

**EXH. RJA-9
DOCKETS UE-190529/UG-190530
UE-190274/UG-190275
2019 PSE GENERAL RATE CASE
WITNESS: RONALD J. AMEN**

**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*)**

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

RONALD J. AMEND

ON BEHALF OF PUGET SOUND ENERGY

JANUARY 15, 2020

GAS ATTRITION

12 ME Dec 2018

12 ME Apr 2021

| LINE NO. | Attrition Base Year (SEF-9 page 2) | CRM | AMI | GTZ | Escalation Base | Escalation Factor | Trended Costs | CRM | AMI | GTZ | Rate Year Revenue & Costs |
|----------|---|------------------|-----------------|-----------------|------------------|-------------------|------------------|----------------|---------------|---------------|---------------------------|
| | a | b | c | d | e = Σ a thru d | f | g | h | i | j | k = Σ g thru j |
| 1 | Operating Revenues: | | | | | | | | | | |
| 2 | Sales to Customers | \$ 434,643,650 | | | \$ 434,643,650 | | \$ 448,235,286 | | | | \$ 448,235,286 |
| 3 | Municipal Additions | - | | | - | | - | | | | - |
| 4 | Other Operating Revenues | 14,089,923 | | | 14,089,923 | 2.60% | 14,959,559 | | | | 14,959,559 |
| 5 | Total Operating Revenues | \$ 448,733,573 | \$ - | \$ - | \$ 448,733,573 | 1.37% | \$ 463,194,845 | \$ - | \$ - | \$ - | \$ 463,194,845 |
| 6 | Operating Revenue Deductions: | | | | | | | | | | |
| 7 | Gas Costs: | | | | | | | | | | |
| 8 | Purchased Gas | \$ - | | | \$ - | | \$ - | | | | \$ - |
| 9 | Total Production Expenses | \$ - | \$ - | \$ - | \$ - | | \$ - | \$ - | \$ - | \$ - | \$ - |
| 10 | Other Power Supply Expenses | \$ 6,061,389 | | | \$ 6,061,389 | 5.59% | \$ 6,881,948 | | | | \$ 6,881,948 |
| 11 | Transmission Expense | 2,111 | | | 2,111 | | 2,111 | | | | 2,111 |
| 12 | Distribution Expense | 60,697,625 | | | 60,697,625 | 0.93% | 62,023,320 | | | | 62,023,320 |
| 13 | Customer Account Expenses | 28,153,237 | | | 28,153,237 | 1.09% | 28,876,805 | | | | 28,876,805 |
| 14 | Customer Service Expenses | 1,763,236 | | | 1,763,236 | 1.09% | 1,808,553 | | | | 1,808,553 |
| 15 | Conservation Amortization | - | | | - | | - | | | | - |
| 16 | Admin & General Expense | 59,109,910 | | | 59,109,910 | 2.02% | 61,927,722 | | | | 61,927,722 |
| 17 | Depreciation | 116,957,731 | (2,616,180) | (3,294,178) | 108,591,776 | | 135,112,553 | | in column g | | 135,112,553 |
| 18 | Amortization | 26,117,570 | | | 26,117,570 | | 39,655,706 | | | | 39,655,706 |
| 19 | Amortization of Property Loss | - | | | - | | - | | | | - |
| 20 | Other Operating Expenses | 15,193,512 | | | 15,193,512 | 0.00% | 15,193,512 | | | | 15,193,512 |
| 21 | Taxes Other Than F.I.T. | 24,125,400 | | | 24,125,400 | 3.15% | 25,934,442 | | | | 25,934,442 |
