

**EXH. SEF-14  
DOCKETS UE-22 \_\_\_/UG-22 \_\_\_  
2022 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-22 \_\_\_  
Docket UG-22 \_\_\_**

**THIRTEENTH EXHIBIT (NONCONFIDENTIAL) TO THE  
PREFILED DIRECT TESTIMONY OF**

**SUSAN E. FREE**

**ON BEHALF OF PUGET SOUND ENERGY**

**JANUARY 31, 2022**

Overview of Revenue Requirement Adjustments

Adjustment Name	Adj. No.		Restating	Proforma	Gap Period	Rate Year 1	Rate Year 2	Rate Year 3
	Electric	Gas						
Revenues & Expenses	6.01	11.01	X	X	X	X	X	X
Pass-Through Rev & Exp	6.02	11.02	X					
Temperature Normalization	6.03	11.03	X	X				
Federal Income Tax	6.04	11.04	X	(1)	(1)	(1)	(1)	(1)
Tax Benefit of Interest	6.05	11.05	X	X	X	X	X	X
Bad Debt Expense	6.06	11.06	X	(2)	(2)	(2)	(2)	(2)
Rate Case Expense	6.07	11.07	X			(3)	(3)	(3)
Excise Tax	6.08	11.08	X					
Employee Insurance	6.09	11.09	X	X	(3)	(3)	(3)	(3)
Injuries & Damages	6.10	11.10	X			(3)	(3)	(3)
Incentive Pay	6.11	11.11	X	X	X	(3)	(3)	(3)
Investment Plan	6.12	11.12	X			(3)	(3)	(3)
Interest on Customer Deposits	6.13	11.13	X			(3)	(3)	(3)
Property and Liability Insurance	6.14	11.14	X	X		(3)	(3)	(3)
Deferred Gains and Losses on Property Sales	6.15	11.15	X	X	X	X		
D&O Insurance	6.16	11.16	X			(3)	(3)	(3)
Pension Plan	6.17	11.17	X	X		(3)	(3)	(3)
Wage Increase	6.18	11.18	X			(3)	(3)	(3)
AMA to EOP Rate Base	6.19	11.19	X					
AMA to EOP Depreciation	6.20	11.20	X					
WUTC Filing Fee	6.21	11.21	X	(2)	(2)	(2)	(2)	(2)
Proforma O&M	6.22	11.22				X	X	X
AMR Regulatory Asset	6.23	11.23				X	X	X
AMI Plant and Deferral	6.24	11.24	X	X		X		
GTZ Deferral	6.25	11.25		X	X	X	X	X
Environmental Remediation	6.26	11.26	X			X		X
COVID Deferral	6.27	11.27		X	X	X	X	X
Estimated Plant Retirements Rate Base	6.28	11.28		X	X	X	X	X
Test Year Plant Roll Forward	6.29	11.29		X	X	X	X	X
Provisional Proforma Retirements	6.30	11.30		X	X	X	X	X
Programmatic Prov Proforma	6.31	11.31		X	X	X	X	X
Programmatic Customer Driven Prov Proforma	6.32	11.32		X	X	X	X	X
Specific Prov Proforma	6.33	11.33		X	X	X	X	X
Projected Prov Proforma	6.34	11.34		X	X	X	X	X
Power Costs	6.45		X			X	X	X
Montana Tax	6.46		X			X	X	X
Wild Horse Solar	6.47		X	X	X	X	X	X
Storm Expense Normalization	6.48		X			(3)	(3)	(3)
Regulatory Assets & Liability	6.49		X	X	X	X	X	X
Green Direct Rate Base	6.50		X	X	X	X	X	
Storm Deferral Amortization	6.51		X			X		X
Electric Vehicles Deferral	6.52			X	X	X	X	X
Colstrip D&R Tracker	6.53			X	X	X	X	X
Monetize PTCs For Colstrip	6.55			X	X			
Acquisition Adjustments	6.56			X	X	X	X	X
Tacoma LNG Upgrade Plant and Deferral		11.48	X	X		X	X	X
Regulatory Assets & Liability		11.49		X	X	X	X	
Tacoma LNG Plant Deferral		11.50				X	X	X

(1) The statutory tax rate of 21% is applied to all adjustments + change in EDIT, Hydro Grant and Flow-Through amortization each year.

(2) Filing Fee Rate and Restated Bad Debt Rate Applied to all Revenue Adjustments.

(3) Included in Proforma O&M Adjustments. See page two for more details.

