

**BEFORE THE WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION,

Complainant,

v.

PUGET SOUND ENERGY,

Respondent.

DOCKETS UE-190529 and  
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 UT/Technology Investment

DOCKETS UE-190274 and  
UG-190275 (*consolidated*)

In the Matter of the Petition of  
  
PUGET SOUND ENERGY

For an Order Authorizing Deferred  
Accounting associated with Federal Tax  
Act on Puget Sound Energy's Cost of  
Service

DOCKETS UE-171225 and  
UG-171226 (*consolidated*)

In the Matter of the Petition of  
  
PUGET SOUND ENERGY

For an Order Authorizing the Accounting  
treatment of Costs of Liquidated  
Damages

DOCKETS UE-190991 and  
UG-190992 (*consolidated*)

STAFF'S RESPONSE TO  
COMMISSION'S PROPOSED  
AMENDMENT OF THE FINAL  
ORDERS AND PROPOSED  
CONSOLIDATION

## **I. GENERAL RESPONSE**

1 On August 10, 2021, the Washington Utilities and Transportation Commission  
(Commission) Commission notified the parties to these dockets that it (1) intends to modify  
the final orders to address the issue of the proper accounting treatment of protected excess  
deferred income tax (EDIT), (2) intends to consolidate the general rate case (GRC) dockets  
with certain accounting petition dockets, and (3) requests input from the parties on three issues  
(Notice). Staff (Staff) supports the Commission’s intended modification of the final orders in  
the GRC dockets. Staff also supports consolidation of the GRC dockets with the accounting  
petitions identified in the Notice. Staff responds to Issues 2 and 3 below.

## **II. ISSUE 2**

2 Staff has examined the workpapers that Puget Sound Energy (PSE) filed August 27,  
2021, in response to the Notice and does not take issue with PSE’s calculation methodology.  
To the best of Staff’s knowledge, PSE’s calculations of protected-plus EDIT are accurate.

3 Regarding the Commission’s request for protected EDIT revenues as well as protected-  
plus EDIT revenues, Staff has reviewed PSE’s response and supporting workpapers. From this  
review, Staff believes that the “plus” portion of the electric and natural gas protected-plus  
balances is sufficiently small as to be immaterial in this context.

## **III. ISSUE 3**

4 In PSE’s response to the Notice, PSE advocates for immediate recovery of the  
cumulative deferral balance. PSE’s position is consistent with the IRS’s Private Letter Ruling,

and Staff is in favor of resolving the recovery of the cumulative deferral balance now rather than as part of PSE's next general rate case (GRC).

#### **IV. ADDITIONAL ISSUE**

5 Consistent with the existing final orders in the GRC, PSE recently filed a Schedule 141X update in Dockets UE-210676 and UG-210677. Staff notes as a housekeeping matter that the Commission will need to address any proceedings involving Schedule 141X that are pending when the Commission modifies its final orders in the GRC dockets.

DATED September 10, 2021.

Respectfully submitted,

**ROBERT W. FERGUSON**  
Attorney General

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