| 22 | Federal Income Taxes | 5,694,740 | | | 5,694,740 | | 17,474,461 | | | | 17,474,461 |
| 23 | Deferred Income Taxes | 523,320 | | | 523,320 | | (19,508,916) | | | | (19,508,916) |
| 24 | Total Operating Rev. Deduct. | \$ 344,399,780 | \$ (2,616,180) | \$ (3,294,178) | \$ 336,033,825 | | \$ 375,382,216 | \$ - | \$ - | \$ - | \$ 375,382,216 |
| 25 | Net Operating Income | \$ 104,333,793 | \$ 2,616,180 | \$ 2,455,596 | \$ 112,699,747 | | \$ 87,812,628 | | | | \$ 87,812,628 |
| 26 | ptnoi | \$ 110,551,853 | | | | | | | | | \$ 85,778,174 |
| 27 | Rate Base | \$ 1,961,255,908 | \$ (73,516,466) | \$ (13,642,851) | \$ 1,859,857,394 | | \$ 2,096,577,777 | | | | \$ 2,294,716,022 |
| 28 | Rate of Return | 6.52% | | | 6.52% | | 6.52% | | | | 6.52% |
| 29 | Rate Base: | | | | | | | | | | |
| 30 | Utility Plant in Service And Other Assets | \$ 4,100,486,957 | \$ (84,751,774) | \$ (16,228,881) | \$ 3,982,908,503 | | \$ 4,532,472,040 | \$ 105,802,468 | \$ 66,784,661 | \$ 82,865,660 | \$ 4,787,924,829 |
| 31 | Accumulated Depreciation | (1,569,795,175) | 3,209,723 | 1,296,178 | (1,563,858,489) | | (1,886,812,085) | (10,067,231) | (10,582,561) | (18,729,954) | (1,926,191,831) |
| 32 | Accumulated Deferred Fit - Liberalized | (606,711,613) | 8,025,585 | 1,289,852 | (596,468,359) | | (586,357,916) | (8,937,256) | (2,256,392) | (6,741,150) | (604,292,715) |
| 33 | Depreciation and Other Liabilities | (17,156,061) | | | (17,156,061) | | (17,156,061) | | | | (17,156,061) |
| 34 | Total Net Investment | \$ 1,906,824,108 | \$ (73,516,466) | \$ (13,642,851) | \$ 1,805,425,594 | | \$ 2,042,145,977 | \$ 86,797,981 | \$ 53,945,709 | \$ 57,394,555 | \$ 2,240,284,222 |
| 35 | Allowance for Working Capital | 54,431,800 | | | 54,431,800 | | 54,431,800 | | | | 54,431,800 |
| 36 | Total Rate Base | \$ 1,961,255,908 | \$ (73,516,466) | \$ (13,642,851) | \$ 1,859,857,394 | | \$ 2,096,577,777 | \$ 86,797,981 | \$ 53,945,709 | \$ 57,394,555 | \$ 2,294,716,022 |
| 37 | | 0 | | | | | | | | | |
| 38 | Gross Plant | \$ 76,474,409 | | | \$ 76,474,409 | 1.33% | \$ 70,765,039 | | | | \$ 70,765,039 |
| 39 | Production | - | | | - | | - | | | | - |
| 40 | Transmission | 3,710,993,361 | (84,751,774) | (16,228,881) | 3,610,012,706 | 5.22% | 4,083,711,622 | 105,802,468 | 66,784,661 | 82,865,660 | 4,256,298,752 |
| 41 | Distribution | 139,418,656 | | | 139,418,656 | 15.11% | 152,894,023 | | | | 235,759,683 |
| 42 | Intangible Plant | 173,600,530 | | | 173,600,530 | 2.90% | 225,101,354 | | | | 225,101,354 |
| 43 | General Plant | \$ 4,100,486,957 | \$ (84,751,774) | \$ (16,228,881) | \$ 3,982,908,503 | | \$ 4,532,472,040 | \$ 105,802,468 | \$ 66,784,661 | \$ 82,865,660 | \$ 4,787,924,829 |
| 44 | Total | | | | | | | | | | |

