

**EXH. KJB-27  
DOCKETS UE-170033/UG-170034  
2017 PSE GENERAL RATE CASE  
WITNESS: KATHERINE J. BARNARD**

**BEFORE THE  
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION,**

**Complainant,**

**v.**

**PUGET SOUND ENERGY,**

**Respondent.**

**Docket UE-170033  
Docket UG-170034**

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

**KATHERINE J. BARNARD**

**ON BEHALF OF PUGET SOUND ENERGY**

**AUGUST 9, 2017**

**BEFORE THE WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION**

**Dockets UE-170033 and UG-170034 (*Consolidated*)**

**WUTC v. Puget Sound Energy**

**RESPONSE OF PUBLIC COUNSEL TO PUGET SOUND ENERGY  
DATA REQUEST NO. 12**

Request No: 12  
Directed to: Lisa Gafken  
Date Received: July 17, 2017  
Date Produced: July 20, 2017  
Prepared by: Ralph Smith  
Witness: Ralph Smith  
Phone No.: (206) 464-6595

**DATA REQUEST NO. 12:**

Please reference the electronic exhibits provided for Mr. Ralph C. Smith, specifically Exhibits RCS-3 and RCS-4. Please refer to the files titled:

170033-34-PC-EXH-RCS-3\_Electric\_Rev\_Req\_Schedules 06-30-2017.xlsm; and  
170033-34-PC-EXH-RCS-4\_Gas\_Rev\_Req\_Schedules 06-30-2017.xlsm.

Please provide an MS Excel file with all formulas intact detailing the calculations used to develop each of the hard coded numbers included in the tab titled "C-12" in each of the referenced electronic exhibits.

**RESPONSE:**

Please see Attachment A (Electric Depreciation Rates per Public Counsel-RM Updated.xlsm) for details of the electric depreciation expense adjustment in Exhibit RCS-3, Schedule C-12.

Please see Attachment B (Gas Depreciation Rates per Public Counsel-RM Updated.xlsm) for details of the gas depreciation expense adjustment in Exhibit RCS-4, Schedule C-12.

**Excerpt from Public Counsel's Resp to PSE DR 12**

Exhibit No. \_\_\_ (KJB-27)

Docket Numbers UE-17 \_\_\_\_\_

**PAGE 8.06**

**PUGET SOUND ENERGY - ELECTRIC  
DEPRECIATION STUDY  
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016  
2017 GENERAL RATE CASE**

<b>LINE NO.</b>	<b>DESCRIPTION</b>	<b>ACTUAL</b>	<b>Per Public Counsel RESTATED</b>	<b>ADJUSTMENT</b>
1	403 ELEC. DEPRECIATION EXPENSE	\$ 249,419,038	\$ 282,038,779	\$ 32,619,741
2	403 ELEC. PORTION OF COMMON	15,207,048	10,979,269	(4,227,779)
3	403 DEPR. EXP. ON ASSETS NOT INCLUDED IN STUDY	55,938	55,938	-
4	404 DEPR. EXP. ON ASSETS NOT INCLUDED IN STUDY	29,770,695	29,770,695	-
5	SUBTOTAL DEPRECIATION EXPENSE	<u>294,452,719</u>	<u>322,844,681</u>	<u>28,391,962</u>
6				
7	403.1 DEPR. EXP- FAS 143 (RECOVERED IN RATES)	1,352,125	1,730,992	378,867
8	403.1 DEPR. EXP - FAS 143 (NOT RECOVERED IN RATES)	1,476,017	-	(1,476,017)
9	SUBTOTAL DEPRECIATION EXPENSE 403.1	<u>2,828,141</u>	<u>1,730,992</u>	<u>(1,097,149)</u>
10				
11	TOTAL DEPRECIATION EXPENSE	<u>297,280,860</u>	<u>324,575,673</u>	<u>27,294,813</u>
12				
13	<b><u>AMORTIZATION EXPENSE</u></b>			
14	411.10 ACCRETION EXP. - FAS 143 (RECOVERED IN RATES)	1,424,661	1,694,307	269,646
15	411.10 ACCRETION EXP. - FAS 143 (NOT RECOVERED IN RATES)	1,148,003	-	(1,148,003)
16	SUBTOTAL ACCRETION EXPENSE 411.10	<u>2,572,664</u>	<u>1,694,307</u>	<u>(878,357)</u>
17				
18				
19	FLEET DEPRECIATION EXPENSE IN FERC 403	<u>846,819</u>	<u>539,849</u>	<u>(306,970)</u>
20				
21				
22	INCREASE(DECREASE) EXPENSE			\$ 26,109,486
23	FIT		35%	<u>(9,138,320)</u>
24	INCREASE(DECREASE) NOI			<u>\$ (16,971,166)</u>
25				
26				
27	<b><u>ADJUSTMENT TO RATE BASE</u></b>			
28	ADJUSTMENT TO ACCUM. DEPREC. AT 50% DEPREC. EXPENSE LINE 19	50%		\$ (13,054,743)
29	DFIT			<u>4,569,160</u>
30	TOTAL ADJUSTMENT TO RATEBASE			<u>\$ (8,485,583)</u>

