

**EXH. SEF-31
DOCKETS UE-170033/UG-170034
2017 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-170033
Docket UG-170034**

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

SUSAN E. FREE

ON BEHALF OF PUGET SOUND ENERGY

AUGUST 9, 2017

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION STAFF
RESPONSE TO DATA REQUEST

DATE PREPARED: July 19, 2017
DOCKETS: UE-170033/UG-170034
REQUESTER: PSE

WITNESS: Thomas E. Schooley
RESPONDER: Thomas E. Schooley
TELEPHONE: (360) 664-1307

REQUEST NO. 8:

Please reference lines 15 through 19 on page 22 of the Response Testimony of Mr. Thomas E. Schooley, Exh. TES-1T.

- a. Please explain why Mr. Schooley recommends removal of the deferred storm accounts and the related deferred FIT balances from working capital at their rate year levels rather than at the actual level they are included in the working capital, namely at their test year AMA balances.
- b. Please explain why Mr. Schooley recommends removing the storm deferral balances and the related deferred FIT 100% from electric working capital rather than recommending that the balances be removed from electric and gas working capital following the electric, gas and non-utility working capital allocation percentages proposed by Ms. Erdahl.

RESPONSE:

- a. Staff used the storm damage amounts as presented in PSE's response to Staff Data Request 376 revised to September ending periods as shown in Exh. TES-3. Staff does not oppose using the AMA amounts for this adjustment.
- b. Staff considered including the adjustment described in the above data request within Exh. BAE-2; however, Staff was uncertain of all the offsetting accounts so Staff did not make that adjustment in order to avoid unnecessary confusion.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION STAFF
RESPONSE TO DATA REQUEST

DATE PREPARED: July 19, 2017
DOCKETS: UE-170033/UG-170034
REQUESTER: PSE

WITNESS: Elizabeth O'Connell
RESPONDER: Elizabeth O'Connell
TELEPHONE: (360) 664-1306

REQUEST NO. 14:

Please reference line 27 on page 2 of Exh. No. ECO-2C. Please explain why Ms. O'Connell recommends removing the rate year amortization expense and the related deferred FIT 100% from electric working capital rather than recommending that the balances be removed from electric and gas working capital following the electric, gas and non-utility working capital allocation percentages proposed by Ms. Erdahl.

RESPONSE:

The investor-supplied working capital calculation is based solely on the per-books balances of the balance sheet for the test year. Ms. O'Connell's adjustment in Exh. ECO-2C is the pro forma adjustment to reflect the yearly amortization of the deferred environmental remediation deferred expenses. Staff presented the reduction to the regulatory asset in the working capital line item. It is possible that a different line is more appropriate.

Analysis of Commission Staff's Adjustment to Working Capital for Storm

Ref	Account No. and Description	Balances at Start	Balances at	Difference	W/C Ratios
		of Rate Year	Test Year AMA	Removed Too	
		Adjustment	Adjustment	Much	
		to Working Capital	to Working Capital		
		Per TES-3/MCC-2	Per BAE-3		
		(a)	(b)	(c)	(d)
1	4 Year				
2	18210301	2014 - Storm Deferrals	\$ 18,185,673.00	\$ 18,185,599.30	\$ (73.70)
3	18210311	2015 - Storm Deferrals	24,157,767.00	20,945,872.94	(3,211,894.06)
4	18210321	2016 - Storm Deferrals	4,408,756.00	2,551,847.04	(1,856,908.96)
6					
7	6 Year				
8	18210281	2012 - Storm Deferrals	1,924,630.00	1,924,630.00	-
9					
10	Totals		48,676,826.00	43,607,949.28	(5,068,876.72)
11	DFIT		(17,036,889.10)	(15,262,782.25)	1,774,106.85
12	Net		<u>\$ 31,639,936.90</u>	<u>\$ 28,345,167.03</u>	<u>\$ (3,294,769.87)</u>
13					
14					
15	Electric		\$ (31,639,936.90)	\$ (21,078,861.27)	\$ (10,561,075.63) 74.4% (*)
16	Gas		-	(7,058,861.50)	7,058,861.50 24.9% (*)
17	Subtotal Utility		(31,639,936.90)	(28,137,722.77)	(3,502,214.13) 93.1%
17	Non-Utility		-	(207,444.26)	207,444.26 0.7% (*)
18	Total		<u>\$ (31,639,936.90)</u>	<u>\$ (28,345,167.03)</u>	<u>\$ (3,294,769.87) 100.0%</u>

22 (*) Represents Theoretical Percentages - Would Use Whatever Percentages Were Approved