

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

PUGET SOUND ENERGY, INC.,

Respondent.

**Dockets UE-240004 & UG-240005
(consolidated)**

**EXHIBIT TO THE RESPONSE TESTIMONY
OF KEVIN C. HIGGINS
ON BEHALF OF NUCOR STEEL SEATTLE, INC.**

SELECT PSE RESPONSES TO DISCOVERY

August 6, 2024

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

**Dockets UE-240004 & UG-240005
Puget Sound Energy
2024 General Rate Case**

NUCOR DATA REQUEST NO. 001:

RE: Gas Cost of Service Study

Please refer to 240004-05-PSE-WP-JDT-4-GCOS-MODEL- PSE-24GRC-02-2024.

- a. Please confirm that PSE's gas cost of service study includes the Non-Exclusive Interruptible classes (Schedules 87 & 87T) in the cost allocation of medium (2-3 inch) and small (<2 inch) distribution mains.
- b. If subpart a. is confirmed, please explain why PSE has departed from the approach it used to allocate distribution mains in Docket UG-190530, which excluded Non-Exclusive Interruptible classes from the allocation of small and medium-sized distribution mains.
- c. Please explain, as specifically as possible, PSE's interpretation of the requirements of WAC 480-85 regarding the allocation of small and medium-sized gas distribution mains.
- d. Please confirm that PSE excludes Schedule 88T from the general allocation of distribution mains (i.e., "Balance of Mains").
- e. If subpart d. is confirmed, please explain why PSE believes it is appropriate to exclude Schedule 88T from the general allocation of distribution mains.
- f. Does PSE believe that it is consistent with WAC 480-85 to exclude Schedule 88T from the general allocation of distribution mains? If so, please explain.

Response:

Puget Sound Energy ("PSE") objects to Nucor Data Request No. 001 to the extent it calls for a legal conclusion related to the requirements of WAC 480-85. Notwithstanding these objections, and subject thereto, PSE responds as follows:

- a. Yes, PSE's gas cost of service study allocates medium (2-3 inch) and small (<2 inch) distribution mains to the non-exclusive interruptible rate class, Schedules 87 and 87T.
- b. The prescribed methods in Washington Administrative Code ("WAC") Chapter 480-85 do not allow for the exclusion of allocating medium and small distribution mains to the non-exclusive interruptible rate class.

- c. PSE's interpretation of the requirements of WAC Chapter 480-85 regarding distribution mains allocation and whether the rules allow for excluding some customer classes from the allocation of smaller size mains is based on feedback PSE received from Washington Utilities and Transportation Commission ("WUTC") Staff in Docket UG-170003, the rulemaking for natural gas cost of service studies. Within Docket UG-170003, on February 12, 2020, the Commission issued a notice of opportunity to file written comments on the proposed cost of service rules. PSE filed written comments on March 27, 2020, including a specific comment seeking clarification if the proposed rules would allow the use of main pipe diameter to allocate costs to some customer classes but not others.¹ On July 7, 2020, the Commission issued its final order in this docket adopting the new cost of service rules. Appendix A to this order summarized all the comments the Commission received regarding the cost of service rulemaking along with WUTC Staff's response to these comments.² On page 16, WUTC Staff responded to PSE's comments seeking clarification of the mains allocation rules, stating that "[t]he rules are clear and do not allow for the use of main pipe diameter to allocate costs to some classes but not others."³
- d. Yes, PSE excluded Schedule 88T from the general allocation of distribution mains.
- e. WAC 480-85-060 rules for allocating distribution mains allow for the "direct assignment of distribution mains to a single customer class where practical." Since there is currently one customer on Schedule 88T, the distribution mains serving this customer were directly assigned to this customer class.
- f. See response to part e above.

¹ Docket UG-170003, Comments on Behalf of Puget Sound Energy at p. 8 (Mar. 27, 2020).

² Docket UG-170003, General Order R-599, Appendix A (July 7, 2020).

³ *Id.* at p. 16.

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

**Dockets UE-240004 & UG-240005
Puget Sound Energy
2024 General Rate Case**

NUCOR DATA REQUEST NO. 007:

RE: Gas Cost of Service Study

Please provide all supporting workpapers and source documents for the inputs used to develop the allocation factors in 240004-05-PSE-WP-JDT-4-GCOS- EXT-ALLOC-24GRC-02-2024.

