

**EXH. JDT-16
DOCKETS UE-190529/UG-190530
UE-190274/UG-190275
2019 PSE GENERAL RATE CASE
WITNESS: JOHN D. TAYLOR**

**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*)**

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

JOHN D. TAYLOR

ON BEHALF OF PUGET SOUND ENERGY

JANUARY 15, 2020

Puget Sound Energy
2019 Gas Cost of Service Study
Detail of Customer Related Costs
Proposed Test Year

Line No.	Acct. No.	Description (A)	Total (B)	Residential (16,23,53) (C)	Comm. & Indus. (31,31T) (D)	Large Volume (41,41T) (E)	Interruptible (85, 85T) (F)	Limited Interruptible (86, 86T) (G)	Non-Exclusive Interruptible (87, 87T) (H)	Contracts (I)	Rentals (J)
Plant in Service											
Intangible Plant											
1	301	Organization	69,081	43,036	23,430	943	558	104	97	96	817
2	302	Franchise and Consents	231,304	144,097	78,450	3,158	1,868	349	324	322	2,737
3	303	Misc. Intangible	130,151,443	98,615,414	25,362,550	1,956,122	952,253	195,915	668,671	321,964	2,078,553
4		Sub-total	130,451,828	98,802,547	25,464,429	1,960,222	954,679	196,368	669,092	322,382	2,082,108
Distribution Plant											
5	374	Land and Land Rights	10,575,132	6,666,936	3,629,638	146,088	86,422	16,155	15,002	14,890	-
6	375	Structures and Improvements	14,993,253	9,452,275	5,146,043	207,121	122,528	22,904	21,270	21,111	-
7	380	Services - DIR	1,165,290,125	677,007,379	478,438,172	8,499,697	-	1,344,876	-	-	-
8	380	Services - DIR	11,129,875	-	-	-	8,532,534	-	1,098,093	1,499,248	-
9	381	Meters	114,991,833	91,054,701	23,466,885	465,190	2,640	1,537	-	880	-
10	382	Meter Installations	182,836,000	169,668,781	13,051,126	114,642	622	622	-	207	-
11	383	House Regulators	17,726,000	14,036,089	3,617,422	71,709	407	237	-	136	-
12	384	House Regulators Installations	83,089,000	65,792,882	16,956,335	336,130	1,908	1,110	-	636	-
13	385	Indust. Meas. & Reg. Station Equip.	43,475,000	194,789	22,790,421	12,347,571	4,924,943	1,152,289	1,242,732	822,255	-
14	386	Rental Property on Customers Premise	20,144,000	-	-	-	-	-	-	-	20,144,000
15	387	Other Equipment	2,191,919	1,381,863	752,319	30,280	17,913	3,348	3,110	3,086	-
16	388	ARO	4,439,512	2,798,825	1,523,747	61,329	36,281	6,782	6,298	6,251	-
17		Sub-total	1,670,881,649	1,038,054,521	569,372,107	22,279,757	13,726,198	2,549,861	2,386,504	2,368,701	20,144,000
General Plant											
18	389	Land and Land Rights	6,762,053	4,263,037	2,320,898	93,413	55,261	10,330	9,593	9,521	-
19	390	Structures and Improvements	24,731,186	15,591,411	8,488,334	341,644	202,108	37,780	35,084	34,823	-
20	391	Office Furniture and Equipment	31,374,229	23,772,173	6,113,881	471,541	229,550	47,227	161,189	77,613	501,055
21	392	Transportation Equipment	5,275,612	3,997,318	1,028,056	79,290	38,599	7,941	27,104	13,051	84,253
22	393	Stores Equipment	13,534	8,533	4,645	187	111	21	19	19	-
23	394	Tools, Shop, and Garage Equipment	5,138,685	3,893,569	1,001,373	77,232	37,597	7,735	26,401	12,712	82,066
23	395	Laboratory Equipment	1,184,129	746,517	406,422	16,358	9,677	1,809	1,680	1,667	-
24	396	Power Operated Equipment	115,701	72,942	39,711	1,598	946	177	164	163	-
25	397	Communication Equipment	20,139,867	15,259,925	3,924,646	302,694	147,353	30,316	103,471	49,821	321,639
26	398	Misc. Equipment	326,739	247,569	63,671	4,911	2,391	492	1,679	808	5,218
27	399	Other Intangible Property	107,737	81,632	20,995	1,619	788	162	554	267	1,721
28		Sub-total	95,169,471	67,934,624	23,412,633	1,390,488	724,380	143,991	366,938	200,464	995,952
Other Assets											
29	114	Plant Acquisition Adjustment	-	-	-	-	-	-	-	-	-
30		Sub-total	-	-	-	-	-	-	-	-	-
31		TOTAL PLANT-IN-SERVICE	1,896,502,948	1,204,791,692	616,249,169	25,630,468	15,405,257	2,890,219	3,422,534	2,891,548	23,222,060
Accumulated Reserve											
Intangible Plant											
32	302	Franchise and Consents	(100,442)	(62,573)	(34,066)	(1,371)	(811)	(152)	(141)	(140)	(1,188)
33	303	Misc. Intangible	(45,504,931)	(34,478,970)	(8,867,524)	(683,920)	(332,937)	(68,498)	(233,788)	(112,569)	(726,726)
34		Sub-total	(45,605,373)	(34,541,543)	(8,901,591)	(685,291)	(333,748)	(68,649)	(233,929)	(112,708)	(727,914)

