

**EXH. KJB-20
DOCKETS UE-170033/UG-170034
2017 PSE GENERAL RATE CASE
WITNESS: KATHERINE J. BARNARD**

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

PUGET SOUND ENERGY,

Respondent.

**Docket UE-170033
Docket UG-170034**

**THIRD EXHIBIT (NONCONFIDENTIAL) TO THE
PREFILED REBUTTAL TESTIMONY OF**

KATHERINE J. BARNARD

ON BEHALF OF PUGET SOUND ENERGY

AUGUST 9, 2017

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 DEFERRAI	(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	<u>\$ (28,861,314)</u>
23 OPERATING EXPENSES:	
24 REMOVE EXPENSE RECOGNIZED FOR FUTURE PTC LIABILITY	(22,899,640)
25 REMOVE SCHEDULE 95A TREASURY GRANTS AMORTIZATION	
26 OF INTEREST AND GRANTS	<u>40,241,934</u>
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>

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

LINE

NO. DESCRIPTION

<u>TEMPERATURE NORMALIZATION ADJUSTMENT:</u>						
1		ACTUAL	TEMP ADJ	MWH	ADJ FOR LOSSES	
2		<u>GPI MWh</u>	<u>GPI MWh</u>	<u>CHANGE</u>	<u>7.30%</u>	
3	Oct-15	1,709,553,137	1,757,265,843	47,712,706	44,229,678	
4	Nov-15	2,071,074,561	2,021,559,504	(49,515,057)	(45,900,458)	
5	Dec-15	2,293,718,205	2,341,463,234	47,745,029	44,259,642	
6	Jan-16	2,264,400,226	2,313,151,612	48,751,386	45,192,535	
7	Feb-16	1,926,704,963	2,027,518,229	100,813,266	93,453,898	
8	Mar-16	1,958,545,780	2,015,037,059	56,491,279	52,367,416	
9	Apr-16	1,641,032,699	1,717,808,477	76,775,778	71,171,146	
10	May-16	1,626,432,632	1,641,730,768	15,298,136	14,181,373	
11	Jun-16	1,597,200,862	1,584,799,398	(12,401,464)	(11,496,157)	
12	Jul-16	1,647,778,275	1,645,397,293	(2,380,982)	(2,207,171)	
13	Aug-16	1,712,297,533	1,680,388,552	(31,908,981)	(29,579,626)	
14	Sep-16	1,559,199,266	1,565,709,071	6,509,805	6,034,589	
15		22,007,938,139	22,311,829,040	303,890,901	281,706,865	
16						
17	REVENUE ADJUSTMENT SCHEDULE 7			242,969,649	\$ 25,306,989	
18	SCHEDULE 24			22,548,468	2,013,368	
19	SCHEDULE 25			11,247,064	720,622	
20	SCHEDULE 26			(231,988)	(13,163)	
21	SCHEDULE 29			(158,747)	(8,444)	
22	SCHEDULE 31			957,233	52,022	
23	SCHEDULE 43			3,836,120	214,416	
24	SCHEDULE 40 - MED SEC VOLTAGE			139,731	7,914	
25	SCHEDULE 40 - LARGE DEC VOLTAGE			283,773	16,073	
26	SCHEDULE 40 - PRIMARY VOLTAGE			(30,131)	(1,662)	
27	FIRM RESALE			145,693	5,118	
28						
29	INCREASE (DECREASE) SALES TO CUSTOMERS			281,706,865	28,313,253	28,313,253
30						
31	UNCOLLECTIBLES @			0.007157	202,638	
32	ANNUAL FILING FEE @			0.002000	56,627	
33	INCREASE (DECREASE) EXPENSES					259,265
34						
35	STATE UTILITY TAX @			0.038457	1,088,843	
36	INCREASE (DECREASE) TAXES OTHER					1,088,843
37						
38	INCREASE (DECREASE) INCOME					26,965,145
39						
40	INCREASE (DECREASE) FIT @			35%	9,437,801	
41	INCREASE (DECREASE) NOI					<u>\$ 17,527,344</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	<u>144,836,216</u>
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	<u>209,020,153</u>
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 CHARED TO EXPENSE	<u>181,996,915</u>
17		
18	INCREASE(DECREASE) FIT	144,836,216
19	INCREASE(DECREASE) DEFERRED FIT	(117,812,977)
20	INCREASE(DECREASE) NOI	<u>\$ (27,023,239)</u>

