

**EXH. SEF-3r**  
**DOCKET UE-22 \_\_\_\_/UG-22 \_\_\_\_**  
**2022 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-22 \_\_\_\_**  
**Docket UG-22 \_\_\_\_**

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

**SUSAN E. FREE**

**ON BEHALF OF PUGET SOUND ENERGY**

**REVISED VERSION**

**JUNE 27, 2022**

**JANUARY 31, 2022**

PUGET SOUND ENERGY - ELECTRIC  
ELECTRIC RESULTS OF OPERATIONS  
2022 GENERAL RATE CASE  
12 MONTHS ENDED JUNE 30, 2021  
GENERAL RATE INCREASE

LINE NO.	DESCRIPTION	2023 RATE YEAR 1	2024 RATE YEAR 2	2025 RATE YEAR 3
12	RATE BASE	\$ 5,659,074,413	\$ 6,028,296,640	\$ 6,441,067,850
13	RATE OF RETURN	7.39%	7.44%	7.49%
14				
15	OPERATING INCOME REQUIREMENT	418,205,599	448,505,270	482,435,982
16				
17	PRO FORMA OPERATING INCOME	169,918,367	153,070,840	179,338,260
18	OPERATING INCOME DEFICIENCY	248,287,233	295,434,430	303,097,722
19				
20	CONVERSION FACTOR	0.752355	0.752355	0.752355
21	CUMULATIVE REVENUE CHANGE	\$ 330,013,401	\$ 392,679,559	\$ 402,865,299
22				
23	NET REVENUE CHANGE BY RATE YEAR	\$ 330,013,401	\$ 62,666,158	\$ 10,185,740
24				
25	CHANGES TO OTHER PRICE SCHEDULES FROM EXH. BDJ-7:			
26	SET TO ZERO:			
27	SCHEDULE 95 - 2020 PCORC	(67,510,000)		
28	SCHEDULE 139	(3,624,000)		
29	NEW TARIFF RATES:			
30	SCHEDULE 139 - UPDATE RESOURCE COST TO 2023 AND UPDATE CREDIT	(2,212,000)		
31	<b><i>SCHEDULE 141A ENERGY CHARGE CREDIT IN SCH 139</i></b>	<b><i>36,508,000</i></b>	<b><i>(34,000)</i></b>	<b><i>19,327,000</i></b>
32	SCHEDULE 141C - COLSTRIP TRACKER	53,883,000	3,620,000	22,434,000
33	IMPACT OF CHANGES IN LOAD	6,598	(3,227,718)	(792,780)
34	SUBTOTAL CHANGES TO OTHER PRICE SCHEDULES	<b><i>17,051,598</i></b>	<b><i>358,282</i></b>	<b><i>40,968,220</i></b>
35				
36	NET REVENUE CHANGE AFTER TRACKERS AND RIDERS	<b><i>\$ 347,064,999</i></b>	<b><i>\$ 63,024,440</i></b>	<b><i>\$ 51,153,960</i></b>
37				
38	PERCENTAGE CHANGE	<b><i>15.19%</i></b>	<b><i>2.44%</i></b>	<b><i>1.93%</i></b>
39	REVENUES PER EXH. BDJ-7 BILL IMPACTS	\$ 2,284,477,373	\$ 2,587,067,668	\$ 2,654,681,351

Note: Amounts in bold and italics are different from January 31, 2022 original filing.

**PUGET SOUND ENERGY - ELECTRIC  
ELECTRIC RESULTS OF OPERATIONS  
2022 GENERAL RATE CASE  
12 MONTHS ENDED JUNE 30, 2021  
REQUESTED COST OF CAPITAL**

LINE NO.	DESCRIPTION	CAPITAL STRUCTURE	COST	WEIGHTED COST
12	<b>Restating through December 2022</b>			
13	SHORT AND LONG TERM DEBT	51.04%	5.13%	2.62%
14	EQUITY	48.96%	9.43%	4.61%
15	TOTAL	100%		<b>7.23%</b>
16				
17	AFTER TAX SHORT TERM DEBT ( (LINE 1)* 79%)	51.04%	4.06%	2.07%
18	EQUITY	48.96%	9.43%	4.61%
19	TOTAL AFTER TAX COST OF CAPITAL	100%		6.68%
20				
21	<b>2023</b>			
22	SHORT AND LONG TERM DEBT	51.00%	4.98%	2.54%
23	EQUITY	49.00%	9.90%	4.85%
24	TOTAL	100%		<b>7.39%</b>
25				
26	AFTER TAX SHORT TERM DEBT ( (LINE 1)* 79%)	51.00%	3.93%	2.01%
27	EQUITY	49.00%	9.90%	4.85%
28	TOTAL AFTER TAX COST OF CAPITAL	100%		6.86%
29				
30	<b>2024</b>			
31	SHORT AND LONG TERM DEBT	50.50%	5.03%	2.54%
32	EQUITY	49.50%	9.90%	4.90%
33	TOTAL	100%		<b>7.44%</b>
34				
35	AFTER TAX SHORT TERM DEBT ( (LINE 1)* 79%)	50.50%	3.97%	2.01%
36	EQUITY	49.50%	9.90%	4.90%
37	TOTAL AFTER TAX COST OF CAPITAL	100%		6.91%
38				
39	<b>2025</b>			
40	SHORT AND LONG TERM DEBT	50.00%	5.08%	2.54%
41	EQUITY	50.00%	9.90%	4.95%
42	TOTAL	100%		<b>7.49%</b>
43				
44	AFTER TAX SHORT TERM DEBT ( (LINE 1)* 79%)	50.00%	4.01%	2.01%
45	EQUITY	50.00%	9.90%	4.95%
46	TOTAL AFTER TAX COST OF CAPITAL	100%		6.96%

**PUGET SOUND ENERGY - ELECTRIC**  
**ELECTRIC RESULTS OF OPERATIONS**  
**2022 GENERAL RATE CASE**  
**12 MONTHS ENDED JUNE 30, 2021**  
**CONVERSION FACTOR**

LINE NO.	DESCRIPTION		
12	BAD DEBTS		0.007197
13	ANNUAL FILING FEE		0.002000
14	STATE UTILITY TAX ( 3.8455% - ( LINE 1 * 3.8455% ) )	3.8734%	0.038455
15			
16	SUM OF TAXES OTHER		0.047652
17			
18	CONVERSION FACTOR EXCLUDING FEDERAL INCOME TAX ( 1 - LINE 17 )		0.952348
19	FIT	21%	0.199993
20	CONVERSION FACTOR INCL FEDERAL INCOME TAX ( LINE 18 - LINE 19 )		0.752355