

**EXH. SEF-29
DOCKETS UE-190529/UG-190530
UE-190274/UG-190275
2019 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-190529
Docket UG-190530 (*Consolidated*)**

In the Matter of the Petition of

PUGET SOUND ENERGY

**For an Order Authorizing Deferral
Accounting and Ratemaking Treatment
for Short-life IT/Technology Investment**

**Docket UE-190274
Docket UG-190275 (*Consolidated*)**

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

SUSAN E. FREE

ON BEHALF OF PUGET SOUND ENERGY

JANUARY 15, 2020

Colstrip Units 1 and 2 - Corrections to amounts calculated by AWEC

Line	Description	AWEC per BGM-1T	Corrected	Change	Change
1	Rev. Req. impact of corrections (All Electric)		\$ (1,299,348)		
2	Electric 9/2019 Pro forma (Table 6 in SEF-17T)		n/a		
3	Gas 9/2019 Pro forma (Table 6 in SEF-17T)		n/a		
4					
5	Overall impact		<u>\$ (1,299,348)</u>		
6					
7					
8	From BGM-1T Table 7				
9					
10	Remove: Colstrip 1-2 Plant Balances	\$ (176,254,761)	\$ (111,946,494)	\$ 64,308,267	1
11					
12	Add Back Colstrip 1 - 2 Unrecovered Inv.	145,896,088	99,049,463	(46,846,625)	2, 3, 4
13					
14	Less: ADFIT on Reg Asset	<u>(129,618,737)</u>	-	<u>129,618,737</u>	5
15					
16	Total Rate Base Adj.	(159,977,410)	(12,897,032)	147,080,379	
17	Rev. Req.	(16,181,249)	(1,299,348)	14,881,901	
18					
19	Remaining Colstrip 1 - 2 Regulatory Asset	\$ 16,277,351	\$ 99,049,463	82,772,112	
20					
21					
22					
23					
24	From AWEC 38 and BGM-1T Table 2				
25	Gross Plant	\$ 323,313,129	\$ 323,313,129	\$ -	
26	Accum. Depr.	(179,212,502)	(179,212,502)	-	
27	ADFIT	<u>32,154,133</u>	<u>(32,154,133)</u>	<u>(64,308,267)</u>	1
28	Total Rate Base	<u>\$ 176,254,761</u>	<u>\$ 111,946,494</u>	<u>\$ (64,308,267)</u>	
29					
30	From AWEC 34 and BGM-1T Table 3				
31	Sep 30, 2019 Bal.	\$ 178,247,202	\$ 125,379,067	\$ (52,868,135)	2
32	Less: 2019 Q4 Depr.	(4,698,560)	-	4,698,560	3
33	Less: ADFIT Revrsl.	(32,154,133)	(26,329,604)	5,824,529	4, 6
34	Add: EDFIT	<u>4,501,579</u>	-	<u>(4,501,579)</u>	4, 7
35	Dec. 30, 2019 Unrecovered Inv.	<u>\$ 145,896,088</u>	<u>\$ 99,049,463</u>	<u>\$ (46,846,625)</u>	
36					
37					
38	1 - ADIT in AWEC 38 was displayed with the wrong sign. Should have been a negative.				
39					
40	2 - Should not include Asset Retirement Cost as amount will be \$0 by December 31, 2019 per PSE's				
41	First Revised Response to AWEC 034.				
42					
43	3 - AWEC 34 was already presented as of December 31, 2019 (December 31, 2019 estimated				
44	as of September 30, 2019)				
45					
46	4 - ADIT and EDIT should not be included in regulatory asset per Matt Marcelia.				
47					
48	5 - Should only use monetized PTC's per definition provided in Exh. SEF-17T that are known				
49	by June 30, 2019.				
50					
51	6 - There will no longer be an accumulated deferred tax liability at 21% because				
52	the ADIT on the plant balance reverses with the plant's retirement and the ADIT on the				
53	regulatory asset has been reversed by the application of the PTC's against the regulatory asset.				
54					
55	7 - EDIT will continue to reverse at the same level as prior to retirement, therefore, no adjustment				
56	for EDIT is necessary.				

