

EXHIBIT NO. ___(KJB-16)
DOCKET NO. UE-121373
DOCKET NO. UE-121697/UG-121705
DOCKET NO. UE-130137/130138
WITNESS: KATHERINE J. BARNARD

BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

<p>In the Matter of the Petition of</p> <p>PUGET SOUND ENERGY, INC.</p> <p>For Approval of a Power Purchase Agreement for Acquisition of Coal Transition Power, as Defined in RCW 80.80.010, and the Recovery of Related Acquisition Costs</p>	<p>DOCKET NO. 121373</p>
<p>In the Matter of the Petition of</p> <p>PUGET SOUND ENERGY, INC. and NW ENERGY COALITION</p> <p>For an Order Authorizing PSE to Implement Electric and Natural Gas Decoupling Mechanisms and to Record Accounting Entries Associated with the Mechanisms</p>	<p>DOCKET NOS. UE-121697and UG-121705 (Consolidated)</p>
<p>WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION,</p> <p>Complainant,</p> <p>v.</p> <p>PUGET SOUND ENERGY, INC.,</p> <p>Respondent.</p>	<p>DOCKET NOS. UE-130137 and UG-130138 (Consolidated)</p>

FIFTH EXHIBIT (NONCONFIDENTIAL) TO THE
PREFILED REBUTTAL TESTIMONY OF
KATHERINE J. BARNARD
ON BEHALF OF PUGET SOUND ENERGY, INC.

In Support of the Multiparty Settlement
Re: Coal Transition PPA and other Pending Dockets

MAY 8, 2013

PUGET SOUND ENERGY
K-FACTOR CALCULATION
BASED ON PER CUSTOMER ESCALATION RATES

LINE NO.	2011 GRC	% OF REVENUE	ESCALATION	WEIGHTED	
	REVENUE REQUIREMENT A	REQUIREMENT B	FACTOR C	ESCALATION D	
	(Col B x Col C)				
Electric					
1	Ratebase related	189,360,556	28%	4.7%	1.30%
2	Expense excl depn	338,591,412	50%	1.9%	0.95%
3	Depn/Amort	150,830,212	22%	5.3%	1.19%
4	Total Electric ERF related Revenue Requirement	<u>678,782,179</u>	100%		<u>3.43%</u>
5					
6					
7					
8 GAS					
9	Ratebase related	127,391,821	30%	3.5%	1.06%
10	Expense excl depn	186,153,835	44%	1.9%	0.84%
11	Depn/Amort	108,609,792	26%	3.1%	0.79%
12	Total Gas ERF related Revenue Requirement	<u>422,155,448</u>	100%		<u>2.68%</u>

Actual Approved Costs/Customer (historical 2006 to 2011)
(as opposed to O&M at CPI less productivity)

Electric					
14	Ratebase related	189,360,556	28%	4.7%	1.30%
15	Expense excl depn	338,591,412	50%	4.7%	2.35%
16	Depn/Amort	150,830,212	22%	5.3%	1.19%
17	Total Electric ERF related Revenue Requirement	<u>678,782,179</u>	100%		<u>4.84%</u>
GAS					
18	Ratebase related	127,391,821	30%	3.5%	1.07%
19	Expense excl depn	186,153,835	44%	2.2%	0.99%
20	Depn/Amort	108,609,792	26%	3.1%	0.80%
21	Total Gas ERF related Revenue Requirement	<u>422,155,448</u>	100%		<u>2.86%</u>

