

**EXH. KJB-21
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**

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

KATHERINE J. BARNARD

ON BEHALF OF PUGET SOUND ENERGY

AUGUST 9, 2017

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

LINE NO.	DESCRIPTION	ACTUAL	PROFORMA	INCREASE (DECREASE)
1	PRODUCTION EXPENSES:			
2	501-STEAM FUEL	\$ 85,246,015	<i>\$ 70,188,194</i>	<i>\$ (15,057,821)</i>
3	547-FUEL	149,756,872	<i>147,903,174</i>	<i>(1,853,698)</i>
4	555-PURCHASED POWER	523,037,996	<i>402,420,109</i>	<i>(120,617,887)</i>
5	557-OTHER POWER EXPENSE	9,308,464	<i>9,743,919</i>	<i>435,456</i>
6	565-WHEELING	113,800,193	<i>108,304,459</i>	<i>(5,495,734)</i>
7	447-SALES FOR RESALE	(201,125,742)	<i>(36,198,534)</i>	<i>164,927,208</i>
8	456-PURCHASES/SALES OF NON-CORE GAS	18,023,678	<i>(16,255,004)</i>	<i>(34,278,682)</i>
9				
10	PRODUCTION O&M	125,897,437	<i>137,398,823</i>	<i>11,501,386</i>
11	TRANS. EXP. INCL. 500KV O&M	662,135	<i>662,135</i>	-
12	456-1 VARIABLE TRANSM. INCOME - COLSTRIP, 3RD AC & NI	(8,228,549)	<i>(11,639,833)</i>	<i>(3,411,285)</i>
13	EQUITY RETURN ON CENTRALIA TRANSITION COAL PPA	4,769,481	4,769,481	4,769,481
14	INCREASE (DECREASE) EXPENSE	816,378,499	<i>817,296,922</i>	<i>918,423</i>
15				
16	INCREASE (DECREASE) OPERATING INCOME	(816,378,499)	<i>(817,296,922)</i>	<i>(918,423)</i>
17				
18	STATE UTILITY TAX SAVINGS FOR LINE 12	3.873%		<i>(132,133)</i>
19	INCREASE (DECREASE) INCOME			<i>(1,050,556)</i>
20	INCREASE (DECREASE) FIT @	35%		<i>(367,695)</i>
21	INCREASE (DECREASE) NOI			<u><u>\$ (682,861)</u></u>

Puget Sound Energy
 Determination of Net Power Costs in Adjustment KJB 21.01
 Test Year: 12MOE Sept 2016
 Rate Year: Jan - Dec 2018

FERC	F/V	c	12MOE SAP 9/30/2016	ETIF Reported in FERC	Remove Benefits	Remove Payroll Tax	Net Test Year	12MOE 12/31/2018	Reclass Ben & Tax	Factor		Complement
										Net Before Prod Factor	Production Factored	
a	b		d	e	f	g	h	i	j	k	l	m
10	501	V	Stream Fuel	\$ 85,246,015	\$ -	\$ -	\$ 85,246,015	\$ 72,990,595	\$ -	\$ 72,990,595	\$ 70,188,194	
11	547	V	GFG Fuel	149,756,872			149,756,872	153,808,497		153,808,497	147,903,174	
12	555	V	Purchased Power	375,700,425	147,337,571		523,037,996	418,487,519		418,487,519	402,420,109	
13	557	F	Other Power Expense	10,715,288		(368,616)	8,982,621	11,163,254	(1,732,667)	9,430,587	9,430,587	
14	557	V	Brokerage Fees	325,842			325,842	325,842		325,842	313,332	
15	565	V	Wheeling	113,800,193			113,800,193	112,628,726		112,628,726	108,304,459	
16	447	V	Sales for Resale	(53,788,171)	(147,337,571)		(201,125,742)	(37,643,831)		(37,643,831)	(36,198,534)	
17	456	V	Purchases/(Sales) of Non-Core Gase	18,023,678			18,023,678	(16,904,017)		(16,904,017)	(16,255,004)	
18			Net power costs from TY Margin or RY DEM Exh	699,780,142	-	(1,364,051)	698,047,475	714,856,584	(1,732,667)	713,123,917	686,106,316	
20	various	F	Production O&M	133,910,147		(1,707,721)	125,897,437	145,411,533	(8,012,710)	137,398,823	137,398,823	
21	various	F	500KV Trans Exp/O&M	662,135			662,135	662,135		662,135	662,135	
22	456-17	F	OATT Transmission Revenue	(8,228,549)			(8,228,549)	(11,639,833)		(11,639,833)	(11,639,833)	
23	n/a	V	Equity Return on Centralia Coal Transition PPA					4,959,912		4,959,912	4,769,481	
24			Total Power Cost Adjustment	\$ 826,123,875	\$ -	\$(7,669,040)	\$ 816,378,499	\$ 854,250,331	\$(9,745,377)	\$ 844,504,954	\$ 817,296,922	

