

**BEFORE THE WASHINGTON
UTILITIES & TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION,

Complainant,

v.

PUGET SOUND ENERGY, INC.

Respondent.

DOCKETS UE-240004 & UG-240005 (*Consolidated*)

**DAVID E. DISMUKES
ON BEHALF OF THE
WASHINGTON STATE OFFICE OF THE ATTORNEY GENERAL
PUBLIC COUNSEL UNIT**

EXHIBIT DED-4

Summary of Results of Alternative Electric CCOSS

August 6, 2024

Results of Alternative Class Cost of Service Study Relative Rate of Return at Current Rates

Description	System Total	Residential	General Service,	General Service,	General Service,	Primary Service,	Primary Service,	Primary Service,	Special Contract	High Voltage	Retail Wheeling	Lighting Service	Firm Resale
		Service	< 51 kW	> 350 kW	51 - 350 kW	General	Irrigation	Schools	(Schedule SC)	Service	(Schedule	(Schedule 50-59)	(Schedule 5)
		(Schedule 7)	(Schedule 8/24)	(Schedule 7A/11/25/29)	(Schedule 12/26)	(Schedule 10/31)	(Schedule 35)	(Schedule 43)		(Schedule 46/49)	449/459)		
Rate Base													
Total Net Plant in Service	\$ 6,990,874,937	\$ 4,081,746,127	\$ 869,846,823	\$ 883,188,060	\$ 477,063,889	\$ 350,924,571	\$ 3,666,605	\$ 34,816,927	\$ 69,357,958	\$ 83,715,515	\$ 72,570,213	\$ 62,155,005	\$ 1,823,243
Plus: Rate Base Additions	600,382,605	346,539,256	75,374,982	80,196,909	44,861,704	32,021,472	198,266	2,108,048	2,525,777	10,683,247	2,266,437	3,440,807	165,699
Less: Rate Base Deductions	(1,481,261,108)	(838,673,158)	(245,055,750)	(175,920,565)	(93,030,531)	(67,271,859)	(647,252)	(6,052,242)	(11,655,928)	(17,515,805)	(12,394,118)	(12,690,330)	(353,569)
Total Rate Base	\$ 6,109,996,434	\$ 3,589,612,225	\$ 700,166,055	\$ 787,464,404	\$ 428,895,061	\$ 315,674,184	\$ 3,217,619	\$ 30,872,733	\$ 60,227,807	\$ 76,882,957	\$ 62,442,532	\$ 52,905,483	\$ 1,635,373
Operating Income													
Electric Operating Revenues													
Sales to Ultimate Customers	\$ 2,094,244,633	\$ 1,194,479,865	\$ 274,417,195	\$ 273,971,699	\$ 152,673,455	\$ 114,129,994	\$ 362,878	\$ 10,359,299	\$ 3,568,323	\$ 41,466,286	\$ 13,455,057	\$ 15,360,581	\$ -
Sales for resale	764,155,626	411,925,637	100,861,446	109,595,107	65,733,959	47,293,014	179,085	4,277,604	-	21,190,962	-	2,428,382	670,429
Other Electric Operating Revenues	182,393,306	97,671,786	26,979,852	23,186,843	13,392,783	10,014,111	40,544	776,745	534,049	6,603,743	2,547,924	593,152	51,775
Total Electric Operating Revenues	\$ 3,040,793,565	\$ 1,704,077,288	\$ 402,258,493	\$ 406,753,649	\$ 231,800,197	\$ 171,437,119	\$ 582,507	\$ 15,413,648	\$ 4,102,373	\$ 69,260,991	\$ 16,002,981	\$ 18,382,115	\$ 722,204
Electric Operating Expenses													
Operation & Maintenance Expenses	\$ 2,373,780,945	\$ 1,320,436,358	\$ 309,930,250	\$ 324,186,254	\$ 191,083,244	\$ 139,046,535	\$ 638,435	\$ 12,815,994	\$ 1,989,115	\$ 58,036,114	\$ 2,962,739	\$ 11,963,276	\$ 692,630
Depreciation Expense	367,026,891	215,094,021	45,490,814	46,577,912	25,292,498	18,388,415	190,319	1,784,897	3,237,953	4,623,804	2,458,347	3,790,542	97,370
Amortization Expense	97,255,708	56,585,616	12,146,620	12,553,977	6,946,480	5,051,256	32,988	353,479	538,973	1,591,791	859,095	569,722	25,712
Regulatory Debits and Credits	25,487,228	14,981,318	3,260,667	3,276,144	1,835,747	1,369,578	5,539	86,681	36,463	487,711	74,397	66,391	6,593
Taxes	64,993,885	37,135,042	9,018,398	8,273,386	4,622,945	3,554,347	2,172	327,760	(107,717)	1,422,378	314,472	419,214	11,488
Misc Operating Income Items	(622,923)	(375,260)	(76,567)	(73,844)	(38,086)	(28,534)	(550)	(4,807)	(9,475)	(2,640)	(1,021)	(11,978)	(160)
Total Electric Operating Expenses	\$ 2,927,921,735	\$ 1,643,857,094	\$ 379,770,182	\$ 394,793,830	\$ 229,742,828	\$ 167,381,596	\$ 868,903	\$ 15,364,003	\$ 5,685,311	\$ 66,159,158	\$ 6,668,029	\$ 16,797,167	\$ 833,634
Total Operating Income	\$ 112,871,830	\$ 60,220,194	\$ 22,488,311	\$ 11,959,819	\$ 2,057,369	\$ 4,055,523	\$ (286,396)	\$ 49,645	\$ (1,582,939)	\$ 3,101,833	\$ 9,334,953	\$ 1,584,948	\$ (111,430)
Rate of Return on Rate Base ("ROR")	1.85%	1.68%	3.21%	1.52%	0.48%	1.28%	-8.90%	0.16%	-2.63%	4.03%	14.95%	3.00%	-6.81%
Relative Rate of Return ("RROR")	1.00	0.91	1.74	0.82	0.26	0.70	(4.82)	0.09	(1.42)	2.18	8.09	1.62	(3.69)

