

**BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**Dockets UE-190529 & UG-190530  
Puget Sound Energy  
2019 General Rate Case**

**BENCH REQUEST NO. 011**

**“CONFIDENTIAL” Table of Contents**

<b>DR NO.</b>	<b>“CONFIDENTIAL” Material</b>
<b>011</b>	Shaded information is designated as CONFIDENTIAL per Protective Order in Dockets UE-190529 and UG-190530 as marked in Attachment A to Puget Sound Energy’s Response to Bench Request No. 011.

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**BENCH REQUEST NO. 011:**

Instructions for Bench Request No. 11 – Provide PSE’s response using a format consistent with rebuttal exhibit Excel files “190529-30-274-75-PSE-Free-Exh-SEF-18-21E-01-15-20” and “190529-30-274-75-PSE-Free-Exh-SEF-18-20G-01-15-20” but incorporating PSE’s response to Bench Request No. 1(A) for revenue requirement and net revenue change requested based on 9.5 ROE. Regarding PSE’s responses to (A), (B), and (C) below for both electric and natural gas, ensure that all exhibits and supporting calculations are linked to the respective revenue requirement models. PSE must provide one Excel workbook for electric and one Excel workbook for natural gas operations. Please file all responses pursuant to WAC 480-04-140(6)(a)(ii).

- A. Please update the electric and natural gas revenue requirement exhibits, including net revenue change requested, for the changes itemized below. Please also provide supporting exhibits or work papers if the revenue requirement exhibits provide a reference to those exhibits or work papers. Additionally, please highlight only those cells that require manual adjustments, but do not highlight those cells that changed based on formulas flowing from the manual adjustments.
  - i. The rebuttal testimony of Susan E. Free, Exh. SEF-17T discusses PSE’s intent to update its revenue requirement through its compliance filing. Please update the revenue requirement models to reflect the following items:
    - 1. PSE’s cost of short-term debt as of the date of this Bench Request.
    - 2. PSE’s adoption of Staff’s recommended Revenue and Expense Adjustment 20.01 GR and 20.01 EP.
    - 3. PSE’s adoption of Staff’s recommended Temperature Normalization Adjustment 20.02 ER, 20.02 EP, 20.02 GR, and 20.02 GP.
  - ii. Additionally, please provide updates for the following pro forma capital addition adjustments through December 31, 2019, for only amounts used and useful, and known and measurable, consistent with Commission past practice. Do not include forecasts or estimates.

1. AMI Adjustment No. 20.22 EP and 20.22 GP (include all supporting calculations).
  2. GTZ Adjustment No. 20.24 EP and 20.24 GP (include all supporting calculations).
  3. Public Improvement Adjustment No. 20.27 EP and 20.27 GP (include all supporting calculations).
  4. HR Tops Adjustment No. 20.29 EP and 20.29 GP (include all supporting calculations).
  5. High Molecular Weight Cable Replacement Adjustment No. 21.09 EP (include all supporting calculations).
  6. Energy Management System Adjustment No. 21.10 EP (include all supporting calculations).
- iii. Update ISWC included in EOP adjustment No. 20.18 ER and 20.18 GR to reflect EOP treatment consistent with the rest of rate base.
- B. The rebuttal testimony of Susan E. Free in Exh. SEF-20E at 3 and SEF-20G at 3 does not provide sufficient detail to understand or verify PSE's testimony regarding the inclusion of protected-plus EDIT in the proposed FIT adjustments 20.03 ER and GR. Please provide supporting work papers for PSE's FIT adjustments with a narrative describing precisely how EDIT is included in these adjustments, all cell locations where EDIT is included, and what specific amounts of protected-plus EDIT are included in each cell. Please provide responses for both electric and natural gas revenue requirement calculations.
- C. Susan E. Free's exhibits Exh. SEF-20E at 26 and SEF-20G at 26 do not provide sufficient supporting calculations to verify PSE's position regarding the amortization of unprotected EDIT in PSE's proposed adjustments 20.26 EP and GP. Please provide supporting calculations for these adjustments with a narrative describing precisely how EDIT is included in these adjustments for both electric and natural gas revenue requirement calculations.

**Response:**

- A. Attached as Attachment A to Puget Sound Energy's ("PSE") Response to Bench Request No. 011, please find updated electric and natural gas revenue requirement exhibits, including net revenue change requested for the changes outlined in this Bench Request. The revenue requirement exhibits have been provided in the same manner as provided in PSE's rebuttal filing except the MS Excel exhibits have also been linked to the revenue requirement work papers. Work papers and exhibits of other witnesses who rely on the revenue requirement exhibits have also been

provided. PSE interpreted the request related to highlighting to mean the true source, which would be within the work papers (as opposed to the exhibits); therefore, the amounts within the work papers that represent the originating support when changed from PSE’s Response to Bench Request No. 001 have been highlighted in lime green. Please note, the revenue requirement and attrition models are complex and must be carefully managed when making updates in order for all necessary items to be appropriately updated. Therefore, as is the case with this Bench Request where PSE was requested to make the changes, it would be best that any future changes desired by parties or the Commission be requested from PSE in order to ensure that all updates are properly made within the construct of the models.