Amounts in bold and italics are different from April 3, 2017 supplemental filing.

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

Adj. 21.02

LINE	NO. DESCRIPTION	PROFORMA	AMOUNT
1	RATE YEAR KWH	<i>3,845,978,268</i>	
2	TRANSMISSION LINE LOSS % FOR WECC	5.0%	
3	WETT TAX RATE	0.000150	
4	WETT Tax	<u>\$ <i>548,052</i></u>	
5			
6	EEELT TAX RATE	0.000200	
7	EEELT Tax	<u>\$ <i>769,196</i></u>	
8			
9	RESTATED ENERGY TAX (LINE 1 X LINE 2)		<u>\$ <i>1,317,248</i></u>
10	CHARGED TO EXPENSE		1,540,793
11	INCREASE (DECREASE) INCOME		<u><i>223,546</i></u>
12			
13	INCREASE (DECREASE) FIT @	35%	<u><i>78,241</i></u>
14	INCREASE (DECREASE) NOI		<u><u>\$ <i>145,305</i></u></u>

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

Adj. 21.03

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 AD.	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	23,957		(23,957)
13	INCREASE (DECREASE) EXPENSE	212,138	-	(212,138)
14				
15	INCREASE (DECREASE) FIT @		35%	74,248
16	INCREASE (DECREASE) NOI			<u>\$ 137,890</u>

Adj. 21.04

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 F	35%		(22,439,084)
8				
9	INCREASE (DECREASE) NOI			<u>\$ (41,672,584)</u>

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	330,554	11,614,288	11,944,841
5	TWELVE MONTHS ENDED 09/30/13	115,489	5,128,915	5,244,404
6	TWELVE MONTHS ENDED 09/30/14	427,808	12,676,576	13,104,384
7	TWELVE MONTHS ENDED 09/30/15	718,706	12,394,592	13,113,298
8	TWELVE MONTHS ENDED 09/30/16	506,069	10,553,488	11,059,557
9	TOTAL NORMAL STORMS	2,245,204	61,692,271	63,937,475
10				
11	SIX-YEAR AVERAGE STORM EXPENSE FOR RATE YEAR	374,201	10,282,045	10,656,246
12				
13	CHARGED TO EXPENSE 12 MONTHS ENDED 9/30/2016			
14	STORM DAMAGE EXPENSE (LINE 8)	506,069	10,553,488	11,059,557
15				
16	INCREASE (DECREASE) OPERATING EXPENSE	(131,868)	(271,443)	(403,311)
17				
18				
19	CATASTROPHIC STORMS			
20	DEFERRED BALANCES FOR UE-090704 4 YEAR AMORTIZATION			
21	AT START OF RATE YEAR (01/01/2018):			
22	2010 STORM DAMAGE	(12,560,038)		
23	2010 STORM DAMAGE PENDING APPROVAL	50,186		
24	2014 STORM DAMAGE-PENDING APPROVAL	18,185,673		
25	2015 STORM DAMAGE-PENDING APPROVAL	24,157,767		
26a	2016 STORM DAMAGE-PENDING APPROVAL	10,432,667		
26b	2017 STORM DAMAGE-PENDING APPROVAL	8,153,023		
27	TOTAL (LINE 21 THROUGH LINE 26)	48,419,277		
28				
29	ANNUAL AMORTIZATION (LINE 27 ÷ 48) x 12		12,104,819	
30				
31				
32	DEFERRED BALANCES FOR 10 YEAR AMORTIZATION AT			
33	START OF RATE YEAR (01/01/18):			
34	12/13/06 WIND STORM	6,632,821		
35	ORIGINAL PERIOD WAS 10 YEARS, NOV 2008 - OCT 2018			
36	ANNUAL AMORTIZATION (LINE 34 ÷ 10 (01/2018 - 10/2018) x 10)		6,632,821	
37				
38	DEFERRED BALANCES FOR 6 YEAR AMORTIZATION AT			
39	01/18/12 SNOW STORM - PENDING APPROVAL	60,295,490		
40	ANNUAL AMORTIZATION (LINE 39 ÷ 72 (6 YEARS) X 12)		10,049,248	
41				
42	TOTAL RATE YEAR AMORTIZATION (LINE 29 + LINE 36 + LINE 40)		28,786,889	
43				
44	LESS TOTAL RATE YEAR AMORTIZATION		15,477,396	
45				
46	INCREASE (DECREASE) OPERATING EXPENSE			13,309,493
47				
48	TOTAL INCREASE (DECREASE) OPERATING EXPENSE (LINE 16 + LINE 46)			12,906,181
49				
50	INCREASE (DECREASE) FIT @ 35% (LINE 489 X 35%)		35%	(4,517,163)
51				
52	INCREASE (DECREASE) NOI			<u>\$ (8,389,018)</u>

