

**BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**Docket No. UE-130137 and Docket No. UG-130138  
Puget Sound Energy, Inc.  
Expedited Rate Filing Electric Service Advice No. 2013-01 and  
Natural Gas Advice No. 2013-02**

**PUBLIC COUNSEL DATA REQUEST NO. 032**

**PUBLIC COUNSEL DATA REQUEST NO. 032:**

As of June 30, 2012 did PSE have any federal corporate income tax net operating loss carryforward balance associated with PSE’s electric or gas operations? If yes,

- a. Please provide the amount of such NOL carryforward for each utility, and the recording of such balance by detailed FERC account as of June 30, 2012.
- b. Provide a projection of the utilization of such NOL carryforward balance by month and year until fully utilized. State and describe in detail any and all assumptions as to rate relief.

**Response:**

- a. Puget Sound Energy, Inc. (“PSE”) records all balances for Federal Income Tax Net Operating Loss Carryforward in FERC Account 19000433 NOL Carryforward. As of June 30, 2012, the balance was \$107,529,489. The split between electric and natural gas operation is \$59,856,608 and \$47,672,881, respectively.
- b. Net operating loss utilization is dependent upon PSE’s taxable income. Taxable income is nearly impossible to predict with any level of certainty. The primary unknown variable is future changes to tax laws. Since 2008, Congress has enacted a number of provisions that significantly impact PSE’s taxable income, the largest of which is bonus depreciation. Given these severe limitations, PSE’s best estimate is as follows:

2013 XXXXXXXXXXXXXXXXXXXX  
2014 XXXXXXXXXXXXXXXXXXXX  
2015 XXXXXXXXXXXXXXXXXXXX  
2016 XXXXXXXXXXXX

Usage cannot be broken down between electric and gas operations.

**[Begin Confidential]**

Estimated Total PSE Growth in Regulatory Accumulated Deferred Income Tax (ADIT)			
Year	Net Operating Loss (NOL)	Calculation	Change in Regulatory ADIT
2013 (XXXXXX)	XXXXXXX	x 35%	XXXXXXXX
2014 (XXXXXX)	XXXXXXX	x 35%	XXXXXXXX
2015 (XXXXXX)	XXXXXXX	x 35%	XXXXXXXX
2016	XXXXXXXXXX		

**[End Confidential]**