

**Exh. DPK-7
Dockets UE-240004,
UG-240005, UE-230810
Witness: Danny P. Kermode**

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

PUGET SOUND ENERGY,

Respondent.

**DOCKETS UE-240004,
UG-240005 and UE-230810
(Consolidated)**

EXHIBIT TO TESTIMONY OF

DANNY P. KERMODE

**ON BEHALF OF STAFF OF
WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION**

*Natural Gas Summary Schedules of Staff Results – Proposed Tracker
Removed with Costs Restored to Base Rates*

August 6, 2024

**PUGET SOUND ENERGY - GAS
 GAS RESULTS OF OPERATIONS
 2024 GENERAL RATE CASE
 12 MONTHS ENDED JUNE 30, 2023
 GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	2025 RATE YEAR 1	2026 RATE YEAR 2
1	RATE BASE	\$ 2,866,503,993	\$ 2,863,128,296
2	RATE OF RETURN	7.36%	7.37%
3			
4	OPERATING INCOME REQUIREMENT	210,903,031	211,012,555
5			
6	PRO FORMA OPERATING INCOME	44,897,237	33,679,382
7	OPERATING INCOME DEFICIENCY	166,005,795	177,333,174
8			
9	CONVERSION FACTOR	0.754213	0.754213
10	CUMULATIVE REVENUE CHANGE	\$ 220,104,658	\$ 235,123,465
11			
12	NET REVENUE CHANGE IN BASE RATES BY RATE YEAR	\$ 220,104,658	\$ 15,018,807
13	CHANGES TO OTHER PRICE SCHEDULES FROM EXH. JDT-6:		
14	CURRENT TARIFF RATES TRANSFERRED TO BASE RATES ABOVE:		
15	SCHEDULE 141N (RATES NOT SUBJ TO REF ADJ)	3,931,154	
16	SCHEDULE 141R (RATES SUBJECT TO REF ADJ)	(59,540,833)	
17	NEW TARIFF SCHEDULES:		
18	SCHEDULE 141DCARB		-
19			
20	SUBTOTAL CHANGES TO OTHER PRICE SCHEDULES	(55,609,679)	-
21			
22	NET REVENUE CHANGE BY RATE YEAR	\$ 164,494,979	\$ 15,018,807
23			
24			
25			

**PUGET SOUND ENERGY - GAS
 GAS RESULTS OF OPERATIONS
 2024 GENERAL RATE CASE
 12 MONTHS ENDED JUNE 30, 2023
 STAFF COST OF CAPITAL**

LINE NO.	DESCRIPTION	CAPITAL STRUCTURE	COST	WEIGHTED COST
1	Restating through December 2024			
2	SHORT AND LONG TERM DEBT	50.93%	5.16%	2.63%
3	EQUITY	49.07%	9.40%	4.61%
4	TOTAL	100%		7.24%
5				
6	AFTER TAX SHORT TERM DEBT ((LINE 1)* 79%)	50.93%	4.08%	2.08%
7	EQUITY	49.07%	9.40%	4.61%
8	TOTAL AFTER TAX COST OF CAPITAL	100%		6.69%
9				
10	2025			
11	SHORT TERM DEBT	2.04%	5.07%	0.12%
12	LONG TERM DEBT	49.46%	5.27%	2.63%
13	WEIGHTED COST OF DEBT	51.50%		2.75%
14				
15	EQUITY	48.50%	9.50%	4.61%
16	TOTAL	151.5%		7.36%
17				
18				
19				
20				
21				
22	2026			
23	SHORT TERM DEBT	1.18%	4.08%	0.06%
24	LONG TERM DEBT	50.32%	5.36%	2.71%
25	WEIGHTED COST OF DEBT	51.50%		2.77%
26				
27	EQUITY	48.50%	9.50%	4.61%
28	TOTAL	150.32%		7.37%
29				
30				

**PUGET SOUND ENERGY - GAS
 GAS RESULTS OF OPERATIONS
 2024 GENERAL RATE CASE
 12 MONTHS ENDED JUNE 30, 2023
 CONVERSION FACTOR**

LINE NO.	DESCRIPTION		
1	BAD DEBTS		0.002891
2	ANNUAL FILING FEE		0.004000
3	STATE UTILITY TAX (3.8409% - (LINE 1 * 3.8409%))	3.8520%	<u>0.038409</u>
4			
5	SUM OF TAXES OTHER		0.045300
6			
7	CONVERSION FACTOR EXCLUDING FEDERAL INCOME TAX (1 - LINE 6)		0.954700
8	FIT	21%	<u>0.200487</u>
9	CONVERSION FACTOR INCL FEDERAL INCOME TAX (LINE 7 - LINE 8)		<u><u>0.754213</u></u>
10			
11			
12			

PUGET SOUND ENERGY - NATURAL GAS
COMPARISON OF REVENUE AND RATE CHANGE
STAFF TO COMPANY
UG-240005

LINE	DESCRIPTION	AMA DEC 2025	AMA DEC 2026
1	Staff		
2			
3	Revenue Deficiency - Grossed Up	\$ 220,104,658	\$ 15,018,807
4	Rate schedules set to zero	(55,609,679)	-
5	Deficiencies for Trackers	-	-
6	Total Revenue Rate Change	<u>\$ 164,494,979</u>	<u>\$ 15,018,807</u>
7			
8			
9	PSE		
10		Company	Company
11	Revenue Deficiency - Grossed Up	247,614,954	\$ 25,350,286
12	Rate schedules set to zero	(55,609,679)	-
13	Deficiencies for Trackers	4,035,116	-
14	Total Revenue Rate Change	<u>\$ 196,040,391</u>	<u>\$ 25,350,286</u>
15			
16	Difference		
17	Revenue Deficiency - Grossed Up	\$ (27,510,296)	\$ (10,331,479)
18	Rate schedules set to zero	(0)	-
19	Deficiencies for Trackers	(4,035,116)	-
20	Total Revenue Rate Change	<u>\$ (31,545,412)</u>	<u>\$ (10,331,479)</u>
21			
22			
23			
24			