

**Exh. ASR-3  
Dockets UE-220066, UG-220067,  
UG-210918  
Witness: Andrew S. Rector**

**BEFORE THE WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION,**

**Complainant,**

**v.**

**PUGET SOUND ENERGY,**

**Respondent.**

**DOCKETS UE-220066, UG-220067,  
UG-210918 (consolidated)**

**In the Matter of the Petition of**

**PUGET SOUND ENERGY**

**For an Order Authorizing Deferred  
Accounting Treatment for Puget Sound  
Energy's Share of Costs Associated with  
the Tacoma LNG Facility**

**EXHIBIT TO TESTIMONY OF**

**ANDREW S. RECTOR**

**STAFF OF  
WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION**

*PSE Transportation Electrification Revenue Requirement Calculation*

**July 28, 2022**

Exh. ASR-3  
Dockets UE-220066, UG-220067, UG-210918  
Page 1 of 7

**Exhibit ASR-3: PSE Transportation Electrification Revenue Requirement Calculation**

**Attachment A to PSE's First Revised Response to WUTC Data Request No. 053**

<b>Rate Year</b>	<b>TE Pilot Program Deferral</b>	<b>TEP OpEx</b>	<b>TEP Cap and Depr</b>	<b>Annual Total</b>	<b>Cumulative Total</b>
2023	2,761,998	8,470,567	1,205,794	12,438,359	12,438,359
2024	2,811,487	11,031,959	3,985,215	17,828,661	30,267,021
2025	2,996,459	10,422,416	7,000,585	20,419,461	50,686,481
<b>TOTALS</b>	8,569,945	29,924,942	12,191,594		

<b>Stand Alone Revenue Requirement Calculation 2023</b>			
			<b>Reference</b>
1			
2	Weighted Average Cost of Debt	2.54%	SEF-8 page 2 line 22
3	Requested Rate of Return	7.39%	SEF-8 page 2 line 24
4	Gross Plant Balance	\$ 7,815,570	From Tab EV Adj
5	Accumulated Depreciation	(976,946)	From Tab EV Adj
6	Accumulated Deferred Income Tax	(1,436,111)	From Tab EV Adj
7	Rate Year Rate Base	\$ 5,402,513	
8			
9	NOI of Plant Costs	\$ (1,707,574)	From Tab EV- Net Costs x 79%
10	Tax Benefit of Proforma Interest	28,817	Line 2 x 7 x 21%
11	Return on Rate Base	(399,246)	Line 3 x 7
12	Total Rate Base Related Costs	\$ 2,078,003	
13	Pre-tax grossed up for Revenue Sensitive Items	2,761,998	Line 12 ÷ 79% ÷ 0.952348
			<b>Electric Conversion Factor</b>
<b>Stand Alone Revenue Requirement Calculation 2024</b>			
			<b>Reference</b>
1			
2	Weighted Average Cost of Debt	2.54%	SEF-8 page 2 line 22
3	Requested Rate of Return	7.44%	SEF-8 page 2 line 24
4	Gross Plant Balance	\$ 7,815,570	From Tab EV Adj
5	Accumulated Depreciation	(2,930,839)	From Tab EV Adj
6	Accumulated Deferred Income Tax	(1,025,794)	From Tab EV Adj
7	Rate Year Rate Base	\$ 3,858,938	
8			
9	NOI of Plant Costs	\$ (1,848,715)	From Tab EV- Net Costs x 79%
10	Tax Benefit of Proforma Interest	20,584	Line 2 x 7 x 21%
11	Return on Rate Base	(287,105)	Line 3 x 7
12	Total Rate Base Related Costs	\$ 2,115,236	
13	Pre-tax grossed up for Revenue Sensitive Items	\$ 2,811,487	Line 12 ÷ 79% ÷ 0.952348
			<b>Electric Conversion Factor</b>
<b>Stand Alone Revenue Requirement Calculation 2025</b>			
			<b>Reference</b>
1			
2	Weighted Average Cost of Debt	2.54%	SEF-8 page 2 line 22
3	Requested Rate of Return	7.49%	SEF-8 page 2 line 24
4	Gross Plant Balance	7,815,570	From Tab EV Adj
5	Accumulated Depreciation	(4,884,731)	From Tab EV Adj
6	Accumulated Deferred Income Tax	(615,476)	From Tab EV Adj
7	Rate Year Rate Base	\$ 2,315,363	
8			
9	NOI of Plant Costs	\$ (2,093,331)	From Tab EV- Net Costs x 79%
10	Tax Benefit of Proforma Interest	12,350	Line 2 x 7 x 21%
11	Return on Rate Base	(173,421)	Line 3 x 7
12	Total Rate Base Related Costs	\$ 2,254,401	
13	Pre-tax grossed up for Revenue Sensitive Items	\$ 2,996,459	Line 12 ÷ 79% ÷ 0.952348
			<b>Electric Conversion Factor</b>