Response:

Puget Sound Energy (“PSE”) objects to Nucor Data Request No. 007 to the extent it requests information that is publicly available or obtainable from some other source that is more convenient, less burdensome, or less expensive. Notwithstanding these objections, and subject thereto, PSE responds as follows:

Attached as Attachments A through L to PSE’s Response to Nucor Data Request No. 007 are Microsoft Excel spreadsheets including the workpapers and source documents used to develop the allocation factors in the file 240004-05-PSE-WP-JDT-4-GCOS-EXT-ALLOC-24GRC-02-2024. Below is a table of the attachments and the information provided in each file:

Attachment A	FERC 903
Attachment B	Other Taxes
Attachment C	Customer Deposits
Attachment D	Intangible Plant
Attachment E	Mains
Attachment F	Mains Special Contract Flow Study
Attachment G	One Time Charges
Attachment H	Peak Day & Volume
Attachment I	Services
Attachment J	Top 100 Accounts
Attachment K	Uncollectible Accounts
Attachment L	Customer Counts

Please refer to Attachment B to PSE’s Response to Public Counsel Data Request No. 116 for the supporting workpaper used to develop the meter allocation factors.

Shaded information is designated as HIGHLY-CONFIDENTIAL per Protective Order in Dockets UE-240004 and UG-240005 as marked in Puget Sound Energy's Response to Nucor Data Request No. 007 Attachment F.

Shaded information is designated as CONFIDENTIAL per Protective Order in Dockets UE-240004 and UG-240005 as marked in Puget Sound Energy's Response to Nucor Data Request No. 007 Attachment I.

**ATTACHMENT E to PSE's
Response to
Nucor Data Request No. 007**

From 240004-05 PSE Resp NUCOR DR 007-Attach E
Sch. 88T tab

func_class	asset_location	retirement_unit	diameter	vintage	utility_account
Distribution Plant - Gas	Distribution System, Pierce County outside RTA District, WA : DST-0000 WA02700000	Main, Steel Wrap, 12"	12"		2020 G3764 DST Mains, Wrapped Steel
	Total Replacement Cost	\$	10,677,529		
	% Associated with Rate 88T		54.1%	TLNG Docket 23-0393 - NEW-PSE-Exh-WFD-3-05-25-23	
	Direct Assign to Rate 88T	\$	5,776,543		

From 240004-05 PSE Resp NUCOR DR 007-Attach E
Sch. 88T tab

Type	month	quantity	book_cost	allocated_reserve	net_book_value	HANDY WHITMAN ADJUSTMENT	FACTOR	REPLACEMENT VALUE
Steel	06/2023	7447	\$ 8,170,769	\$ 573,554	\$ 7,597,214	1030	1346	\$ 10,677,528.75

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

**Dockets UE-240004 & UG-240005
Puget Sound Energy
2024 General Rate Case**

NUCOR DATA REQUEST NO. 011:

RE: Gas Cost of Service Study

Please refer to the Direct Testimony of John D. Taylor (Exh. JDT-1T), page 18, line 17 through page 19, line 15, and footnote 2.

- a. Please provide, in Excel format, the derivation of the total Rate Year 1 and Rate Year 2 revenue requirement associated with the Golden Givens Section (i.e., including the portion allocated to 88T and the non-88T portion). Please separately state each component of this revenue requirement calculation by FERC account, including the gross plant-in-service, accumulated depreciation, accumulated deferred income tax, return on rate base, depreciation expense, property tax, O&M expense, and any other component.
- b. Please provide, in Excel format, the derivation of the allocation factor of 54% that PSE applies to the Golden Givens Section revenue requirement to determine the amount allocated to Schedule 88T.
- c. Please provide, in Excel format, the total allocated Rate Year 1 and Rate Year 2 Schedule 88T revenue requirement, by component, including that related to the Golden Givens Section and the cost of any other facilities, services, and general/intangible costs allocated to Schedule 88T.
- d. If the Schedule 88T revenue requirement derived in subpart c. differs from the proposed Schedule 88T base rate revenues of \$516,784, as shown on the Ext JDT-5 (Rate Design) worksheet of 240004-05-PSE-WP-JDT-5-GAS-RATE-SPREAD-DESIGN-24GRC-02-2024, please reconcile the variance.
- e. What is the in-service date for the Golden Givens Section?
- f. What depreciation rate applies to the Golden Givens Section?
- g. How does PSE propose to account for and recover the portion of the Golden Givens Section that is not allocated to Schedule 88T? If PSE has included these costs in its proposed base rates, please indicate the amount and location of these costs in 240004-05- PSE-WP-JDT-4-GCOS-MODEL-PSE-24GRC-02-2024 and the associated allocation method.
- h. Is the Golden Givens Section distinct from the four-mile 16-inch bidirectional distribution line segment that was addressed in Docket UG-230393, Final Order 07 (April 24, 2024), Section III. E? If so, please explain how these investments differ.
- i. Has PSE included the portion of the four-mile 16-inch bidirectional distribution line segment allocated to 88T in its proposed 88T base rate revenue

