

**Exh. ASR-6  
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 Calculation of Incentive Rate of Return on Transportation Electrification Plan  
EVSE***

**July 28, 2022**

**Exh. ASR-6: PSE Calculation of Incentive Rate of Return on Transportation Electrification Plan EVSE**

**Determination of Incentive Rate of Return on Transportation Electrification Plant**

Line No.	Description	2023 Rate Year 1	2024 Rate Year 2	2025 Rate Year 3
1	<b>TOTAL ELECTRIC</b>			
2	Plant Balance	2,117,406	10,350,127	26,000,878
3	Accumulated Depreciation	(101,705)	(962,428)	(3,615,348)
4	Deferred Income Taxes	(63,406)	(378,366)	(1,145,422)
5	Net Plant Rate Base	1,952,294	9,009,334	21,240,108
6	Incentive Rate of Return	2%	2%	2%
7	Net Incentive Rate of Return	39,046	180,187	424,802
8	Tax Benefit of Interest*	-	-	-
9	Subtotal Before Gross-Up	39,046	180,187	424,802
10	Gross Up for Federal Income Tax	79%	79%	79%
11	Annual Return	49,425	228,084	537,724

\* Tax benefit of interest on these plant balances has already been included in the TEP provisional proforma

2% return on amounts highlighted

Total Budget	2023	2024	2025
Utility Make-Ready	724,931	4,328,415	4,178,577
<b>Customer Make-Ready</b>	<b>279,066</b>	<b>780,857</b>	<b>973,029</b>
Capitalized Labor	721,621	425,029	456,870
Site Improvements	937,775	2,271,047	2,288,471
<b>Chargers</b>	<b>3,927,628</b>	<b>5,976,762</b>	<b>5,936,501</b>
Capitalized IT	3,611,000	472,846	23,142
<b>Subtotal</b>	<b>10,202,021</b>	<b>14,254,956</b>	<b>13,856,590</b>

Incentive Rate of Return Eligible Ratio                      41.23%                      47.41%                      49.86%

**Totals per TEP Proforma on AMA Basis**

Gross Plant	5,135,105	17,366,632	31,386,510
A/D	(246,654)	(1,815,663)	(5,320,250)
DFIT	(153,772)	(664,396)	(1,538,279)

**Eligible for IRR**

Gross Plant	2,117,406	8,232,721	15,650,751
A/D	(101,705)	(860,723)	(2,652,920)
DFIT	(63,406)	(314,959)	(767,056)