Revised Calculation of Net Present Value Power Supply Cost Savings Resulting from Jefferon County's Departure from the PSE System

Row	Year		Incremental Power Costs (Including Existing Plant) With JeffCo (a)	Without JeffCo (b)	Avoided (c)=(a)-(b)	Lost JeffCo PCA Revenue (d) = (g)x(h)x(i)	Net Benefit (e)=(c)-(d)	Cumulative NPV of Net Benefit (f)=NPV(e)	JeffCo Loads (g)	Growth Rates JeffCo Load (h)	Growth Rates PCA Rates (i)
		1/1/2014									
1	2014	6/30/2014	$ 1,442,612	$ 1,433,014	$ 9,598	$ 21,737	$ (12,139)	$ (11,699)	323,181	10.5%	
2	2015	6/30/2015	$ 1,424,659	$ 1,414,449	$ 10,209	$ 21,914	$ (11,705)	$ (22,166)	327,287	1.27%	-0.46%
3	2016	6/30/2016	$ 1,427,186	$ 1,416,279	$ 10,907	$ 22,806	$ (11,899)	$ (32,038)	333,869	2.01%	2.06%
4	2017	6/30/2017	$ 1,450,689	$ 1,438,119	$ 12,570	$ 24,080	$ (11,510)	$ (40,899)	338,559	1.40%	4.18%
5	2018	6/30/2018	$ 1,557,064	$ 1,500,398	$ 56,667	$ 25,924	$ 30,743	$ (18,939)	343,227	1.38%	6.28%
6	2019	6/30/2019	$ 1,599,086	$ 1,541,478	$ 57,609	$ 27,128	$ 30,481	$ 1,265	346,736	1.02%	3.62%
7	2020	6/30/2020	$ 1,612,689	$ 1,555,383	$ 57,306	$ 27,589	$ 29,716	$ 19,537	350,189	1.00%	0.71%
8	2021	6/30/2021	$ 1,632,860	$ 1,620,071	$ 12,790	$ 28,134	$ (15,344)	$ 10,783	349,678	-0.15%	2.12%
9	2022	6/30/2022	$ 1,801,719	$ 1,742,452	$ 59,267	$ 30,606	$ 28,661	$ 25,957	352,149	0.71%	8.08%
10	2023	6/30/2023	$ 1,866,312	$ 1,806,639	$ 59,672	$ 31,526	$ 28,146	$ 39,784	354,865	0.77%	2.23%
11	2024	6/30/2024	$ 1,895,397	$ 1,884,570	$ 10,828	$ 32,068	$ (21,241)	$ 30,104	360,598	1.62%	0.11%
12	2025	6/30/2025	$ 2,026,641	$ 1,964,478	$ 62,164	$ 33,437	$ 28,726	$ 42,252	366,575	1.66%	2.61%
13	2026	6/30/2026	$ 2,311,276	$ 2,299,454	$ 11,822	$ 35,258	$ (23,436)	$ 33,055	374,319	2.11%	3.33%
14	2027	6/30/2027	$ 2,438,546	$ 2,373,296	$ 65,249	$ 37,219	$ 28,030	$ 43,261	382,112	2.08%	3.48%
15	2028	6/30/2028	$ 2,503,416	$ 2,490,775	$ 12,641	$ 38,200	$ (25,558)	$ 34,628	391,235	2.39%	0.25%
16	2029	6/30/2029	$ 2,593,932	$ 2,524,946	$ 68,986	$ 39,413	$ 29,573	$ 43,897	397,300	1.55%	1.63%
17	2030	6/30/2030	$ 2,746,111	$ 2,676,506	$ 69,606	$ 41,589	$ 28,017	$ 52,046	405,189	1.99%	3.53%
18	2031	6/30/2031	$ 2,831,451	$ 2,819,185	$ 12,266	$ 42,779	$ (30,513)	$ 43,811	413,841	2.14%	0.73%
19	2032	6/30/2032	$ 2,928,500	$ 2,854,706	$ 73,794	$ 44,266	$ 29,529	$ 51,204	422,679	2.14%	1.34%
20	2033	6/30/2033	$ 3,059,285	$ 2,984,220	$ 75,065	$ 45,928	$ 29,137	$ 57,973	431,706	2.14%	1.62%
21											
22	NPV		$ 19,112,504	$ 18,748,527	$ 363,977	$ 306,005	$ 57,973				
23	Levelized		$ 1,913,452	$ 1,877,012	$ 36,440	$ 30,636	$ 5,804				

24		
25		
26	JeffCo PCA Revenue (12M Ending 06/30/12)	$ 19,773
27	JeffCo MWh (12M Ending 06/30/12)	292,473
28	Average Effective PCA Rate ($/MWh)	$ 67.61
29	2013 PCORC % Rate Change (RY Beginning 11/1/13)	-0.5158%
30	Adjusted Effective PCA Rate ($/MWh)	$ 67.26
31		
32	Note: All revenue figures in $000's.	

PSE estimated Power Supply Cost NPV savings of $83,192. However, PSE failed to estimate the increasing PCA "fixed" rate over the study period. The Company's Exhibit No.__(JAP-7) spreadsheet support was edited herein to add the increase in the "fixed" PCA component as provided in PC DR 31. Since the current "fixed" PCA rate component was considered in the development of "Lost JeffCo PCA Revenues," the total fixed production costs underlying the current fixed PCA rate was also added to PSE's estimate of Incremental Power Costs "With JeffCo" and "Without JeffCo." The results of this one correction reduces the Company's claimed NPV power supply cost savings estimate from $83.192 million down to $57.973 milllion