

Program net costs proposed for deferral include:

- Incremental costs associated with program development and operations, including labor, overheads, and outside services
- Expenses associated with maintenance, repair, or removal of charging stations and chargers
- Expenses for subscription fees, networking fees, and telecommunications to support data collection
- Expenses for operation of information technology systems, including storage of data from the programs
- Incentives paid to customers or provided through revenue credits to influence charging behaviors
- Advertising to customers on transportation electrification generally and PSE's programs, including materials, incremental labor, overheads, and outside services
- Grants or contributions to non-profit agencies to facilitate their participation in PSE's programs, especially low-income pilot programs
- Leases for charging station sites
- Energy costs for delivering energy at public charging stations enrolled in the program, the offsetting credit for which will be included in PSE's PCA mechanism
- Return on EV rate base
- Depreciation and amortization of EV assets
- Revenues recognized under the EV Program

Included in Attachment B is a detail of the estimated net costs provided in Docket UE-180877. These estimated net costs are still representative of PSE's expectations of the costs of the programs. Certain simplifying assumptions related to depreciation expense and return were made in calculating the amounts in Attachment B. The depreciation expense for the EV capital investment was calculated using a five year book life and seven year MACRS for tax. EV plant will likely fall in FERC accounts which have depreciable lives that vary between five and ten year. However, for simplicity of the calculations, PSE used the shortest life in order to be conservative. The annual deferrable costs of the program are estimated to be between \$1 million and \$4.7 million per year. The size of deferred balances that would be authorized under this petition will vary, depending on the time period that PSE defers the EV costs and when they are allowed for rate recovery and PSE is required to discontinue deferrals.