**Colstrip Units 1 and 2 - Corrections to amounts calculated by AWEC
assuming application of PTCs monetized on PSE's 2018 filed tax return**

Line	Description	AWEC per BGM-1T	Exclude DFIT and ARO Corrected	Change	Change
1	Rev. Req. impact of corrections (All Electric)		\$ (7,843,655)		
2	Electric 9/2019 Pro forma (Table 6 in SEF-17T)		7,680,626		
3	Gas 9/2019 Pro forma (Table 6 in SEF-17T)		<u>2,148,338</u>		
4					
5	Overall impact		<u>\$ 1,985,309</u>		
6					
7					
8	From BGM-1T Table 7				
9					
10	Remove: Colstrip 1-2 Plant Balances	\$ (176,254,761)	\$ (111,946,494)	\$ 64,308,267	1
11					
12	Add Back Colstrip 1 -2 Unrecovered Inv.	145,896,088	125,379,067	(20,517,021)	2, 3, 4
13					
14	Less: ADFIT on Reg Asset	-	(26,329,604)	(26,329,604)	
15					
16	Less: Monetized PTCs	(129,618,737)	(82,224,442)	47,394,295	5
17					
18	Inclue ADFIT on Monetized PTCs	-	17,267,133	17,267,133	8
19					
20	Total Rate Base Adj.	(159,977,410)	(77,854,341)	82,123,069	
21	Rev. Req.	(16,181,249)	(7,843,655)	8,337,594	
22					
23	Remaining Colstrip 1 - 2 Regulatory Asset Net	\$ 16,277,351	\$ 43,154,625	26,877,274	
24	ADFIT on Regulatory Asset Net		(9,062,471)	(9,062,471)	
25					
26					
27					
28	From AWEC 38 and BGM-1T Table 2				
29	Gross Plant	\$ 323,313,129	\$ 323,313,129	\$ -	
30	Accum. Depr.	(179,212,502)	(179,212,502)	-	
31	ADFIT	32,154,133	(32,154,133)	(64,308,267)	1
32	Total Rate Base	<u>\$ 176,254,761</u>	<u>\$ 111,946,494</u>	<u>\$ (64,308,267)</u>	
33					
34	From AWEC 34 and BGM-1T Table 3				
35	Sep 30, 2019 Bal.	\$ 178,247,202	\$ 125,379,067	\$ (52,868,135)	2
36	Less: 2019 Q4 Depr.	(4,698,560)	-	4,698,560	3
37	Less: ADFIT Revrsl.	(32,154,133)	(26,329,604)	5,824,529	4, 6
38	Add: EDFIT	4,501,579	-	(4,501,579)	4, 7
39	Dec. 30, 2019 Unrecovered Inv.	<u>\$ 145,896,088</u>	<u>\$ 99,049,463</u>	<u>\$ (46,846,625)</u>	
40					
41					
42	1 - ADIT in AWEC 38 was displayed with the wrong sign. Should have been a negative.				
43					
44	2 - Should not include Asset Retirement Cost as amount will be \$0 by December 31, 2019 per PSE's				
45	First Revised Response to AWEC 034.				
46					
47	3 - AWEC 34 was already presented as of December 31, 2019 (December 31, 2019 estimated				
48	as of September 30, 2019)				
49					
50	4 - ADIT and EDIT should not be included in regulatory asset per Matt Marcellia.				
51					
52	5 - If the Commission were to determine PTCs monetized in September 2019 should be included				
53	in rate base				
54					
55	6 - There will no longer be an accumulated deferred tax liability at 21% because				
56	the ADIT on the plant balance reverses with the plant's retirement and the ADIT on the				
57	regulatory asset has been reversed by the application of the PTC's against the regulatory asset.				
58					
59	7 - EDIT will continue to reverse at the same level as prior to retirement, therefore, no adjustment				
60	for EDIT is necessary.				
61					
62	8 - ADFIT associated with the Regulatory Liability for monetized PTCs should be included in				
63	the interest accrual calculation				