GAS ATTRITION

12 ME Dec 2018

12 ME Apr 2021

| LINE NO. | Attrition Base Year (SEF-9 page 2) | CRM | AMI | GTZ | Escalation Base | Escalation Factor | Trended Costs | CRM | AMI | GTZ | Rate Year Revenue & Costs |
|----------|---|--------------------|-----------------|-----------------|--------------------|-------------------|--------------------|-----------------|-----------------|-----------------|---------------------------|
| | a | b | c | d | e = Σ a thru d | f | g | h | i | j | k = Σ g thru j |
| 45 | Accumulated Depreciation | | | | | | | | | | |
| 46 | Production | \$ (33,125,038) | | | \$ (33,125,038) | | \$ (36,714,096) | | | | \$ (36,714,096) |
| 47 | Transmission | - | | | - | | - | | | | - |
| 48 | Distribution | (1,433,137,827) | 3,209,723 | 1,296,178 | (1,428,631,925) | | (1,664,843,836) | (10,067,231) | (10,582,561) | (18,729,954) | (1,685,493,628) |
| 49 | Intangible Plant | (47,274,088) | | 1,430,784 | (45,843,304) | | (99,671,678) | | | | (118,401,632) |
| 50 | General Plant | (56,258,222) | | | (56,258,222) | | (85,582,475) | | | | (85,582,475) |
| 51 | Total | \$ (1,569,795,175) | \$ 3,209,723 | \$ 1,296,178 | \$ (1,563,858,489) | | \$ (1,886,812,085) | \$ (10,067,231) | \$ (10,582,561) | \$ (18,729,954) | \$ (1,926,191,831) |
| 52 | ADIT (w/o Bonus) | | | | | | | | | | |
| 53 | Production | \$ - | | | \$ - | | | | | | \$ - |
| 54 | Transmission | - | | | - | | | | | | - |
| 55 | Distribution | (271,846,933) | 8,025,585 | 1,289,852 | (262,531,496) | | | | | | - |
| 56 | Intangible Plant | (16,932,626) | | 927,818 | (16,004,808) | | | | | | - |
| 57 | General Plant | (21,066,947) | | | (21,066,947) | | | | | | - |
| 58 | Total | \$ (309,846,506) | \$ 8,025,585 | \$ 1,289,852 | \$ (299,603,251) | | \$ - | \$ - | \$ - | \$ - | \$ - |
| 59 | Bonus ADIT | | | | | | | | | | |
| 60 | Production | \$ - | | | \$ - | | | | | | \$ - |
| 61 | Transmission | - | | | - | | | | | | - |
| 62 | Distribution | (254,860,650) | | | (254,860,650) | | | | | | - |
| 63 | Intangible Plant | (15,866,664) | | | (15,866,664) | | | | | | - |
| 64 | General Plant | (19,750,584) | | | (19,750,584) | | | | | | - |
| 65 | Total | \$ (290,477,898) | \$ - | \$ - | \$ (290,477,898) | | \$ - | \$ - | \$ - | \$ - | \$ - |
| 66 | Total ADIT | | | | | | | | | | |
| 67 | Production | \$ - | \$ - | \$ - | \$ - | | \$ (15,078) | | | | \$ (15,078) |
| 68 | Transmission | - | | | - | | - | | | | - |
| 69 | Distribution | (526,707,582) | 8,025,585 | 1,289,852 | (517,392,146) | | \$ (509,866,986) | (8,937,256) | (2,256,392) | (6,741,150) | (521,060,634) |
| 70 | Intangible Plant | (32,799,289) | | 927,818 | (31,871,472) | | \$ 5,554,038 | | | | (1,187,112) |
| 71 | General Plant | (40,817,531) | | | (40,817,531) | | \$ (75,642,681) | | | | (75,642,681) |
| 72 | Total | \$ (600,324,403) | \$ 8,025,585 | \$ 1,289,852 | \$ (590,081,149) | | \$ (579,970,706) | \$ (8,937,256) | \$ (2,256,392) | \$ (6,741,150) | \$ (597,905,505) |
| 73 | Net Plant After ADIT | | | | | | | | | | |
| 74 | Production | \$ 43,349,372 | \$ - | \$ - | \$ 43,349,372 | | \$ 34,035,866 | \$ - | \$ - | \$ - | \$ 34,035,866 |
| 75 | Transmission | - | | | - | | - | | | | - |
| 76 | Distribution | 1,751,147,952 | (73,516,466) | (13,642,851) | 1,663,988,635 | | 1,909,000,800 | 86,797,981 | 53,945,709 | 57,394,555 | 2,049,744,490 |
| 77 | Intangible Plant | 59,345,279 | | (14,239,197) | 45,106,082 | | 58,776,383 | | | | 116,170,939 |
| 78 | General Plant | 76,524,776 | | | 76,524,776 | | 63,876,198 | | | | 63,876,198 |
| 79 | Total | \$ 1,930,367,378 | \$ (73,516,466) | \$ (14,239,197) | \$ 1,828,968,664 | | \$ 2,065,689,248 | \$ 86,797,981 | \$ 53,945,709 | \$ 57,394,555 | \$ 2,263,827,493 |
| 80 | Non Plant ADIT | | | | | | | | | | |
| 81 | Depreciation and Other Liabilities | \$ (6,387,210) | | | \$ (6,387,210) | | \$ (6,387,210) | | | | \$ (6,387,210) |
| 82 | Allowance for Working Capital | (17,156,061) | | | (17,156,061) | | (17,156,061) | | | | (17,156,061) |
| 83 | Total Ratebase | \$ 1,961,255,908 | \$ (73,516,466) | \$ (14,239,197) | \$ 1,859,857,394 | | \$ 2,096,577,777 | \$ 86,797,981 | \$ 53,945,709 | \$ 57,394,555 | \$ 2,294,716,022 |
| 84 | check | \$ 0 | \$ 0 | \$ 0 | \$ 0 | | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| 85 | Proposed Rate of Return | | | | | | | | | | 7.57% |
| 86 | Return on Plant in Service at Proposed Rate | | | | | | | | | | \$ 173,710,003 |
| 87 | Operating Income Deficiency | | | | | | | | | | \$ 85,897,374 |
| 88 | Revenue Conversion Factor | | | | | | | | | | 0.754097 |
| 89 | Revenue Requirement | | | | | | | | | | \$ 113,907,593 |
| 90 | Revenue Growth Factor | | | | | | | | | | 1.013686 |
| 91 | Attrition Adjusted Revenue Requirement | | | | | | | | | | \$ 112,369,653 |