

**EXH. SEF-12r  
DOCKETS UE-240004/UG-240005  
2024 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-240004  
Docket UG-240005**

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

**SUSAN E. FREE**

**ON BEHALF OF PUGET SOUND ENERGY**

**REVISED  
MARCH 4, 2024**

**FEBRUARY 15, 2024**

**Exhibit A-1 Power Cost Baseline Rate  
24GRC Rate Year 1 - 2025**

Row		<u>AMA Rate Year 1</u>					Fixed Prod Costs In Decoupling	Variable Prod Costs in PCA
			Test Yr \$/MWh					
9A		(I)	(II)	(III)		(IV)	(V)	
3	Regulatory Assets	\$ 95,697,188						
4	Transmission Rate Base	66,912,595						
5	Production Rate Base	1,372,497,740						
6	Net Rate Base for Exh. A-1	\$ 1,535,107,523						
7	Net of tax rate of return		7.09%					
8								
9								
10	Fixed Asset Return Reg Assets (on Row 3)	\$ 8,588,520	\$ 0.418	F		\$ 8,588,520		
10a	Return on CETA DR PPAs	1,271,326	\$ 0.062	V			1,271,326	
10b	Equity Adder Centralia Coal Transition PPA	3,232,440	\$ 0.157	V			3,232,440	
11	Fixed Asset Return Transmission (on Row 4)	6,005,194	\$ 0.292	F		6,005,194		
12	Fixed Asset Return Production (on Row 5)	123,177,329	\$ 5.998	F		123,177,329		
13	501-Steam Fuel Incl Reg Amort	46,932,540	\$ 2.285	V			46,932,540	
14	555-Purchased power Incl Reg Amort	837,745,562	\$ 40.791	V			837,745,562	
14a	CETA DR PPAs	16,618,234	\$ 0.809	V			16,618,234	
15	557-Other Power Exp	19,751,769	\$ 0.962	F		19,751,769		
15a	Payroll Overheads - Benefits	12,407,910	\$ 0.604	F		12,407,910		
15b	Property Insurance (A&G)	5,221,602	\$ 0.254	F		5,221,602		
15c	Montana Electric Energy Tax	in tracker	in tracker	V				
15d	Payroll Taxes on Production Wages	2,756,202	\$ 0.134	F		2,756,202		
15e	Brokerage Fees #55700003	439,744	\$ 0.021	V			439,744	
16	547-Fuel Incl Reg Amort	532,757,684	\$ 25.941	V			532,757,684	
17	565-Wheeling Incl Reg Amort	162,467,602	\$ 7.911	V			162,467,602	
18	456-1 OATT Transmission Income	(7,026,151)	\$ (0.342)	F		(7,026,151)		
19	Production O&M	99,929,274	\$ 4.866	F		99,929,274		
20	447-Sales to Others	(506,401,190)	\$ (24.658)	V			(506,401,190)	
21	456-Purch/Sales Non-Core Gas	(130,054,373)	\$ (6.333)	V			(130,054,373)	
22	Transmission Exp - 500KV	802,102	\$ 0.039	F		802,102		
23	Depreciation-Production (FERC 403)	147,487,493	\$ 7.181	F		147,487,493		
24	Depreciation-Transmission	3,361,571	\$ 0.164	F		3,361,571		
25	Amortization - Reg Assets - Non PC Only	1,674,028	\$ 0.082	F		1,674,028		
27	Subtotal & Baseline Rate	\$ 1,389,146,414	\$ 67.638			\$ 424,136,844	\$ 965,009,569	
28	Revenue Sensitive Items	0.9510290				0.951029	0.951029	
29	Grossed up for RSI	\$ 1,460,677,239				\$ 445,976,773	\$ 1,014,700,466	
30	Rate Year Delivered MWh's (Excl Gr Direct)	20,537,347						
31								
32								
33								
34								
35	Power Cost Baseline Rate	\$ 67.638	\$ 71.121					
36	Fixed Production Costs	\$ 20.652	\$ 21.715					
37	Variable Production Costs	\$ 46.986	\$ 49.405					
38	Power Cost Baseline Rate	\$ 67.638	\$ 71.120					
39								

