

Exhibit No. ____ (JH-2)
Docket UE-130617
Witness: Joanna Huang

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

PUGET SOUND ENERGY, INC.

Respondent.

DOCKET UE-130617

In the Matter of the Application of

PUGET SOUND ENERGY, INC.,

**For an Order Authorizing the Sale of
Interests in the Development Assets
Required for the Construction and
Operation of Phase II of the Lower Snake
River Wind Facility**

DOCKET UE-131230

**EXHIBIT TO
TESTIMONY OF**

Joanna Huang

**STAFF OF
WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION**

*Support for Calculation of Staff Adjustment 21
Prepaid Transmission and Deferred Carrying Charges*

August 14, 2013

Puget Sound Energy
PREPAID TRANSMISSION LOWER SNAKE RIVER
Amortization starts May, 2012 and ends April, 2037 (300 months)
CALCULATION OF CARRYING CHARGES and RELATED RESERVE LSR BPA TRANSMISSION DEPOSITS UE-100882

Month/Period	#18232311		#18600581		#18600591		Accumulated Amortization prior mo - (f) = (e)	Net Value (c) + (e) = (g)	Monthly DFIT prior month (j) * 35% = (i)	DFIT Expense prior mo (h) - current mo (i) = (f)	Accumulated DFIT prior mo + (i) = (m)	AMA Accum. (n) = (i) + (m)
	Principal Balance (a)	Carrying Costs (b)	Accum. Carrying Costs (c)	AMA carrying charges Bal. (d) = (c) / 300 Mos (25yrs)	Monthly Amortization (e) = (c) / 300 Mos (25yrs)	AMA Accum. (f)						
July 2008												
August 2008	500,000											
September 2008	500,000											
October 2008	500,000											
November 2008	500,000											
December 2008	500,000											
January 2009	500,000											
February 2009	13,700,000											
March 2009	13,700,000											
April 2009	13,700,000											
May 2009	17,200,000											
June 2009	17,200,000											
July 2009	17,200,000											
August 2009	27,700,000											
September 2009	38,200,000											
October 2009	38,200,000											
November 2009	38,200,000											
December 2009	38,200,000											
January 2010	38,200,000											
February 2010	38,200,000											
March 2010	38,200,000											
April 2010	38,200,000											
May 1 - 19, 2010	38,200,000											
May 20-31 / 2010	38,200,000											
June 2010	48,200,000											
July 2010	58,200,000											
August 2010	58,200,000	2,013,270	2,013,270									
September 2010	58,200,000	578,988	2,592,258									
October 2010	72,600,000	643,129	3,235,387									
November 2010	72,600,000	643,129	3,878,516									
December 2010	72,600,000	643,129	4,521,645									
January 2011	72,600,000	643,129	5,164,774									
February 2011	72,600,000	726,650	5,891,424									
March 2011	90,800,000	795,270	6,686,694									
April 2011	90,800,000	803,231	7,489,925									
May 2011	90,800,000	803,231	8,293,155	3,801,706								
June 2011	90,800,000	803,231	9,096,386	4,526,270								
July 2011	90,800,000	843,038	9,939,424	5,319,429								
August 2011	99,800,000	882,846	10,822,270	6,100,613								
September 2011	99,800,000	882,846	11,705,116	6,847,357								
October 2011	99,800,000	882,846	12,587,963	7,616,750								
November 2011	99,800,000	882,846	13,470,809	8,406,120								
December 2011	99,800,000	882,846	14,353,655	9,215,466								
January 2012	99,800,000	882,846	15,236,501	10,044,788								
February 2012	99,800,000	882,846	16,119,347	10,890,607								
March 2012	99,800,000	882,846	17,002,193	11,746,583								
April 2012	99,800,000	370,226	17,372,419	12,588,166								
May 2012	99,800,000				57,908	(57,908)	17,314,511	(6,060,079)	6,060,079	(6,060,079)	(252,503)	12,333,250

6,100,613
6,847,357
7,616,750
8,406,120
9,215,466
10,044,788
10,890,607
11,746,583

Puget Sound Energy
PREPAID TRANSMISSION LOWER SNAKE RIVER
Amortization starts May, 2012 and ends April, 2037 (300 months)
CALCULATION OF CARRYING CHARGES and RELATED RESERVE LSR BPA TRANSMISSION DEPOSITS UE-100882