<b>Stand Alone Revenue Requirement Calculation 2023</b>			
			<b>Reference</b>
1			
2	Weighted Average Cost of Debt	2.54%	SEF-8 page 2 line 22
3	Requested Rate of Return	7.39%	SEF-8 page 2 line 24
4	Rate Year Rate Base	\$ 4,734,679	SEF-21 page 2
5			
6	NOI of Plant Costs	\$ (582,547)	SEF-21 page 2 x 79%
7	Tax Benefit of Proforma Interest	25,255	Line 2 x 4 x 21%
8	Return on Rate Base	(349,893)	Line 3 x 4
9	Total Rate Base Related Costs	\$ 907,185	
10	Pre-tax grossed up for Revenue Sensitive Items	\$ 1,205,794	Line 9 ÷ 79% ÷ 0.952348
			<b>Electric Conversion Factor</b>
<b>Stand Alone Revenue Requirement Calculation 2024</b>			
			<b>Reference</b>
1			
2	Weighted Average Cost of Debt	2.54%	SEF-8 page 2 line 22
3	Requested Rate of Return	7.44%	SEF-8 page 2 line 24
4	Rate Year Rate Base	\$ 14,886,573	SEF-21 page 2
5			
6	NOI of Plant Costs	\$ (1,970,140)	SEF-21 page 2 x 79%
7	Tax Benefit of Proforma Interest	79,405	Line 2 x 4 x 21%
8	Return on Rate Base	(1,107,561)	Line 3 x 4
9	Total Rate Base Related Costs	\$ 2,998,296	
10	Pre-tax grossed up for Revenue Sensitive Items	\$ 3,985,215	Line 9 ÷ 79% ÷ 0.952348
			<b>Electric Conversion Factor</b>
<b>Stand Alone Revenue Requirement Calculation 2025</b>			
			<b>Reference</b>
1			
2	Weighted Average Cost of Debt	2.54%	SEF-8 page 2 line 22
3	Requested Rate of Return	7.49%	SEF-8 page 2 line 24
4	Rate Year Rate Base	\$ 24,527,981	SEF-21 page 2
5			
6	NOI of Plant Costs	\$ (3,560,611)	SEF-21 page 2 x 79%
7	Tax Benefit of Proforma Interest	130,832	Line 2 x 4 x 21%
8	Return on Rate Base	(1,837,146)	Line 3 x 4
9	Total Rate Base Related Costs	\$ 5,266,925	
10	Pre-tax grossed up for Revenue Sensitive Items	\$ 7,000,585	Line 9 ÷ 79% ÷ 0.952348
			<b>Electric Conversion Factor</b>

