

**BEFORE THE  
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION,	)	
	)	DOCKETS UE-170033 and
Complainant,	)	UG-170034 (Consolidated)
	)	
v.	)	
	)	
PUGET SOUND ENERGY	)	
	)	
Respondent.	)	
_____	)	

**EXHIBIT NO. BGM-14  
UPDATED NATURAL GAS SERVICES REVENUE REQUIREMENT**

## Gas Revenue Requirement Summary (\$000)

Line	Adj. No.	Description	Company Filing @ ICNU Cost of Capital			NWIGU Proposed			Impact of NWIGU Adjustments:				NWIGU Position	
			Net Oper. Income	Rate Base	Rev. Req. Def. / (Suf.)	Net Oper. Income	Rate Base	Rev. Req. Def. / (Suf.)	Pre-Tax Net Oper. Income	Net Oper. Income	Rate Base	Rev. Req. Def. / (Suf.)		
1	1.00	Per Book Results (Y/E Sep. 30, 2016)	119,146	1,727,320	13,983	119,146	1,727,320	13,983						
<i>Restating Adjustments:</i>														
2	6.01	Revenue & Expenses	(32,674)	-	52,662	(32,674)	-	52,662	-	-	-	-	-	Neutral
3	6.02	Temperature Normalization	16,046	-	(25,863)	16,046	-	(25,863)	-	-	-	-	-	Neutral
4	6.03	Pass Through Revenue & Expense	736	-	(1,186)	736	-	(1,186)	-	-	-	-	-	Neutral
5	6.04	Federal Income Tax	701	-	(1,130)	701	-	(1,130)	-	-	-	-	-	Neutral
6	6.05	Tax Benefit Of Pro Forma Interest	18,426	-	(29,697)	18,234	-	(29,389)	-	(192)	-	309		Updated
7	6.06	Depreciation Study	13,174	6,587	(20,448)	13,174	6,587	(20,448)	-	-	-	-	-	Neutral
8	6.07	Injuries & Damages	(58)	-	93	(58)	-	93	-	-	-	-	-	Neutral
9	6.08	Bad Debts	35	-	(57)	35	-	(57)	-	-	-	-	-	Neutral
10	6.09	Incentive Pay	104	-	(168)	104	-	(168)	-	-	-	-	-	Neutral
11	6.10	D&O Insurance	12	-	(19)	12	-	(19)	-	-	-	-	-	Neutral
12	6.11	Interest On Customer Deposits	(50)	-	81	(50)	-	81	-	-	-	-	-	Neutral
13	6.12	Rate Case Expenses	(281)	-	452	-	-	-	432	281	-	(452)		Oppose
14	6.13	Deferred Gains/ Losses Prop Sales	(105)	-	169	(105)	-	169	-	-	-	-	-	Neutral
15	6.14	Property & Liability Ins	45	-	(73)	45	-	(73)	-	-	-	-	-	Neutral
16	6.15	Pension Plan	(572)	-	922	449	-	(723)	1,571	1,021	-	(1,645)		Oppose
17	6.16	Wage Increase	(907)	-	1,463	(907)	-	1,463	-	-	-	-	-	Neutral
18	6.17	Investment Plan	(47)	-	75	(47)	-	75	-	-	-	-	-	Neutral
19	6.18	Employee Insurance	(59)	-	95	(59)	-	95	-	-	-	-	-	Neutral
20	6.19	Environmental Remediation	(5,565)	-	8,969	(2,090)	(3,591)	2,939	5,347	3,475	(3,591)	(6,030)		Oppose
21	6.20	Payment Processing Costs	(2,226)	-	3,587	(2,226)	-	3,587	-	-	-	-	-	Neutral
22	6.21	South King Service Center	212	7,775	586	212	7,775	586	-	-	-	-	-	Neutral
23	6.22	WUTC Filing Fee Excise Tax	34	-	(54)	34	-	(54)	-	-	-	-	-	Neutral
24	IN-4	Plant Held For Future Use	-	-	-	-	(3,591)	(428)	-	-	(3,591)	(428)		NWIGU Proposed
25	IN-5	Greenwood Natural Gas Explosion	-	-	-	238	-	(384)	366	238	-	(384)		NWIGU Proposed
26	13.24	Legal Fees	-	-	-	588	-	(947)	904	588	-	(947)		Staff Proposed
27		<b>Restated Results</b>	<b>126,127</b>	<b>1,741,682</b>	<b>4,444</b>	<b>131,538</b>	<b>1,734,499</b>	<b>(5,134)</b>	<b>8,620</b>	<b>5,411</b>	<b>(7,183)</b>	<b>(9,578)</b>		
<i>Pro Forma Adjustments</i>														
28	7.01	Cost Rcvry Mech	(4,004)	19,012	8,720	(4,004)	19,012	8,720	-	-	-	-	-	Neutral
29	IN-2	Pro Forma Net Operating Loss Carryfwd	-	-	-	-	(12,623)	(1,505)	-	-	(12,623)	(1,505)		Proposed
30		<b>Pro Forma Results</b>	<b>122,124</b>	<b>1,760,694</b>	<b>13,164</b>	<b>127,535</b>	<b>1,740,888</b>	<b>2,081</b>	<b>8,620</b>	<b>5,411</b>	<b>(19,806)</b>	<b>(11,084)</b>		

