EXHIBIT NO. \_\_\_(DAD-5)
DOCKET NO. UE-121697/UG-121705
DOCKET NO. UE-130137/UG-130138
WITNESS: DANIEL A. DOYLE

## BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION,

Complainant,

v.

DOCKET NOS. UE-121697 and UG-121705 (consolidated)

PUGET SOUND ENERGY, INC.,

Respondent.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION,

Complainant,

v.

DOCKET NOS. UE-130137 and UG-130138 (consolidated)

PUGET SOUND ENERGY, INC.,

Respondent.

FIRST EXHIBIT (NONCONFIDENTIAL) TO THE PREFILED DIRECT TESTIMONY OF DANIEL A. DOYLE ON BEHALF OF PUGET SOUND ENERGY, INC.

**NOVEMBER 5, 2014** 

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

 $(A) \hspace{1cm} (B) \hspace{1cm} (C) \hspace{1cm} (D) \hspace{1cm} (E) \hspace{1cm} (F) \hspace{1cm} (G) \hspace{1cm} (H) \hspace{1cm} (I)$ 

**Dollars in Millions** 

		Dollars in Millions							
		-35 bps	-30 bps	-25 bps	ERF ROR 7.77%	+25 bps	+30 bps	+35 bps	Ave ROE
	Rate Base	\$4,214	\$4,214	\$4,214	\$4,214	\$4,214	\$4,214	\$4,214	
	Equity Rate Base	\$2,023	\$2,023	\$2,023	\$2,023	\$2,023	\$2,023	\$2,023	
1 2 3 4	Incremental NOI - No Sharing Rate of Return (ROR) Return on Equity (ROE)	(\$14.8) 7.42% 9.07%	(\$12.6) 7.47% 9.17%	(\$10.5) 7.52% 9.28%	\$0.0 7.77% 9.80%	\$10.5 8.02% 10.32%	\$12.6 8.07% 10.42%	\$14.8 8.12% 10.53%	9.80%
5									
6	Incremental NOI - PSE Proposed Sharing after 8.02% (7.77% + 25BP)	(\$14.8)	(\$12.6)	(\$10.5)	\$0.0	\$10.5	\$11.6	\$12.6	
7	ROR - sharing after 8.02%	7.42%	7.47%	7.52%	7.77%	8.02%	8.05%	8.07%	
8	ROE - sharing after 8.02%	9.07%	9.17%	9.28%	9.80%	10.32%	10.37%	10.42%	9.77%
10									
11	Incremental NOI - As Approved Sharing > 7.77%	(\$14.8)	(\$12.6)	(\$10.5)	\$0.0	\$5.3	\$6.3	\$7.4	
12 13	ROR - sharing after 7.77% ROE - sharing after 7.77%	7.42% 9.07%	7.47% 9.17%	7.52% 9.28%	7.77% 9.80%	7.90% 10.06%	7.92% 10.11%	7.95% 10.16%	9.66%
14									