**Excerpt from Public Counsel's Resp to PSE DR 12**

Account Number	Description	Acquisition Value	Depreciation Expense	4 Factor Allocated Current Elec	4 Factor Allocated Current Gas	Current Rate %	Proposed Rate PerPSE	Diff % Rate	Proposed Depreciation Expense Amount Per PSE	4 Factor Allocated Proposed Elec PerPSE
<b>COMMON PLANT</b>										
389.1	LAND AND LAND RIGHTS - EASEMENTS	14,082,567.58	281,651.40	189,213.41	92,437.99	2.00%	1.65%	82.26%	231,681.04	155,643.32
390	STRUCTURES AND IMPROVEMENTS EAST SIDE TELECOMMUNICATION OFFICE FACTORIA OTHER STRUCTURES	25,949,969.49 18,065,002.23 89,041,848.12	1,338,163.75 952,025.64 4,136,698.53	886,978.41 639,570.82 2,279,034.07	439,185.34 312,454.82 606,024.30	5.27% 5.27% 5.27%	2.95% 1.88% 1.28%	55.94% 35.58% 24.38%	748,551.23 338,741.01 1,537,488.27	502,876.71 227,566.21 1,032,884.62
391.1	OFFICE FURNITURE AND EQUIPMENT	21,112,177.85	374,011.60	251,260.99	122,750.61	5.00%	5.00%	100.10%	374,384.02	251,511.18
			495,366.96	332,787.52	162,579.44	16.44%	5.00%	30.45%	150,824.15	101,323.66
			869,378.56	584,048.52	285,330.04				525,208.17	352,834.85
391.2	OFFICE FURNITURE AND EQUIPMENT - COMPUTERS	63,265,264.67	11,802,785.69	7,929,111.43	3,873,674.26	20.00%	20.00%	100.01%	11,804,366.85	7,930,173.65
392	TRANSPORTATION EQUIPMENT	4,200,662.92	374,440.27	251,548.97	122,891.30	9.00%	1.43%	15.92%	59,594.95	40,035.89
			(353.22)	(237.29)	(115.93)	60.00%	1.43%	2.39%	(59,566.51)	(40,030.22)
393	STORES EQUIPMENT	92,575.77	2,683.68	1,802.90	880.78	5.00%	5.00%	100.00%	2,683.80	1,802.98
			1,803.24	1,211.42	591.82	16.44%	5.00%	30.42%	546.51	388.49
			4,486.92	3,014.31	1,472.61				3,232.31	2,171.47
394	TOOLS, SHOP AND GARAGE EQUIPMENT	1,586,280.50	38,814.78	26,075.77	12,739.01	5.00%	5.00%	99.91%	38,781.00	26,055.08
			21,592.00	14,498.79	7,083.21	16.44%	5.00%	30.39%	6,558.81	4,406.21
			60,396.78	40,574.56	19,822.22				45,339.81	30,459.29
396	POWER OPERATED EQUIPMENT	405,180.32	24,310.80	16,332.00	7,978.80	6.00%	2.84%	47.33%	11,505.99	7,729.72
397	COMMUNICATION EQUIPMENT ** FULLY ACCRUED AMORTIZED	21,530,076.08	3,356,202.05	2,254,696.54	1,101,505.51	6.67%	6.67%	99.93%	3,353,840.92	2,253,110.33
			63,796,965.83	1,392,782.08	675,541.95	27.91%	6.67%	23.88%	491,610.51	330,263.94
			85,327,042.01	5,414,526.08	3,637,478.62				3,845,451.43	2,583,374.27
398	MISCELLANEOUS EQUIPMENT	1,051,805.58	39,622.04	26,618.09	13,003.95	6.67%	6.67%	100.03%	39,633.66	26,625.89
			27,739.68	18,635.52	9,104.16	27.91%	6.67%	23.91%	6,631.96	4,455.35
			1,051,805.58	67,361.72	45,253.60				46,265.62	31,081.24
			\$ 280,165,405.32 \$	\$ 23,035,683.53 \$	\$ 15,475,372.20 \$	8.22%	6.46%	78.62%	\$ 18,110,126.00 \$	\$ 12,166,382.65 \$
