

**EXH. SEF-27
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*)**

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

SUSAN E. FREE

ON BEHALF OF PUGET SOUND ENERGY

JANUARY 15, 2020

Docket UE -190529 and UG - 190530

Exhibit SEF-27

	2017		2018		YTD June 2019
1 IT Budget	\$ 220,000,000	\$	201,300,000	\$	70,137,741
2					
3 Common IT Software Placed In-service					
4 3 Year Life	56,540,366		82,344,768		24,905,041
5 4 Year Life	-		-		634,984
6 5 Year Life	21,574,394		2,008,429		6,101,206
7 7 Year Life	-		69,384,430		(467,075)
8 8 Year Life	1,619,238		-		-
9 10 Year Life	38,103,162		76,344,427		24,399,509
10 Total	117,837,160		230,082,054		55,573,665
11					
12 Common IT Hardware Placed In-Service					
13 5 Year Life	45,724,092		27,356,034		332,686
14					
15 Electric IT Software Placed In-service					
16 3 Year Life	3,495,397		1,387,598		9,379,463
17 5 Year Life	89,995		(462,996)		-
18 8 Year Life	-		-		-
19 10 Year Life	-		-		-
20 Total	3,585,392		924,601		9,379,463
21					
22 Electric IT Hardware Placed In-Service					
23 5 Year Life	5,558,030		6,399,283		2,025,872
24					
25 Gas IT Software Placed In-service					
26 3 Year Life	5,912,077		915,628		39,241
27 5 Year Life	4,972,482		73,646		
28 8 Year Life	-		-		
29 10 Year Life	6,486,125		-		
30 Total	17,370,684		989,274		39,241
31					
32 Gas IT Hardware Placed In-Service					
33 5 Year Life	708,229		83,992		80,925
34					
35 5 Year Life or Less	\$ 144,485,067	\$	120,569,378	\$	43,499,418
36 Percent of IT Budget	65.7%		59.9%		62.0%
37					
38 Return on Investment at Staff's proposed 7.33%	\$ 10,590,755	\$	8,837,735	\$	3,188,507
39 Annual Depreciation	37,708,058		35,307,675		13,308,132
40 Revenue Requirement	\$ 48,298,813	\$	44,145,411	\$	16,496,639
41					
42 Ratebase	\$ 6,941,160,694	\$	7,158,344,112	\$	7,356,988,279
43 Annual Impact on Return	-0.70%		-0.62%		-0.45%