

**Exh. CRM-5
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**

Natural Gas Net Revenue Change Recommendation

July 28, 2022

**PUGET SOUND ENERGY - GAS
GAS 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	\$ 2,831,685,122	\$ 2,961,028,227	\$ 3,076,409,330
13	RATE OF RETURN	7.05%	7.07%	7.11%
14				
15	OPERATING INCOME REQUIREMENT	199,633,801	209,344,696	218,732,703
16				
17	PRO FORMA OPERATING INCOME	111,994,563	104,794,899	97,609,947
18	OPERATING INCOME DEFICIENCY	87,639,238	104,549,797	121,122,756
19				
20	CONVERSION FACTOR	0.754801	0.754801	0.754801
21	CUMULATIVE REVENUE CHANGE	\$ 116,109,065	\$ 138,513,061	\$ 160,469,787
22				
23	NET REVENUE CHANGE BY RATE YEAR	\$ 116,109,065	\$ 22,403,996	\$ 21,956,726
24				
25	CHANGES TO OTHER PRICE SCHEDULES FROM EXH. JDT-6:			
26	SET SCHEDULE 149 GAS COST RECOVERY MECHANISM TO ZERO	(22,490,189)		
27	IMPACT FOR CHANGES IN LOAD	2,855,720	(931,739)	5,866
28	SUBTOTAL CHANGES TO OTHER PRICE SCHEDULES	(19,634,470)	(931,739)	5,866
29				
30	NET REVENUE CHANGE BY RATE YEAR	\$ 96,474,595	\$ 21,472,257	\$ 21,962,592
31				
32	PERCENTAGE CHANGE	8.76%	1.79%	1.80%
33	REVENUES PER EXH. JDT-6 BILL IMPACTS	\$ 1,101,528,916	\$ 1,198,204,969	\$ 1,222,406,906

PUGET SOUND ENERGY - GAS
GAS 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	Restating through December 2022			
13	SHORT AND LONG TERM DEBT	51.04%	5.13%	2.62%
14	EQUITY	48.96%	9.43%	4.61%
15	TOTAL	100%		7.23%
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	2023			
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	2024			
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	2025			
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%

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

LINE NO.	DESCRIPTION		
12	BAD DEBTS		0.004198
13	ANNUAL FILING FEE		0.002000
14	STATE UTILITY TAX (3.8358% - (LINE 1 * 3.8358%))	0.038520	<u>0.038358</u>
15			
16	SUM OF TAXES OTHER		0.044556
17			
18	CONVERSION FACTOR EXCLUDING FEDERAL INCOME TAX (1 - LINE 17)		0.955444
19	FIT	21%	<u>0.200643</u>
20	CONVERSION FACTOR INCL FEDERAL INCOME TAX (LINE 18 - LINE 19)		<u><u>0.754801</u></u>