

**EXH. SEF-48  
DOCKETS UE-240004/UG-240005 et al.  
2024 PSE GENERAL RATE CASE  
WITNESS: SUSAN E. FREE**

**BEFORE THE  
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION,**

**Complainant,**

**v.**

**PUGET SOUND ENERGY,**

**Respondent.**

**Docket UE-240004  
Docket UG-240005  
(consolidated)**

**In the Matter of the Petition of**

**PUGET SOUND ENERGY**

**For an Accounting Order Authorizing  
deferred accounting treatment of  
purchased power agreement expenses  
pursuant to RCW 80.28.410**

**Docket UE 230810  
(consolidated)**

**TWENTIETH EXHIBIT (NONCONFIDENTIAL) TO THE  
PREFILED REBUTTAL TESTIMONY OF**

**SUSAN E. FREE**

**ON BEHALF OF PUGET SOUND ENERGY**

**SEPTEMBER 18, 2024**

**Comparison of Revenue Requirement for AMI  
Actual vs. In Rates Subject to Refund**

Description	Electric	2023 Gas	Combined
In Rates - Based on Forecast - Subject to Refund	\$ 2,969,909	\$ 1,533,309	\$ 4,503,218
Based on Actuals	3,652,075	1,837,341	5,489,416
(Actuals > In Rates)	\$ (682,165)	\$ (304,032)	\$ (986,197)

Line	Description	(in millions)		
		2022 - 2023 Forecast d	2022 - 2023 Actuals e	Variance f
6	Totals from Attachment B to the 2023 and 2024 MYRP Reports.	\$ 210.9	\$ 104.6	\$ (106.3)
7	Add Network Equipment outside of review period	-	41.4	41.4
8	Add Plant Closings that have/will close to plant in 2024	-	34.0	34.0
9	Adjusted Variance for Appropriate Comparison	\$ 210.9	\$ 180.0	\$ (30.9)

PB - WBS Level 3 - Description	2022		2023		Cumulative		
	Forecast	Actual	Forecast	Actual	Forecast	Actual	Forecast > Actual
W_R.10009.12.01.01: C AMI Network Installations Gen Plant	\$ (42,532,246.45)	\$ (3,826,724.85)	\$ -	\$ (80,813.69)	\$ (42,532,246.45)	\$ (3,907,538.54)	\$ (38,624,707.91)
W_R.10009.12.01.03: E AMI Netwrk Installtion TransDist	(1,283,134.20)	(125,899.80)	-	(100,838.31)	(1,283,134.20)	(226,738.11)	(1,056,396.09)
W_R.10009.12.01.04: E AMI Electric Meter Deployment	-	(40,350,087.85)	(104,544,526.30)	(27,840,619.77)	(104,544,526.30)	(68,190,707.62)	(36,353,818.67)
W_R.10009.12.01.05: G AMI Gas Module Deployment	-	(25,815,026.25)	(62,537,804.72)	(6,439,970.97)	(62,537,804.72)	(32,254,997.22)	(30,282,807.50)
Totals in 2022 - 2023 review period - See Attachment B to 2023 & 2024 MYRP Report	<b>\$ (43,815,380.64)</b>	<b>\$ (70,117,738.75)</b>	<b>\$ (167,082,331.02)</b>	<b>\$ (34,462,242.75)</b>	<b>\$ (210,897,711.66)</b>	<b>\$ (104,579,981.50)</b>	<b>\$ (106,317,730.16)</b>
Add Network Equipment outside of review period ( <b>Note 1</b> )		(41,383,533.30)				(41,383,533.30)	41,383,533.30
Add Plant Closings that have/will close to plant in 2024 ( <b>Note 2</b> )				(34,004,756.31)		(34,004,756.31)	34,004,756.31
Appropriate Comparison	<b>\$ (43,815,380.64)</b>	<b>\$ (111,501,272.05)</b>	<b>\$ (167,082,331.02)</b>	<b>\$ (68,466,999.06)</b>	<b>\$ (210,897,711.66)</b>	<b>\$ (179,968,271.11)</b>	<b>\$ (30,929,440.55)</b>

(Note 1) This amount should be added as it was forecasted to be in service in 2022 (cells C7 and C8 above), but was actually placed in Service in December 2021. Therefore, in order to be comparable when comparing the forecast to actuals, the plant which was placed in service in 2021 must be added to the actuals used for comparison. Also of note is that PSE's capital additions used in developing the revenue requirement approved in the 2022 GRC was based on actuals through September 2021, therefore, the network equipment was only included once.

(Note 1) Although the AMI project was substantially complete at the end of 2023, the book accounting for the assets is such that project costs will close to plant in the ensuing months. This amount represents the trailing costs that have been placed in service in 2024. Similar to Note 1, these amounts must be added to the actuals used for comparison in order for actuals to be on the same basis as forecast.

