

**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-3

Summary of Results of Company's Electric CCSS

August 6, 2024

Results of Company's 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 449/459)	(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)			
Rate Base													
Total Net Plant in Service	\$ 6,990,874,937	\$ 4,094,675,789	\$ 867,676,896	\$ 881,717,352	\$ 474,541,259	\$ 348,500,264	\$ 3,638,821	\$ 33,404,035	\$ 69,357,958	\$ 81,404,291	\$ 72,570,213	\$ 61,574,241	\$ 1,813,819
Plus: Rate Base Additions	\$ 600,382,605	\$ 349,283,829	\$ 74,914,373	\$ 79,884,722	\$ 44,326,226	\$ 31,506,866	\$ 192,368	\$ 1,808,134	\$ 2,525,777	\$ 10,192,645	\$ 2,266,437	\$ 3,317,529	\$ 163,699
Less: Rate Base Deductions	\$ (1,481,261,108)	\$ (841,871,813)	\$ (244,518,934)	\$ (175,556,728)	\$ (92,406,460)	\$ (66,672,113)	\$ (640,378)	\$ (5,702,709)	\$ (11,655,928)	\$ (16,944,034)	\$ (12,394,118)	\$ (12,546,655)	\$ (351,237)
Total Rate Base	\$ 6,109,996,434	\$ 3,602,087,804	\$ 698,072,335	\$ 786,045,346	\$ 426,461,025	\$ 313,335,017	\$ 3,190,811	\$ 29,509,461	\$ 60,227,807	\$ 74,652,902	\$ 62,442,532	\$ 52,345,114	\$ 1,626,280
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	\$ 97,674,505	\$ 26,979,396	\$ 23,186,533	\$ 13,392,252	\$ 10,013,601	\$ 40,538	\$ 776,448	\$ 534,049	\$ 6,603,257	\$ 2,547,924	\$ 593,030	\$ 51,773
Total Electric Operating Revenues	\$ 3,040,793,565	\$ 1,704,080,008	\$ 402,258,037	\$ 406,753,340	\$ 231,799,667	\$ 171,436,609	\$ 582,501	\$ 15,413,351	\$ 4,102,373	\$ 69,260,505	\$ 16,002,981	\$ 18,381,992	\$ 722,202
Electric Operating Expenses													
Operation & Maintenance Expenses	\$ 2,373,780,945	\$ 1,321,552,186	\$ 309,742,986	\$ 324,059,332	\$ 190,865,542	\$ 138,837,318	\$ 636,037	\$ 12,694,061	\$ 1,989,115	\$ 57,836,656	\$ 2,962,739	\$ 11,913,156	\$ 691,817
Depreciation Expense	\$ 367,026,891	\$ 216,003,487	\$ 45,338,183	\$ 46,474,463	\$ 25,115,057	\$ 18,217,890	\$ 188,365	\$ 1,685,515	\$ 3,237,953	\$ 4,461,234	\$ 2,458,347	\$ 3,749,691	\$ 96,708
Amortization Expense	\$ 97,255,708	\$ 56,938,540	\$ 12,087,391	\$ 12,513,833	\$ 6,877,623	\$ 4,985,083	\$ 32,230	\$ 314,913	\$ 538,973	\$ 1,528,704	\$ 859,095	\$ 553,870	\$ 25,455
Regulatory Debits and Credits	\$ 25,487,228	\$ 15,114,738	\$ 3,238,275	\$ 3,260,968	\$ 1,809,716	\$ 1,344,562	\$ 5,252	\$ 72,102	\$ 36,463	\$ 463,861	\$ 74,397	\$ 60,398	\$ 6,496
Taxes	\$ 64,993,885	\$ 37,088,575	\$ 9,026,196	\$ 8,278,672	\$ 4,632,011	\$ 3,563,059	\$ 2,271	\$ 332,838	\$ (107,717)	\$ 1,430,684	\$ 314,472	\$ 421,301	\$ 11,522
Misc Operating Income Items	\$ (622,923)	\$ (375,256)	\$ (76,568)	\$ (73,844)	\$ (38,087)	\$ (28,535)	\$ (550)	\$ (4,808)	\$ (9,475)	\$ (2,641)	\$ (1,021)	\$ (11,979)	\$ (160)
Total Electric Operating Expenses	\$ 2,927,921,735	\$ 1,646,322,270	\$ 379,356,463	\$ 394,513,423	\$ 229,261,862	\$ 166,919,377	\$ 863,605	\$ 15,094,621	\$ 5,685,311	\$ 65,718,498	\$ 6,668,029	\$ 16,686,438	\$ 831,837
Total Operating Income	\$ 112,871,830	\$ 57,757,738	\$ 22,901,574	\$ 12,239,916	\$ 2,537,805	\$ 4,517,233	\$ (281,104)	\$ 318,730	\$ (1,582,939)	\$ 3,542,006	\$ 9,334,953	\$ 1,695,554	\$ (109,635)
Rate of Return on Rate Base ("ROR")	1.85%	1.60%	3.28%	1.56%	0.60%	1.44%	-8.81%	1.08%	-2.63%	4.74%	14.95%	3.24%	-6.74%
Relative Rate of Return ("RROR")	1.00	0.87	1.78	0.84	0.32	0.78	(4.77)	0.58	(1.42)	2.57	8.09	1.75	(3.65)