For PCA Mechanism	
Before Rev.	After Rev.
Sensitive Items	Sensitive Items
Rev Req (Column (II))	
\$ 67.638	\$ 71.121
\$ 20.652	\$ 21.715
\$ 46.986	\$ 49.405
\$ 67.638	\$ 71.120

**Exhibit A-1 Power Cost Baseline Rate  
24GRC Rate Year 2 - 2026**

Revised cells highlighted (March 4, 2024)

Row	AMA Rate Year 2	Test Yr \$/MWh		Fixed Prod Costs In Decoupling	Variable Prod Costs in PCA
9A	(I)	(II)	(III)	(IV)	(V)
3	Regulatory Assets	\$ 82,502,919			
4	Transmission Rate Base	63,899,762			
5	Production Rate Base	1,612,344,362			
6	Net Rate Base for Exh. A-1	\$ 1,758,747,043			
7	Net of tax rate of return	7.44%			
10	Fixed Asset Return Reg Assets (on Row 3)	\$ 7,769,895	\$ 0.374	F	\$ 7,769,895
10a	Return on CETA DR PPAs	1,364,913	\$ 0.066	V	1,364,913
10b	Equity Adder Centralia Coal Transition PPA	-	\$ -	V	-
11	Fixed Asset Return Transmission (on Row 4)	6,017,902	\$ 0.290	F	6,017,902
12	Fixed Asset Return Production (on Row 5)	151,846,102	\$ 7.315	F	151,846,102
13	501-Steam Fuel Incl Reg Amort	-	\$ -	V	-
14	555-Purchased power Incl Reg Amort	700,461,174	\$ 33.745	V	700,461,174
14a	CETA DR PPAs	17,082,769	\$ 0.823	V	17,082,769
15	557-Other Power Exp	20,714,453	\$ 0.998	F	20,714,453
15a	Payroll Overheads - Benefits	12,872,066	\$ 0.620	F	12,872,066
15b	Property Insurance	5,221,602	\$ 0.252	F	5,221,602
15c	Montana Electric Energy Tax	in tracker	in tracker	V	
15d	Payroll Taxes on Production Wages	2,861,756	\$ 0.138	F	2,861,756
15e	Brokerage Fees #55700003	450,298	\$ 0.022	V	450,298
16	547-Fuel Incl Reg Amort	578,648,309	\$ 27.877	V	578,648,309
17	565-Wheeling Incl Reg Amort	161,778,231	\$ 7.794	V	161,778,231
18	456-1 OATT Transmission Income	(7,271,660)	\$ (0.350)	F	(7,271,660)
19	Production O&M	109,458,110	\$ 5.273	F	109,458,110
20	447-Sales to Others	(280,825,260)	\$ (13.529)	V	(280,825,260)
21	456-Purch/Sales Non-Core Gas	(104,404,052)	\$ (5.030)	V	(104,404,052)
22	Transmission Exp - 500KV	808,856	\$ 0.039	F	808,856
23	Depreciation-Production (FERC 403)	177,283,878	\$ 8.541	F	177,283,878
24	Depreciation-Transmission	3,361,571	\$ 0.162	F	3,361,571
25	Amortization - Reg Assets - Non PC Only	1,119,005	\$ 0.054	F	1,119,005
27	Subtotal & Baseline Rate	\$ 1,566,619,917	\$ 75.474		\$ 492,063,535 \$ 1,074,556,382
28	Revenue Sensitive Items	0.9510290			0.951029 0.951029
29	Grossed up for RSI	\$ 1,647,289,323			\$ 517,401,189 \$ 1,129,888,134
30	Rate Year Delivered MWh's (Excl Gr Direct)	20,757,313			
31					
32					
33					
34					
35	Power Cost Baseline Rate	\$ 75.474	\$ 79.360		
36	Fixed Production Costs	\$ 23.706	\$ 24.927		
37	Variable Production Costs	\$ 51.768	\$ 54.434		
38	Power Cost Baseline Rate	\$ 75.474	\$ 79.361		

For PCA Mechanism	
Before Rev.	After Rev.
Sensitive Items	Sensitive Items
Rev Req (Column (II))	
\$ 75.474	\$ 79.360
\$ 23.706	\$ 24.927
\$ 51.768	\$ 54.434
\$ 75.474	\$ 79.361