

**Exhibit No. ECO-20
Dockets UE-151871/UG-151872
Witness: Elizabeth C. O'Connell**

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

PUGET SOUND ENERGY,

Respondent.

**DOCKETS UE-151871/UG-151872
(consolidated)**

**EXHIBIT TO
TESTIMONY OF**

ELIZABETH C. O'CONNELL

**STAFF OF
WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION**

PSE response to Staff Data Request 47

June 7, 2016

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

**Docket Nos. UE-151871 UG-151872
Puget Sound Energy's
Electric and Natural Gas Equipment Lease Service**

WUTC STAFF DATA REQUEST NO. 047

WUTC STAFF DATA REQUEST NO. 047:

Please provide, with calculations and formulas intact, the depreciation method and estimated residual value of all leased property available to customers via Schedule 75. Please provide data for each one of the appliances (equipment) proposed in the tariff and sort information by customer class.

Response:

The depreciation study referred to in Puget Sound Energy's ("PSE") Response to WUTC Staff Data Request No. 045 established straight-line depreciation with depreciable lives for PSE's leasing equipment in the range of 10 to 18 years and reported a residual value of zero on net salvage values for all of PSE's leasing equipment. The proposed annual depreciation rate is calculated by dividing one by the respective number of years in the depreciable life for each unit of property. The table below shows the calculation for depreciation rates on the six categories of leasing equipment identified in the depreciation study. Depreciation methods and residual values are determined by asset class and not by customer class.

Schedule 75 Proposed Leasing Equipment-Electric Operations			
Leasing Equipment	Life	Net Salvage	Annual Depreciation Rate
Residential Heat Pumps	18	0	5.56%
Residential Water Heaters	15	0	6.67%
Commercial Water Heaters	10	0	10.00%
Schedule 75 Proposed Leasing Equipment-Gas Operations			
Leasing Equipment	Life	Net Salvage	Annual Depreciation Rate
Residential Furnaces	17	0	5.88%
Residential Water Heaters	15	0	6.67%
Commercial Water Heaters	10	0	10.00%