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 DFI</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	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)	1,130,666	151,972	(978,694)
14 SNOQUALMIE LICENSE UPGRADE DEFERRAL (2013 PCORC) (FI	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	(806,046)	(108,339)	697,707
17 SNOQUALMIE TREASURY GRANT DEFERRAL (2014 PCORC) (FE	(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 (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	673,352	561,126	(112,225)
36 SNOQUALMIE LICENSE UPGRADE DEFERRAL (2013 PCORC) (FE	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	(480,026)	(400,022)	80,004
39 SNOQUALMIE TREASURY GRANT DEFERRAL (2014 PCORC) (FE	(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>\$ 19,415,532</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 (NOTE 1) THE ADJUSTMENTS FOR AMORTIZATION OF POWER COST RELATED REGULATORY ASSETS AND			
52 LIABILITIES ARE PERFORMED IN THE POWER COST ADJUSTMENT (ADJUSTMENT NO. 9.01)			
53 AND THEREFORE ARE NOT ADJUSTED HERE			

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

Adj. 21.07

LINE NO.	DESCRIPTION	TEST YEAR	ADJUSTED 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-PORION NEW DEPR STUDY	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-PORION FOR NEW DEPR STUI	(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>

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

Adj. 21.08

LINE NO.	DESCRIPTION	TEST YEAR	PROFORMA	ADJUSTMENT
1	<u>EIM RATEBASE (AMA)</u>			
2	<u>UTILITY PLANT RATEBASE</u>			
3	PLANT BALANCE	\$ -	\$ 16,120,232	\$ 16,120,232
4	ACCUM DEPRECIATION	-	(9,403,469)	(9,403,469)
5	DEFERRED FIT	-	(1,584,894)	(1,584,894)
6	TOTAL RATEBASE	<u>\$ -</u>	<u>\$ 5,131,869</u>	<u>\$ 5,131,869</u>
7				
8	<u>EIM OPERATING EXPENSE</u>			
9	DEPRECIATION EXPENSE	<u>\$ -</u>	<u>\$ 5,373,411</u>	<u>\$ 5,373,411</u>
10	INCREASE (DECREASE) EXPENSE	-	5,373,411	5,373,411
11				
12				
13				
14	INCREASE (DECREASE) EXPENSE	-	5,373,411	5,373,411
15				
16	INCREASE (DECREASE) FIT @	35%		(1,880,694)
17	INCREASE (DECREASE) NOI			<u>\$ (3,492,717)</u>

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

Adj. 21.09

LINE NO. DESCRIPTION	TEST YEAR	NEW RATE YEAR	NEW ADJUSTMENT
<u>1 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			
<u>9 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			
<u>17 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