Puget Sound Energy
2019 Gas Cost of Service Study
Detail of Customer Related Costs
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Line No.	Acct. No.	Description (A)	Total (B)	Residential (16,23,53) (C)	Comm. & Indus. (31,31T) (D)	Large Volume (41,41T) (E)	Interruptible (85, 85T) (F)	Limited Interruptible (86, 86T) (G)	Non-Exclusive Interruptible (87, 87T) (H)	Contracts (I)	Rentals (J)
Distribution Plant											
35		374 Land and Land Rights	(1,077,547)	(679,324)	(369,840)	(14,886)	(8,806)	(1,646)	(1,529)	(1,517)	-
36		375 Structures and Improvements	(5,789,395)	(3,649,839)	(1,987,059)	(79,976)	(47,312)	(8,844)	(8,213)	(8,152)	-
37		380 Services	(569,171,319)	(330,675,748)	(233,687,113)	(4,151,570)	-	(656,888)	-	-	-
38		380 Services - DIR	(5,436,248)	-	-	-	(4,167,609)	-	(536,350)	(732,289)	-
39		381 Meters	(24,999,751)	(19,795,709)	(5,101,808)	(101,134)	(574)	(334)	-	(191)	-
40		382 Meter Installations	(53,312,366)	(49,472,993)	(3,805,522)	(33,428)	(181)	(181)	-	(60)	-
41		383 House Regulators	(7,987,444)	(6,324,747)	(1,630,032)	(32,313)	(183)	(107)	-	(61)	-
42		384 House Regulators Installations	(29,550,644)	(23,399,271)	(6,030,529)	(119,545)	(678)	(395)	-	(226)	-
43		385 Indust. Meas. & Reg. Station Equip.	(3,505,570)	(15,707)	(1,837,687)	(995,636)	(397,119)	(92,914)	(100,207)	(66,302)	-
44		386 Rental Property on Customers Premise	(10,749,143)	-	-	-	-	-	-	-	(10,749,143)
45		387 Other Equipment	(110,500)	(69,663)	(37,926)	(1,526)	(903)	(169)	(157)	(156)	-
46		388 ARO	(411,153)	(259,205)	(141,117)	(5,680)	(3,360)	(629)	(579)	-	-
47		Sub-total	(712,101,080)	(434,342,206)	(254,628,634)	(5,535,694)	(4,626,726)	(762,106)	(647,038)	(809,533)	(10,749,143)
General Plant											
48		389 Land and Land Rights	(321,622)	(202,762)	(110,388)	(4,443)	(2,628)	(491)	(456)	(453)	-
49		390 Structures and Improvements	(7,266,677)	(4,581,169)	(2,494,097)	(100,384)	(59,385)	(11,101)	(10,309)	(10,232)	-
50		391 Office Furniture and Equipment	(9,559,579)	(7,243,269)	(1,862,871)	(143,676)	(69,943)	(14,390)	(49,114)	(23,648)	(152,669)
51		392 Transportation Equipment	(3,905,567)	(2,959,238)	(761,076)	(58,699)	(28,575)	(5,878)	(20,065)	(9,661)	(62,373)