**Overview of Revenue Requirement Adjustments - Additional Detail**

Adjustment Name	Adj. No.		Method	How it is Handled	Maintained in own Adj	Incl in O&M Adj
	Electric	Gas				
Low Income Amortization	6.02	11.02	Remove from Plan	Low Income Amortization is removed from GRCs as a pass-through, therefore, need to remove from plan.	N/A	N/A
Green Power O&M	6.02	11.02	Remove from Plan	Green Power and Carbon Offset O&M is removed from GRCs as a pass-through, therefore, need to remove from plan. Tags are not budgeted for in O&M as they are charged to FERC 557 (power costs) and 805 (gas costs).	N/A	N/A
Bad Debts	6.06	11.06	Remove and Replace	Remove amounts from plan. Separate adjustments reflected at restated amounts plus application of restated bad debt rate to all revenue adjustments.	Yes	No
Rate Case Expense	6.07	11.07	Remove and Replace	\$0 included in the plan, therefore, need to add restated amount to total O&M. Restated test year amounts are added to plan. Maintained on its separate adjustment.	Yes	No
Employee Insurance	6.09	11.09	Adjust to Plan	This type of insurance expense is not tracked separately in the plan. Therefore, no special treatment for test year or plan amounts. Restated amounts get automatically adjusted to amounts included in plan.	No	Yes
Injuries & Damages	6.10	11.10	Remove and Replace	Remove amounts from plan and replace with restated test year amounts.	Yes	No
Incentive Pay	6.11	11.11	Remove and Replace	Remove amounts from plan and replace with 4 year average per plan amounts.	Yes	No
Investment Plan	6.12	11.12	Adjust to Plan	This type of labor benefit overhead is not tracked separately in the plan. Therefore, no special treatment for test year or plan amounts. Restated amounts get automatically adjusted to amounts included in plan.	No	Yes
Interest on Customer Deposits	6.13	11.13	Add to Plan	\$0 included in the plan, therefore, need to add restated amount to total O&M. Restated test year amounts are added to plan. Maintained on its separate adjustment.	Yes	No
Property and Liability Insurance	6.14	11.14	Adjust to Plan	The type of insurance expense is not tracked separately in the plan. Therefore, no special treatment for test year or plan amounts. Restated amounts get automatically adjusted to amounts included in plan.	No	Yes
D&O Insurance	6.16	11.16	Adjust to Plan	This type of insurance expense is not tracked separately in the plan. Therefore, no special treatment for test year or plan amounts. Restated amounts get automatically adjusted to amounts included in plan.	No	Yes
Pension Plan	6.17	11.17	Remove and Replace	Remove amounts from plan and replace with 4 year average per plan amounts. Maintain on separate adjustment.	Yes	No
Wage Increase	6.18	11.18	Adjust to Plan	No special treatment for test year or plan amounts. Restated amounts get automatically adjusted to amounts included in plan after ensuring labor overheads are not included in plan amounts being adjusted to.	No	Yes
WUTC Filing Fee	6.21	11.21	Remove and Replace	Remove amounts from plan. Separate adjustments reflected at restated amounts plus application of WUTC Filing Fee percentage to all revenue adjustments.	Yes	No
Power Costs (Prod O&M)	6.31	N/A	Adjust to Plan	Adjust to plan after ensuring labor overheads are not included in plan amounts. Maintain on its on adjustment (Power Costs).	Yes	No
Storm Expense Normalization	6.34	N/A	Adjust to Plan	Adjust to current threshold and maintain on its own adjustment.	Yes	No
Electric Vehicles Deferral	6.38	N/A	Adjust to Plan	No special treatment for test year or plan amounts. Restated amounts get automatically adjusted to amounts included in plan after ensuring labor overheads are not included in plan amounts being adjusted to.	No	Yes
Colstrip Unit 4 2020 Major Maintenance	6.40	N/A	Adjust to Plan	For now, planning to leave plan unadjusted (Naomi to check if properly included in plan Prod O&M amounts) and reflecting in the amounts being plugged to in the Production O&M portion of the Power Cost Adjustment.	Yes (Pwr Csts)	No
Tacoma LNG Plant Deferral	N/A	11.36	Adjust to Plan	No special treatment for test year or plan amounts. Restated amounts get automatically adjusted to amounts included in plan after ensuring labor overheads are not included in plan amounts being adjusted to.	No	Yes
Labor Overheads	N/A	N/A	Adjust to Plan	Plan amounts are selectively taken (not spread based on historical) and shown in employee benefits line of income statement	No	Yes
Payroll Taxes	N/A	N/A	Adjust to Plan	Plan amounts are selectively taken (not spread based on historical) and shown in taxes other than income taxes line of income statement	No	Yes