**Revenue Requirement Calculation**  
**Actuals - Electric AMI Subject to Refund Portion Only**

*Stand Alone Revenue Requirement Calculation 2023*

		<i>Reference</i>
8	Weighted Average Cost of Debt	2.55% 2022 GRC Approved COC - SEF-3 page 2 line 22
9		
11	Gross Plant Balance	\$ 46,856,923 From Tab 2023 Program - Actual
12	Accumulated Depreciation	(1,705,799) From Tab 2023 Program - Actual
13	Accumulated Deferred Income Tax	(454,727) From Tab 2023 Program - Actual
14	Rate Year Rate Base	\$ 44,696,398
15		
16	Depreciation Expense	\$ (1,847,247) From Tab 2023 Program - Actual x 79%
17	Tax Benefit of Proforma Interest	239,349 Line 8 x 14 x 21%
18	Return on Rate Base	(1,139,758) Line 8 x 14
19	Total Costs	\$ 2,747,656
21	Pre-tax grossed up for Revenue Sensitive Items	\$ 3,652,075 Line 19 ÷ 79% ÷ .952348 2022 GRC Approved Conv Factor - SEF-3 page 3 line 18

**Revenue Requirement Calculation**  
**Actuals - Gas AMI Subject to Refund Portion Only**

*Stand Alone Revenue Requirement Calculation 2023*

		<i>Reference</i>
8	Weighted Average Cost of Debt	2.55% 2022 GRC Approved COC - SEF-8 page 2 line 22
9		
11	Gross Plant Balance	\$ 23,012,672 From Tab 2023 Program - Actual
12	Accumulated Depreciation	(885,036) From Tab 2023 Program - Actual
13	Accumulated Deferred Income Tax	(1,556,258) From Tab 2023 Program - Actual
14	Rate Year Rate Base	\$ 20,571,378
15		
16	Depreciation Expense	\$ (972,416) From Tab 2023 Program - Actual x 79%
17	Tax Benefit of Proforma Interest	110,160 Line 8 x 14 x 21%
18	Return on Rate Base	(524,570) Line 8 x 14
19	Total Costs	\$ 1,386,826
21	Pre-tax grossed up for Revenue Sensitive Items	\$ 1,837,341 Line 19 ÷ 79% ÷ .955444 2022 GRC Approved Conv Factor - SEF-8 page 3 line 18

Rate Year 1 - 2023 - Actuals

AMA using 2022 and 2023 cumulative balances

Program Name	Used and Useful Category	Company	Gross Plant		Accumulated Depreciation		ADFIT		Depreciation Expense	
			Electric	Gas	Electric	Gas	Electric	Gas	Electric	Gas
AMI Meters and Modules Deployment - Common	Programmatic	C	2,585,143.92	1,335,304.85	(188,944.71)	(97,595.64)	(454,726.99)	(234,880.21)	184,822.54	95,466.42
AMI Pre-Cap Allocation - Electric	Precap	E	29,181,980.30		(1,037,630.49)		(1,074,325.34)		1,404,524.36	
AMI Meters and Modules Deployment - Electric	Programmatic	E	15,089,799.12		(479,223.53)		(686,458.47)		748,941.05	
AMI Pre-Cap Allocation - Gas	Precap	G		10,637,212.78		(462,283.29)		(522,130.21)		498,793.25
AMI Meters and Modules Deployment - Gas	Programmatic	G		11,040,154.19		(325,156.87)		(799,247.74)		636,646.71
			46,856,923.34	23,012,671.82	(1,705,798.73)	(885,035.80)	(2,215,510.80)	(1,556,258.16)	2,338,287.95	1,230,906.37

See "2023 GP AMA - Actual" Tab

	Minor		Project Cost	Pre-Cap	Total
	Unreconciled	Difference			
65.94% Electric	\$17,671,817	\$ 3,126	\$17,674,943	\$ 29,181,980	\$ 46,856,923
34.06% Gas	12,378,585	\$ (3,126)	12,375,459	10,637,213	23,012,672
<b>Total</b>	<b>\$30,050,402</b>	<b>\$ (0)</b>	<b>\$30,050,402</b>	<b>\$ 39,819,193</b>	<b>\$ 69,869,595</b>
	0		0	0	0