Results of Alternative Class Cost of Service Study Proposed Rate Increase at Full Cost of Service

Description	System Total	General Service,											Firm Resale (Schedule 5)
		Residential Service (Schedule 7)	General Service, < 51 kW (Schedule 8/24)	51 - 350 kW (Schedule 7A/11/25/29)	General Service, > 350 kW (Schedule 12/26)	Primary Service, General (Schedule 10/31)	Primary Service, Irrigation (Schedule 35)	Primary Service, Schools (Schedule 43)	Special Contract (Schedule SC)	High Voltage Service (Schedule 46/49)	Retail Wheeling (Schedule 449/459)	Lighting Service (Schedule 50-59)	
Required Income Under Company's Proposed ROR													
Rate Base	\$ 6,109,996,434	\$ 3,589,612,225	\$ 700,166,055	\$ 787,464,404	\$ 428,895,061	\$ 315,674,184	\$ 3,217,619	\$ 30,872,733	\$ 60,227,807	\$ 76,882,957	\$ 62,442,532	\$ 52,905,483	\$ 1,635,373
Proposed Rate of Return	7.65%	7.65%	7.65%	7.65%	7.65%	7.65%	7.65%	7.65%	7.65%	7.65%	7.65%	7.65%	7.65%
Required Operating Income @ 7.65 ROR	\$ 467,414,727	\$ 274,605,335	\$ 53,562,703	\$ 60,241,027	\$ 32,810,472	\$ 24,149,075	\$ 246,148	\$ 2,361,764	\$ 4,607,427	\$ 5,881,546	\$ 4,776,854	\$ 4,047,269	\$ 125,106
Electric Operating Expenses	\$ 2,927,921,735	\$ 1,643,857,094	\$ 379,770,182	\$ 394,793,830	\$ 229,742,828	\$ 167,381,596	\$ 868,903	\$ 15,364,003	\$ 5,685,311	\$ 66,159,158	\$ 6,668,029	\$ 16,797,167	\$ 833,634
Less: Non-Rate Revenues	(945,878,503)	(509,597,423)	(127,841,298)	(132,781,950)	(79,126,742)	(57,307,125)	(219,629)	(5,054,349)	(534,049)	(27,794,705)	(2,547,924)	(3,021,534)	(51,775)
Plus: Incremental Revenue Related Expenses	23,109,304	13,177,960	3,027,476	3,022,561	1,684,352	1,259,126	4,003	114,288	39,367	457,472	148,441	169,464	4,793
Plus: Incremental Income Taxes	94,245,527	53,743,022	12,346,804	12,326,760	6,869,210	5,135,031	16,327	466,094	160,549	1,865,685	605,381	691,116	19,547
Total Cost of Service	\$ 2,566,812,789	\$ 1,475,785,989	\$ 320,865,867	\$ 337,602,228	\$ 191,980,120	\$ 140,617,703	\$ 915,752	\$ 13,251,800	\$ 9,958,605	\$ 46,569,156	\$ 9,650,781	\$ 18,683,482	\$ 931,305
Electric Rate Revenues	\$ 2,094,915,062	\$ 1,194,479,865	\$ 274,417,195	\$ 273,971,699	\$ 152,673,455	\$ 114,129,994	\$ 362,878	\$ 10,359,299	\$ 3,568,323	\$ 41,466,286	\$ 13,455,057	\$ 15,360,581	\$ 670,429
Total Electric Rate Revenues	\$ 2,094,915,062	\$ 1,194,479,865	\$ 274,417,195	\$ 273,971,699	\$ 152,673,455	\$ 114,129,994	\$ 362,878	\$ 10,359,299	\$ 3,568,323	\$ 41,466,286	\$ 13,455,057	\$ 15,360,581	\$ 670,429
Revenue Deficiency	\$ 471,897,727	\$ 281,306,123	\$ 46,448,672	\$ 63,630,529	\$ 39,306,665	\$ 26,487,709	\$ 552,874	\$ 2,892,501	\$ 6,390,282	\$ 5,102,870	\$ (3,804,276)	\$ 3,322,901	\$ 260,876
Proposed Rate Increase (Decrease)	22.53%	23.55%	16.93%	23.23%	25.75%	23.21%	152.36%	27.92%	179.08%	12.31%	-28.27%	21.63%	38.91%
Relative Proposed Rate Increase	1.00	1.05	0.75	1.03	1.14	1.03	6.76	1.24	7.95	0.55	(1.26)	0.96	1.73