765,516	\$ 24,765,516
4 ACCUM DEPRECIATION	-	(1,572,187)	(1,572,187)
5 DEFERRED FIT	-	(4,188,739)	(4,188,739)
6 TOTAL RATEBASE	\$ -	\$ 19,004,590	\$ 19,004,590

CONTESTED

PUGET SOUND ENERGY-ELECTRIC
WHITE RIVER
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016
GENERAL RATE CASE

LINE NO. DESCRIPTION	TEST YEAR	NEW		REVISED
		RATE YEAR	NEW	NEW ADJUSTMENT
1 <u>WHITE RIVER AMA</u>				
2 WHITE RIVER PLANT REGULATORY ASSET	\$ 59,841,513	\$ 59,343,052	\$ (498,462)	
3 WHITE RIVER PLANT IN SERVICE FERC 101	-	18,825	18,825	
4 WHITE RIVER FUTURE USE PLANT FERC 105	-	26,607	26,607	
5 TOTAL WHITE RIVER	59,841,513	59,388,484	(453,030)	
6 ACCUMULATED AMORTIZATION	(37,066,402)	(40,429,481)	(3,363,079)	
7 DEFERRED INCOME TAX LIABILITY	(7,971,289)	(6,619,749)	1,351,539	
8 TOTAL WHITE RIVER NET	\$ 14,803,823	\$ 12,339,253	\$ (2,464,569)	
9				
10 <u>WHITE RIVER AMORTIZATION</u>				
11 WHITE RIVER AMORTIZATION	\$ 1,494,702	\$ 1,494,702	\$ -	
12 TOTAL WHITE RIVER EXPENSES	1,494,702	1,494,702	-	
13				
14 INCREASE (DECREASE) EXPENSE			-	
15				
16 INCREASE (DECREASE) FIT		35%	-	
17 INCREASE (DECREASE) NOI			\$ -	

Note: Amounts in bold and italics are different from January 13, 2017 original filing.

CONTESTED

PUGET SOUND ENERGY-ELECTRIC
TRANSFER OF HYDRO TREASURY GRANTS IN RATEBASE
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016
GENERAL RATE CASE

LINE NO.	DESCRIPTION	TEST YEAR	NEW RATE YEAR	NEW ADJUSTMENT
1	<u>HYDRO TREASURY GRANTS RATEBASE</u>			
2	NET HYDRO TREASURY GRANTS BALANCE IN DEFERRED DEBITS & CREDITS	\$ (101,559,499)	\$ (31,919,884)	\$ 69,639,615
3	TOTAL TREASURY GRANTS RATEBASE	<u>\$ (101,559,499)</u>	<u>\$ (31,919,884)</u>	<u>\$ 69,639,615</u>
4				
5				
6	<u>HYDRO TREASURY GRANTS OPERATING EXPENSE</u>			
7	AMORTIZATION EXPENSE	\$ (3,279,780)	\$ (861,937)	\$ 2,417,843
8	TOTAL TREASURY GRANTS EXPENSE	<u>(3,279,780)</u>	<u>(861,937)</u>	<u>2,417,843</u>
9				
10	INCREASE (DECREASE) FIT @	35%		<u>(846,245)</u>
11	INCREASE (DECREASE) NOI			<u>\$ (1,571,598)</u>
12				

CONTESTED

PUGET SOUND ENERGY-ELECTRIC
PRODUCTION ADJUSTMENT
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016
GENERAL RATE CASE

LINE NO.	DESCRIPTION	PROFORMA AND RESTATED	PRODUCTION FACTOR	FIT 35%
1	APPLIED TO ALL BUT LINE 19	FIXED	0.000%	
2	APPLIED ONLY TO LINE 19	VARIABLE	3.632%	
3	OPERATING EXPENSE:			
4	<u>O&M / A&G PRODUCTION RELATED</u>			
5	WAGES & INCENTIVE - OTHER PWR 557	\$ 140,926	\$ -	\$ -
6	WAGES & INCENTIVE - PROD O&M	337,826	-	-
7	BENEFITS - A&G 926	8,206,061	-	-
8	WORKER'S COMP - A&G 926	214,072	-	-
9	PROPERTY INSURANCE - A&G 926	2,763,777	-	-
10	TOTAL PRODUCTION O&M / A&G	11,662,663	-	-
11				
12	<u>DEPRECIATION / AMORTIZATION:</u>			
13	DEPRECIATION	149,765,347	-	-
14	AMORTIZATION OF TREASURY GRANTS (407.4)	(861,937)	-	-
15	AMORTIZATION (OTHER THAN REGULATORY ASSETS/LIAB)	11,818,342	-	-
16	TOTAL DEPRECIATION / AMORTIZATION	160,721,753	-	-
17				
18	<u>OTHER TAXES:</u>			
19	MONTANA ENERGY TAX	1,446,742	(52,548)	18,392
20	PAYROLL TAXES	2,119,540	-	-
21	TOTAL OTHER TAXES	3,566,282	(52,548)	18,392
22				
23	<u>AMORTIZATION ON REGULATORY ASSETS (EXCLUDES POWER REG AMORT)</u>			
24	WHITE RIVER REGULATORY ASSET	1,494,702	-	-
25	TREASURY GRANTS DEFERRAL - SNOQUALMIE	(1,381,852)	-	-
26	TREASURY GRANTS DEFERRAL - BAKER	(400,022)	-	-
27	ELECTRON UNRECOVERED COSTS	3,786,308	-	-
28	MINT FARM DEFFRAL - UE-090704	2,885,052	-	-
29	LSR PLANT DEFERRAL - UE-111048	-	-	-
30	FERNDALE PLANT DEFERRAL - UE-130617	4,520,423	-	-
31	BAKER UPGRADE PLANT DEFERRAL UE-130617	561,126	-	-
32	SNOQUALMIE UPGRADE PLANT DEFERRAL UE-130617	2,203,436	-	-
33	FERC PART 12 STUDY NON-CONSTRUCTION COSTS UE-070074	-	-	-
34	CARRYING CHARGES ON LSR PREPAID TRANSM	687,420	-	-
35	TOTAL REGULATORY ASSET ADJUSTMENT TO DECOUPLING RATE	14,356,593	-	-
36	check =>	-		
37	INCREASE (DECREASE) EXPENSE		(52,548)	18,392
38	INCREASE(DECREASE) NOI		\$	34,156

