

**EXH. KJB-22
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**

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

KATHERINE J. BARNARD

ON BEHALF OF PUGET SOUND ENERGY

AUGUST 9, 2017

**Exhibit A-1 Power Cost Baseline Rate
2017 GRC
REBUTTAL**

Row		Test Year					Fixed Prod Cost	Variable Prod Cost
				Test Yr \$/MWh	F/V	In Decoupling	In PCA	
		(I)	(II)	(III)		(IV)	(V)	
3	Regulatory Assets (1) (Fixed)	\$ 199,079,031						
4	Transmission Rate Base (Fixed)	85,738,601						
5	Production Rate Base (Fixed)	<u>1,961,447,672</u>						
6		\$ 2,246,265,304						
7	Net of tax rate of return		6.69%					
8								
9								
9A								
10	Regulatory Asset Recovery (on Row 3)	\$ 20,489,826	\$ 0.989	F		\$ 20,489,826	\$ -	
10a	Equity Adder Centralia Coal Transition PPA	4,769,481	\$ 0.230	V			4,769,481	
11	Fixed Asset Recovery Other (on Row 4)	8,824,481	\$ 0.426	F		8,824,481		
12	Fixed Asset Recovery-Prod Factored (on Row 5)	<u>201,878,230</u>	\$ 9.742	F		<u>201,878,230</u>		
13	501-Steam Fuel Incl PC Reg Amort	<u>70,188,194</u>	\$ 3.387	V				<u>70,188,194</u>
14	555-Purchased power Incl PC Reg Amort	<u>402,420,109</u>	\$ 19.419	V				<u>402,420,109</u>
15	557-Other Power Exp	<u>9,571,514</u>	\$ 0.462	F		<u>9,571,514</u>		
15a	Payroll Overheads - Benefits (Inc. Worker's Comp)	<u>8,206,061</u>	\$ 0.396	F		<u>8,206,061</u>		
15b	Property Insurance	<u>2,763,777</u>	\$ 0.133	F		<u>2,763,777</u>		
15c	Montana Electric Energy Tax	<u>1,266,673</u>	\$ 0.061	V				<u>1,266,673</u>
15d	Payroll Taxes on Production Wages	<u>2,119,540</u>	\$ 0.102	F		<u>2,119,540</u>		
15e	Brokerage Fees 55700003	313,332	\$ 0.015	V				313,332
16	547-Fuel Incl PC Reg Amort	<u>147,903,174</u>	\$ 7.137	V				<u>147,903,174</u>
17	565-Wheeling Incl PC Reg Amort	<u>108,304,459</u>	\$ 5.226	V				<u>108,304,459</u>
18	Transmission Revenue 456.1	<u>(11,639,833)</u>	\$ (0.562)	F		<u>(11,639,833)</u>		
19	Production O&M	<u>137,736,649</u>	\$ 6.646	F		<u>137,736,649</u>		
20	447-Sales to Others	<u>(36,198,534)</u>	\$ (1.747)	V				<u>(36,198,534)</u>
21	456-Purch/Sales Non-Core Gas	<u>(16,255,004)</u>	\$ (0.784)	V				<u>(16,255,004)</u>
22	Transmission Exp - 500KV	<u>662,135</u>	\$ 0.032	F		<u>662,135</u>		
23	Depreciation-Production (FERC 403)	<u>161,583,689</u>	\$ 7.797	F		<u>161,583,689</u>		
24	Depreciation-Transmission	3,490,805	\$ 0.168	F		3,490,805		
25	Amortization - Regulatory Assets & Liab - Non PC Only (1)	<u>19,415,532</u>	\$ 0.937	F		<u>19,415,532</u>		
26	N/A (formerly hedging line of credit)							
27	Subtotal & Baseline Rate	<u>\$ 1,247,814,289</u>	<u>\$ 60.213</u>			<u>\$ 565,102,406</u>	<u>\$ 682,711,883</u>	
28	Revenue Sensitive Items	0.9523860	0.9523860			0.9523860	0.9523860	
29	Grossed up for RSI	<u>\$ 1,310,198,059</u>	<u>\$ 63.224</u>			<u>\$ 593,354,382</u>	<u>\$ 716,843,678</u>	
30	Test Year DELIVERED Load (MWH's)	20,723,206						
31								
32	Baseline Rate Summarized							
33	BLR Net of RSI		\$ 60.213			\$ 27.269	\$ 32.944	
34	Grossed up for RSI		\$ 63.224			\$ 28.632	\$ 34.591	
35								
36	(1) - Amortization is picked up in Regulatory Assets and Liabilities Adjustment and White River Adjustment.							