392 *	Remove CC300 depreciation not booked		(374,087.05)	(251,311.68)	(122,775.37)				(59,586.51)	(40,030.22)
396 **	to 403 to be adjusted separately		(24,310.80)	(16,332.00)	(7,978.80)				(11,505.99)	(7,729.72)
	<b>SUBTOTAL (excludes CC 300)</b>	<b>\$ 280,165,405.32 \$</b>	<b>\$ 23,637,285.68 \$</b>	<b>\$ 15,207,728.52 \$</b>	<b>\$ 7,429,557.16 \$</b>	<b>8.08%</b>	<b>6.44%</b>	<b>79.69%</b>	<b>\$ 18,039,033.50 \$</b>	<b>\$ 12,118,822.70 \$</b>
	<b>UNRECOVERED RESERVE TO BE AMORTIZED</b>									
391.1	OFFICE FURNITURE AND EQUIPMENT								316,970.16	212,940.55
391.2	OFFICE FURNITURE AND EQUIPMENT - COMPUTERS								(151,112.36)	(101,517.28)
393	STORES EQUIPMENT								862.65	592.96
394	TOOLS, SHOP AND GARAGE EQUIPMENT								18,966.71	12,741.83
397	COMMUNICATION EQUIPMENT								1,473,760.04	990,072.00
398	MISCELLANEOUS EQUIPMENT								(1,598.56)	(1,073.91)
	<b>TOTAL UNRECOVERED RESERVE TO BE AMORTIZED</b>								<b>\$ 1,657,868.64 \$</b>	<b>\$ 1,113,756.15 \$</b>
	<b>TOTAL COMMON</b>	<b>\$ 280,165,405.32</b>	<b>\$ 22,637,285.68</b>	<b>\$ 15,207,047.52</b>	<b>\$ 7,429,557.16</b>	<b>8.08%</b>	<b>6.44%</b>	<b>79.69%</b>	<b>\$ 19,696,902.14</b>	<b>\$ 13,232,378.86</b>
	<b>NONDEPRECIABLE PLANT AND ACCOUNTS NOT STUDIED</b>									
302	FRANCHISES AND CONSENTS	31,729.64	2,347.00	1,576.71	770.29				2,347.00	1,576.71
303	MISCELLANEOUS INTANGIBLE PLANT	166,359,858.70	27,664,698.00	18,686,144.12	9,079,553.88				27,664,698.00	18,585,144.12
389	LAND AND LAND RIGHTS	28,496,665.23								
390.1	STRUCTURES AND IMPROVEMENTS - LEASEHOLDS	46,511,320.42	3,019,656.99	2,028,605.57	991,051.42				3,019,656.99	2,028,605.57
391.21	OFFICE FURNITURE AND EQUIPMENT - COMPUTERS CAPITAL	756,461.72								
392.1	AIRCRAFT	1,509,234.08								
392.2	AIRCRAFT ENGINE REBUILD	832,657.21	83,265.72	55,937.91	27,327.81				83,265.72	55,937.91
399	ARO GENERAL PLANT		157,467.00	105,786.33	51,680.67				157,467.00	105,786.33
	Landis & Cvr Reclassified to 902									
	<b>TOTAL COMMON PLANT</b>	<b>\$ 244,497,927.00 \$</b>	<b>\$ 30,927,434.71 \$</b>	<b>\$ 20,777,050.64 \$</b>	<b>\$ 10,150,384.07 \$</b>				<b>\$ 30,927,434.71 \$</b>	<b>\$ 20,777,050.64 \$</b>
	More ARC to separate line									
	<b>Amortization</b>	<b>\$ 244,497,927.00 \$</b>	<b>\$ (157,467.00) \$</b>	<b>\$ (105,786.33) \$</b>	<b>\$ (51,680.67) \$</b>				<b>\$ (30,769,967.71) \$</b>	<b>\$ (105,786.33) \$</b>
	<b>Total Common Depreciation and Amortization</b>	<b>\$ 524,663,332.32 \$</b>	<b>\$ 53,407,253.39 \$</b>	<b>\$ 35,879,311.83 \$</b>	<b>\$ 17,828,200.56 \$</b>				<b>\$ 50,466,869.85 \$</b>	<b>\$ 33,903,645.16 \$</b>

