

**BEFORE THE WASHINGTON
UTILITIES & TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION,

Complainant,

v.

PUGET SOUND ENERGY, INC.

Respondent.

DOCKETS UE-240004 & UG-240005 (*Consolidated*)

**DAVID J. GARRETT
ON BEHALF OF THE
WASHINGTON STATE OFFICE OF THE ATTORNEY GENERAL
PUBLIC COUNSEL UNIT**

EXHIBIT DJG-6

Depreciation Rate Development OLT and Iowa Curve Fitting Charts

August 6, 2024

Depreciation Rate Development

Account No.	Description	[1]	[2]		[3]	[4]	[5]	[6]	[7]	[8]		[9]
		Plant 6/30/2023	Iowa Curve Type AL		Net Salvage	Depreciable Base	Book Reserve	Future Accruals	Remaining Life	Accrual	Rate	
Underground Storage Plant												
350.30	EASEMENTS	33,641	SQ	-	0%	33,641	11,069	22,573	20.00		1,129	3.35%
351.10	STRUCTURES AND IMPROVEMENTS - WELLS	300,408	R4	- 55	-5%	315,429	207,791	107,637	15.40		6,989	2.33%
351.20	STRUCTURES AND IMPROVEMENTS - COMPRESSOR STATIONS	615,519	R4	- 55	-5%	646,295	288,057	358,238	18.20		19,683	3.20%
351.30	STRUCTURES AND IMPROVEMENTS - M&R STATIONS	2,245	R4	- 55	-5%	2,357	1,970	387	10.50		37	1.64%
351.40	STRUCTURES AND IMPROVEMENTS - OTHER	251,068	S1.5	- 50	-5%	263,621	97,252	166,369	18.30		9,091	3.62%
352.00	WELLS	18,615,816	R4	- 60	-35%	25,131,352	8,067,753	17,063,600	18.70		912,492	4.90%
352.20	RESERVOIRS	1,757,701	R4	- 60	-5%	1,845,586	1,343,666	501,920	19.60		25,608	1.46%
352.30	NON-RECOVERABLE NATURAL GAS	4,185,431	SQ	-	0%	4,185,431	2,617,504	1,567,927	20.00		78,396	1.87%
353.00	LINES	3,330,267	R4	- 55	-20%	3,996,320	2,184,803	1,811,518	18.80		96,357	2.89%
354.00	COMPRESSOR STATION EQUIPMENT	23,850,530	R3	- 45	-10%	26,235,583	10,576,356	15,659,227	18.50		846,445	3.55%
355.00	MEASURING AND REGULATING EQUIPMENT	1,336,294	L2	- 25	-5%	1,403,108	547,703	855,405	14.50		58,993	4.41%
356.00	PURIFICATION EQUIPMENT	2,873,068	R3	- 45	-5%	3,016,721	1,528,686	1,488,035	17.80		83,597	2.91%
357.00	OTHER EQUIPMENT	495,594	S0	- 25	0%	495,594	118,109	377,485	11.80		31,990	6.45%
	Total Underground Storage Plant	57,647,583			-17%	67,571,040	27,590,719	39,980,321	18.42		2,170,809	3.77%
Other Storage Plant												
<u>GIG HARBOR LNG PLANT</u>												
361.00	STRUCTURES AND IMPROVEMENTS	4,155,602	R3	- 50	-5%	4,363,382	2,193,879	2,169,503	19.50		83,112	2.00%
