

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Application of

PUGET SOUND ENERGY

For an Order Authorizing the Sale of All of
Puget Sound Energy's Interests in Colstrip Unit
4 and Certain of Puget Sound Energy's
Interests in the Colstrip Transmission System

DOCKET UE-200115

EXH. MSG-04

PSE RESPONSE TO NVEC DATA REQUEST NO. 014

**ON BEHALF OF
NW ENERGY COALITION AND
RENEWABLE NORTHWEST**

October 2, 2020

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

**Docket UE-200115
Puget Sound Energy
Application Authorizing Sale of PSE Interest in Colstrip Unit 4**

NWEC DATA REQUEST NO. 014:

Can a transmission asset deliver value to PSE customers above the asset's book value? Please explain.

Response:

Puget Sound Energy ("PSE") objects to NWEC Data Request No. 014 on the grounds that it seeks information that is neither relevant to the subject matter involved in this action nor reasonably calculated to lead to the discovery of admissible evidence. Subject to and without waiving this objection, PSE provides the following response.

The book value of an asset is its original purchase cost, adjusted for any subsequent changes, such as for impairment or depreciation. The market value of an asset is the price that could be obtained by selling an asset on a competitive, open market. Any asset could have a market value that is above, below, or equal to its book value. If the market value of an asset exceeds the book value, then the market values the asset more than the asset's original purchase cost, adjusted for any subsequent changes, such as for impairment or depreciation. If the market value of an asset is equal to the book value, then the market values the asset no more or less than the asset's original purchase cost, adjusted for any subsequent changes, such as for impairment or depreciation. If the market value of an asset is less than the book value, then the market values the asset less than the asset's original purchase cost, adjusted for any subsequent changes, such as for impairment or depreciation.