PUGET SOUND ENERGY
ANNUAL GROWTH RATE BASED ON GRC COMPLIANCE FILING WORKPAPERS
ELECTRIC OPERATIONS

Test Year	% Annual Growth in O&M				
	2004 GRC	2006 GRC	2007 GRC	2009 GRC	2011 GRC
1 Load (input tab)					
2 Electric	19,334,018,640	20,339,226,968	21,283,655,838	21,821,673,792	21,143,300,002
3					
4 Electric Expenses					
5 Other Power Supply Expense	52,551,925	77,648,296	96,183,223	107,091,100	124,341,933
6 PCA Transmission	485,960	862,248	1,136,455	1,523,617	1,419,635
7 Transmission & Distribution Expense	63,736,286	65,086,999	75,095,489	82,334,864	92,084,397
8 Customer Account & Services Expenses	37,542,803	37,706,383	41,878,822	44,367,720	49,173,646
9 Admin & General Expenses	70,951,920	74,379,848	81,986,794	89,886,009	99,871,160
10 Total Electric Expenses	225,268,893	255,683,774	296,280,783	325,203,310	366,890,771
11 Electric Non-pca related	172,231,009	177,173,230	198,961,105	216,588,593	241,129,203
12 Electric Depreciation					
13 Production	37,335,853	59,620,924	51,741,842	50,072,838	93,722,074
14 PCA Transmission	4,859,223	4,861,051	3,805,774	4,056,906	3,843,499
15 Transmission & Distribution	71,715,862	76,838,397	87,146,104	92,434,248	101,680,414
16 General, Intangible	11,381,296	10,068,281	19,226,023	15,196,346	20,477,642
17 Non-Tracker	-	-	13,993,264	-	-
18 Electric Depreciation	125,292,233	151,388,653	161,919,743	175,753,602	219,723,630
19 Total T&D and General	83,097,158	86,906,678	106,372,127	107,630,594	122,158,056
20					
21 Electric Amortization					
22 Production	4,713,860	3,004,881	5,612,906	11,298,008	11,275,733
23 Transmission & Distribution	-	-	-	-	-
24 General, Intangible	19,142,502	19,349,756	25,514,388	28,304,530	25,477,630
25 Non-Tracker	1,498,249	2,793,718	1,805,160	2,112,845	3,194,525
26 Electric Amortization	25,354,610	25,148,354	32,932,455	41,715,383	39,947,889
27 Total T&D and General	19,142,502	19,349,756	25,514,388	28,304,530	25,477,630
28					
29 T&D/General Depn & Amort (ln19 + ln27)	102,239,659	106,256,434	131,886,516	135,935,123	147,635,687
30					
31 Electric Rate base					
32 Production	751,245,624	1,234,946,228	1,246,912,240	1,583,950,372	2,330,849,778
33 PCA Transmission	120,648,501	113,206,055	107,422,863	102,337,940	94,699,228
34 Transmission & Distribution (Note 1)	1,408,241,596	1,395,944,754	1,641,251,984	1,922,288,883	2,172,658,792
35 General, Intangible, Other (Note 1)	221,758,096	203,380,656	180,138,722	-	-
36 Non-Tracker	42,776,224	29,838,500	127,847,726	188,037,777	255,040,634
37 Electric Ratebase	2,544,670,041	2,977,316,193	3,303,573,535	3,796,614,971	4,853,248,431
38 Total T&D and General	1,629,999,692	1,599,325,411	1,821,390,706	1,922,288,883	2,172,658,792

Average Customer Count from GRC (2)	1,004,833	1,041,219	1,060,704	1,075,057	1,075,057
Cost per customer:					
Depn	\$ 86.49	\$ 102.16	\$ 101.47	\$ 113.63	\$ 113.63
Ratebase	\$ 1,591.63	\$ 1,749.29	\$ 1,812.28	\$ 2,020.97	\$ 2,020.97
Operating Expense	\$ 176.32	\$ 191.08	\$ 204.19	\$ 224.29	\$ 224.29

(Note 1) For the 2009 GRC, 2011 GRC and 2011 CBR, General, Intangible and Other plant is included on line 35.
(Note 2) Customer Counts from PSE's Response to Public Counsel Data Request 78, Attachments A

