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.

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-190529 Docket UG-190530 (Consolidated)

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

		AWEC				
Line	Description	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 4	Gas 9/2019 Pro forma (Table 6 in SEF-17T)			n/a		
4 5	Overall impact		\$	(1,299,348)		
6						
7						
8 9	From BGM-1T Table 7					
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	(129,618,737)		-	129,618,737	5
15		(123,010,737)			123,010,737	5
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	32,154,133		(32,154,133)	(64,308,267)	1
28	Total Rate Base	\$ 176,254,761	\$	111,946,494	\$ (64,308,267)	
29						
30 31	From AWEC 34 and BGM-1T Table 3	\$ 178,247,202	ć	125 270 067	\$ (52,868,135)	2
32	Sep 30, 2019 Bal. Less: 2019 Q4 Depr.	(4,698,560)		-	4,698,560	2
33	Less: ADFIT Revrsl.	(32,154,133)		(26,329,604)	5,824,529	4,6
34	Add: EDFIT	4,501,579		-	(4,501,579)	4, 7
35	Dec. 30, 2019 Unrecoverd Inv.	\$ 145,896,088	\$	99,049,463	\$ (46,846,625)	
36						
37						
38	1 - ADIT in AWEC 38 was displayed with th	e wrong sign. Sho	uld ł	nave been a nega	tive.	
39 40	2 - Should not include Asset Retirement Co	ost as amount will	he Śl) by December 3	1 2019 ner PSE's	
41	First Revised Response to AWEC 034.	St us unount win	UC Y	by December 5	1, 2015 per 1 5E 5	
42						
43	3 - AWEC 34 was already presented as of I	December 31, 2019) (De	cember 31, 2019	estimated	
44	as of September 30, 2019)					
45 46	4 - ADIT and EDIT should not be included in	a regulatory accet	nor	Aatt Marcalia		
40 47	4 - ADH and EDH should not be included in	li legulatory asset	peri			
48	5 - Should only use monetized PTC's per de	efinition provided i	in Ex	h. SEF-17T that a	re known	
49	by June 30, 2019.					
50						
51	6 - There will no longer be an accumulated					
52 53	the ADIT on the plant balance reverses wit regulatory asset has been reveresed by the					
53 54	ופצטומנטיץ מגצבו וומג שפרו ופעפופגפט שע נחנ	- application of the	= = 10	s against the reg	שומנטוץ מששנו.	
55	7 - EDIT will continue to reverse at the sam	ne level as prior to	retir	ement, 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) Electric 9/2019 Pro forma (Table 6 in SEF-17T)		\$	(7,843,655) 7,680,626		
3	Gas 9/2019 Pro forma (Table 6 in SEF-17T)			2,148,338		
4 5	Overall impact		\$	1,985,309		
6						
7						
8 9 10	From BGM-1T Table 7 Remove: Colstrip 1-2 Plant Balances	\$ (176,254,761)	ć	(111 046 404)	\$ 64,308,267	1
11	·		Ş			
12 13	Add Back Colstrip 1 -2 Unrecovered Inv.	145,896,088		125,379,067	(20,517,021)	2, 3, 4
14 15	Less: ADFIT on Reg Asset	-		(26,329,604)	(26,329,604)	
16 17	Less: Monetized PTCs	(129,618,737)		(82,224,442)	47,394,295	5
18 19	Incldue ADFIT on Monetized PTCs			17,267,133	17,267,133	8
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		¢ 40.077.054	~	42.454.625	26 077 274	
23 24	Remaining Colstrip 1 - 2 Regulatory Asset Net ADFIT on Regulatory Asset Net	\$ 16,277,351	\$	43,154,625 (9,062,471)	26,877,274 (9,062,471)	
25						
26 27						
27	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	\$ 176,254,761	\$	111,946,494	\$ (64,308,267)	
33						
34	From AWEC 34 and BGM-1T Table 3	A			¢ (50.000.405)	
35	Sep 30, 2019 Bal.	\$ 178,247,202		125,379,067	\$ (52,868,135)	2
36 37	Less: 2019 Q4 Depr. Less: ADFIT Revrsl.	(4,698,560)		- (26,329,604)	4,698,560 5,824,529	3 4, 6
38	Add: EDFIT	(32,154,133) 4,501,579		(20,329,004)	5,824,529 (4,501,579)	4, 0 4, 7
39	Dec. 30, 2019 Unrecoverd Inv.	\$ 145,896,088	\$	99.049.463	\$ (46,846,625)	٦, ١
40		÷ 110,000,000	<u> </u>		<i>\(\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\</i>	
41 42	1 - ADIT in AWEC 38 was displayed with t	he wrong sign. Sh	ould	l have been a ne	gative.	
