

**BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**Docket UG-230393  
Puget Sound Energy  
2023 Tacoma LNG Tracker**

**BENCH REQUEST NO. 005:**

Referring to Free, Exh. SEF-3, pages 8-9 in column (A) “Monthly Activity”, Susan E. Free provides monthly deferral amounts associated with PSE’s proposed return deferral. In the associated excel workbook, these amounts are hardcoded.

1. Please explain how the Company calculates these monthly deferred return amounts.
2. Please provide supporting workpapers to support the monthly deferred return amounts described above, including at a minimum, the associated rate base amounts and rate of return applied. If the associated rate base amounts include capitalized costs other than utility plant investment, please separate these out by cost category.

**Response:**

1. The Company used the actual balances of Gross Plant, Accumulated Depreciation and Accumulated Deferred Income Taxes through March 31, 2023 to determine the rate base balance for the regulated portion of the Tacoma LNG Facility for each month going forward. The rate of return authorized during the month of the deferral was then applied to the rate base balance to determine the required net operating income. The tax benefit of interest based on the approved weighted average cost of debt was then used to reduce the net operating income requirement and the result was grossed up for federal income taxes to determine an annual return. The annual return was then divided by twelve to arrive at an amount to be recorded for the month.
2. Attached as Attachment A to Puget Sound Energy’s Response to Bench Request No. 005, please find supporting work papers as requested. The capitalized costs used to determine the deferred return include only costs for utility plant investment. The work papers provide support for all pages of Exh. SEF-3. The tab titled “LNG Return Deferral” is the tab from which to start for the support of the amounts on pages 8-9 column (a) of Exh. SEF-3.

**ATTACHMENT A to PSE's Response to  
Bench Request No. 005**