

**EXHIBIT NO. \_\_\_(TMH-7C)  
DOCKETS UE-17\_\_\_/UG-17\_\_\_  
2017 PSE GENERAL RATE CASE  
WITNESS: THOMAS M. HUNT**

**BEFORE THE  
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION,**

**Complainant,**

**v.**

**PUGET SOUND ENERGY,**

**Respondent.**

**Docket UE-17\_\_\_**

**Docket UG-17\_\_\_**

**SIXTH EXHIBIT (CONFIDENTIAL) TO THE  
PREFILED DIRECT TESTIMONY OF**

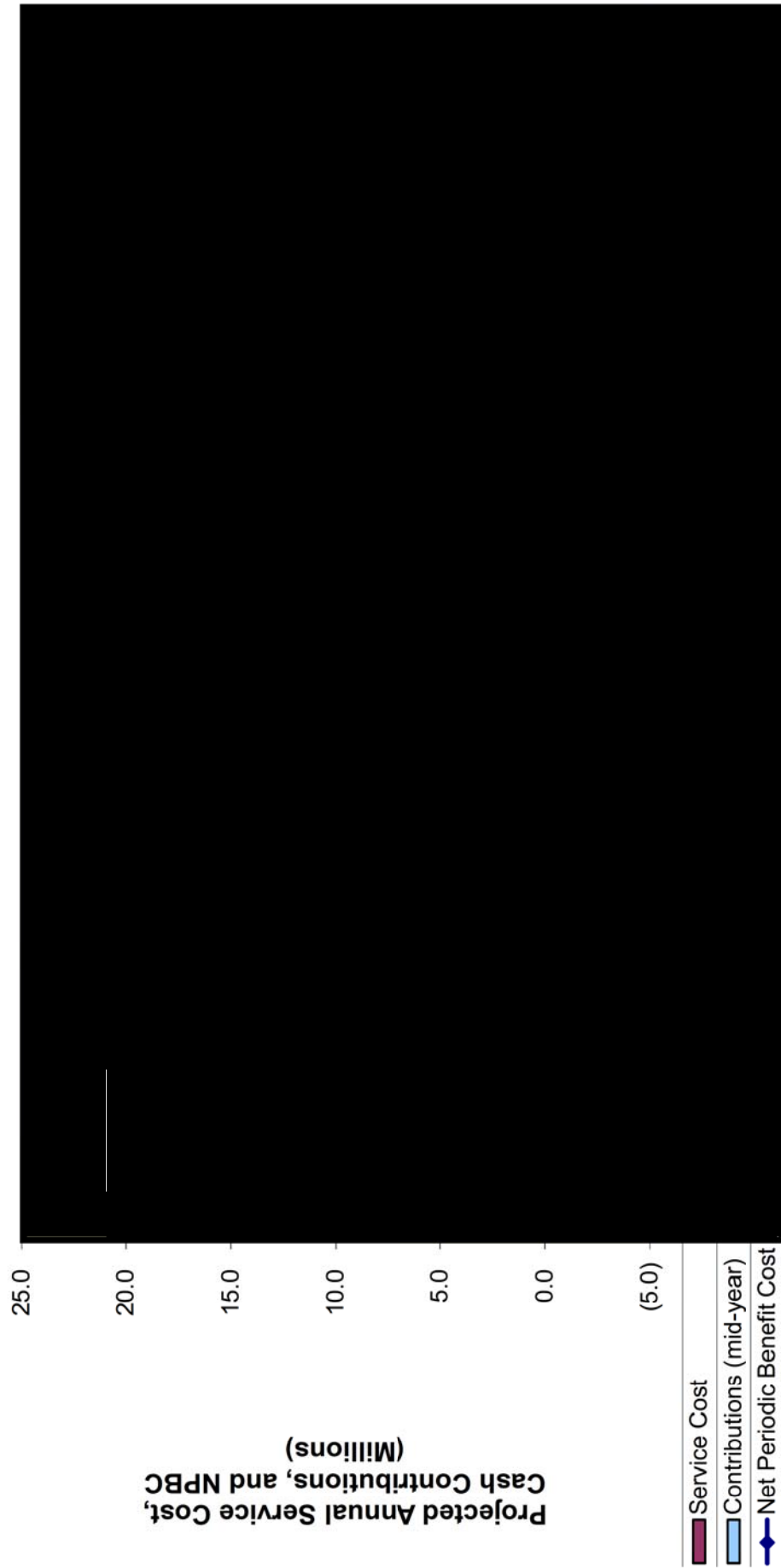
**THOMAS M. HUNT**

**ON BEHALF OF PUGET SOUND ENERGY**

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VERSION**

**JANUARY 13, 2017**

**Retirement Plan for Employees of Puget Sound Energy, Inc.  
 Ten-Year Deterministic Projection (2016 - 2025)  
 Baseline: 2016 Preliminary Valuation Results**



Based on 1/1/2016 preliminary valuation results (4.65% discount rate, 7.75% expected RoA, 4.5% pay increases); contributions are \$18M until 110% funded; all future experience per assumptions