Results of Company's 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	\$ 3,602,087,804	\$ 698,072,335	\$ 786,045,346	\$ 426,461,025	\$ 313,335,017	\$ 3,190,811	\$ 29,509,461	\$ 60,227,807	\$ 74,652,902	\$ 62,442,532	\$ 52,345,114	\$ 1,626,280
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 @ 7.60 ROR	\$ 467,414,727	\$ 275,559,717	\$ 53,402,534	\$ 60,132,469	\$ 32,624,268	\$ 23,970,129	\$ 244,097	\$ 2,257,474	\$ 4,607,427	\$ 5,710,947	\$ 4,776,854	\$ 4,004,401	\$ 124,410
Electric Operating Expenses	\$ 2,927,921,735	\$ 1,646,322,270	\$ 379,356,463	\$ 394,513,423	\$ 229,261,862	\$ 166,919,377	\$ 863,605	\$ 15,094,621	\$ 5,685,311	\$ 65,718,498	\$ 6,668,029	\$ 16,686,438	\$ 831,837
Less: Non-Rate Revenues	\$ (945,878,503)	\$ (509,600,143)	\$ (127,840,842)	\$ (132,781,641)	\$ (79,126,211)	\$ (57,306,615)	\$ (219,623)	\$ (5,054,052)	\$ (534,049)	\$ (27,794,219)	\$ (2,547,924)	\$ (3,021,411)	\$ (51,773)
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	\$ 1,479,202,827	\$ 320,292,435	\$ 337,213,573	\$ 191,313,481	\$ 139,977,047	\$ 908,410	\$ 12,878,424	\$ 9,958,605	\$ 45,958,384	\$ 9,650,781	\$ 18,530,007	\$ 928,815
Electric Rate Revenues													
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	\$ 284,722,962	\$ 45,875,240	\$ 63,241,874	\$ 38,640,026	\$ 25,847,053	\$ 545,532	\$ 2,519,125	\$ 6,390,282	\$ 4,492,098	\$ (3,804,276)	\$ 3,169,426	\$ 258,386
Proposed Rate Increase (Decrease)	22.53%	23.84%	16.72%	23.08%	25.31%	22.65%	150.33%	24.32%	179.08%	10.83%	-28.27%	20.63%	38.54%
Relative Proposed Rate Increase	1.00	1.06	0.74	1.02	1.12	1.01	6.67	1.08	7.95	0.48	(1.26)	0.92	1.71