<b>Stand Alone Revenue Requirement Calculation 2023</b>		
		<i>Reference</i>
1		
2	Weighted Average Cost of Debt	2.54% SEF-8 page 2 line 22
3	Requested Rate of Return	7.39% SEF-8 page 2 line 24
4	Rate Year Rate Base	SEF-21 page 2
5		
6	NOI of Plant Costs	\$ (6,372,873) From tab OpEx F x 79%
7	Tax Benefit of Proforma Interest	- Line 2 x 4 x 21%
8	Return on Rate Base	- Line 3 x 4
9	Total Rate Base Related Costs	\$ 6,372,873
10	Pre-tax grossed up for Revenue Sensitive Items	\$ 8,470,567 Line 9 ÷ 79% ÷ 0.952348
		<b>Electric Conversion Factor</b>
<b>Stand Alone Revenue Requirement Calculation 2024</b>		
		<i>Reference</i>
1		
2	Weighted Average Cost of Debt	2.54% SEF-8 page 2 line 22
3	Requested Rate of Return	7.44% SEF-8 page 2 line 24
4	Rate Year Rate Base	SEF-21 page 2
5		
6	NOI of Plant Costs	\$ (8,299,949) From tab OpEx F x 79%
7	Tax Benefit of Proforma Interest	- Line 2 x 4 x 21%
8	Return on Rate Base	- Line 3 x 4
9	Total Rate Base Related Costs	\$ 8,299,949
10	Pre-tax grossed up for Revenue Sensitive Items	\$ 11,031,959 Line 9 ÷ 79% ÷ 0.952348
		<b>Electric Conversion Factor</b>
<b>Stand Alone Revenue Requirement Calculation 2025</b>		
		<i>Reference</i>
1		
2	Weighted Average Cost of Debt	2.54% SEF-8 page 2 line 22
3	Requested Rate of Return	7.49% SEF-8 page 2 line 24
4	Rate Year Rate Base	SEF-21 page 2
5		
6	NOI of Plant Costs	\$ (7,841,356) From tab OpEx F x 79%
7	Tax Benefit of Proforma Interest	- Line 2 x 4 x 21%
8	Return on Rate Base	- Line 3 x 4
9	Total Rate Base Related Costs	\$ 7,841,356
10	Pre-tax grossed up for Revenue Sensitive Items	\$ 10,422,416 Line 9 ÷ 79% ÷ 0.952348
		<b>Electric Conversion Factor</b>

**2022-2026 Opex by Business Unit - Draft**

<b>Business Unit</b>	<b>Sum of 2022</b>	<b>Sum of 2023</b>	<b>Sum of 2024</b>	<b>Sum of 2025</b>	
Electric Vehicle Program <sup>1</sup>	\$ 2,099,504	\$ 1,766,928	\$ 1,706,264	\$ 1,425,767	\$ 4,898,959
Opex related to Capex <sup>2</sup>	\$ -	\$ 6,300,000	\$ 8,800,000	\$ 8,500,000	\$ 23,600,000
Total	\$ 2,099,504	\$ 8,066,928	\$ 10,506,264	\$ 9,925,767	

1 Up and Go forecasted Opex as included in the O&M Forecast included in the exhibits of Josh Kensok.

2 TEP Opex amounts are a component of the Opex related to Capex Program as included in the O&M Forecast included in the exhibits of Josh Kensok.

Exhibit No. SEF-21 page 1 of 2

Program Detail of Provisional Pro Forma Rate Base and Depreciation Expense - Electric