PUGET SOUND ENERGY
ANNUAL GROWTH RATE BASED ON GRC COMPLIANCE FILING WORKPAPERS
NATURAL GAS OPERATIONS

	2004 GRC	2006 GRC	2007 GRC	2009 GRC	2011 GRC	% Annual Growth in O&M			
						2004GRC - 2011GRC	2006GRC - 2011GRC	2007GRC - 2011GRC	2009GRC - 2011GRC
1 Test Year	Sep-03	Sep-05	Sep-07	Dec-08	Dec-10	7.25	5.25	3.25	2.0
2									
3 Load									
4 Gas	1,033,465,074	1,038,450,901	1,084,208,169	1,120,309,121	1,072,668,096	0.5%	0.6%	-0.3%	-2.1%
5									
6 Gas Expenses									
7 Other Power Supply Expense	1,162,087	1,555,800	1,769,111	1,881,592	1,959,232	7.5%	4.5%	3.2%	2.0%
8 Transmission & Distribution Expense	26,259,234	34,532,486	43,207,192	52,101,244	49,783,566	9.2%	7.2%	4.5%	-2.2%
9 Customer Account & Services Expenses	23,088,164	25,038,278	27,397,683	29,110,812	31,704,844	4.5%	4.6%	4.6%	4.4%
10 Admin & General Expenses	32,698,303	41,714,840	40,022,534	43,076,879	43,995,146	4.2%	1.0%	3.0%	1.1%
11 Total Gas Expenses	83,207,788	102,841,404	112,396,520	126,170,527	127,442,788	6.1%	4.2%	3.9%	0.5%
Non-power supply related	82,045,701	101,285,604	110,627,409	124,288,935	125,483,555	6.0%	4.2%	4.0%	0.5%
12									
13 Electric Non-pca related									
14 Production & Gas Storage	1,076,351	1,294,251	934,365	1,011,473	1,278,337	2.4%	-0.2%	10.1%	12.4%
15 Transmission & Distribution	52,617,414	59,340,713	75,944,262	80,729,161	85,358,207	6.9%	7.2%	3.7%	2.8%
16 General , Intangible , Other	4,182,553	4,321,030	10,051,696	7,109,187	9,195,128	11.5%	15.5%	-2.7%	13.7%
17 Gas Depreciation	57,876,318	64,955,994	86,930,323	88,849,821	95,831,672	7.2%	7.7%	3.0%	3.9%
18 Less Prod, Storage, LNG	1,076,351	1,294,251	934,365	1,011,473	1,278,337	2.4%	-0.2%	10.1%	12.4%
19 Net Gas Depreciation (In17 - In18)	56,799,967	63,661,743	85,995,958	87,838,349	94,553,335	7.3%	7.8%	3.0%	3.8%
20									
21									
22 Gas Amortization									
23 Production & Gas Storage	-	-	-	-	-	0.0%	0.0%	0.0%	0.0%
24 Transmission & Distribution	21,162	82,646	303,738	403,917	219,232	38.1%	20.4%	-9.5%	-26.3%
25 General , Intangible , Other	9,579,622	11,220,066	13,783,889	15,214,871	12,558,889	3.8%	2.2%	-2.8%	-9.1%
26 Gas Amortization	9,600,784	11,302,712	14,087,627	15,618,788	12,778,120	4.0%	2.4%	-3.0%	-9.5%
27									
28 T&D/General Depn & Amort (In19 + In26)	66,400,751	74,964,455	100,083,585	103,457,137	107,331,456	6.8%	7.1%	2.2%	1.9%
29									
30 Gas Ratebase									
31 Production & Gas Storage	22,042,681	25,973,805	27,896,986	27,244,685	39,751,535	8.5%	8.4%	11.5%	20.8%
32 Transmission & Distribution	925,750,507	1,037,271,755	1,191,070,429	1,301,847,809	1,414,064,871	6.0%	6.1%	5.4%	4.2%
33 General , Intangible , Other	118,543,578	106,130,161	90,793,405	85,446,599	101,077,864	-2.2%	-0.9%	3.4%	8.8%
34 Working Capital	1,345,790	10,976,022	37,506,872	52,980,352	78,334,208	75.2%	45.4%	25.4%	21.6%
35 Gas Ratebase	1,067,682,556	1,180,351,743	1,347,267,693	1,467,519,443	1,633,228,478	6.0%	6.4%	6.1%	5.5%
36 Less Production related	(22,042,681)	(25,973,805)	(27,896,986)	(27,244,685)	(39,751,535)				
37 Less Working Capital	(1,345,790)	(10,976,022)	(37,506,872)	(52,980,352)	(78,334,208)				
38 Total T&D and General	1,044,294,085	1,143,401,915	1,281,863,835	1,387,294,407	1,515,142,736	5.3%	5.5%	5.3%	4.5%

(Note 1) The 2007 GRC depreciation results shown on line 19, included a \$9.3M adjustment resulting from the 07 Depreciation study approved in that filing. Had the adjustment occurred in the 2006 GRC, the compound growth factor for the 2006 to 2011 period would have been 5.1%

2006 Gas Depreciation	63,661,743	
2007 GRC Depreciation Adjustment	9,262,448	
	72,924,191	5.1%

Average Customer Count from GRC (2)	678,712	717,732	737,836	750,800	1.9%
Cost per customer:					
39 Depn	\$ 107.44	\$ 119.82	\$ 119.05	\$ 125.94	3.1%
40 Ratebase	\$ 1,684.66	\$ 1,785.99	\$ 1,880.22	\$ 2,018.04	3.5%
41 Operating Expense	\$ 149.23	\$ 154.13	\$ 168.45	\$ 167.13	2.2%
Total Ratebase (In 35)	\$ 1,739.10	\$ 1,877.12	\$ 1,988.95	\$ 2,175.32	4.4%

(Note 2) Customer Counts from PSE's Response to Public Counsel Data Request 78, Attachments B