**Excerpt from Public Counsel's Resp to PSE DR 12**

ACCOUNT NUMBER	DESCRIPTION	4 FACTOR ALLOCATOR PROPOSED GAS Per PSE 32.82%	PROPOSED RATE Public Counsel	DIFF% RATE	PROPOSED DEPRECIATION EXPENSE AMOUNT Per Public Counsel	4 FACTOR ALLOCATOR PROPOSED ELEC Per Public Counsel 67.18%	4 FACTOR ALLOCATOR PROPOSED GAS Per Public Counsel 32.82%	INCREASE (DECREASE) Electric AMOUNT	INCREASE (DECREASE) Gas AMOUNT
<b>COMMON PLANT</b>									
389.1	LAND AND LAND RIGHTS - EASEMENTS	76,037.72	1.65%	100.00%	231,681.04	155,643.32	76,037.72	-	-
390	STRUCTURES AND IMPROVEMENTS EAST SIDE TELECOMMUNICATION OFFICE FACTORIA OTHER STRUCTURES	246,674.51 111,174.80 338,741.01 147,754.34 504,603.65	2.95% 1.88% 1.88% 1.28% 1.537	100.00% 100.00% 100.00% 100.00% 100.00%	748,551.23 338,741.01 227,566.21 450,196.04 1,537,488.27	502,876.71 227,566.21 111,174.80 147,754.34 504,603.65	246,674.51 111,174.80 338,741.01 147,754.34 504,603.65	-	-
391.1	OFFICE FURNITURE AND EQUIPMENT	122,872.83 49,500.49 172,373.32	5.00% 5.00%	100.00% 100.00%	374,384.02 150,824.15 525,208.17	251,511.18 101,323.66 352,834.85	122,872.83 49,500.49 172,373.32	-	-
391.2	OFFICE FURNITURE AND EQUIPMENT - COMPUTERS	3,874,193.20	20.00%	100.00%	11,804,366.85	7,930,173.65	3,874,193.20	-	-
392	TRANSPORTATION EQUIPMENT	19,559.06 (2.77)	1.43% 1.43%	100.00% 100.00%	59,559.95 (8.43) 59,566.29	40,035.89 (5.67) 40,030.22	19,559.06 (2.77) 19,556.29	-	-
393	STORES EQUIPMENT	880.82 1,600.85	5.00% 5.00%	100.00% 100.00%	2,683.80 548.51 3,232.31	1,802.98 366.49 2,171.47	880.82 1,600.85	-	-
394	TOOLS, SHOP AND GARAGE EQUIPMENT	12,727.92 2,152.60 14,880.53	5.00% 5.00%	100.00% 100.00%	38,781.00 6,558.81 45,339.81	26,053.08 4,406.21 30,459.29	12,727.92 2,152.60 14,880.53	-	-
396	POWER OPERATED EQUIPMENT	3,776.27	2.84%	100.00%	11,505.99	7,729.72	3,776.27	-	-
397	COMMUNICATION EQUIPMENT ** FULLY ACCRUED AMORTIZED	1,100,730.59 161,346.57 1,262,077.16	0.00% 6.67%	0.00% 100.00%	- 491,610.51 491,610.51	330,263.94 330,263.94	161,346.57 161,346.57	(2,253,110.33) (2,253,110.33)	(1,100,730.59) (1,100,730.59)
398	MISCELLANEOUS EQUIPMENT	13,007.77 2,176.61 15,184.37	6.67% 6.67%	100.00% 100.00%	39,633.66 6,631.96 46,265.62	26,625.89 4,455.35 31,081.24	13,007.77 2,176.61 15,184.37	-	-