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
1	RATE BASE	<i>\$ 5,186,869,325</i>
2		
3	NET RATE BASE	<u><i>5,186,869,325</i></u>
4		
5	WEIGHTED AVERAGE COST OF DEBT	2.99%
6	PROFORMA INTEREST	<u><i>155,087,393</i></u>
7		
8	INCREASE (DECREASE) INCOME	<i>(155,087,393)</i>
9		
10	INCREASE (DECREASE) FIT @	35%
11	INCREASE (DECREASE) NOI	<u><u><i>\$ 54,280,587</i></u></u>

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	\$ 306,788,478	\$ 57,369,439
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	<u>294,452,719</u>	<u>349,847,489</u>	<u>55,394,771</u>
6			
7 403.1 DEPR. EXP- FAS 143 (RECOVERED IN RATES)	1,352,125	1,739,314	387,189
8 403.1 DEPR. EXP - FAS 143 (NOT RECOVERED IN RATES)	1,476,017	-	(1,476,017)
9 SUBTOTAL DEPRECIATION EXPENSE 403.1	<u>2,828,141</u>	<u>1,739,314</u>	<u>(1,088,827)</u>
10			
11 TOTAL DEPRECIATION EXPENSE	<u>297,280,860</u>	<u>351,586,803</u>	<u>54,305,943</u>
12			
13 AMORTIZATION EXPENSE			
14 411.10 ACCRETION EXP. - ASC 410 (RECOVERED IN RATES)	1,424,661	1,820,785	396,124
15 411.10 ACCRETION EXP. - ASC 410 (NOT RECOVERED IN RATES)	1,148,003	-	(1,148,003)
16 SUBTOTAL ACCRETION EXPENSE 411.10	<u>2,572,664</u>	<u>1,820,785</u>	<u>(751,879)</u>
17			
18 DEPRECIATION EXPENSE 403 ASSOCIATED WITH FLEET	<u>846,819</u>	<u>539,849</u>	<u>(306,970)</u>
19			
20			
21 INCREASE (DECREASE) EXPENSE			53,247,094
22 INCREASE (DECREASE) FIT			(18,636,483)
23 INCREASE (DECREASE) NOI			<u>\$ (34,610,611)</u>
24			
25			
26 ADJUSTMENT TO RATE BASE			
27 ADJUSTMENT TO ACCUM. DEPREC. AT 50% DEPREC. EXP. LINE 21	50%		\$ (26,623,547)
28 DFIT			9,318,241
29			
30 TOTAL ADJUSTMENT TO RATEBASE			<u>\$ (17,305,306)</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	RESTATED	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			<u>\$ 69,387</u>

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

LINE NO.	YEAR	NET WRITEOFF'S	NET REVENUES	PERCENT WRITE-OFF'S TO REVENUE
1	12 MOS ENDED	September	May	
2	12 ME 9/30/2013 AND 5/31/2013	\$ 13,270,216	\$ 2,093,618,293	0.6338%
3	12 ME 9/30/2015 AND 5/31/2015	13,381,338	1,907,157,634	0.7016%
4	12 ME 9/30/2016 AND 5/31/2016	17,507,853	2,157,028,780	<u>0.8117%</u>
5	3-YR AVERAGE OF NET WRITE OFF RATE			0.7157%
6				
7	TEST PERIOD REVENUES		2,146,048,308	
8				
9				
10	PROFORMA BAD DEBT RATE		0.7157%	
11	PROFORMA BAD DEBTS		<u>15,359,268</u>	
12				
13	UNCOLLECTIBLES CHARGED TO EXPENSE IN TEST YEAR		<u>16,407,060</u>	
14	INCREASE (DECREASE) EXPENSE			(1,047,792)
15				
16	INCREASE (DECREASE) FIT		35%	<u>366,727</u>
17	INCREASE (DECREASE) NOI			<u>\$ 681,065</u>

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

LINE NO.	DESCRIPTION	ACTUAL	RESTATED	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	<u>7,360,758</u>	<u>7,519,849</u>	159,091
11				
12	PAYROLL TAXES ASSOC WITH MERIT PAY	462,246	472,236	9,991
13	INCREASE(DECREASE) EXPENSE	<u>7,823,004</u>	<u>7,992,086</u>	169,082
14				
15	INCREASE (DECREASE) OPERATING EXPENSE			169,082
16				
17	INCREASE (DECREASE) FIT @		35%	(59,179)
18	INCREASE (DECREASE) NOI			<u>\$ (109,903)</u>

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

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

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	\$ 1,040,000
4		
5	ANNUAL NORMALIZATION (LINE 3 ÷ 2 YEARS)	520,000
6	LESS TEST YEAR EXPENSE	180,705
7	INCREASE (DECREASE) EXPENSE	<u>339,295</u>
8		339,295
9	2014 AND 2013 PCORC EXPENSES TO BE NORMALIZED	273,000
10		
11	ANNUAL NORMALIZATION (LINE 9 ÷ 4 YEARS)	68,250
12	LESS TEST YEAR EXPENSE	-
13	INCREASE (DECREASE) EXPENSE	<u>68,250</u>
14		
15		
16	TOTAL INCREASE (DECREASE) EXPENSE	<u>407,545</u>
17		
18	INCREASE(DECREASE) FIT @	35% (142,641)
19	INCREASE(DECREASE) NOI	<u>\$ (264,905)</u>