requirement (i.e., \$1,897,398, according to Docket UG-230393, 230393-Advice-2024-20-PSE-WP- Compl-LNG-Summary-Changes-(05-03-2024), Summary Changes worksheet, cell D14)? If not, how does PSE propose to recover these costs from 88T?

Response:

- a. Attached as Attachment A to Puget Sound Energy's ("PSE") Response to Nucor Data Request No. 011 is a Microsoft Excel file containing the Rate Year 2025 and 2026 Golden Givens revenue requirement, broken down by FERC components, allocated to Schedule 88T and other rate classes. Property taxes are collected through a separate tracker schedule, Schedule 140, which is not included in this general rate case. Note that the revenue requirement allocated between Schedule 88T and other rate classes in Attachment A is the 2025 and 2026 actual revenue requirement. PSE uses replacement cost for the purposes of distribution main allocation and direct assignment within its cost of service study, as detailed in PSE's Response to Nucor Data Request No. 012. While preparing the response to Nucor Data Request No. 011, PSE discovered an error within its cost of service study initially filed in this GRC related to Golden Givens costs directly assigned to Schedule 88T. The Golden Givens costs filed in the GRC do not include all components of the Golden Givens revenue requirement; the GRC filing identified \$8.2 million gross plant associated with Golden Givens, while the correct amount is \$12.7 million as included in this data request response. To rectify this issue, PSE proposes to correct its cost of service study for this error in PSE's rebuttal filing or settlement filing.
- b. Attached as Attachment B to PSE's Response to Nucor Data Request No. 011 is a Microsoft Excel file containing the calculation of the 54.1% Golden Givens allocation factor. This work paper is from the Tacoma LNG Docket UG-230393 and supported Exh. WFD-3.
- c. Please refer to the worksheet "Unit Cost" of the work paper "240004-05-PSE-WP-JDT-4-GCOS-MODEL-PSE-24GRC-02-2024.xlsx" for revenue requirement by function component allocated to Schedule 88T. PSE used the Schedule 88T revenue requirement determined by the cost of service study for both rate years, 2025 and 2026. PSE notes that worksheet "Unit Cost" will be impacted based on the resolution of the issue discussed in part 'a' above.
- d. The Schedule 88T revenue requirement amount derived in subpart c differs from the proposed Schedule 88T base rate revenues of \$516,784 by \$800 due to miscellaneous revenue margin allocated to Schedule 88T which is not reflected in subpart c. Please refer to work sheet "Summary", cell M56, of the work paper "240004-05-PSE-WP-JDT-4-GCOS-MODEL-PSE-24GRC-02-2024.xlsx" for the allocation of miscellaneous revenue margin to Schedule 88T.
- e. The in-service date for Golden Givens is September 30, 2020.
- f. Please refer to Attachment A to this response, worksheet "Depr Rates" for the Golden Givens depreciation rates.

