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WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION STAFF
RESPONSE TO DATA REQUEST

DATE PREPARED:	December 21, 2011	WITNESS:	Roland C. Martin
DOCKETS:	UE-111048/UG-111049	RESPONDER:	Roland C. Martin
REQUESTER:	Puget Sound Energy	TELEPHONE:	(360) 664-1304

PSE Data Request No. 008 to WUTC Staff:

Re: Exhibit No. ___(RCM-2), page 16, line 70:

Please provide support for how the \$6,328,940 was calculated.

RESPONSE:

The following shows the calculation of the \$6,328,940 of Net Operating Loss (NOL) Deferred Tax Asset Attributable to production:

$$(A \div B) \times C = \$6,328,940 \text{ (2)}$$

Where:

A= \$15,034,874 NOL carry-forward tax effect allocation to electric production December 2010 end of period (EOP) balance. Exhibit ___ (MRM-8)

B= \$99,161,777 NOL carry-forward tax effect Total Electric and Gas December 2010 EOP balance. Exhibits ___ (MRM-7) and (MRM-8)

C= \$41,742,217 NOL carry forward tax effect Total Electric and Gas December 2010 AMA. Exhibits ___ (MRM-7) and (MRM-8)

Staff's use of the approximately \$6.3 million production related deferred tax asset in Adjustment 13.11-Production Adjustment, page 16, line 70, of Exhibit No. ___(RCM-2) is more appropriate than the approximately \$15 million used by PSE because Staff's AMA amount (in contrast to PSE's EOP amount) is consistent with the AMA production property rate base determination.