Name	Witness	2021		2022		2023		2024		2025	
		Rate Base (EOP)	Dep Exp	Rate Base (EOP)	Dep Exp	Rate Base (AMA)	Dep Exp	Rate Base (AMA)	Dep Exp	Rate Base (AMA)	Dep Exp
<b>Programmatic (Adjustments 6.31)</b>											
AMI Meters and Modules Deployment - Electric	C Koch	\$ (734,206)	\$ (16,282)	\$ 26,366,907	\$ 1,477,395	\$ 27,732,116	\$ 2,087,358	\$ 118,669,988	\$ 6,846,403	\$ 108,230,740	\$ 6,846,403
Capacity Electric	C Koch	2,278,787	20,285	5,192,500	120,960	24,429,144	762,208	73,158,878	2,274,154	140,925,369	4,427,056
Colstrip 3&4	Roberts	7,259,151	166,039	9,610,472	711,850	11,263,209	897,507	21,681,803	1,728,869	35,900,014	2,909,142
Customer Sited Energy Storage	Einstein	17,294	352	1,090,016	26,771	2,956,916	157,340	13,100,294	702,636	42,159,801	2,290,062
Data Center Hardware Refresh	Tamayo	-	-	-	-	289,312	109,344	11,023,766	2,624,247	8,229,904	2,624,247
DER Microgrid Circuit Enablement	C Koch	-	-	-	-	6,953,008	259,673	21,644,477	822,298	40,304,527	1,558,039
Emergent Electric	C Koch	31,344,038	249,645	86,886,665	1,917,213	114,087,416	3,861,878	166,137,314	5,743,225	215,428,953	7,599,750
EV Circuit	C Koch	-	-	2,847,736	225,689	5,870,340	968,107	13,073,418	2,295,023	21,465,918	4,055,218
Grid Modernization	C Koch	46,434,014	371,180	182,987,620	3,835,509	274,271,098	10,717,946	476,674,563	20,232,965	682,974,784	28,179,524
GTZ	Tamayo	25,893,977	688,174	21,882,995	2,691,936	19,925,987	2,691,936	16,139,024	2,691,936	13,258,652	2,691,936
IT Operational Program - Electric	Tamayo	10,329,595	202,905	24,756,480	3,994,439	30,838,822	7,899,945	41,115,337	12,192,291	48,537,972	16,623,026
Major Projects Electric	Bamba	11,624,515	30,265	29,214,658	609,911	33,101,761	1,044,707	49,051,158	1,360,279	58,225,798	1,704,104
Resilience Enhancement	C Koch	-	-	938,476	16,663	2,995,584	109,207	9,277,678	342,571	17,501,335	658,984
TEP	Einstein	-	-	-	-	4,734,679	737,401	14,886,573	2,493,848	24,527,981	4,507,103
UG Feeders	C Koch	-	-	-	-	6,967,135	194,733	25,234,192	714,023	47,422,655	1,363,134
<b>Subtotal Programmatic</b>		<b>134,447,166</b>	<b>1,712,562</b>	<b>391,774,525</b>	<b>15,628,337</b>	<b>566,416,528</b>	<b>32,499,289</b>	<b>1,070,868,462</b>	<b>63,064,769</b>	<b>1,505,094,403</b>	<b>88,037,727</b>
<b>Programmatic - Customer Driven (Adjustments 6.32)</b>											
CIAC - Electric	C Koch	(6,772,187)	(47,502)	(23,524,187)	(497,571)	(26,167,355)	(919,635)	(31,291,617)	(1,133,507)	(36,268,543)	(1,350,412)
Customer Construction Electric	C Koch	24,325,428	166,297	30,990,512	975,182	32,417,580	1,170,825	36,048,568	1,343,168	41,491,067	1,582,940
PI Electric	C Koch	17,565,739	148,767	29,974,273	792,676	34,337,034	1,177,432	42,628,722	1,532,470	51,559,524	1,917,492
<b>Subtotal Programmatic - Customer Driven</b>		<b>35,118,981</b>	<b>267,562</b>	<b>37,440,598</b>	<b>1,270,287</b>	<b>40,587,259</b>	<b>1,428,621</b>	<b>47,385,673</b>	<b>1,742,131</b>	<b>56,782,049</b>	<b>2,150,020</b>
<b>Specific (Adjustments 6.33)</b>											
Bainbridge Tlines Trans	Bamba	-	-	7,877,398	8,309	14,821,642	549,581	26,301,990	978,189	32,754,134	1,170,899
Control Center	Reyes	-	-	-	-	-	-	427,687	-	10,264,478	-
Energize Eastside	D Koch	-	-	39,803,106	38,738	39,230,943	782,266	111,231,208	2,493,808	284,659,718	6,665,814
Fredonia Hot Gas Path	Carlson	(38,433)	(45)	(35,376)	(1,075)	(34,160)	(2,115)	220,837	14,108	7,518,452	450,004
Goldendale MM	Carlson	23,141,752	83,653	11,922,187	1,597,195	11,446,138	917,766	10,501,861	917,766	9,579,395	917,766
Lower Baker Dam Grouting Program	Blood	-	-	-	-	-	-	-	-	16,581,358	298,248
Mint Farm MM	Carlson	-	-	14,147,917	664,313	11,301,620	1,492,168	7,937,436	1,246,444	6,778,625	1,246,444
Rooftop Solar	Einstein	-	-	-	-	6,153,880	342,550	18,935,733	1,098,771	30,992,537	1,893,833
Sammamish Juanita 115Kv Tline	Bamba	-	-	22,726,955	27,301	26,718,768	722,231	30,036,920	840,976	28,806,211	840,976
SAP S/4 Hana	Tamayo	-	-	-	-	-	-	3,110,126	330,715	8,750,626	992,146
Thurston Transmission Capacity	Bamba	-	-	15,772,595	16,285	20,466,225	528,091	24,612,962	655,763	23,627,748	655,763
Transport Network Modernization	Tamayo	71	7	50	20	40	20	207,329	62,495	5,635,945	1,684,544
<b>Subtotal Specific</b>		<b>23,103,389</b>	<b>83,615</b>	<b>112,214,832</b>	<b>2,351,085</b>	<b>130,105,096</b>	<b>5,332,557</b>	<b>233,524,088</b>	<b>8,639,035</b>	<b>465,949,227</b>	<b>16,816,437</b>
<b>Total Project Detail</b>		<b>\$ 192,669,536</b>	<b>\$ 2,063,739</b>	<b>\$ 541,429,955</b>	<b>\$ 19,249,709</b>	<b>\$ 737,108,882</b>	<b>\$ 39,260,467</b>	<b>\$ 1,351,778,223</b>	<b>\$ 73,445,935</b>	<b>\$ 2,027,825,680</b>	<b>\$ 107,004,184</b>