Adj. 21.10

LINE NO. DESCRIPTION	TEST YEAR	NEW RATE YEAR	NEW ADJUSTMENT
1 <u>MINT FARM CAPACITY UPGRADE RATEBASE (AMA)</u>			
2 <u>UTILITY PLANT RATEBASE</u>			
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	<u>\$ -</u>	<u>\$ 19,004,590</u>	<u>\$ 19,004,590</u>

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

LINE NO. DESCRIPTION	TEST YEAR	NEW RATE YEAR	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	<u>59,841,513</u>	<u>59,388,484</u>	<u>(453,030)</u>
6 ACCUMULATED AMORTIZATION	(37,066,402)	(42,958,950)	(5,892,548)
7 DEFERRED INCOME TAX LIABILITY	(7,971,289)	(5,734,435)	2,236,854
8 TOTAL WHITE RIVER NET	<u>\$ 14,803,823</u>	<u>\$ 10,695,098</u>	<u>\$ (4,108,724)</u>
9			
10 <u>WHITE RIVER AMORTIZATION</u>			
11 WHITE RIVER AMORTIZATION	<u>\$ 1,494,702</u>	<u>\$ 6,553,641</u>	<u>\$ 5,058,939</u>
12 TOTAL WHITE RIVER EXPENSES	1,494,702	6,553,641	5,058,939
13			
14 INCREASE (DECREASE) EXPENSE			5,058,939
15			
16 INCREASE (DECREASE) FIT		35%	(1,770,629)
17 INCREASE (DECREASE) NOI			<u>\$ (3,288,310)</u>

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 DEFFERED DEBIT	\$ (101,559,499)	\$ -	\$ 101,559,499
3	COLSTRIP 1/2 RETIREMENT ACCOUNT	-	(95,819,884)	(95,819,884)
4	TOTAL TREASURY GRANTS RATEBASE	<u>\$ (101,559,499)</u>	<u>\$ (95,819,884)</u>	<u>\$ 5,739,615</u>
5				
6				
7	<u>HYDRO TREASURY GRANTS OPERATING EXPENSE</u>			
8	AMORTIZATION EXPENSE	\$ (3,279,780)	\$ -	\$ 3,279,780
9	TOTAL TREASURY GRANTS EXPENSE	<u>(3,279,780)</u>	-	<u>3,279,780</u>
10				
11	INCREASE (DECREASE) FIT @	35%		<u>(1,147,923)</u>
12	INCREASE (DECREASE) NOI			<u>\$ (2,131,857)</u>

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	<u>0.000%</u>	
2	APPLIED ONLY TO LINE 19	VARIABLE	<u>3.839%</u>	0.036322
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	<u>11,662,663</u>	-	-
11				
12	<u>DEPRECIATION / AMORTIZATION:</u>			
13	DEPRECIATION	149,765,347	-	-
14	AMORTIZATION OF TREASURY GRANTS (407.4)	-	-	-
15	AMORTIZATION (OTHER THAN REGULATORY ASSETS/LIAB)	11,818,342	-	-
16	TOTAL DEPRECIATION / AMORTIZATION	<u>161,583,689</u>	-	-
17				
18	<u>OTHER TAXES:</u>			
19	MONTANA ENERGY TAX	<i>1,317,248</i>	<i>(50,574)</i>	<i>17,701</i>
20	PAYROLL TAXES	2,119,540	-	-
21	TOTAL OTHER TAXES	<u><i>3,436,788</i></u>	<u><i>(50,574)</i></u>	<u><i>17,701</i></u>
22				
23	<u>AMORTIZATION ON REGULATORY ASSETS (EXCLUDES POWER REG AMORT</u>			
24	WHITE RIVER REGULATORY ASSET	6,553,641	-	-
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	<u>19,415,532</u>	-	-
36				
37	INCREASE (DECREASE) EXPENSE		<i>(50,574)</i>	<i>17,701</i>
38	INCREASE(DECREASE) NOI			<u><i>\$ 32,873</i></u>
39				

