



Puget Sound Energy
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PSE.com

September 10, 2021

Filed Via Web Portal

Mr. Mark L. Johnson
Executive Director and Secretary
Washington Utilities and Transportation Commission
P.O. Box 47250
Olympia, WA 98504-7250

Re: *Washington Utilities and Transportation Commission v. Puget Sound Energy, Dockets UE-190529, UG-190530 et al.*
In the Matter of the Petition of Puget Sound Energy for an Order Authorizing Accounting for Tracking Revenues Subject to PSE's Private Letter Ruling Requesting a Decision on the Proper Ratemaking Treatment of Protected Excess Deferred Income Taxes, Dockets UE-200843 and UG-200844
Puget Sound Energy Response to Notice of Opportunity to File Written Response

Dear Mr. Johnson,

Puget Sound Energy ("PSE") is providing this supplemental response to the Notice of Opportunity to File Written Response ("Notice") requested by the Washington Utilities and Transportation Commission (the "Commission") on August 10, 2021, regarding the Internal Revenue Service ("IRS" or "the Service") Private Letter Ruling 101961-21 ("PLR") PSE filed its original response on August 27, 2021. PSE notes the Commission has proposed to amend the Final Orders in the 2019 general rate case, Dockets UE-190529 and UG-190530 ("2019 GRC") and consolidate those dockets with PSE's PLR accounting petition, Dockets UE-200843 and UG-200844 ("Accounting Petition"), to address the proper treatment of protected EDIT. In its accounting petition PSE has requested the ability to defer regulatory assets created by the ratemaking treatment of protected excess deferred income taxes ("EDIT") mandated by the Commission in PSE's 2019 GRC which resulted in a rate calculation that is inconsistent with IRS Normalization Rules.

As detailed in PSE's accounting petition, PSE has been and will continue recording this regulatory asset as a debit to the FERC 186 account and a credit to FERC 456 and FERC 495 until the Commission authorizes recovery of the regulatory assets and sets rates providing for such recovery. PSE provides this additional response to note that upon approval by the

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COMMISSION

Mr. Mark L. Johnson, Executive Director and Secretary

September 10, 2021

Page 2 of 11

Commission of recovery of the regulatory assets, PSE requests the Commission provides in its order that PSE be allowed to amortize the balances to FERC accounts 456 and 495 following the level of revenue collected from customers.

Please do not hesitate to contact me if you have any questions. For specific questions about the accounting and ratemaking treatment, please contact Susan Free at 425-456-2105.

Sincerely,

/s/ Jon Piliaris

Jon Piliaris
Director, Regulatory Affairs
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cc: Service List