

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION STAFF
RESPONSE TO BENCH REQUESTS

DATE PREPARED: November 27, 2023
DOCKET: UG-230393
REQUESTER: Bench

WITNESS: Betty A. Erdahl
RESPONDER: Betty A. Erdahl
TELEPHONE: 360-664-1283

BENCH REQUEST NO. 6:

Betty A. Erdahl testifies that Staff proposes “a decrease of at least \$8.8 million...to the four-mile distribution pipeline costs collected from PSE customers.” Erdahl, Exh. BAE-1T at 2: 15-17.

1. Please clarify, does this represent a rate base amount or revenue requirement amount?
2. If this references a rate base amount, please explain the effect of Staff’s proposal on the Company’s annual revenue requirement and provide any necessary workpapers to support this calculation.

RESPONSE:

1. Staff’s decrease of at least \$8.8 million represents a revenue requirement amount. This decrease to rates is in addition to the \$5.3 million calculated on BAE-2, col. (c), row 43.

Staff recommended a decrease in provisional rates. Additionally, since the rates are provisional, if the Commission accepts staff’s recommendation, then a refund should be provided to PSE rate payers for the amount over-collected.

The difference between staff’s recommendation vs PSE’s recommendation of \$8.8 million in revenue requirement is shown in BAE-1T at 26, lines 1 -7. Staff’s 8 percent allocation of expense is shown on BAE-1T at 26, line 4 (Staff’s recommendation table), col. (b), row 3. The calculation of the 8 percent used by staff is provided in Exh. BAE-11, line 9.

2. NA

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BENCH REQUEST NO. 7:

Betty A. Erdahl notes that the Company requests “the return on rate base, depreciation expense, and O&M costs associated with the regulated portion of the Tacoma LNG Facility” as well as certain regulatory assets. Erdahl, Exh. BAE-1CT at 8:13-15. Erdahl testifies that Staff contests PSE’s recovery of the portion of the deferred return on Tacoma LNG rate base “recorded between February 1, 2022 (the date the facility was placed in service) and January 11, 2023.” Id. at 9:14-16. Erdahl notes that the Commission “rarely allows a utility to book expenses into a deferral . . .” Id. at 9:21-22. Erdahl submits, however, that Staff does not contest the portion of the deferral balance that PSE accumulated between January 2023 and the date the Tacoma LNG tracker rates went into effect. Id. at 12:6-8.

1. Presuming that the Company requests a return on deferred O&M and/or depreciation expenses as noted by Erdahl, please clarify whether Staff contests PSE’s request for a return on deferred O&M and/or depreciation expenses incurred after January 11, 2023.
2. If Staff contests the Company’s request for return on deferred O&M and/or depreciation expenses incurred after January 11, 2023, please explain the amount of any proposed adjustment to disallow the return on these expenses and provide an updated Exhibit BAE-2 reflecting the adjustment(s).

RESPONSE:

1. Staff does not contest PSE’s request for a return on deferred O&M and depreciation expense incurred after January 11, 2023.

The deferred O&M and depreciation expense are added to rate base. This is shown on BAE-2, col. (a), line 28. Then a return amount is calculated on the total amount including rate base and the deferred O&M and depreciation expense on line 33.

2. NA