392 *	Remove CC300 depreciation not booked	\$ 5,943,743.35	5.27%	81.48%	\$ 14,756,285.08	\$ 9,913,272.32	\$ 4,843,012.76	\$ (2,253,110.33)	\$ (1,100,730.59)
396 **	to 403 to be adjusted separately	(19,556.29) (3,776.27)			(19,556.29) (11,505.99)	(19,556.29) (7,729.72)	(3,776.27)	-	-
<b>SUBTOTAL (excludes CC 300)</b>		\$ 5,920,410.79	5.24%	81.41%	\$ 14,665,192.58	\$ 9,865,512.37	\$ 4,819,680.20	\$ (2,253,110.33)	\$ (1,100,730.59)
<b>UNRECOVERED RESERVE TO BE AMORTIZED</b>									
391.1	OFFICE FURNITURE AND EQUIPMENT	104,029.61			316,970.16	212,940.55	104,029.61	212,940.55	
391.2	OFFICE FURNITURE AND EQUIPMENT - COMPUTERS	(49,585.06)			(151,112.36)	(101,517.28)	(49,585.06)	(101,517.28)	
393	STORES EQUIPMENT	289.69			882.65	592.96	289.69	592.96	
394	TOOLS, SHOP AND GARAGE EQUIPMENT	6,224.87			18,986.71	12,741.83	6,224.87	12,741.83	
397	COMMUNICATION EQUIPMENT	483,688.05			1,473,760.04	990,072.00	483,688.05	990,072.00	
398	MISCELLANEOUS EQUIPMENT	(524.65)			(1,598.56)	(1,073.91)	(524.65)	(392.91)	
<b>TOTAL UNRECOVERED RESERVE TO BE AMORTIZED</b>		\$ 544,112.49			\$ 1,657,868.64	\$ 1,113,756.15	\$ 544,112.49	\$ 1,114,437.15	
<b>TOTAL COMMON</b>		6,464,523.28			16,343,061.22	10,979,268.53	5,363,792.69	(1,138,673.18)	
<b>NONDEPRECIABLE PLANT AND ACCOUNTS NOT STUDIED</b>									
302	FRANCHISES AND CONSENTS	770.29			1,576.71	770.29	770.29		
303	MISCELLANEOUS INTANGIBLE PLANT	9,079,553.88			18,686,144.12	9,079,553.88	9,079,553.88		
389	LAND AND LAND RIGHTS								
390.1	STRUCTURES AND IMPROVEMENTS - LEASEHOLDS	991,051.42			2,028,605.57	991,051.42	991,051.42		
391.21	OFFICE FURNITURE AND EQUIPMENT - COMPUTERS CAPITAL I AIRCRAFT								
392.1	AIRCRAFT ENGINE REBUILD	27,327.81			55,937.91	27,327.81	27,327.81		
392.2	AIRCRAFT ENGINE REBUILD	51,680.67			105,766.33	51,680.67	51,680.67		
399	ARO GENERAL PLANT Landis & Cvr Reclassified to 902								
<b>TOTAL COMMON PLANT</b>		\$ 10,150,384.07			\$ 20,777,050.64	\$ 10,150,384.07	\$ 10,150,384.07		
<b>Amortization</b>		\$ (51,680.67)			\$ (105,766.33)	\$ (51,680.67)	\$ (51,680.67)		
<b>Total Common Depreciation and Amortization</b>		\$ 10,098,703.40			\$ 20,671,284.31	\$ 10,098,703.40	\$ 10,098,703.40		
<b>Total Common Depreciation and Amortization</b>		\$ 16,563,226.68			\$ 31,650,532.83	\$ 15,462,496.09	\$ 15,462,496.09		