362.00	GAS HOLDERS	3,683,221	R3	- 50	-5%	3,867,382	2,169,134	1,698,249	19.60		86,645	2.35%
363.00	PURIFICATION EQUIPMENT	3,984,039	R2.5	- 40	-5%	4,183,241	2,456,523	1,726,718	17.60		98,109	2.46%
364.00	TRANSPORTATION EQUIPMENT	2,382,938	L3	- 25	-5%	2,502,085	776,353	1,725,732	15.60		110,624	4.64%
	TOTAL GIG HARBOR LNG PLANT	14,205,801			-5%	14,916,091	7,595,889	7,320,202	19.34		378,490	2.66%
<u>TACOMA LNG PLANT</u>												
361.00	STRUCTURES AND IMPROVEMENTS	80,879,739	R3	- 50	-5%	84,923,726	2,693,928	82,229,799	41.80		1,967,220	2.43%
362.00	GAS HOLDERS	110,724,967	R3	- 50	-5%	116,261,215	3,698,033	112,563,182	41.80		2,692,899	2.43%
363.00	PURIFICATION EQUIPMENT	5,830,359	R2.5	- 40	-5%	6,121,877	221,185	5,900,692	36.90		159,910	2.74%
363.10	LIQUEFACTION EQUIPMENT	6,788,564	R2	- 35	-5%	7,127,992	286,433	6,841,559	33.20		206,071	3.04%
363.20	COMPRESSOR EQUIPMENT	21,328,302	R2.5	- 40	-5%	22,394,718	809,061	21,585,656	36.90		584,977	2.74%
363.30	COMPRESSOR EQUIPMENT	3,011,907	S1	- 35	-5%	3,162,503	128,753	3,033,750	32.60		93,060	3.09%
363.50	OTHER EQUIPMENT	6,965,184	R2	- 40	-5%	7,313,443	267,264	7,046,179	36.30		194,110	2.79%
364.30	LNG PROCESSING TERMINAL EQUIPMENT	4,092,119	R2	- 40	-5%	4,296,725	141,899	4,154,826	36.30		114,458	2.80%
364.50	MEASURING AND REGULATING EQUIPMENT	1,882,999	R2	- 40	-5%	1,977,149	72,262	1,904,887	36.30		52,476	2.79%
364.60	COMPRESSOR STATION EQUIPMENT	963,975	R2.5	- 40	-5%	1,012,174	36,449	975,725	36.90		26,442	2.74%
	TOTAL TACOMA LNG PLANT	242,468,116			-5%	254,591,521	8,355,266	246,236,255	40.42		6,091,624	2.51%
	Total Other Storage Plant	256,673,916			-5%	269,507,612	15,951,155	253,556,457	39.19		6,470,114	2.52%
Distribution Plant												
374.20	EASEMENTS	6,191,765	R4	- 70	0%	6,191,765	767,203	5,424,562	61.20		88,454	1.43%
374.30	EASEMENTS - FROM TRANSMISSION	7,998,816	R4	- 70	0%	7,998,816	2,560,473	5,438,343	52.20		104,183	1.30%
375.00	STRUCTURES AND IMPROVEMENTS	19,997,776	R3	- 50	-5%	20,997,665	6,222,198	14,775,468	35.50		416,210	2.08%
376.20	MAINS - PLASTIC	1,807,200,662	R3	- 55	-50%	2,710,800,993	604,055,176	2,106,745,816	42.19		49,934,720	2.76%
376.40	MAINS - WRAPPED STEEL	674,125,931	R2.5	- 58	-50%	1,011,188,897	325,965,599	685,223,298	40.84		16,778,239	2.49%