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LINE NO.	DESCRIPTION	%'s
16	<u>RATEBASE (AMA) UTILITY PLANT RATEBASE</u>	
17	<u>DEFERRALS</u>	
18	NET EV PROGRAM COSTS DEFERRAL	
19	ACCUM AMORT ON NET EV PROGRAM COSTS DEFERRAL	
20	DFIT ON NET EV PROGRAM COSTS DEFERRAL	
21	TOTAL DEPRECIATION DEFERRALS	
22		
23	NET RATEBASE (TOTAL UTILITY PLANT + TOTAL DEFERRALS)	
24		
25	<u>OTHER REVENUES</u>	
26	REMOVE SCHEDULE 551 REVENUE DEFERRAL	
27	TOTAL OTHER REVENUES	
28		
29		
30	<u>OPERATING EXPENSE</u>	
31	REMOVE NET COST DEFERRAL	
32	AMORTIZATION OF NET EV PROGRAM COSTS DEFERRAL	
33	AMORTIZATION OF RETURN ON INVESTMENT OF PLANT IN SERVICE DEFERRAL	
34	EV INCENTIVE RATE OF RETURN	
35	AMORTIZATION OF DEFERRED CARRYING CHARGES ON NET DEFERRED COSTS	
36	TOTAL OPERATING EXPENSES	
37		
38	INCREASE (DECREASE ) EXPENSE	
39		
40	(INCREASE) DECREASE NOI	
41		
42	INCREASE (DECREASE) FIT @	21%
43	INCREASE (DECREASE) NOI	