Revenue Deficiency Calculation

Puget Sound Energy
REVENUE (SURPLUS) / DEFICIENCY
 2017 GRC Contingent Calculation Without Microsoft Compared to 2017 GRC Rebuttal

Row	TY RY	17GRC Cont Calc	From KJB-22	(Surplus)/ Deficiency
		12MOE Sept 2016 Jan - Dec 2018	17GRC REBUTTAL 12MOE Sept 2016 Jan - Dec 2018	
1		\$ 670,993,774	\$ 682,711,883	
2		0.9523860	0.9523860	
3				
4		704,539,729	716,843,678	
5		20,282,959	20,723,206	
6				
7		\$ 34.736	\$ 34.591	\$ 0.145
8				
9				20,282,959
10				
11				\$ 2,941,029

**Exhibit A-1 Power Cost Baseline Rate
2017 GRC
REBUTTAL**

Row	Test Year	NO MS Variable PF=>		NO MS Variable PF=>		Test Yr \$/MWh (II)	F/V (III)	Fixed In Decoupling (IV)	Fixed Prod Cost In PCA (V)	Variable Prod Cost In PCA (V)
		199,079,031	85,738,601	1,961,447,672	0.0381724					
3	Regulatory Assets (1) (Fixed)	\$ 199,079,031								
4	Transmission Rate Base (Fixed)	85,738,601								
5	Production Rate Base (Fixed)	1,961,447,672								
6	Net of tax rate of return	\$ 2,246,265,304								
7		6.69%								
9A	Regulatory Asset Recovery (on Row 3)	\$ 20,489,826	\$ 0.989	F	\$ 20,489,826	\$				
10a	Equity Adder Centralia Coal Transition PPA	4,769,481	\$ 0.230	V						4,769,481
11	Fixed Asset Recovery Other (on Row 4)	8,824,481	\$ 0.426	F	8,824,481					
12	Fixed Asset Recovery-Prod Factored (on Row 5)	201,878,230	\$ 9.742	F	201,878,230					
13	501-Steam Fuel Incl PC Reg Amort	70,188,194	\$ 3.387	V						70,188,194
14	555-Purchased power Incl PC Reg Amort	402,420,109	\$ 19.419	V						402,420,109
15a	557-Other Power Exp	9,571,514	\$ 0.462	F	9,571,514					
15b	Payroll Overheads - Benefits (Inc. Worker's Comp)	8,206,061	\$ 0.396	F	8,206,061					
15c	Property Insurance	2,763,777	\$ 0.133	F	2,763,777					
15d	Montana Electric Energy Tax	1,266,673	\$ 0.061	V						1,266,673
15e	Payroll Taxes on Production Wages	2,119,540	\$ 0.102	F	2,119,540					
16	Brokerage Fees 55700003	313,332	\$ 0.015	V						313,332
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21	447-Sales to Others	(36,198,534)	\$ (1.747)	V						(36,198,534)
22	456-Purch/Sales Non-Core Gas	(16,255,004)	\$ (0.784)	V						(16,255,004)
23	Transmission Exp - 500KV	662,135	\$ 0.032	F	662,135					
24	Depreciation-Production (FERC 403)	161,583,689	\$ 7.797	F	161,583,689					
25	Depreciation-Transmission	3,490,805	\$ 0.168	F	3,490,805					
26	Amortization - Regulatory Assets & Liab - Non PC Only (1)	19,415,532	\$ 0.937	F	19,415,532					
27	N/A (formerly hedging line of credit)									
28	Subtotal & Baseline Rate	\$ 1,247,814,289	\$ 60.213		\$ 565,102,406	\$ 682,711,883				
29	Revenue Sensitive Items	0.9523860	0.9523860		0.9523860	0.9523860				
30	Grossed up for RSI	\$ 1,310,198,059	\$ 63.224		\$ 593,354,382	\$ 716,843,678				
31	Test Year DELIVERED Load (MWH's)	20,723,206	<-- includes Firm Wholesale	Total	Fixed	Variable				
32	Baseline Rate Summarized									
33	BLR Net of RSI	\$	\$ 60.213		\$	\$ 27,269	\$	\$	\$ 32,944	
34	BLR Grossed Up for RSI	\$	\$ 63.224		\$	\$ 28,632	\$	\$	\$ 34,591	
35										
36	(1) - Amortization is picked up in Regulatory Assets and Liabilities Adjustment and White River Adjustment.									

Note: Amounts in bold and italics are different from the With MS Rebuttal