**Colstrip Units 1 and 2 - Corrections to amounts calculated by AWEC
assuming application of PTCs as determined by AWEC**

Line	Description	AWEC per BGM-1T	Exclude DFIT and ARO Corrected	Change	Change
1	Rev. Req. impact of corrections (All Electric)		\$ (11,278,366)		
2	Electric 9/2019 Pro forma (Table 6 in SEF-17T)		7,680,626		
3	Gas 9/2019 Pro forma (Table 6 in SEF-17T)		<u>2,148,338</u>		
4					
5	Overall impact		<u>\$ (1,449,401)</u>		
6					
7					
8	From BGM-1T Table 7				
9					
10	Remove: Colstrip 1-2 Plant Balances	\$ (176,254,761)	\$ (111,946,494)	\$ 64,308,267	1
11					
12	Add Back Colstrip 1 -2 Unrecovered Inv.	145,896,088	125,379,067	(20,517,021)	2, 3, 4
13					
14	Less: ADFIT on Reg Asset	-	(26,329,604)	(26,329,604)	
15					
16	Less: Monetized PTCs	(129,618,737)	(125,379,067)	4,239,670	5
17					
18	Inclue ADFIT on Monetized PTCs	-	26,329,604	26,329,604	8
19					
20	Total Rate Base Adj.	(159,977,410)	(111,946,494)	48,030,916	
21	Rev. Req.	(16,181,249)	(11,278,366)	4,902,884	
22					
23	Remaining Colstrip 1 - 2 Regulatory Asset Net	\$ 16,277,351	\$ -	(16,277,351)	
24	ADFIT on Regulatory Asset Net		-	-	
25					
26					
27					
28	From AWEC 38 and BGM-1T Table 2				
29	Gross Plant	\$ 323,313,129	\$ 323,313,129	\$ -	
30	Accum. Depr.	(179,212,502)	(179,212,502)	-	
31	ADFIT	32,154,133	(32,154,133)	(64,308,267)	1
32	Total Rate Base	<u>\$ 176,254,761</u>	<u>\$ 111,946,494</u>	<u>\$ (64,308,267)</u>	
33					
34	From AWEC 34 and BGM-1T Table 3				
35	Sep 30, 2019 Bal.	\$ 178,247,202	\$ 125,379,067	\$ (52,868,135)	2
36	Less: 2019 Q4 Depr.	(4,698,560)	-	4,698,560	3
37	Less: ADFIT Revrsl.	(32,154,133)	(26,329,604)	5,824,529	4, 6
38	Add: EDFIT	4,501,579	-	(4,501,579)	4, 7
39	Dec. 30, 2019 Unrecovered Inv.	<u>\$ 145,896,088</u>	<u>\$ 99,049,463</u>	<u>\$ (46,846,625)</u>	
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42	1 - ADIT in AWEC 38 was displayed with the wrong sign. Should have been a negative.				
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44	2 - Should not include Asset Retirement Cost as amount will be \$0 by December 31, 2019 per PSE's				
45	First Revised Response to AWEC 034.				
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47	3 - AWEC 34 was already presented as of December 31, 2019 (December 31, 2019 estimated				
48	as of September 30, 2019)				
49					
50	4 - ADIT and EDIT should not be included in regulatory asset per Matt Marcellia.				
51					
52	5 - If the Commission were to determine PTCs monetized as defined by AWEC should be				
53	included in rate base				
54					
55	6 - There will no longer be an accumulated deferred tax liability at 21% because				
56	the ADIT on the plant balance reverses with the plant's retirement and the ADIT on the				
57	regulatory asset has been reversed by the application of the PTC's against the regulatory asset.				
58					
59	7 - EDIT will continue to reverse at the same level as prior to retirement, therefore, no adjustment				
60	for EDIT is necessary.				
61					
62	8 - ADFIT associated with the Regulatory Liability for monetized PTCs should be included in				
63	the interest accrual calculation				