ATTACHMENT E

MULTI-YEAR RATE PLAN ANNUAL REPORT
REGARDING PLANT INVESTMENT AND METRICS REPORTING

PSE'S RESPONSE TO AWEC DATA REQUEST NO. 034 IN THE 2022 GRC

PUGET SOUND ENERGY
DOCKETS UE-220066 AND UG-220067
(CONSOLIDATED)

MARCH 31, 2023

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

Dockets UE-220066 & UG-220067
Puget Sound Energy
2022 General Rate Case

AWEC DATA REQUEST NO. 034:

Plant Additions (pro forma) – RY1, RY2, and RY3

Please refer to Exh. CAK-1T, page 33. Please also refer to workpaper "NEW-PSE-WP-SEF-23-24-STR_ProvProforma-22GRC-01-2022.xlsx," sheet "Calc Program Gross Plant," rows 11, 12, 15, and 16.

a. Please explain why the pro forma CAIC for electric is greater than pro forma customer construction for electric.
b. The pro forma reimbursement rate for customer construction gas appears to be less than 2 percent in the gap year and pro forma year. Please reconcile this with the historic rate discussed in Exh. CAK-1T, page 33, and the change in the margin allowance.

Response:

a. During the preparation of this response, it was determined that the closing percentage[1] that was used to develop the forecasted electric New Customer Construction ("NCC") was too low. It is the incorrect closing percentage that has resulted in forecasted NCC being too low, which in turn has resulted in the electric Contributions in Aid of Construction ("CIAC"), which was forecasted correctly, being greater than the forecasted NCC. Additionally, electric CIAC on row 11 of the referenced work paper relates to more than just the NCC shown on row 15 of the work paper. CIAC also relates to Public Improvement ("PI") shown on row 36 of the work paper. PI CIAC accounts for approximately 3% of total CIAC; therefore, NCC and PI CIAC are combined for accounting and forecasting purposes. An incorrect closing percentage that is too low was also mistakenly assigned to forecasted electric PI investments. The table below provides the amount of forecasted capex and plant closings for NCC, PI and the associated CIAC that have been included in the filing. The resultant closing percentages are shown on lines 10 and 11. To demonstrate the impacts, see the 2023 incorrect closing rate of 6%, which resulted in $7 million in plant closings from $116 million in capital expenditures (column (d) lines 7 and 15). Instead, the expected closing percentages for NCC and PI should have mirrored those used for CIAC (row 11). The impact of the closing percentage being set too low on electric NCC and PI is

[1] The closing percentage is the percent of capital expenditures that are closed to plant over time.

a shortfall in the forecasted plant in service of approximately $350 million. Puget Sound Energy ("PSE") can update the closing percentages for electric NCC and PI as part of PSE's rebuttal filing.

Line	(a)	(b)	(c) 2022 EOP	(d) 2023 AMA	(e) 2024 AMA	(f) 2025 AMA
1	Capex	NCC & PI - Electric	106,238,179	116,530,787	123,651,560	130,853,486
2	Capex	NCC & PI CIAC- Electric	(17,388,700)	(6,382,400)	(6,382,400)	(6,563,493)
3						
4	AMA Gross Plant Balance	NCC & PI - Electric	21,453,546	28,692,042	43,906,788	62,232,861
5	AMA Gross Plant Balance	NCC & PI CIAC- Electric	(17,388,700)	(20,579,900)	(26,962,300)	(33,435,247)
6						
7	Gross Plant Additions	NCC & PI - Electric	21,453,546	7,238,497	15,214,746	18,326,073
8	Gross Plant Additions	NCC & PI CIAC- Electric	(17,388,700)	(3,191,200)	(6,382,400)	(6,472,947)
9						
10	Closing % (Gross Plant Addition/Capex)	NCC & PI - Electric	20%	6%	12%	14%
11	Closing % (Gross Plant Addition/Capex)	NCC & PI CIAC- Electric	100%	50%	100%	99%
12				↑		
13				*Due to shift to AMA*		
14	Adjusted AMA Plant Balance @ 100% Closing %	NCC & PI - Electric	106,238,179	164,503,573	284,594,747	411,847,270
15	Adjusted Gross Plant Additions @ 100% Closing %	NCC & PI - Electric	106,238,179	116,530,787	123,651,560	130,853,486
16						
17	Change in AMA Gross Plant @ 100% Closing %	NCC & PI - Electric				349,614,409

b. During the preparation of this response, it was determined that the forecasted reimbursement rate for gas was too low. The correct rate should be set at the 4% rate noted in Exh. CAK-IT-1T. PSE can update the reimbursement rate for gas as part of PSE's rebuttal filing.

First Revised Response:

a. During the preparation of this response, it was determined that the closing percentage[1] that was used to develop the forecasted electric New Customer Construction ("NCC") was too low. It is the incorrect closing percentage that has resulted in forecasted NCC being too low, which in turn has resulted in the electric Contributions in Aid of Construction ("CIAC"), which was forecasted correctly, being greater than the forecasted NCC. Additionally, electric CIAC on row 11 of the referenced work paper relates to more than just the NCC shown on row 15 of the work paper. CIAC also relates to Public Improvement ("PI") shown on row 36 of the work paper. PI CIAC accounts for approximately 3% of total CIAC; therefore, NCC and PI CIAC are combined for accounting and forecasting purposes. An incorrect closing percentage that is too low was also mistakenly assigned to forecasted electric PI investments. The table below provides the amount of forecasted capex and plant closings for NCC, PI and the associated CIAC that have been included in the filing. The resultant closing percentages are shown on lines 10 and 11. To demonstrate the impacts, see the 2023 incorrect closing rate of 6%, which resulted in $7 million in plant closings from $116 million in capital expenditures (column (d) lines 7 and 15). Instead, the expected closing

[1] The closing percentage is the percent of capital expenditures that are closed to plant over time.

percentages for NCC and PI should have mirrored those used for CIAC (row 11). The impact of the closing percentage being set too low on electric NCC and PI is a shortfall in the forecasted plant in service of approximately $350 million. Puget Sound Energy ("PSE") can update the closing percentages for electric NCC and PI as part of PSE's rebuttal filing.

Line	(a)	(b)	(c) 2022 EOP	(d) 2023 AMA	(e) 2024 AMA	(f) 2025 AMA
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17	Change in AMA Gross Plant @ 100% Closing %	NCC & PI - Electric				349,614,409

b. During the preparation of this response, it was determined that the forecasted reimbursement rate for gas was too low. The correct rate should be set at the 9% rate noted in Exh. CAK-1T. PSE can update the reimbursement rate for gas as part of PSE's rebuttal filing.