Month/Period	Principal Balance (a)	Carrying Costs (b)	Accum. Carrying Costs (c)	AMA carrying charges Bal.	Monthly Amortization (d) = (c) / 300 Mos (25yrs)	Accumulated Amortization prior mo - (f) = (e)	AMA Accum. Amortization (f)	Net Value (c) + (e) = (g)	Monthly DFIT (h) = current month (g) - prior month(j) * 35%	DFIT Expense prior mo(h) - current mo(h) = (i)	Accumulated DFIT prior mo + (i) = (m)	AMA Accum DFIT (n) = (i) + (m)
June 2012	-	-	17,372,419	13,378,239	57,908	(115,616)	(9,651)	17,256,603	(6,039,811)	(20,268)	(6,039,811)	(756,665)
July 2012	-	-	17,372,419	14,101,377	57,908	(173,724)	(21,716)	17,198,695	(6,019,543)	(20,268)	(6,019,543)	(1,259,138)
August 2012	-	-	17,372,419	14,755,919	57,908	(231,632)	(38,605)	17,140,787	(5,999,275)	(20,268)	(5,999,275)	(1,759,923)
September 2012	-	-	17,372,419	15,338,550	57,908	(289,540)	(60,321)	17,082,879	(5,979,008)	(20,268)	(5,979,008)	(2,259,018)
October 2012	-	-	17,372,419	15,947,611	57,908	(347,448)	(86,862)	17,024,971	(5,958,740)	(20,268)	(5,958,740)	(2,756,424)
November 2012	-	-	17,372,419	16,283,101	57,908	(405,356)	(118,229)	16,967,063	(5,938,472)	(20,268)	(5,938,472)	(3,252,141)
December 2012	-	-	17,372,419	16,645,020	57,908	(463,265)	(154,422)	16,909,155	(5,918,204)	(20,268)	(5,918,204)	(3,746,169)
January 2013	-	-	17,372,419	16,933,369	57,908	(521,173)	(195,440)	16,851,247	(5,897,936)	(20,268)	(5,897,936)	(4,238,508)
February 2013	-	-	17,372,419	17,148,148	57,908	(579,081)	(241,284)	16,793,338	(5,877,668)	(20,268)	(5,877,668)	(4,729,159)
March 2013	-	-	17,372,419	17,289,356	57,908	(636,989)	(291,953)	16,735,430	(5,857,401)	(20,268)	(5,857,401)	(5,218,120)
April 2013	-	-	17,372,419	17,356,993	57,908	(694,897)	(347,448)	16,677,522	(5,837,133)	(20,268)	(5,837,133)	(5,705,392)
May 2013	-	-	17,372,419	17,372,419	57,908	(752,805)	(405,356)	16,619,614	(5,816,865)	(20,268)	(5,816,865)	(6,194,591)
June 2013	-	-	17,372,419	17,372,419	57,908	(810,713)	(463,265)	16,561,706	(5,796,597)	(20,268)	(5,796,597)	(6,681,194)
July 2013	-	-	17,372,419	17,372,419	57,908	(868,621)	(521,173)	16,503,798	(5,776,329)	(20,268)	(5,776,329)	(7,164,523)
August 2013	(20,500,000)	(3,477,972)	13,894,447	17,227,504	46,315	(914,936)	(578,598)	12,979,511	(4,542,829)	(1,233,500)	(4,542,829)	10,953,310
September 2013	(20,500,000)	(175,827)	13,718,620	16,930,346	45,729	(960,665)	(635,032)	12,737,955	(4,465,284)	(77,544)	(4,465,284)	10,591,954
October 2013	(20,500,000)	(175,827)	13,542,793	16,618,537	45,729	(1,006,393)	(690,452)	12,536,400	(4,387,740)	(77,544)	(4,387,740)	10,353,256
November 2013	(20,500,000)	(175,827)	13,366,966	16,292,075	45,729	(1,052,122)	(744,866)	12,314,844	(4,310,195)	(77,544)	(4,310,195)	10,105,693
December 2013	-	-	13,366,966	15,958,288	43,670	(1,095,792)	(798,160)	12,271,175	(4,294,911)	(15,284)	(4,294,911)	9,854,083
January 2014	-	-	13,366,966	15,624,500	43,670	(1,139,461)	(850,277)	12,227,505	(4,279,627)	(15,284)	(4,279,627)	9,603,245
February 2014	-	-	13,366,966	15,290,712	43,670	(1,183,131)	(901,208)	12,183,835	(4,264,342)	(15,284)	(4,264,342)	9,353,178
March 2014	-	-	13,366,966	14,956,924	43,670	(1,226,801)	(950,952)	12,140,166	(4,249,058)	(15,284)	(4,249,058)	9,103,882
April 2014	-	-	13,366,966	14,623,137	43,670	(1,270,470)	(999,510)	12,096,496	(4,233,774)	(15,284)	(4,233,774)	8,855,357
May 2014	-	-	13,366,966	14,289,349	43,670	(1,314,140)	(1,046,881)	12,052,826	(4,218,489)	(15,284)	(4,218,489)	8,607,604
June 2014	-	-	13,366,966	13,955,561	43,670	(1,357,810)	(1,093,066)	12,009,157	(4,203,205)	(15,284)	(4,203,205)	8,360,622
July 2014	-	-	13,366,966	13,621,773	43,670	(1,401,479)	(1,138,064)	11,965,487	(4,187,920)	(15,284)	(4,187,920)	8,114,411
August 2014	-	-	13,366,966	13,432,901	43,670	(1,445,149)	(1,182,359)	11,921,817	(4,172,636)	(15,284)	(4,172,636)	7,962,853
September 2014	-	-	13,366,966	13,396,271	43,670	(1,488,819)	(1,226,457)	11,878,148	(4,157,352)	(15,284)	(4,157,352)	7,910,379
October 2014	-	-	13,366,966	13,374,292	43,670	(1,532,488)	(1,270,384)	11,834,478	(4,142,067)	(15,284)	(4,142,067)	7,867,540
November 2014	-	-	13,366,966	13,366,966	43,670	(1,576,158)	(1,314,140)	11,790,808	(4,126,783)	(15,284)	(4,126,783)	7,834,337
December 2014	-	-	13,366,966	13,366,966	43,670	(1,619,828)	(1,357,810)	11,747,139	(4,111,499)	(15,284)	(4,111,499)	7,805,952