Depreciation Rate Development

Account No.	Description	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	
		Plant	Iowa Curve		Net	Depreciable	Book	Future	Remaining	Total	
		6/30/2023	Type	AL	Salvage	Base	Reserve	Accruals	Life	Accrual	Rate
376.50	MAINS - CATHODIC PROTECTION	43,920,730	SQ	- 30	0%	43,920,730	19,457,775	24,462,955	15.00	1,630,864	3.71%
378.00	MEASURING AND REGULATING STATION EQUIPMENT	152,915,834	R2	- 44	-50%	229,373,750	66,256,113	163,117,637	32.40	5,034,495	3.29%
380.10	SERVICES - CATHODIC PROTECTION	22,458,851	SQ	- 30	0%	22,458,851	11,113,031	11,345,820	14.00	810,416	3.61%
380.20	SERVICES - PLASTIC	1,440,113,519	R2	- 51	-100%	2,880,227,038	681,203,420	2,199,023,619	39.25	56,026,079	3.89%
380.30	SERVICES - WRAPPED STEEL	40,387,692	R2	- 51	-100%	80,775,384	25,183,251	55,592,133	22.91	2,426,544	6.01%
381.00	METERS	117,346,089	R2	- 42	-25%	146,682,611	35,604,287	111,078,324	30.75	3,612,303	3.08%
381.20	METER MODULES - AMI	57,868,977	S2.5	- 20	-5%	60,762,426	8,004,389	52,758,037	16.90	3,121,777	5.39%
381.30	METER MODULES - AMR	27,033,327	S2.5	- 15	-5%	28,384,994	6,182,255	22,202,739	10.00	2,220,274	8.21%
382.00	METER INSTALLATIONS	206,256,765	S1.5	- 47	-30%	268,133,795	70,188,770	197,945,025	33.31	5,942,511	2.88%
382.20	METER MODULE INSTALLATIONS - AMI	37,488,047	R3	- 20	-5%	39,362,449	1,015,869	38,346,580	17.70	2,166,473	5.78%
382.30	METER MODULE INSTALLATIONS - AMR	16,736,480	S2.5	- 15	-5%	17,573,304	856,228	16,717,076	10.30	1,623,017	9.70%
383.00	HOUSE REGULATORS	21,165,417	R3	- 35	-10%	23,281,959	7,377,012	15,904,947	14.90	1,067,446	5.04%
384.00	HOUSE REGULATOR INSTALLATIONS	84,284,663	R3	- 35	-10%	92,713,130	36,183,696	56,529,433	16.90	3,344,937	3.97%
385.00	INDUSTRIAL M&R STATION EQUIPMENT	54,424,390	R0.5	- 25	-10%	59,866,829	18,300,567	41,566,262	17.70	2,348,376	4.31%
387.00	OTHER EQUIPMENT	5,456,655	L1	- 12	0%	5,456,655	3,073,362	2,383,294	6.00	397,216	7.28%
Total Distribution Plant		4,843,372,386			-60%	7,756,152,040	1,929,570,672	5,826,581,368	36.62	159,094,535	3.28%
General Plant											
390.00	STRUCTURES AND IMPROVEMENTS	19,817,362	R2	- 45	-5%	20,808,230	6,820,834	13,987,396	30.80	453,780	2.29%
391.10	OFFICE FURNITURE AND EQUIPMENT	3,141,752	SQ	- 20	0%	3,141,752	1,723,836	1,417,916	9.00	157,088	5.00%
391.20	OFFICE FURNITURE AND EQUIPMENT - COMPUTERS	1,706,571	SQ	- 5	0%	1,706,571	905,412	801,159	2.40	341,314	20.00%
392.00	TRANSPORTATION EQUIPMENT	1,597,492	L3	- 12	10%	1,437,743	-532,160	1,969,903	9.20	214,167	13.41%
394.00	TOOLS, SHOP AND GARAGE EQUIPMENT	9,333,363	SQ	- 20	0%	9,333,363	1,383,915	7,949,448	8.20	466,668	5.00%
395.00	LABORATORY EQUIPMENT	2,638,497	SQ	- 20	0%	2,638,497	702,765	1,935,732	2.50	131,925	5.00%
396.00	POWER OPERATED EQUIPMENT	142,950	L3	- 14	10%	128,655	12,232	116,423	12.80	9,116	6.38%
397.00	COMMUNICATION EQUIPMENT	4,668,485	SQ	- 15	0%	4,668,485	1,568,905	3,099,579	9.70	311,232	6.67%
398.00	MISCELLANEOUS EQUIPMENT	155,624	SQ	- 15	0%	155,624	116,381	39,243	2.90	10,375	6.67%
Total General Plant		43,202,097			-2%	44,018,921	12,702,121	31,316,801	14.94	2,095,665	4.85%
TOTAL PLANT STUDIED		5,200,895,983			-56%	8,137,249,613	1,985,814,667	6,151,434,946	36.22	169,831,123	3.27%

[1] Company depreciation study
 [2] Average life and Iowa curve shape developed through actuarial analysis and professional judgment
 [3] Net salvage for mass property accounts developed through statistical analysis and professional judgment
 [4] = [1]*(1-[3])
 [5] Company depreciation study
 [6] = [4] - [5]
 [7] Composite remaining life based on Iowa curve in [2]; see remaining life exhibit for detailed calculations
 [8] = [6] / [7]; some unadjusted figures may be hard coded to match Company's proposal
 [9] = [8] / [1]; some unadjusted figures may be hard coded to match Company's proposal