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	<u>(353,279)</u>
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	<u>328,215</u>
7 NET LOSS PENDING APPROVAL (LN 5 + LN 6)	<u>(3,673,959)</u>
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	<u>(500,359)</u>
14	
15 INCREASE (DECREASE) EXPENSE (LN 13 - LN 11)	(263,384)
16	
17 INCREASE (DECREASE) FIT @ 35%	<u>92,184</u>
18	
19 INCREASE (DECREASE) NOI	<u>\$ 171,200</u>

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	\$ (53,744)
2	LIABILITY INSURANCE EXPENSE	<u>2,006,229</u>	<u>1,958,208</u>	<u>(48,022)</u>
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%		<u>35,618</u>
8	INCREASE (DECREASE) NOI			<u><u>\$ 66,147</u></u>

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

LINE NO.	DESCRIPTION	ACTUAL	RESTATED	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			<u>\$ (1,184,945)</u>

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

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			<u>\$ (1,357,716)</u>

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

LINE NO.	DESCRIPTION		AMOUNT
1	<u>NON-UNION (INCLUDING. EXECUTIVES)</u>		
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	<u>IBEW</u>		
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	<u>UA</u>		
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	<u>TOTAL</u>		
17	TOTAL PROFORMA COSTS (LN 4 + LN 9 + LN 14 + LN 19)		11,502,217
18	PRO FORMA COSTS APPLICABLE TO OPERATIONS	54.66%	6,287,011
19	FOR TEST YEAR 9/30/16		<u>6,138,235</u>
20	INCREASE (DECREASE) EXPENSE		\$ 148,776
21			
22	INCREASE (DECREASE) FIT @	35%	<u>(52,071)</u>
23	INCREASE (DECREASE) NOI		<u><u>\$ (96,705)</u></u>

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	<u>24,471,575</u>
5		
6	APPLICABLE TO OPERATIONS @ 54.66%	13,375,948
7	CHARGED TO EXPENSE DURING TEST YEAR	<u>13,188,639</u>
8	INCREASE(DECREASE) EXPENSE	187,309
9		
10	INCREASE(DECREASE) FIT @ 35%	<u>(65,558)</u>
11		
12	INCREASE(DECREASE) NOI	<u><u>\$ (121,751)</u></u>

**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	\$ 9,689,352
4	ANNUAL AMORTIZATION (LINE 3 ÷ 5 YEARS)	<i>1,937,870</i>
5		
6	<u>INSURANCE PROCEEDS & THIRD PARTIES PAYMENTS</u>	
7		
8	SHARE OF DEFERRED UNASSIGNED RECOVERIES AS OF SEPTEMBER 30, 2016	<i>(2,570,427)</i>
9	ANNUAL AMORTIZATION (LINE 8 ÷ 5 YEARS)	<i>(514,085)</i>
10		
11	TOTAL RATE YEAR AMORTIZATION ENVIRONMENTAL (LINE 4 + LINE 9)	<u><i>1,423,785</i></u>
12		
13	INCREASE (DECREASE) FIT @ 35% (LINE 11 X 35%)	35% <u><i>(498,325)</i></u>
14		
15	INCREASE (DECREASE) NOI	<u><u><i>\$ (925,460)</i></u></u>

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	<u>NEW SERVICE AGREEMENT</u>			
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	-	<i>828,677</i>	<i>828,677</i>
9	INCREASE (DECREASE) IN EXPENSE	-	<i>3,304,718</i>	<i>3,304,718</i>
10				
11	INCREASE (DECREASE) OPERATING EXPENSE (LINES 3 & 9)			<i>3,092,648</i>
12				
13	INCREASE (DECREASE) FIT @		35%	<i>(1,082,427)</i>
14				
15	INCREASE (DECREASE) NOI			<i>\$ (2,010,221)</i>

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-PORION 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-PORION 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>

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			<u>\$ 10,262</u>

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

LINE NO.	DESCRIPTION	ORIGINAL TEST YEAR	RESTATED	NEW ADJUSTMENT
1	UPDATE WORKING CAPITAL			
2	ALLOWANCE FOR WORKING CAPITAL	<i>227,005,242</i>	<i>261,363,927</i>	<i>34,358,685</i>
3	TOTAL RATE BASE		<i>\$</i>	<i>34,358,685</i>