The impacts of the requested changes are detailed in the below table<sup>1</sup>.

Line	Description	Rev Before Attrition			Attrition Adjustment			Net Rev Change Requested		
		Electric	Gas	Combined	Electric	Gas	Combined	Electric	Gas	Combined
1	Per Bench Request #1	\$ 114.5	\$ 49.3	\$ 163.8	\$ 23.9	\$ 16.2	\$ 40.1	\$ 138.4	\$ 65.5	\$ 203.9
2										
3	Update Cost of Debt	(2.3)	(0.9)	(3.2)	-	-	-	(2.3)	(0.9)	(3.2)
4	Adopt Staff's Rev & Exp and Temp Norm Adjs.	(3.6)	1.4	(2.2)	3.7	(1.4)	2.3	0.1	-	0.1
5	Impact on Power Costs for Change in Production Factor for Line 4	1.2	-	1.2	(1.1)	-	(1.1)	0.1	-	0.1
6	Update Plant Pro Forma Adjs. to December 2019	13.8	5.2	19.0	(13.8)	(5.2)	(19.0)	-	-	-
7	Update AMI and GTZ Deferrals to December 2019	1.7	0.8	2.5	-	-	-	1.7	0.8	2.5
8	Change Investor Supplied Working Capital back to EOP	(0.7)	(0.1)	(0.8)	0.7	0.1	0.8	-	-	-
9	Change to Reduction to Supported Amount	-	-	-	-	0.1	0.1	-	0.1	0.1
10	Changes for Bench Request #11	10.1	6.4	16.5	(10.5)	(6.4)	(16.9)	(0.4)	-	(0.4)
11										
12	Per Bench Request #11	\$ 124.6	\$ 55.7	\$ 180.3	\$ 13.4	\$ 9.8	\$ 23.2	\$ 138.0	\$ 65.5	\$ 203.5

B. The protected-plus EDIT reversal is a significant reduction to tax expense and the primary reason the effective tax rate is not 21%. Please see Attachment C to PSE’s Response to Bench Request No. 013, which provides the work papers submitted in support of PSE’s electric FIT adjustment. Please see the item labelled “Plant Related” in the amount of \$19.9 million in cell F57 of tab “CBR\_Electric”. Electric EDIT reversal for the test year is included in this amount. Please see Attachment D to PSE’s Response to Bench Request No. 013, which provides the work papers submitted in support of PSE’s gas FIT adjustment. Please see the item labelled “Plant Related” in the amount of \$5.9 million in cell F32 of tab “CBR\_Gas”. Gas EDIT reversal for the test year is included in this amount. For additional detail associated with these amounts, please see Attachment E to PSE’s Response to Bench Request No. 013, which is PSE’s Response to WUTC Staff Data Request No. 067 that provides a table showing the breakdown of the electric and gas amounts between EDIT reversals and flow-through reversals as shown below.

<sup>1</sup> The work paper “190529-30-PSE-WP-SEF-17T-Table-1-Deficiencies-TY-19GRC-01-2020.xlsx” in Attachment A contains the support for this table.

	EDIT	F/T	Total
	reversal	reversal	
Electric	(23,516,910)	3,572,215	(19,944,696)
Gas	(6,272,059)	346,134	(5,925,925)
<b>Total</b>	<b>(29,788,970)</b>	<b>3,918,349</b>	<b>(25,870,621)</b>

Attachment F to PSE’s Response to Bench Request No. 013 provides the supporting spreadsheet for the above table. Attachment F includes four tabs in support of the 2018 EDIT reversals. These tab names are: “Reversal Summary “, “Rpt 216 Cur Diff 2018”, “Rpt 216\_2018”, and “Rpt 257A\_2018 total”.

In addition to the test year EDIT reversals, PSE made adjustments to EDIT reversals related to the adjustments to Colstrip depreciation expense that were included in SEF-21E at 7, lines 6 and 14.

- C. The support for adjustments 20.26EP and GP can be found in Attachment A to this Bench Request. Specifically, the file titled “NEW-PSE-WP-MRM-EDIT-Dec-2017-by-GL-Acct-TY vFinal.xlsx”, tab “ADIT Dec 2017”, cell “H80” contains the complete calculation of the unprotected EDIT totaling \$38,840,471. There are additional tabs within the file which show the electric and gas calculations independently. The EDIT balances from this file are amortized over four years in “NEW-PSE-WP-SEF-6.26E-6.26G-UnprotectedEDIT-19GRC-06-2019.xlsx” which is also included in Attachment A to this Bench Request. Cell G7 in tab “WC & AIC to CRB” of this file contains the \$38,840,471 from the file “NEW-PSE-WP-MRM-EDIT-Dec-2017-by-GL-Acct-TY vFinal.xlsx”.

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**ATTACHMENT A to PSE's Response to  
Bench Request No. 011**