52		393 Stores Equipment	259	163	89	4	2	0	0	0	-
53		394 Tools, Shop, and Garage Equipment	(1,241,682)	(940,819)	(241,966)	(18,662)	(9,085)	(1,869)	(6,379)	(3,072)	(19,830)
54		395 Laboratory Equipment	(491,665)	(309,963)	(168,751)	(6,792)	(4,018)	(751)	(697)	(692)	-
55		396 Power Operated Equipment	(132,514)	(83,541)	(45,482)	(1,831)	(1,083)	(202)	(188)	(187)	-
56		397 Communication Equipment	(4,191,530)	(3,175,911)	(816,801)	(62,997)	(30,667)	(6,309)	(21,535)	(10,369)	(66,940)
57		398 Misc. Equipment	(332,601)	(252,011)	(64,814)	(4,999)	(2,433)	(501)	(1,709)	(823)	(5,312)
58		399 Other Intangible Plant	(5,412)	(4,100)	(1,055)	(81)	(40)	(8)	(28)	(13)	(86)
59		Sub-total	(27,448,588)	(19,752,620)	(6,567,212)	(402,561)	(207,855)	(41,502)	(110,480)	(59,149)	(307,210)
Other Assets											
60		108 Retirement Work in Progress	2,086,060	1,315,126	715,986	28,817	17,048	3,187	2,959	2,937	-
61		230 Asset Retirement Obligations	(5,214,860)	(3,287,632)	(1,789,865)	(72,040)	(42,617)	(7,966)	(7,398)	(7,343)	-
62		253 Landlord Incentives	(477,517)	(301,043)	(163,895)	(6,597)	(3,902)	(729)	(677)	(672)	-
63		101 Plant in Service	-	-	-	-	-	-	-	-	-
64		Sub-total	(3,606,317)	(2,273,549)	(1,237,774)	(49,819)	(29,472)	(5,509)	(5,116)	(5,078)	-
65		TOTAL ACCUMULATED RESERVE	(788,761,358)	(490,909,918)	(271,335,210)	(6,673,365)	(5,197,801)	(877,766)	(996,562)	(986,469)	(11,784,267)
Rate Base Adjustments and Working Capital											
66	n/a	Customer Advances for Construction	-	-	(942,021)	(23,953)	-	-	-	-	-
67	n/a	CIAC - Accum. Def. FIT.	-	-	-	-	-	-	-	-	-
68	n/a	Customer Deposit	(13,197,399)	(10,061,032)	(2,803,684)	(144,378)	-	(25,138)	-	-	(163,167)
69	n/a	Liberalized Dep. Tot. Accum. Def. FIT	(248,049,678)	(156,830,734)	(80,864,969)	(4,430,904)	(2,286,969)	(453,139)	(436,181)	(390,970)	(2,355,812)
70	n/a	Allowance for Working Capital	39,423,382	28,706,446	8,921,109	590,607	230,832	74,309	73,845	33,792	792,441
71		Total Other Rate Base	(233,619,963)	(151,015,604)	(75,689,564)	(4,008,629)	(2,056,137)	(403,967)	(362,336)	(357,178)	(1,726,538)
72		TOTAL RATE BASE	872,121,637	562,866,171	271,224,394	14,948,474	8,151,319	1,608,486	2,063,636	1,547,902	9,711,255