Project	12/31/2022	1/31/2023	2/28/2023	3/31/2023	4/30/2023	5/31/2023	6/30/2023	7/31/2023	8/31/2023	9/30/2023	10/31/2023	11/30/2023	12/31/2023	12/31/2023 AMA
<b>Project Costs (See Attachment B to 2024 MYRP Annual Report, tab "Reconcile 2023 Actual GP&amp;Adds", rows 522 - 521)</b>														
W_R_10009.12.01.01: C AMI Network Installations Gen Plant	\$ 3,826,725	\$ 3,900,896	\$ 3,777,606	\$ 4,349,380	\$ 3,853,281	\$ 3,896,097	\$ 3,893,094	\$ 3,893,895	\$ 3,896,552	\$ 3,898,311	\$ 3,998,422	\$ 3,930,875	\$ 3,907,539	\$ 3,929,626
W_R_10009.12.01.03: E AMI Network Installation TransDist	131,731	132,128	132,128	132,128	231,542	231,542	231,542	231,542	231,542	231,542	231,542	232,142	232,569	202,622
W_R_10009.12.01.04: E AMI Electric Meter Deployment	12,758,718	13,969,000	15,100,307	15,142,741	14,117,166	14,540,052	13,575,206	13,987,720	13,134,257	13,571,811	13,637,832	20,829,339	21,082,408	14,877,999
W_R_10009.12.01.05: G AMI Gas Module Deployment	8,909,147	9,985,933	10,666,719	9,417,530	9,891,331	9,923,364	12,433,821	12,240,792	11,633,014	11,839,734	11,912,939	11,975,696	12,212,809	11,040,154
<b>Total Project Costs</b>	<b>\$ 25,626,321</b>	<b>\$ 27,987,927</b>	<b>\$29,676,760</b>	<b>\$29,041,779</b>	<b>\$28,093,321</b>	<b>\$28,591,055</b>	<b>\$30,133,663</b>	<b>\$30,363,949</b>	<b>\$ 28,895,365</b>	<b>\$ 29,541,397</b>	<b>\$ 29,780,735</b>	<b>\$ 36,968,052</b>	<b>\$ 37,435,324</b>	<b>\$ 30,050,402</b>

From File From Att B  
2024 MYRP Rpt Agrees

Pre-Cap Materials (Allocated portion of rows 41 and 296 in Attachment B to 2024 MYRP Annual Report, tab "Reconcile 2023 Actual GP&Adds")		12/31/2022	1/31/2023	2/28/2023	3/31/2023	4/30/2023	5/31/2023	6/30/2023	7/31/2023	8/31/2023	9/30/2023	10/31/2023	11/30/2023	12/31/2023	12/31/2023 AMA
Electric	100.00%	\$ 48,353,384	\$ 51,479,819	\$54,531,991	\$57,569,833	\$62,409,676	\$66,854,581	\$72,317,927	\$76,391,043	\$ 80,533,130	\$ 82,625,912	\$ 87,948,363	\$ 90,419,809	\$ 92,933,955	\$ 71,143,813
Gas	100.00%	14,860,704	15,821,568	16,759,609	17,693,245	19,180,700	20,546,776	22,225,856	23,477,668	24,750,678	25,393,894	27,029,641	27,789,204	28,561,890	21,865,009
		<b>\$ 63,214,088</b>	<b>\$ 67,301,387</b>	<b>\$71,291,600</b>	<b>\$75,263,078</b>	<b>\$81,590,376</b>	<b>\$87,401,357</b>	<b>\$94,543,782</b>	<b>\$99,868,711</b>	<b>\$105,283,808</b>	<b>\$108,019,775</b>	<b>\$114,978,004</b>	<b>\$118,209,013</b>	<b>\$121,495,844</b>	<b>\$ 93,008,821</b>
Electric	41.02%	\$ 19,833,735	\$ 21,116,145	\$22,368,094	\$23,614,165	\$25,599,386	\$27,422,611	\$29,663,582	\$31,334,305	\$33,033,318	\$33,891,742	\$ 36,074,921	\$ 37,088,666	\$ 38,119,925	\$ 29,181,980
Gas	48.65%	7,229,655	7,697,110	8,153,462	8,607,671	9,331,310	9,995,900	10,812,763	11,421,763	12,041,076	12,353,982	13,149,780	13,519,303	13,895,210	10,637,213
		<b>\$ 27,063,390</b>	<b>\$ 28,813,255</b>	<b>\$30,521,556</b>	<b>\$32,221,836</b>	<b>\$34,930,696</b>	<b>\$37,418,510</b>	<b>\$40,476,345</b>	<b>\$42,756,068</b>	<b>\$ 45,074,394</b>	<b>\$ 46,245,724</b>	<b>\$ 49,224,700</b>	<b>\$ 50,607,969</b>	<b>\$ 52,015,136</b>	<b>\$ 39,819,193</b>

2023 Precap Adds w/ Unreconciled Difference  
\$ 18,286,191 \$ 1,230,740 \$ 19,516,931  
\$ 6,665,555 \$ (3,529,246) \$ 3,136,309  
\$ 24,951,746 \$ (2,298,506) \$ 22,653,240