95.81%

4.19%

Percent of (column l + column o) at month prior to when column i becomes 0 ==> Allocate credits between principal and interest and interest between PSE and Customer

Month	Interest		Credit		First		Second		Third		Last		18232301, 18600581 Principal Bal	
	a	b	c	d	e	f	g	h	i	j	k	l		m
	= i from amort sched	= i from amort sched	= h from amort sched	= b thru May 19, 2010	= c up until f is 0	= prior mo + d + e	= b from May 20, 2010 & current mos	= c - e	= prior mo + h	= b from Apr, 2012 until balance in i = 0	= 4.19% of (c - e - h)	= prior mo + j + k	= g from amort sched	= 95.81% of (c - e - h) + n
8/31/2008	-	1,234	-	1,234	-	1,234	-	-	-	-	-	500,000	500,000	
9/30/2008	-	2,178	-	2,178	-	3,412	-	-	-	-	-	-	500,000	
10/31/2008	-	2,138	-	2,138	-	5,550	-	-	-	-	-	-	500,000	
11/30/2008	-	2,069	-	2,069	-	7,619	-	-	-	-	-	-	500,000	
12/31/2008	-	2,138	-	2,138	-	9,757	-	-	-	-	-	-	500,000	
1/31/2009	-	1,957	-	1,957	-	11,714	-	-	-	-	-	-	500,000	
2/28/2009	-	-	-	-	-	11,714	-	-	-	-	-	6,600,000	7,100,000	
2/28/2009	-	10,758	-	10,758	-	22,472	-	-	-	-	-	6,600,000	13,700,000	
3/31/2009	-	52,630	-	52,630	-	75,102	-	-	-	-	-	-	13,700,000	
4/30/2009	-	38,155	-	38,155	-	113,257	-	-	-	-	-	-	13,700,000	
5/31/2009	-	39,427	-	39,427	-	152,684	-	-	-	-	-	-	13,700,000	
6/30/2009	-	47,527	-	47,527	-	200,211	-	-	-	-	-	3,500,000	17,200,000	
7/31/2009	-	48,029	-	48,029	-	248,240	-	-	-	-	-	-	17,200,000	
8/31/2009	-	48,964	-	48,964	-	297,204	-	-	-	-	-	10,500,000	27,700,000	
9/30/2009	-	75,463	-	75,463	-	372,667	-	-	-	-	-	10,500,000	38,200,000	
10/31/2009	-	106,471	-	106,471	-	479,138	-	-	-	-	-	-	38,200,000	
11/30/2009	-	103,037	-	103,037	-	582,175	-	-	-	-	-	-	38,200,000	
12/31/2009	-	106,471	-	106,471	-	688,646	-	-	-	-	-	-	38,200,000	
1/31/2010	-	107,343	-	107,343	-	795,989	-	-	-	-	-	-	38,200,000	
2/28/2010	-	96,955	-	96,955	-	892,945	-	-	-	-	-	-	38,200,000	
3/31/2010	-	107,343	-	107,343	-	1,000,288	-	-	-	-	-	-	38,200,000	
4/30/2010	-	104,713	-	104,713	-	1,105,001	-	-	-	-	-	-	38,200,000	
5/19/2010	-	66,318	-	66,318	-	1,171,319	-	-	-	-	-	-	38,200,000	
5/31/2010	-	41,885	-	41,885	-	1,171,319	41,885	-	-	-	-	-	38,200,000	
6/30/2010	-	144,224	-	144,224	-	1,171,319	144,224	-	-	-	-	10,000,000	48,200,000	
7/31/2010	-	153,045	-	153,045	-	1,171,319	153,045	-	-	-	-	10,000,000	58,200,000	
8/31/2010	-	180,404	-	180,404	-	1,171,319	180,404	-	-	-	-	-	58,200,000	
9/30/2010	-	174,585	-	174,585	-	1,171,319	174,585	-	-	-	-	-	58,200,000	
10/31/2010	-	186,164	-	186,164	-	1,171,319	186,164	-	-	-	-	14,400,000	72,600,000	
11/30/2010	-	218,286	-	218,286	-	1,171,319	218,286	-	-	-	-	-	72,600,000	
12/31/2010	-	225,562	-	225,562	-	1,171,319	225,562	-	-	-	-	-	72,600,000	
1/31/2011	-	227,470	-	227,470	-	1,171,319	227,470	-	-	-	-	-	72,600,000	
2/28/2011	-	205,457	-	205,457	-	1,171,319	205,457	-	-	-	-	-	72,600,000	
3/31/2011	-	257,703	-	257,703	-	1,171,319	257,703	-	-	-	-	-	72,600,000	
4/30/2011	-	275,508	-	275,508	-	1,171,319	275,508	-	-	-	-	18,200,000	90,800,000	
5/31/2011	-	284,692	-	284,692	-	1,171,319	284,692	-	-	-	-	-	90,800,000	
6/30/2011	-	275,508	-	275,508	-	1,171,319	275,508	-	-	-	-	-	90,800,000	