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**Retirement Plan for Employees of Puget Sound Energy, Inc.**  
 FASB ASC Topic 715 "Expected" Expense Projections for  
 Fiscal Years 2016 through 2025  
**Baseline: 2016 Preliminary Valuation Results**

**Prelim Estimated Estimated Estimated Estimated Estimated Estimated Estimated Estimated Estimated**  
 2016 2017 2018 2019 2020 2021 2022 2023 2024 2025

**Assumptions for Net Periodic Benefit Cost (at BOY):**

- Discount Rate
- Long term cash balance interest crediting rate
- Expected Return on Plan Assets
- Rate of Compensation Increase
- Approximate Actual Asset Return  
(on prior year's Market Value)

**Retirement Plan**

**Funding Policy: (per funding guidelines or override)**  
 Contributions (mid-year)

**Net Periodic Benefit Cost, by Component (millions):**

- Service Cost
- Interest Cost
- Expeced (Return) on Plan Assets
- Amortization of Net Loss / (Gain)
- Amortization of Prior Service Cost / (Credit)
- Amortization of Transition Obligation / (Asset)
- Net Periodic Benefit Cost

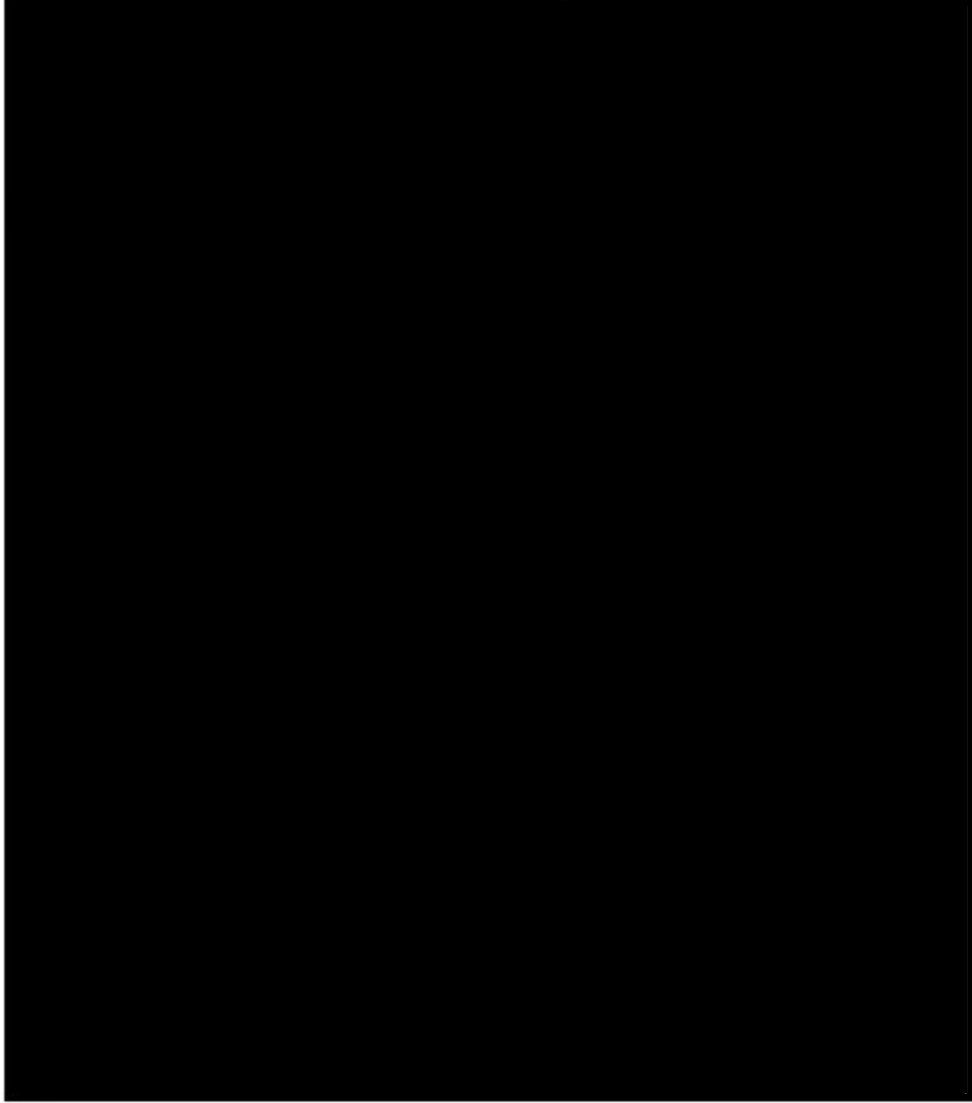
**Projected Benefit Obligation (PBO) at Beginning of Year**

**Market Value of Assets (MVA) at Beginning of Year**

**Projected PBO Funded Status at Beginning of Year**

**Projected Payroll Details**

- Total PSE Payroll (projected @ 4.5% trend)
- Pre-2014 Participants
- Cash Balance 4% Participants (30% election)
- Defined Contribution 4% Participants (70% election)
- Projected DC 4% Contributions



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