**Network Equipment 2021 Closings**

<b>Depr Group</b>	<b>202101</b>	<b>202102</b>	<b>202103</b>	<b>202104</b>	<b>202105</b>	<b>202106</b>	<b>202107</b>	<b>202108</b>	<b>202109</b>	<b>202110</b>	<b>202111</b>	<b>202112</b>	<b>Grand Total</b>
C3970 CMN Comm Equip, new	100,216.87	941,019.49	(2,410,585.71)	2,197,957.26	(405,521.01)	1,209,218.95	37,439.09	387,375.13	(19,375.85)	446,185.16	183,386.88	2,912,303.14	5,579,619.40
C3974 CMN Comm Equip, AMI Network			2,398,618.62	657.43	436,894.93		(3,867.10)			1,661,087.87	7,347.62	31,303,174.53	35,803,913.90
<b>Grand Total</b>	<b>\$ 100,216.87</b>	<b>\$ 941,019.49</b>	<b>\$ (11,967.09)</b>	<b>\$ 2,198,614.69</b>	<b>\$ 31,373.92</b>	<b>\$ 1,209,218.95</b>	<b>\$ 33,571.99</b>	<b>\$ 387,375.13</b>	<b>\$ (19,375.85)</b>	<b>\$ 2,107,273.03</b>	<b>\$ 190,734.50</b>	<b>\$ 34,215,477.67</b>	<b>\$ 41,383,533.30</b>



**Revenue Requirement Calculation  
Electric AMI Subject to Refund Portion Only**

*Stand Alone Revenue Requirement Calculation 2023*

*Reference*

8	Weighted Average Cost of Debt	2.55%	2022 GRC Approved COC - SEF-3 page 2 line 22
9			
11	Gross Plant Balance	\$ 32,908,427	From Tab 2023 Program - In Rates
12	Accumulated Depreciation	(2,409,956)	From Tab 2023 Program - In Rates
13	Accumulated Deferred Income Tax	(1,438,490)	From Tab 2023 Program - In Rates
14	Rate Year Rate Base	\$ 29,059,981	
15			
16	Depreciation Expense	\$ (1,649,013)	From Tab 2023 Program - In Rates x 79%
17	Tax Benefit of Proforma Interest	155,616	Line 8 x 14 x 21%
18	Return on Rate Base	(741,030)	Line 8 x 14
19	Total Costs	\$ 2,234,426	
21	Pre-tax grossed up for Revenue Sensitive Items	\$ 2,969,909	Line 19 ÷ 79% ÷ .952348 2022 GRC Approved Conv Factor - SEF-3 page 3 line 18

**Revenue Requirement Calculation  
Gas AMI Subject to Refund Portion Only**

*Stand Alone Revenue Requirement Calculation 2023*

		<i>Reference</i>
1		
2	Weighted Average Cost of Debt	2.55% 2022 GRC Approved COC - SEF-8 page 2 line 22
3		
4	Gross Plant Balance	\$ 17,048,092 From Tab 2023 Program - In Rates
5	Accumulated Depreciation	(1,252,882) From Tab 2023 Program - In Rates
6	Accumulated Deferred Income Tax	(1,913,185) From Tab 2023 Program - In Rates
7	Rate Year Rate Base	\$ 13,882,025
8		
9	Depreciation Expense	\$ (877,689) From Tab 2023 Program - In Rates x 79%
10	Tax Benefit of Proforma Interest	74,338 Line 8 x 14 x 21%
11	Return on Rate Base	(353,992) Line 8 x 14
12	Total Costs	\$ 1,157,343
13	Pre-tax grossed up for Revenue Sensitive Items	\$ 1,533,309 Line 19 ÷ 79% ÷ .955444 2022 GRC Approved Conv Factor - SEF-8 page 3 line 18

Rate Year 1 - 2023 - Set in Rates

AMA using 2022 and 2023 cumulative balances

Program Name	Used and Useful Category	Company	Gross Plant		Accumulated Depreciation		ADFIT		Depreciation Expense	
			Electric	Gas	Electric	Gas	Electric	Gas	Electric	Gas
AMI Meters and Modules Deployment - Common	Programmatic	C	28,310,158.16	14,623,051.06	(2,437,000.58)	(1,258,784.35)	(1,438,489.85)	(743,023.42)	1,887,353.38	974,874.98
AMI Meters and Modules Deployment - Electric	Programmatic	E	4,598,268.53		27,044.79		(1,327,864.98)	(1,170,161.59)	200,004.34	136,124.30
AMI Meters and Modules Deployment - Gas	Programmatic	G		2,425,041.35		5,901.91				
			32,908,426.69	17,048,092.41	(2,409,955.79)	(1,252,882.44)	(2,766,354.83)	(1,913,185.01)	2,087,357.72	1,110,999.28

Amounts are from the "NEW-PSE-WP-SEF-6E-11G-ProvProforma-22GRC-01-2022.xlsx" file in the 2022 GRC Compliance Filing to set rates.