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73		Net Distribution Plant	958,780,569	603,712,315	314,743,473	16,744,063	9,099,472	1,787,755	1,739,466	1,559,168	9,394,857
74		Net Intangible Plant	84,846,455	64,261,004	18,562,839	1,274,931	620,931	127,719	435,164	209,674	1,354,193
75		Net General Plant	64,114,566	45,908,455	15,607,647	938,109	487,054	96,980	251,343	136,237	688,742
76		Other Rate Base	(235,619,953)	(151,015,604)	(75,689,564)	(4,008,629)	(2,056,137)	(403,967)	(362,336)	(357,178)	(1,726,538)
77		Total Rate Base	872,121,637	562,866,171	271,224,394	14,948,474	8,151,319	1,608,486	2,063,636	1,547,902	9,711,255
78		RETURN	68,866,229	44,672,004	21,215,159	1,209,942	622,558	124,043	159,219	118,580	744,724
79		INCOME TAXES	8,084,249	5,244,074	2,490,461	142,036	73,062	14,561	18,691	13,920	87,424
EXPENSES											
Distribution O&M											
80		870 Oper Supv & Engineering	1,330,094	917,171	363,984	28,486	12,799	2,715	2,768	2,171	-
81		874 Oper Mains & Services Exp	6,753,207	3,886,343	2,746,461	48,792	48,981	7,720	6,304	8,606	-
81		876 Oper Meas & Reg Sta Incls	402,001	1,801	210,737	114,175	45,540	10,655	11,491	7,603	-
82		878 Oper Meter & House Reg	2,973,292	2,354,360	606,773	12,028	68	40	-	23	-
83		879 Oper Customer Install Exp	3,722,836	3,296,363	420,092	6,311	35	24	-	12	-
84		880 Oper Other Expense	7,991,794	5,503,632	2,298,681	104,608	54,595	10,639	10,267	9,372	-
85		881 Oper Rents Expense	73,167	50,387	21,045	958	500	97	94	86	-
86		890 Maint Meas & Reg Sta Ind	716	3	81	203	81	19	20	14	-
87		892 Maint Services	4,898,592	2,819,046	1,992,208	35,393	35,529	5,600	4,572	6,243	-
88		893 Maint Meters & House Reg	1,085,654	859,660	221,554	4,392	25	15	-	8	-
89		894 Maint Other Equipment	2,791	1,715	1,032	19	17	3	-	3	-
90		Direct Assign to Sales	1,537,867	9,700	864,640	264,221	13,875	42,132	2,150	-	341,148
91		Direct Assignment to Transport	113,489	-	828	43,754	53,371	1,548	5,812	8,175	-
92		Sub-total	30,885,499	19,700,181	9,748,410	663,339	265,416	81,208	43,481	42,316	341,148
Customer Accounts Expense											
93		901 Supervision - Customer Accounting	97,956	88,522	7,893	538	172	82	334	2	413
94		902 Meter Reading Expense SALES	8,124,108	7,481,156	624,734	15,256	55	2,889	18	-	-
95		902 Meter Reading Expense TRANSPORT	3,519	-	27	1,335	1,645	64	174	274	-
96		903 Cust. Records & Collection Exp.	140,287	130,405	9,575	243	22	39	3	2	-
97		904 Uncollectible Accounts	5,816,227	5,116,169	500,559	60,454	23,065	8,779	47,796	-	59,405
98		904 Uncollectible Accounts - Gas Cost Rel	282,704	-	55	13,378	46,780	482	147,389	74,620	-
98		904 Uncollectible Accounts - Rate Inc Rel	11,200,431	10,411,397	764,422	19,437	1,762	3,075	202	135	-
99		905 Misc. Customer Accounts Expense	2,462,933	2,092,145	233,717	-	-	84	-	-	136,987
100		903 Direct Assign to Sales	431,457	389,904	34,767	2,368	759	361	1,470	8	1,820
101		903 Direct Assignment to Transport	-	-	-	-	-	-	-	-	-
102		Sub-total	28,559,622	25,709,698	2,175,750	113,009	74,260	15,854	197,366	75,041	198,625
Customer Service & Information Expenses											
103		908 Direct Assignment to Sales	463,290	-	-	-	-	-	-	-	463,290
104		908 Direct Assignment to Transport	-	-	-	-	-	-	-	-	-
105		908 Customer Assistance Expenses	116,906	108,671	7,979	203	18	32	2	1	-
106		909 Information, Instructional Advertising	1,428,068	1,327,839	97,468	2,296	49	389	9	-	-
107		910 Misc. Cust. Serv. & Infor. Expenses	645	600	44	1	0	0	0	0	-
108		Sub-total	2,008,910	1,437,109	105,511	2,500	67	421	11	1	463,290

