

**EXHIBIT NO. \_\_\_(JLM-4)  
DOCKET NO. UE-17\_\_\_/UG-17\_\_\_  
2017 PSE GENERAL RATE CASE  
WITNESS: JOEL L. MOLANDER**

**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**

**JOEL L. MOLANDER**

**ON BEHALF OF PUGET SOUND ENERGY**

**JANUARY 13, 2017**

# South King Complex Pro Forma Summary

Finalized on 6/2/2016

Assumes Regulatory Lag

CAGR Assumption

	A	B	C	D	E	F	G	H	I	J
	PSE FINANCIAL PROJECTIONS									CUSTOMER POINT OF VIEW
SCENARIO	FEASIBILITY	2016-2020 CAPEX <sup>(1)</sup>	20 YEAR CAPEX	2016-2020 CUM EBITDA <sup>(2)</sup>	20 YEAR CUM EBITDA	1ST RATE YEAR OF RECOVERY ON OWNED PROPERTY	YR 2035 RATE BASE <sup>(3)</sup>	35 YR NPV <sup>(4)</sup> REV RQMT	NPV Savings to PSE Customers	
Purchase SKC in 2016	High	\$49,511,000	\$92,448,000	\$15,838,000	\$133,690,000	2018	\$62,595,569	\$67,841,000	\$0	
Build and Own Alternative Property in 2019	Medium	\$89,325,000	\$89,325,000	\$6,798,000	\$176,674,000	2020	\$57,158,500	\$87,131,000	\$19,290,000	
Purchase SKC at End of Current Lease Extension Period	Medium	\$19,511,000	\$126,515,000	\$2,941,000	\$129,501,000	2030	\$65,663,864	\$69,986,000	\$2,145,000	
Build and Own Alternative Property in 2029	High	\$19,511,000	\$233,847,000	\$2,941,000	\$202,863,000	2029	\$149,799,999	\$97,397,000	\$29,556,000	
Lease Alternative Property in 2029	High	\$19,511,000	\$115,600,000	\$2,941,000	\$91,779,000	-	\$48,958,420	\$88,933,000	\$21,092,000	

## FOOTNOTES

(1) Each scenario includes applicable capital dollars related to purchasing SKC, building an alternative property, and improving/renovating the properties

(2) Assumes that we have a test year every 2 years, starting with a 2016 test year

year the cash is spent and are depreciated over the shorter of the lease term or 35 yrs

(4) This measure represents a cash inflow for PSE and approximates the cost to customers