CONTESTED

PUGET SOUND ENERGY-ELECTRIC
PRODUCTION ADJUSTMENT
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016
GENERAL RATE CASE

LINE NO.	DESCRIPTION	PROFORMA AND RESTATED	PRODUCTION FACTOR	FIT 35%
39				
40				
41	RATEBASE:			
42	<u>PRODUCTION RATE BASE:</u>			
43	DEPRECIABLE PRODUCTION PROPERTY (INCLUDES HYDRO GRAN	\$ 3,862,817,967	\$ -	\$ 3,862,817,967
44	PRODUCTION PROPERTY ACCUM DEPR.	(1,615,202,752)	0	(1,615,202,752)
45	NON-DEPRECIABLE PRODUCTION PROPERTY	80,139,253	0	80,139,253
46	PRODUCTION PROPERTY ACCUM AMORT.	(9,933,315)	0	(9,933,315)
47	COLSTRIP COMMON FERC ADJUSTMENT	2,908,282	0	2,908,282
48	COLSTRIP DEFERRED DEPRECIATION FERC ADJ.	858,922	0	858,922
49	ACQUISITION ADJUSTMENT	281,543,145	0	281,543,145
50	ACCUMULATED AMORTIZATION ON ACQUISITION ADJ	(113,037,112)	0	(113,037,112)
51	NET PRODUCTION PROPERTY	2,490,094,391	-	2,490,094,391
52				
53				
54	<u>DEDUCT:</u>			
55	LIBR. DEPREC. POST 1980 (AMA)	(513,042,624)	0	(513,042,624)
56	NOL DEFERRED TAX ASSET ATTRIBUTABLE TO PRODUCTION	48,295,905	0	48,295,905
57	TREASURY GRANTS FOR SNOQUALMIE AND BAKER		0	-
58	ACCUM AMORT OF TREASURY GRANTS FOR SNOQUALMIE AND BAKER		0	-
59	ADJUSTMENT TO RATE BASE	(464,746,719)	-	(464,746,719)
60				
61	TOTAL ADJUSTMENT TO PRODUCTION RATE BASE	2,025,347,672	0	2,025,347,672
62				
63	<u>REGULATORY ASSETS RATE BASE (INCLUDES POWER COST REG ASSETS/LIAB):</u>			
64	TREASURY GRANTS DEFERRAL - SNOQUALMIE	(374,252)	0	(374,252)
65	TREASURY GRANTS DEFERRAL - BAKER	(108,339)	-	(108,339)
66	BEP	0	-	0
67	WHITE RIVER REGULATORY ASSET	12,293,821	-	12,293,821
68	WESTCOAST PIPELINE CAPACITY - UE-082013 (FB ENERGY)	(88,510)	-	(88,510)
69	WESTCOAST PIPELINE CAPACITY - UE-100503 (BNP PARIBUS)	(121,339)	-	(121,339)
70	CHELAN PUD CONTRACT INITIATION	82,196,761	-	82,196,761
71	CHELAN - ROCK ISLAND SECURITY DEPOSIT	18,500,000	-	18,500,000
72	COLSTRIP 1&2 (WECO) PREPAYMENT	750,000	-	750,000
73	FERC PART 12 STUDY NON-CONSTRUCTION COSTS UE-070074	0	-	0
74	LOWER SNAKE RIVER PREPAID TRANSM PRINCIPAL	60,863,794	-	60,863,794
75	CARRYING CHARGES ON LSR PREPAID TRANSM	8,466,701	-	8,466,701
76	MINT FARM DEFFRED - UE-090704 (ENDS MAR 2025)	12,550,110	-	12,550,110
77	LOWER SNAKE RIVER PLANT DEFERRAL (ENDS APR 2016)	0	-	0
78	FERNDAL PLANT DEFERRAL (ENDS OCT 2019)	3,917,700	-	3,917,700
79	SNOQUALMIE UPGRADE PLANT DEFERRAL (ENDS OCT 2018)	596,764	-	596,764
80	BAKER UPGRADE PLANT DEFERRAL (ENDS OCT 2018)	151,972	-	151,972
81	ELECTRON UNRECOVERED PLANT COSTS	1,128,004	-	1,128,004
82	TOTAL ADJUSTMENT TO REGULATORY ASSETS RATE BASE	\$ 200,723,186	\$ -	\$ 200,723,186
83	check=>	-	-	-
84	TOTAL RATE BASE	\$ -	\$ -	\$ -