

**EXHIBIT NO. ___(DAD-4)
DOCKETS UE-17___/UG-17___
2017 PSE GENERAL RATE CASE
WITNESS: DANIEL A. DOYLE**

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

PUGET SOUND ENERGY,

Respondent.

Docket UE-17___

Docket UG-17___

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

DANIEL A. DOYLE

ON BEHALF OF PUGET SOUND ENERGY

JANUARY 13, 2017

**Comparison of Earnings Sharing Level
and Opportunity to Earn Authorized Return on Equity**

(A) (B) (C) (D) (E) (F) (G) (H) (I)

Dollars in Millions

		-35 bps	-30 bps	-25 bps	ROR 7.77% (1)	+25 bps	+30 bps	+35 bps	Ave ROE
1									
2	Rate Base	\$4,214	\$4,214	\$4,214	\$4,214	\$4,214	\$4,214	\$4,214	
3	Equity Rate Base	\$2,023	\$2,023	\$2,023	\$2,023	\$2,023	\$2,023	\$2,023	
4	<i>Incremental NOI - No Sharing</i>	(\$14.8)	(\$12.6)	(\$10.5)	\$0.0	\$10.5	\$12.6	\$14.8	
5	Rate of Return (ROR)	7.42%	7.47%	7.52%	7.77%	8.02%	8.07%	8.12%	
6	Return on Equity (ROE)	9.07%	9.17%	9.28%	9.80%	10.32%	10.42%	10.53%	9.80%
7	<i>Incremental NOI - PSE Proposed Sharing after 8.02% (7.77% + 25BP)</i>	(\$14.8)	(\$12.6)	(\$10.5)	\$0.0	\$10.5	\$11.6	\$12.6	
8	ROR - sharing after 8.02%	7.42%	7.47%	7.52%	7.77%	8.02%	8.05%	8.07%	
9	ROE - sharing after 8.02%	9.07%	9.17%	9.28%	9.80%	10.32%	10.37%	10.42%	9.77%
10	<i>Incremental NOI - As Approved Sharing > 7.77%</i>	(\$14.8)	(\$12.6)	(\$10.5)	\$0.0	\$5.3	\$6.3	\$7.4	
11	ROR - sharing after 7.77%	7.42%	7.47%	7.52%	7.77%	7.90%	7.92%	7.95%	
12	ROE - sharing after 7.77%	9.07%	9.17%	9.28%	9.80%	10.06%	10.11%	10.16%	9.66%

(1) ROR represents the rate implemented as part of the July 1, 2013 ERF