PUGET SOUND ENERGY - GAS REVENUE REQUIREMENT CALCULATIONS  
RESULTS OF OPERATIONS  
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016  
ADJUSTED RESULTS DETAIL

LINE NO.	ACTUAL RESULTS OF OPERATIONS	TOTAL ADJUSTMENTS	ADJUSTED RESULTS OF OPERATIONS	REVENUE REQUIREMENT DEFICIENCY	AFTER RATE INCREASE
1	<u>OPERATING REVENUES:</u>				
2	\$ 857,492,456	\$ (54,809,291)	\$ 802,683,165	\$ 2,084,120	\$ 804,767,285
3	-	0	-	-	-
3	37,980,142	(24,929,000)	13,051,143	-	13,051,143
4	<u>\$ 895,472,599</u>	<u>\$ (79,738,291)</u>	<u>\$ 815,734,308</u>	<u>\$2,084,120</u>	<u>\$ 817,818,428</u>
5					
6					
7	OPERATING REVENUE DEDUCTIONS:				
8					
9	GAS COSTS:				
10					
11	\$ 326,393,369	\$ 30,816,427	\$ 357,209,797	\$ -	\$ 357,209,797
12					
13	<u>\$ 326,393,369</u>	<u>\$ 30,816,427</u>	<u>\$ 357,209,797</u>	<u>\$ -</u>	<u>\$ 357,209,797</u>
14					
15	\$ 2,420,905	\$ 30,379	\$ 2,451,284	\$ -	\$ 2,451,284
16	-	0	-	-	-
17	55,510,540	597,953	56,108,494		56,108,494
18	26,085,152	3,057,854	29,143,007	10,712	29,153,719
19	7,953,019	(5,672,094)	2,280,926		2,280,926
20	12,460,807	(12,460,807)	-		-
21	50,479,810	(1,862,457)	48,617,353	4,168	48,621,522
22	122,080,785	(20,280,517)	101,800,268		101,800,268
23	11,666,003	(8,253)	11,657,750		11,657,750
24	-	0	-		-
25	(230,973)	3,376,368	3,145,395		3,145,395
26	-	0	-		-
27	95,653,987	(61,303,301)	34,350,686	79,868	34,430,553
28	-	2,760,819	2,760,819	696,279	3,457,099
29	65,853,423	(27,288,647)	38,564,776		38,564,776
30	<u>\$ 776,326,830</u>	<u>\$ (119,052,703)</u>	<u>\$ 330,880,757</u>	<u>\$ 791,028</u>	<u>\$ 331,671,785</u>
31					
32	\$ 119,145,769	\$ 8,497,985	\$ 127,643,754	\$ 1,293,092	\$ 128,936,846
33					
34	\$ 1,727,319,760	\$15,070,052	\$ 1,742,389,812	\$ -	\$ 1,742,389,812
35					
36	6.90%		7.33%		7.40%
37					
38	RATE BASE:				
39	\$ 3,545,031,363	\$ 23,481,968	\$ 3,568,513,331		\$ 3,568,513,331
40	(1,363,034,789)	2,736,291	(1,360,298,498)		(1,360,298,498)
41	(502,155,618)	(9,058,658)	(511,214,276)		(511,214,276)
42	(30,161,803)	-	(30,161,803)		(30,161,803)
43	<u>\$ 1,649,679,153</u>	<u>\$ 17,159,601</u>	<u>\$ 1,666,838,754</u>		<u>\$ 1,666,838,754</u>
44	77,640,607	(2,089,549)	75,551,058		75,551,058
46	<u>\$ 1,727,319,760</u>	<u>\$ 15,070,052</u>	<u>\$ 1,742,389,812</u>		<u>\$ 1,742,389,812</u>