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		Sales Expense									
109	912	Demonstrating and Selling -DIR	-	-	-	-	-	-	-	-	-
110	912	Demonstrating and Selling	(214,062)	(199,038)	(14,613)	(344)	(7)	(58)	(1)	-	-
111	913	Advertising Expenses	-	-	-	-	-	-	-	-	-
112		Sub-total	(214,062)	(199,038)	(14,613)	(344)	(7)	(58)	(1)	-	-
		Administrative & General Expenses									
113	920 A	A & G Salaries - DIR Sales Procurement	-	-	-	-	-	-	-	-	-
114	920 A	A & G Salaries - DIR Transport	-	-	-	-	-	-	-	-	-
115	920 A	A & G Salaries	14,342,107	10,443,319	3,245,473	214,861	83,976	27,033	26,864	12,294	288,288
116	921	Office Supplies and Expenses- DIR Sales Procurement	-	-	-	-	-	-	-	-	-
117	921	Office Supplies and Expenses- Transport	-	-	-	-	-	-	-	-	-
118	921	Office Supplies and Expenses	2,592,398	1,887,875	586,633	38,837	15,179	4,886	4,856	2,222	52,109
119	922	Admin Expenses Transferred	(6,458,041)	(4,702,474)	(1,461,389)	(96,749)	(37,813)	(12,173)	(12,097)	(5,536)	(129,812)
120	923	Outside Services Employed	3,801,392	2,768,013	860,216	56,949	22,258	7,165	7,120	3,258	76,411
121	924	Property Insurance	61,763	38,477	20,948	843	499	93	87	86	731
122	925	Injuries & Damages	1,998,586	1,514,324	389,464	30,038	14,623	3,008	10,288	4,944	31,918
123	926	Benefits - DIR Sales	799,286	463,247	235,342	69,371	8,546	10,932	11,849	-	-
124	926	Benefits - DIR Transport	-	-	-	-	-	-	-	-	-
125	926	Benefits - DIR Sales Procurement	92,481	-	196	12,902	22,988	455	36,363	19,577	-
126	926	Benefit - DIR Rental	96,517	-	-	-	-	-	-	-	-
127	926	Emp Pension & Benefits	9,492,226	7,192,236	1,849,746	142,864	69,450	14,288	48,768	23,482	151,593
128	930.1	Gen Advertising Exp	1,726,615	1,257,248	390,715	25,867	10,110	3,254	3,234	1,480	34,706
129	930.2	Misc. General Expenses	1,503,712	1,094,940	340,275	22,527	8,805	2,834	2,817	1,289	30,226
130	931	Rents	-	-	-	-	-	-	-	-	-
131	932	Maint Of General Plant- Gas	4,415,463	3,166,773	1,068,887	64,655	33,508	6,678	17,460	9,425	48,077
132		Sub-total	34,464,507	25,123,778	7,526,506	582,765	252,127	68,456	157,569	72,522	680,764
133		TOTAL O & M EXPENSES	95,704,476	71,771,727	19,541,563	1,361,269	591,863	165,880	398,466	189,881	1,683,828
		Depreciation Expense									
134	403	Distribution Depreciation Expense	46,974,325	29,614,271	16,122,712	648,918	383,883	71,760	66,639	66,142	-
135	403	Rental Depreciation Expense	1,858,203	-	-	-	-	-	-	-	1,858,203
136	403	General Depreciation Expense	6,132,102	4,397,948	1,484,448	89,792	46,535	9,274	24,248	13,090	66,768
137	404	Amort. Ltd - Term Plant	20,521,319	14,717,903	4,967,764	300,491	155,732	31,036	81,145	43,806	223,442
138	414	Gains/Losses Property Sales	13,443	9,641	3,254	197	102	20	53	29	146
139		TOTAL DEPRECIATION EXPENSES	75,499,392	48,739,763	22,578,178	1,039,397	586,253	112,091	172,085	123,066	2,148,560
		Taxes (other than income)									
140	408.1	Taxes other than Income Taxes - DIR Sales	213,765	123,965	62,897	18,532	2,283	2,921	3,167	-	-
141	408.1	Taxes other than Income Taxes - DIR Transport	24,712	-	52	3,445	6,140	121	9,720	5,233	-
142	408.1	Other Taxes - DIR Sales Procurement	-	-	-	-	-	-	-	-	-
143	408.1	Other Taxes - DIR Rental	25,917	-	-	-	-	-	-	-	25,917
144	408.1	Other Taxes - Property Taxes	-	-	-	-	-	-	-	-	-
145	408.1	Other Taxes - Payroll Taxes	3,074,929	2,329,866	599,210	46,215	22,498	4,629	15,798	7,607	49,107
146		TOTAL TAXES OTHER THAN INCOME	3,339,322	2,453,831	662,159	68,191	30,921	7,671	28,685	12,839	75,024
147		TOTAL EXPENSES	174,543,191	122,965,321	42,781,901	2,468,857	1,209,037	285,642	599,236	325,786	3,907,412
148		TOTAL RETURN, TAXES & EXPENSES	251,493,669	172,881,399	66,487,520	3,820,835	1,904,678	424,246	777,146	458,287	4,739,559
149		Annual Number of Customers	9,967,759	9,265,563	680,293	17,298	1,568	2,737	180	120	0
150		Customer Cost per Customer per Month	\$ 25.23	\$ 18.66	\$ 97.73	\$ 220.88	\$ 1,214.72	\$ 155.00	\$ 4,317.48	\$ 3,819.05	