

**Exh. CRM-2  
Dockets UE-220066, UG-220067,  
UG-210918  
Witness: CHRIS R. MCGUIRE**

**BEFORE THE WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION,**

**Complainant,**

**v.**

**PUGET SOUND ENERGY,**

**Respondent.**

**DOCKETS UE-220066, UG-220067,  
UG-210918 (consolidated)**

**In the Matter of the Petition of**

**PUGET SOUND ENERGY**

**For an Order Authorizing Deferred  
Accounting Treatment for Puget Sound  
Energy's Share of Costs Associated with  
the Tacoma LNG Facility**

**EXHIBIT TO TESTIMONY OF**

**CHRIS R. McGUIRE**

**STAFF OF  
WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION**

*Electric Net Revenue Change Recommendation*

**July 28, 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 RY1	2024 RY2	2025 RY3
12	RATE BASE	\$ 5,449,157,032	\$ 5,717,482,004	\$ 6,123,244,889
13	RATE OF RETURN	7.05%	7.07%	7.11%
14				
15	OPERATING INCOME REQUIREMENT	384,165,571	404,225,978	435,362,712
16				
17	PRO FORMA OPERATING INCOME	187,870,925	176,943,752	212,454,118
18	OPERATING INCOME DEFICIENCY	196,294,646	227,282,225	222,908,593
19				
20	CONVERSION FACTOR	0.752355	0.752355	0.752355
21	CUMULATIVE REVENUE CHANGE	\$ 260,906,947	\$ 302,094,391	\$ 296,281,135
22				
23	NET REVENUE CHANGE BY RATE YEAR	\$ 260,906,947	\$ 41,187,444	\$ (5,813,256)
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 RES COST/ CREDIT	(2,212,000)		
31	SCHEDULE 141C - COLSTRIP TRACKER	50,457,000	3,035,000	11,624,000
32	IMPACT OF CHANGES IN LOAD	(1,308,676)	(2,544,404)	(648,824)
33	SUBTOTAL CHANGES TO OTHER PRICE SCHEDULES	(24,197,676)	490,596	10,975,176
34				
35	NET REV CHANGE AFTER TRACKERS/ RIDERS	\$ 236,709,271	\$ 41,678,040	\$ 5,161,920
36				
37	PERCENTAGE CHANGE	10.36%	1.68%	0.20%
38	REVENUES PER EXH. BDJ-7 BILL IMPACTS	\$ 2,284,477,373	\$ 2,475,639,558	\$ 2,522,513,859
39				
40				
41				

**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	LINE NO.
12	<b>Restating through December 2022</b>				12
13	SHORT AND LONG TERM DEBT	51.04%	5.13%	2.62%	13
14	EQUITY	48.96%	9.43%	4.61%	14
15	TOTAL	100%		7.23%	15
16					16
17	AFTER TAX SHORT TERM DEBT ( (LINE 1)* 79%)	51.04%	4.06%	2.07%	17
18	EQUITY	48.96%	9.43%	4.61%	18
19	TOTAL AFTER TAX COST OF CAPITAL	100%		6.68%	19
20					20
21	<b>2023</b>				
22	SHORT AND LONG TERM DEBT	51.50%	4.98%	2.56%	
23	EQUITY	48.50%	9.25%	4.49%	
24	TOTAL	100%		7.05%	
25					
26	AFTER TAX SHORT TERM DEBT ( (LINE 1)* 79%)	51.50%	3.93%	2.02%	
27	EQUITY	48.50%	9.25%	4.49%	
28	TOTAL AFTER TAX COST OF CAPITAL	100%		6.51%	
29					
30	<b>2024</b>				
31	SHORT AND LONG TERM DEBT	51.50%	5.02%	2.58%	
32	EQUITY	48.50%	9.25%	4.49%	
33	TOTAL	100%		7.07%	
34					
35	AFTER TAX SHORT TERM DEBT ( (LINE 1)* 79%)	51.50%	3.96%	2.04%	
36	EQUITY	48.50%	9.25%	4.49%	
37	TOTAL AFTER TAX COST OF CAPITAL	100%		6.53%	
38					
39	<b>2025</b>				
40	SHORT AND LONG TERM DEBT	51.50%	5.08%	2.62%	
41	EQUITY	48.50%	9.25%	4.49%	
42	TOTAL	100%		7.11%	
43					
44	AFTER TAX SHORT TERM DEBT ( (LINE 1)* 79%)	51.50%	4.02%	2.07%	
45	EQUITY	48.50%	9.25%	4.49%	
46	TOTAL AFTER TAX COST OF CAPITAL	100%		6.56%	

[REDACTED]

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

<b>DESCRIPTION</b>	
BAD DEBTS	0.007197
ANNUAL FILING FEE	0.002000
STATE UTILITY TAX ( 3.8455% - ( LINE 1 * 3.8455% ) )	3.8734% <u>0.038455</u>
SUM OF TAXES OTHER	0.047652
CONVERSION FACTOR EXCLUDING FEDERAL INCOME TAX ( 1 - LINE 17 )	0.952348
FIT	21% <u>0.199993</u>
CONVERSION FACTOR INCL FEDERAL INCOME TAX ( LINE 18 - LINE 19 )	<u><u>0.752355</u></u>