**WIND ENERGY-ELECTRIC  
ELECTRIC VEHICLE  
THE MONTHS ENDED JUNE 30, 2021  
GENERAL RATE CASE**

12ME JUNE 2021 TEST YEAR	EOP JUN 2021 RESTATING ADJUSTMENTS	EOP JUN 2021 RESTATE RESULTS OF OPERATIONS	EOP DEC 2021 TRADITIONAL PROFORMA ADJUSTMENTS	EOP DEC 2021 DEC 2021 ADJUSTED RESULTS OF OPERATIONS	EOP DEC 2022 2022 GAP YEAR PROVISIONAL ADJUSTMENTS
a	b	c = a + b	d	e = c + d	f
		\$ -	\$ 5,610,487	\$ 5,610,487	\$ 2,205,083
		-	-	-	-
		-	(1,178,202)	(1,178,202)	(463,067)
-	-	-	4,432,285	4,432,285	1,742,015
\$ -	\$ -	\$ -	\$ 4,432,285	\$ 4,432,285	\$ 1,742,015
\$ 58,170		\$ 58,170	\$ (58,170)	\$ -	
\$ 58,170	\$ -	\$ 58,170	\$ (58,170)	\$ -	\$ -
\$ (1,837,799)		\$ (1,837,799)	\$ 1,837,799	\$ -	
		-	-	-	-
		-	-	-	-
		-	-	-	-
\$ (1,837,799)	\$ -	\$ (1,837,799)	\$ 1,837,799	\$ -	\$ -
(1,837,799)	-	(1,837,799)	1,837,799	-	-
1,895,969	-	1,895,969	(1,895,969)	-	-
398,154	-	398,154	(398,154)	-	-
\$ 1,497,816	\$ -	\$ 1,497,816	\$ (1,497,816)	\$ -	\$ -

<b>EOP DEC 2022</b>	<b>AMA 2023</b>	<b>AMA DEC 2023</b>	<b>AMA 2024</b>	<b>AMA DEC 2024</b>	<b>AMA 2025</b>	<b>AMA DEC 2025</b>
<b>ADJUSTED RESULTS START OF RATE YEAR 1</b>	<b>2023 RATE YEAR 1 PROVISIONAL ADJUSTMENTS</b>	<b>ADJUSTED RESULTS END OF RATE YEAR 1</b>	<b>2024 RATE YEAR 2 PROVISIONAL ADJUSTMENTS</b>	<b>ADJUSTED RESULTS END OF RATE YEAR 2</b>	<b>2025 RATE YEAR 3 PROVISIONAL ADJUSTMENTS</b>	<b>ADJUSTED RESULTS END OF RATE YEAR 3</b>
<b>g = e + f</b>	<b>h</b>	<b>i = g + h</b>	<b>j</b>	<b>k = i + j</b>	<b>l</b>	<b>m = k + l</b>
\$ 7,815,570	\$ -	\$ 7,815,570	\$ -	\$ 7,815,570	\$ -	\$ 7,815,570
-	(976,946)	(976,946)	(1,953,892)	(2,930,839)	(1,953,892)	(4,884,731)
(1,641,270)	205,159	(1,436,111)	410,317	(1,025,794)	410,317	(615,476)
6,174,300	(771,788)	5,402,513	(1,543,575)	3,858,938	(1,543,575)	2,315,363
<b>\$ 6,174,300</b>	<b>\$ (771,788)</b>	<b>\$ 5,402,513</b>	<b>\$ (1,543,575)</b>	<b>\$ 3,858,938</b>	<b>\$ (1,543,575)</b>	<b>\$ 2,315,363</b>
<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	1,953,892	\$ 1,953,892	-	\$ 1,953,892	-	\$ 1,953,892
-	38,743	\$ 38,743	-	\$ 38,743	-	\$ 38,743
-	49,425	\$ 49,425	178,659	\$ 228,084	309,640	\$ 537,724
-	119,426	\$ 119,426	-	\$ 119,426	-	\$ 119,426
\$ -	\$ 2,161,486	\$ 2,161,486	\$ 178,659	\$ 2,340,146	\$ 309,640	\$ 2,649,785
-	2,161,486	2,161,486	178,659	2,340,146	309,640	2,649,785
-	(2,161,486)	(2,161,486)	(178,659)	(2,340,146)	(309,640)	(2,649,785)
-	(453,912)	(453,912)	(37,518)	(491,431)	(65,024)	(556,455)
<b>\$ -</b>	<b>\$ (1,707,574)</b>	<b>\$ (1,707,574)</b>	<b>\$ (141,141)</b>	<b>\$ (1,848,715)</b>	<b>\$ (244,615)</b>	<b>\$ (2,093,331)</b>