

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

**Docket UE-200980
Puget Sound Energy
2020 Power Cost Only Rate Case**

BENCH REQUEST NO. 004:

Referring to SEF-1T at 35:6-10, Susan Free states that as a result of “bringing the full balance of monetized PTCs into rate base and more than fully offsetting the regulatory asset associated with Colstrip Units 1 and 2, as of the rate effective date from this proceeding, PSE will cease accruing interest on the value of the monetized PTCs included in this adjustment. The effect of this adjustment is to reduce rate base by \$119.0 million...”.

- A. Is the amount of monetized PTCs \$119 million, \$110,897,622 as per Free, Exh. SEF-5 at 14:2-8, or some other figure?
- B. Through what tax year is the “balance of the monetized PTC” zeroed out, 2019 or 2020?
- C. What is the Company’s current estimate of unrealized PTCs?

Response:

- A. As noted in Puget Sound Energy’s (“PSE”) Response to Bench Request No. 003, an incorrect amount of monetized PTCs was inadvertently reflected in Exh. SEF-5. This was corrected in PSE’s supplemental filing with Exh. SEF-15, which superseded and updated Exh. SEF-5. The amount of monetized PTCs is \$150,652,868 as shown in the MS Excel version of Exh. SEF-15 in cell BV18 of the “SEF-15 Adjustments” tab. When taken net of accumulated deferred income tax, the PTC balance totals \$119,015,766 as shown in cell BV20.
- B. The adjustment to include \$119,015,766 net of tax PTCs in rate base serves to zero out the “balance of the monetized PTC” through tax year 2019. PTCs from tax year 2020 will not be monetized until September 2021 when PSE’s 2020 Federal Income Tax Return is filed. Once the PTCs from tax year 2020 are monetized, PSE will begin accruing interest on this new balance until it is incorporated into rates.
- C. PSE’s current estimate of remaining unrealized PTCs has not changed since the date of PSE’s last filed tax return and is as follows:

Pre-tax amount:	\$84,390,111
Net of tax amount	\$66,668,188.