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%
41	RATEBASE:			
42	<u>PRODUCTION RATE BASE:</u>			
43	DEPRECIABLE PRODUCTION PROPERTY (INCLUDES HYDRO GRANT	\$ 3,894,737,851	\$ -	<i>3,894,737,851</i>
44	PRODUCTION PROPERTY ACCUM DEPR.	(1,711,022,636)	0	<i>(1,711,022,636)</i>
45	NON-DEPRECIABLE PRODUCTION PROPERTY	80,139,253	0	<i>80,139,253</i>
46	PRODUCTION PROPERTY ACCUM AMORT.	(9,933,315)	0	<i>(9,933,315)</i>
47	COLSTRIP COMMON FERC ADJUSTMENT	2,908,282	0	<i>2,908,282</i>
48	COLSTRIP DEFERRED DEPRECIATION FERC ADJ.	858,922	0	<i>858,922</i>
49	ACQUISITION ADJUSTMENT	281,543,145	0	<i>281,543,145</i>
50	ACCUMULATED AMORTIZATION ON ACQUISITION ADJ	(113,037,112)	0	<i>(113,037,112)</i>
51	NET PRODUCTION PROPERTY	2,426,194,391	-	<i>2,426,194,391</i>
52				
53				
54	<u>DEDUCT:</u>			
55	LIBR. DEPREC. POST 1980 (AMA)	(513,042,624)	0	<i>(513,042,624)</i>
56	NOL DEFERRED TAX ASSET ATTRIBUTABLE TO PRODUCTION	48,295,905	0	<i>48,295,905</i>
57	TREASURY GRANTS FOR SNOQUALMIE AND BAKER		0	0
58	ACCUM AMORT OF TREASURY GRANTS FOR SNOQUALMIE AND BAKER		0	0
59	ADJUSTMENT TO RATE BASE	(464,746,719)	-	<i>(464,746,719)</i>
60				
61	TOTAL ADJUSTMENT TO PRODUCTION RATE BASE	1,961,447,672	0	<i>1,961,447,672</i>
62				
63	<u>REGULATORY ASSETS RATE BASE (INCLUDES POWER COST REG ASSETS/LIAB)</u>			
64	TREASURY GRANTS DEFERRAL - SNOQUALMIE	(374,252)	0	<i>(374,252)</i>
65	TREASURY GRANTS DEFERRAL - BAKER	(108,339)	-	<i>(108,339)</i>
66	BEP	0	-	<i>0</i>
67	WHITE RIVER REGULATORY ASSET	10,649,666	-	<i>10,649,666</i>
68	WESTCOAST PIPELINE CAPACITY - UE-082013 (FB ENERGY)	(88,510)	-	<i>(88,510)</i>
69	WESTCOAST PIPELINE CAPACITY - UE-100503 (BNP PARIBUS)	(121,339)	-	<i>(121,339)</i>
70	CHELAN PUD CONTRACT INITIATION	82,196,761	-	<i>82,196,761</i>
71	CHELAN - ROCK ISLAND SECURITY DEPOSIT	18,500,000	-	<i>18,500,000</i>
72	COLSTRIP 1&2 (WEC _o) PREPAYMENT	750,000	-	<i>750,000</i>
73	FERC PART 12 STUDY NON-CONSTRUCTION COSTS UE-070074	0	-	<i>0</i>
74	LOWER SNAKE RIVER PREPAID TRANSM PRINCIPAL	60,863,794	-	<i>60,863,794</i>
75	CARRYING CHARGES ON LSR PREPAID TRANSM	8,466,701	-	<i>8,466,701</i>
76	MINT FARM DEFFRED - UE-090704 (ENDS MAR 2025)	12,550,110	-	<i>12,550,110</i>
77	LOWER SNAKE RIVER PLANT DEFERRAL (ENDS APR 2016)	0	-	<i>0</i>
78	FERNDAL PLANT DEFERRAL (ENDS OCT 2019)	3,917,700	-	<i>3,917,700</i>
79	SNOQUALMIE UPGRADE PLANT DEFERRAL (ENDS OCT 2018)	596,764	-	<i>596,764</i>
80	BAKER UPGRADE PLANT DEFERRAL (ENDS OCT 2018)	151,972	-	<i>151,972</i>
81	ELECTRON UNRECOVERED PLANT COSTS	1,128,004	-	<i>1,128,004</i>
82	TOTAL ADJUSTMENT TO REGULATORY ASSETS RATE BASE	\$ 199,079,031	\$ -	<i>\$ 199,079,031</i>
83				
84	TOTAL RATE BASE	-	\$ -	