Rate Increase
0.3%
0.0%
0.3%

**PUGET SOUND ENERGY-GAS**  
**STATEMENT OF OPERATING INCOME AND ADJUSTMENTS**  
**FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016**  
**ADJUSTED RESULTS DETAIL**

LINE NO.	ACTUAL RESULTS OF							
	OPERATIONS 12ME Sept 30, 2016 1.00	REVENUE & EXPENSES 6.01	TEMPERATURE NORMALIZATION 6.02	PASS THROUGH REVENUE & EXPENSE 6.03	FEDERAL INCOME TAX 6.04	TAX BENEFIT OF PRO FORMA INTEREST 6.05	DEPRECIATION STUDY 6.06	
1	<b>OPERATING REVENUES:</b>							
2	\$ 857,492,456	\$ (54,715,829)	\$ 58,038,526	\$ (51,812,721)	\$ -	\$ -	\$ -	
3	MUNICIPAL ADDITIONS							
3	37,980,142	(24,316,522)		(612,478)				
4	\$ 895,472,599	\$ (79,032,351)	\$ 58,038,526	\$ (52,425,199)	\$ -	\$ -	\$ -	
5								
6								
7	<b>OPERATING REVENUE DEDUCTIONS:</b>							
8								
9	<b>GAS COSTS:</b>							
10								
11	\$ 326,393,369	\$ (25,171,488)	\$ 30,713,140	\$ 25,274,776	\$ -	\$ -	\$ -	
12								
13	\$ 326,393,369	\$ (25,171,488)	\$ 30,713,140	\$ 25,274,776	\$ -	\$ -	\$ -	
14								
15	2,420,905		\$ -		\$ -	\$ -	\$ -	
16	TRANSMISSION EXPENSE							
17	55,510,540							
18	26,085,152	(406,226)	298,318	(269,466)				
19	7,953,019			(5,693,636)				
20	12,460,807			(12,460,807)				
21	50,479,810	(158,065)	116,077	(104,850)				
22	122,080,785						(20,259,589)	
23	11,666,003						(8,253)	
24	AMORTIZATION OF PROPERTY LOSS							
25	(230,973)	-	-					
26	ASC 815							
27	95,653,987	(3,028,678)	2,224,152	(60,303,751)				
28	-	(17,593,763)	8,640,394	396,387	26,587,825	(18,234,109)	7,093,745	
29	65,853,423				(27,288,647)			
30	\$ 776,326,830	\$ (21,186,732)	\$ 11,278,941	\$ (78,436,122)	\$ (700,822)	\$ (18,234,109)	\$ (13,174,098)	
31								
32	\$ 119,145,769	\$ (32,674,131)	\$ 16,046,445	\$ 736,148	\$ 700,822	\$ 18,234,109	\$ 13,174,098	
33								
34	\$ 1,727,319,760	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,587,049	
35								
36	RATE OF RETURN							
37	6.90%							
38	<b>RATE BASE:</b>							
39	\$ 3,545,031,363	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
40	(1,363,034,789)						10,133,921	
41	(502,155,618)						(3,546,872)	
42	(30,161,803)							
43	\$ 1,649,679,153	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,587,049	
44	77,640,607							
46	\$ 1,727,319,760	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,587,049	

PUGET SOUND ENERGY-GAS  
STATEMENT OF OPERATING INCOME AND ADJUSTMENTS  
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016  
ADJUSTED RESULTS DETAIL