43	2 - Should not include Asset Retirement	Cast as amount wil	11 h a	ć0 hu Docombor	21 2010 per DCC	
44 45	First Revised Response to AWEC 034.	COST as amount wi	n be	SO BY December	51, 2019 per PSE	5
43 46	First Revised Response to Awec 054.					
40	3 - AWEC 34 was already presented as of	December 31, 201	19 (E	ecember 31, 201	19 estimated	
48	as of September 30, 2019)		(-	,,		
49						
50 51	4 - ADIT and EDIT should not be included	in regulatory asse	t pe	r Matt Marcelia.		
52	5 - If the Commission were to determine	PTCs monetized in	n Ser	otember 2019 sh	ould be included	
53	in rate base					
54						
55	6 - There will no longer be an accumulate	ed deferred tax lial	bility	at 21% because		
56	the ADIT on the plant balance reverses w	vith the plant's reti	rem	ent and the ADIT	on the	
57	regulatory asset has been reveresed by t	he application of t	he P	TC's against the	regulatory asset.	
58						
59	7 - EDIT will continue to reverse at the sa	ime level as prior t	o re	tirement, therefo	ore, no adjustmen	t
60	for EDIT is necessary.					
61 62	8 - ADFIT associated with the Regulatory	Liability for monet	tized	l 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	Chang
1	Rev. Req. impact of corrections (All Electric)		\$	(11,278,366)		
2 3	Electric 9/2019 Pro forma (Table 6 in SEF-17T) Gas 9/2019 Pro forma (Table 6 in SEF-17T)			7,680,626 2,148,338		
4 5	Overall impact		\$	(1,449,401)		
6						
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	Incldue ADFIT on Monetized PTCs	-		26,329,604	26,329,604	8
19 20	Total Pata Paca Adi	(150 077 410)				
20 21 22	Total Rate Base Adj. <i>Rev. Req.</i>	(159,977,410) (16,181,249)		(111,946,494) (11,278,366)	48,030,916 4,902,884	
22 23 24	Remaining Colstrip 1 - 2 Regulatory Asset Net ADFIT on Regulatory Asset Net	\$ 16,277,351	\$	-	(16,277,351)	
25						
26 27						
28	From AWEC 38 and BGM-1T Table 2					
29	Gross Plant	\$ 323,313,129		323,313,129	Ş -	
30 31	Accum. Depr. ADFIT	(179,212,502) 32,154,133		(179,212,502) (32,154,133)	- (64,308,267)	1
32	Total Rate Base	\$ 176,254,761	\$	111,946,494	\$ (64,308,267)	1
33						
34	From AWEC 34 and BGM-1T Table 3					
35	Sep 30, 2019 Bal.	\$ 178,247,202		125,379,067		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	ć	-	(4,501,579)	4, 7
39 40	Dec. 30, 2019 Unrecoverd Inv.	\$ 145,896,088	\$	99,049,463	\$ (46,846,625)	
41 42	1 - ADIT in AWEC 38 was displayed with the	he wrong sign. Sh	ould	have been a neg	gative.	
43	2. Chould not include Accet Patiroment (Sact as amount wil	الم	ć0 by December	21 2010 per DCC	~
44	2 - Should not include Asset Retirement C First Revised Response to AWEC 034.	LOST AS AMOUNT WI	i be	So by December	51, 2019 per PSE	5
45 46	First Revised Response to Awec 034.					
40 47	3 - AWEC 34 was already presented as of	December 31 201	9 (D	ecember 31 201	9 estimated	
48	as of September 30, 2019)	200011001 01, 201	.5 (5	2021,202	is connacca	
49						
50 51	4 - ADIT and EDIT should not be included	in regulatory asse	t per	Matt Marcelia.		
52	5 - If the Commission were to determine	PTCs monetized as	s def	ined by AWEC sh	ould be	
53	included in rate base			,		
54						
55	6 - There will no longer be an accumulate	d deferred tax liab	oility	at 21% because		
56	the ADIT on the plant balance reverses w					
57 58	regulatory asset has been reveresed by the	ne application of th	ne P	TC's against the r	egulatory asset.	
50	7 - EDIT will continue to reverse at the sa	me level as prior to	o ret	irement therefo	ore, no adjustment	t
59	, LDT WIN CONTINUE TO TEVELSE AT THE SA		- ICL	ement, the elt		•
59 60	for EDIT is necessary					
59 60 61	for EDIT is necessary.					
60	for EDIT is necessary. 8 - ADFIT associated with the Regulatory I	Liability for monet	ized	PTCs should be	included in	