**Puget Sound Energy
UE-130617**

Calculation of the prepayment for the sale of LSR II

99.7 M	Network Upgrades-Central Ferry Substation
2.5 M	Direct Assignment facilities for LSR 1
102.2 M	Total Upfront Payments to BPA

	<i>in MWs</i>	
	1250	CF substation total capacity
	266.8	LSR2 assigned capacity
ratio	<u>21%</u>	LSR2 share of total capacity
	in millions	
	\$ 102.2	LGIA
	\$ 21.8	PGE Apportionment
	\$ 22.0	Amount proposed in RFP

Final APA Amount \$20.5M

\$ 98.9	Actual Network Upgrade costs (see attached cost sheet from BPA)
\$ 2.5	Less direct costs associated with LSR1
\$ 96.4	Net Central Ferry Substation Upgrade
<u>\$ 20.5</u>	Final per APA

Yedinak, Jason

From: DeClerck,Angela (BPA) - TSE-TPP-2 [ardeclerck@bpa.gov]
Sent: Monday, April 08, 2013 8:56 AM
To: Yedinak, Jason
Cc: Sinha,Amit (BPA) - TEP-TPP-1; Holst,Michele R (BPA) - TEPO-TPP-1; Timberman,Toni L (BPA) - TSE-TPP-2
Subject: Central Ferry Cost Update as of 3/18/13

DIRECT TOTAL **\$78,040,489.82**

ACTUAL COST (w/OH)

Material / Equipment	\$ 38,493,537.45
Labor	\$ 8,897,469.88
Supplemental Labor, Service Contracts	\$ 7,408,938.73
Turnkey - Contracts	\$ 40,212,647.82
Travel	\$ 606,276.46
Land	\$ 108,900.00
Administrative	\$ 2,262,671.06
CURRENT PROJECT COST as of 3/18/13	\$97,990,441.40
Accruals not processed (Equipment)	\$ 1,119.55
Est Franklin Radio Tower Work - Accruals Only	\$ 876,900.00
ACTUAL COST (w/OH)	\$ 98,868,460.95
Total Customer Funding	\$(102,200,000.00)
Remaining Balance	\$ (3,331,539.05)

*** Accruals have not processed, added by hand

Hi Jason,

This is the latest cost update for Central Ferry. BPA still has some work to completion the communications system at Franklin. When this is complete we can close out the work. Let me know if you have any questions.

Angela