LINE NO.	INJURIES & DAMAGES 6.07	BAD DEBTS 6.08	INCENTIVE PAY 6.09	D&O INSURANCE 6.10	INTEREST ON CUSTOMER DEPOSITS 6.11	RATE CASE EXPENSES 6.12	DEFERRED GAINS/LOSSES PROP SALES 6.13	PROPERTY & LIABILITY INS 6.14	PENSION PLAN 6.15
1	<u>OPERATING REVENUES:</u>								
2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3	SALES TO CUSTOMERS								
3	MUNICIPAL ADDITIONS								
3	OTHER OPERATING REVENUES								
4	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4	TOTAL OPERATING REVENUES								
5									
6									
7	<u>OPERATING REVENUE DEDUCTIONS:</u>								
8									
9	GAS COSTS:								
10									
11	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11	PURCHASED GAS								
12									
13	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
13	TOTAL PRODUCTION EXPENSES								
14									
15	\$ -	\$ -	\$ (7,715)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
15	OTHER POWER SUPPLY EXPENSES								
16	TRANSMISSION EXPENSE								
17	DISTRIBUTION EXPENSE								
18	CUSTOMER ACCOUNT EXPENSES								
19	CUSTOMER SERVICE EXPENSES								
20	CONSERVATION AMORTIZATION								
21	88,827	-	(81,049)	(17,901)	-	-	-	(69,499)	(690,446)
22	DEPRECIATION								
23	AMORTIZATION								
24	AMORTIZATION OF PROPERTY LOSS								
25	OTHER OPERATING EXPENSES								
26	ASC 815								
27	TAXES OTHER THAN INCOME TAXES								
28	(31,089)	18,975	114,724	6,265	\$ -	\$ -	(56,587)	24,325	241,656
28	INCOME TAXES								
29	DEFERRED INCOME TAXES								
30	\$ 57,738	\$ (35,240)	\$ (213,058)	\$ (11,636)	\$ 50,137	\$ -	\$ 105,090	\$ (45,174)	\$ (448,790)
30	TOTAL OPERATING REV. DEDUCT.								
31									
32	\$ (57,738)	\$ 35,240	\$ 213,058	\$ 11,636	\$ (50,137)	\$ -	\$ (105,090)	\$ 45,174	\$ 448,790
32	NET OPERATING INCOME								
33									
34	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
34	RATE BASE								
35									
36	RATE OF RETURN								
37									
38	RATE BASE:								
39	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
39	UTILITY PLANT IN SERVICE								
40	ACCUMULATED DEPRECIATION								
41	ACCUMULATED DEFERRED FIT								
42	OTHER								
43	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
43	TOTAL NET INVESTMENT								
44	ALLOWANCE FOR WORKING CAPITAL								
46	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
46	TOTAL RATE BASE								

PUGET SOUND ENERGY-GAS  
STATEMENT OF OPERATING INCOME AND ADJUSTMENTS  
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016  
ADJUSTED RESULTS DETAIL

LINE NO.	WAGE INCREASE 6.16	INVESTMENT PLAN 6.17	EMPLOYEE INSURANCE 6.18	ENVIRONMENTAL REMEDATION 6.19	PAYMENT PROCESSING COSTS 6.20	SOUTH KING SERVICE CENTER 6.21	WUTC FILING FEE EXCISE TAX 6.22	PLANT HELD FOR FUTURE USE IN-4
1	<u>OPERATING REVENUES:</u>							
2	\$	-	\$	-	-	-	-	-
3								
3								
4	\$	-	\$	-	-	\$	-	\$
5								
6								
7	OPERATING REVENUE DEDUCTIONS:							
8								
9	GAS COSTS:							
10								
11	\$	-	\$	-	-	-	-	-
12								
13	\$	-	\$	-	-	\$	-	\$
14								
15	\$	38,094	\$	-	-	-	-	-
16								
17		757,798						
18		101,412			3,424,154			
19		27,891						
20								
21		397,841	71,829	90,433		(177,706)	(44,763)	
22						(148,522)		
23								
24								
25					3,214,691			
26								
27		72,979					(6,790)	-
28		(488,605)	(25,140)	(31,651)	(1,125,142)	(1,198,454)	18,044	-
29								
30	\$	907,409	\$	46,689	\$	58,781	\$	2,089,549
31								
32	\$	(907,409)	\$	(46,689)	\$	(58,781)	\$	(2,089,549)
33								
34	\$	-	\$	-	\$	(2,089,549)	\$	-
35								
36	RATE OF RETURN							
37								
38	RATE BASE:							
39	\$	-	\$	-	\$	-	\$	7,690,286
40								(3,591,495)
41								(49,520)
42								134,349
43	\$	-	\$	-	\$	-	\$	7,775,116
44								-
46	\$	-	\$	-	\$	-	\$	7,775,116
								-
								(3,591,495)

**PUGET SOUND ENERGY-GAS**  
**STATEMENT OF OPERATING INCOME AND ADJUSTMENTS**  
**FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016**  
**ADJUSTED RESULTS DETAIL**

LINE NO.	GREENWOOD EXPLOSION IN-5	STAFF ISWC 13.23	STAFF LEGAL COSTS 13.24	COST RCVRY MECH 7.01	NOL C/F IN-2	TOTAL ADJUSTMENTS	ADJUSTED RESULTS OF OPERATIONS	
1	<u>OPERATING REVENUES:</u>							
2				\$ (6,319,268)		\$ (54,809,291)	\$ 802,683,165	
3						-	-	
4						(24,929,000)	13,051,143	
5						\$ (79,738,291)	\$ 815,734,308	
6								
7	<u>OPERATING REVENUE DEDUCTIONS:</u>							
8								
9	GAS COSTS:							
10								
11						\$ 30,816,427	\$ 357,209,797	
12								
13						\$ 30,816,427	\$ 357,209,797	
14								
15						\$ 30,379	\$ 2,451,284	
16						-	-	
17						597,953	56,108,494	
18					(32,481)	3,057,854	29,143,007	
19						(5,672,094)	2,280,926	
20						(12,460,807)	-	
21	(366,348)		(904,198)	(12,639)		(1,862,457)	48,617,353	
22				127,594		(20,280,517)	101,800,268	
23						(8,253)	11,657,750	
24						-	-	
25						3,376,368	3,145,395	
26						-	-	
27				(242,167)		(61,303,301)	34,350,686	
28	128,222		316,469	(2,155,851)		2,760,819	2,760,819	
29						(27,288,647)	38,564,776	
30	\$ (238,126)	\$ -	\$ (587,729)	\$ (2,315,544)	\$ -	\$ (119,052,703)	\$ 330,880,757	
31								
32	\$ 238,126	\$ -	\$ 587,729	\$ (4,003,724)	\$ -	\$ 8,497,985	\$ 127,643,754	
33								
34	\$ -	\$ -	\$ -	\$ 19,011,708	\$ (12,622,777)	\$ 15,070,052	\$ 1,742,389,812	
35								
36							7.33%	
37								
38	RATE BASE:							
39		\$ -	\$ -	\$ 32,005,953	\$ (12,622,777)	\$ 23,481,968	\$ 3,568,513,331	
40				(7,348,110)		2,736,291	(1,360,298,498)	
41				(5,646,135)		(9,058,658)	(511,214,276)	
42						-	(30,161,803)	
43	\$ -	\$ -	\$ -	\$ 19,011,708	\$ (12,622,777)	\$ 17,159,601	\$ 1,666,838,754	
44						(2,089,549)	75,551,058	
46	\$ -	\$ -	\$ -	\$ 19,011,708	\$ (12,622,777)	\$ 15,070,052	\$ 1,742,389,812	

**PUGET SOUND ENERGY - GAS REVENUE REQUIREMENT CALCULATIONS  
GENERAL RATE INCREASE  
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016  
GENERAL RATE CASE**

<b>LINE NO.</b>	<b>DESCRIPTION</b>	
1	RATE BASE	\$ 1,742,389,812
2	RATE OF RETURN	7.40%
3		
4	OPERATING INCOME REQUIREMENT	\$ 128,936,846
5		
6	PRO FORMA OPERATING INCOME	\$ 127,643,754
7	OPERATING INCOME DEFICIENCY	\$ 1,293,092
8		
9	CONVERSION FACTOR	0.620450
10	REVENUE REQUIREMENT DEFICIENCY	\$ 2,084,120



**PUGET SOUND ENERGY - GAS REVENUE REQUIREMENT CALCULATIONS  
PRO FORMA COST OF CAPITAL  
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016  
GENERAL RATE CASE**

LINE NO.	DESCRIPTION	PRO FORMA CAPITAL %	COST %	COST OF CAPITAL
1	SHORT & LONG TERM DEBT	51.50%	5.81%	2.99%
2	EQUITY	48.50%	9.10%	4.41%
3	TOTAL COST OF CAPITAL	100.00%		7.40%
4				
5	AFTER TAX DEBT	51.50%	5.81%	1.94%
6	EQUITY	48.50%	9.10%	4.41%
7	TOTAL AFTER TAX COST OF CAPITAL	100.00%		6.35%

PUGET SOUND ENERGY - GAS REVENUE REQUIREMENT CALCULATIONS  
CONVERSION FACTOR  
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016  
GENERAL RATE CASE

LINE NO.	DESCRIPTION	BASE	RATE	AMOUNT
1	BAD DEBTS			0.005140
2	ANNUAL FILING FEE			0.002000
3	STATE UTILITY TAX ( 3.852% - ( LINE 1 * 3.852% ) )		3.852%	<u>0.038322</u>
4				
5	SUM OF TAXES OTHER			0.045462
6				
7	CONVERSION FACTOR EXCLUDING FEDERAL INCOME TAX ( 1 - LINE 5)			0.954538
8	FEDERAL INCOME TAX ( LINE 7 * 35%)		35%	<u>0.334088</u>
9				
10	CONVERSION FACTOR			<u><u>0.620450</u></u>

Adj. 6.05

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

LINE NO.	DESCRIPTION	AMOUNT
1	RATE BASE	\$ 1,742,389,812
2		
3	NET RATE BASE	\$ 1,742,389,812
4		
5	WEIGHTED AVERAGE COST OF DEBT	2.99%
6	PROFORMA INTEREST	\$ 52,097,455
7		
8	INCREASE (DECREASE) INCOME	\$ (52,097,455)
9		
10	INCREASE (DECREASE) FIT @	35% \$ (18,234,109)
11	INCREASE (DECREASE) NOI	\$ 18,234,109

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

LINE NO.	DESCRIPTION	ACTUAL	RESTATED	ADJUSTMENT
1	QUALIFIED RETIREMENT FUND	\$ 2,950,666	\$ 2,260,220	\$ (690,446)
2	INCREASE(DECREASE) EXPENSE	\$ 2,950,666	\$ 2,260,220	\$ (690,446)
3				
4	INCREASE(DECREASE) OPERATING EXPENSE (LINE 2)			\$ (690,446)
5	INCREASE (DECREASE) FIT @	35%		241,656
6	INCREASE (DECREASE) NOI			\$ 448,790

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

LINE NO.	DESCRIPTION	AMOUNT
1	<u>GAS ENVIRONMENTAL REMEDIATION</u>	
2		
3	DEFERRED COSTS NET OF SITE SPECIFIC RECOVERIES AS OF SEPTEMBER 30. 2016	\$ 16,073,456
4	ANNUAL AMORTIZATION (LINE 3 , 5 YEARS)	\$ 3,214,691
5		
6	TOTAL RATE YEAR AMORTIZATION GAS ENVIRONMENTAL (LINE 4 + LINE 9)	\$ 3,214,691
7		
8	INCREASE (DECREASE) FIT @ 35% (LINE 11 X 35%)	35% <u>(1,125,142)</u>
9		
10	INCREASE (DECREASE) NOI	<u>\$ (2,089,549)</u>
11		
12		
13		
14		
15		

**PUGET SOUND ENERGY-GAS**  
**PLANT HELD FOR FUTURE USE**  
**FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016**

LINE				
NO.	DESCRIPTION	TEST PERIOD	RESTATED	ADJUSTMENT
1	RATE BASE:			
2	FERC 105 - PLANT HELD FOR FUTURE USE	\$ 3,591,495	\$ -	\$ (3,591,495)

**PUGET SOUND ENERGY-GAS**  
**NET OPERATING LOSS CARRYFORWARD**  
**FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016**

LINE				
NO.	DESCRIPTION	TEST PERIOD	RESTATED	ADJUSTMENT
1	RATE BASE:			
2	190.433-NET OPERATING LOSS CARRYFORWARD	\$ 12,622,777	\$ -	\$ (12,622,777)

Adj. IN-2

**PUGET SOUND ENERGY-GAS**  
**GREENWOOD NATURAL GAS EXPLOSION**  
**FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016**

LINE					
NO.	DESCRIPTION	TEST PERIOD	RESTATED	ADJUSTMENT	
1	PRE-TAX EXPENSE				
2	FERC 923, 880 - GREENWOOD NATURAL GAS EXPLOSI	\$ 366,348	\$ -	\$ (366,348)	