- g. PSE proposes to recover the portion of Golden Given costs not directly assigned to Schedule 88T from other rate classes in base rates using its mains allocator. Please refer to worksheet "Input-Accounts", rows 72 and 73, of the work paper "240004-05-PSE-WP-JDT-4-GCOS-MODEL-PSE-24GRC-02-2024.xlsx" for the distribution mains balances and allocation methods.
- h. Yes, the Golden Givens section is distinct from the four-mile, 16-inch, bidirectional distribution line segment that was addressed in Docket UG-230393, Final Order 07 (April 24, 2024), Section III. The Golden Givens section is located in a different area of PSE's distribution system than the four-mile pipe section.
- i. No, the four-mile, 16-inch, bidirectional distribution main costs are currently recovered through PSE's Schedule 141D as determined in Docket UG-230393. Now that Docket UG-230393 is resolved, PSE is open to rolling these costs into base rates should any party propose that in their response testimony.

**ATTACHMENT A to PSE's
Response to
Nucor Data Request No. 011**

From 240004-05 PSE Resp Nucor DR 011_Attach A,
 "COS Allocation" tab.

Puget Sound Energy
Golden Givens Limit Station and 1 Mile Pipe Connector Only
Cost of Service Allocation

2025:

	Total	Schedule 88T ⁽¹⁾	Other Rate Classes
Allocation %	100.0%	54.1%	45.9%
Revenue Requirement	\$ 1,478,174	\$ 799,692	\$ 678,482

2026:

	Total	Schedule 88T ⁽¹⁾	Other Rate Classes
Allocation %	100.0%	54.1%	45.9%
Revenue Requirement	\$ 1,477,892	\$ 799,540	\$ 678,353

⁽¹⁾ Tacoma LNG Docket UG-230393, Exh WFD-3

From 240004-05 PSE Resp NUCOR DR 011_Attach A,
"Rev Req" tab.

Revenue Requirement Calculation			
Golden Givens Limit Station and 1 Mile Pipe Connector Only			
Stand Alone Revenue Requirement Calculation 2025			
1			<i>Reference</i>
2	Weighted Average Cost of Debt	2.67%	SEF-3 page 2 line 22
3	Requested Rate of Return	7.65%	SEF-3 page 2 line 24
4	Gross Plant Balance	\$ 12,759,268	From Tab Upgrades by FERC Acct
5	Accumulated Depreciation	(1,688,204)	From Tab Upgrades by FERC Acct
6	Accumulated Deferred Income Tax	(487,655)	From Tab Upgrades by FERC Acct
7	Rate Year Rate Base	\$ 10,583,409	
8			
9	Depreciation Expense	\$ (360,282)	From Tab Upgrades by FERC Acct x 79%
10	Tax Benefit of Proforma Interest	59,341	Line 2 x 7 x 21%
11	Return on Rate Base	(809,631)	Line 3 x 7
12	Total Costs	\$ 1,110,571	
13	Pre-tax grossed up for Revenue Sensitive Items	\$ 1,478,174	Line 12 ÷ 79% ÷ .951029 (SEF-3 page 3 line 18)
Stand Alone Revenue Requirement Calculation 2026			
1			<i>Reference</i>
2	Weighted Average Cost of Debt	2.63%	SEF-3 page 2 line 31
3	Requested Rate of Return	7.99%	SEF-3 page 2 line 33
4	Gross Plant Balance	12,759,268	From Tab Upgrades by FERC Acct
5	Accumulated Depreciation	(2,144,256)	From Tab Upgrades by FERC Acct
6	Accumulated Deferred Income Tax	(530,204)	From Tab Upgrades by FERC Acct
7	Rate Year Rate Base	\$ 10,084,808	
8			
9	Depreciation Expense	\$ (360,282)	From Tab Upgrades by FERC Acct x 79%
10	Tax Benefit of Proforma Interest	55,698	Line 2 x 7 x 21%
11	Return on Rate Base	(805,776)	Line 3 x 7
12	Total Costs	\$ 1,110,360	
13	Pre-tax grossed up for Revenue Sensitive Items	\$ 1,477,892	Line 12 ÷ 79% ÷ .951029 (SEF-3 page 3 line 18)

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

**Dockets UE-240004 & UG-240005
Puget Sound Energy
2024 General Rate Case**

NUCOR DATA REQUEST NO. 012:

RE: Gas Cost of Service Study

Schedule 88T. Please reconcile the Direct to 88T amount shown on the Mains Costs worksheet of 240004-05-PSE-WP-JDT-4-GCOS-EXT-ALLOC-24GRC- 02-2024, cell C34 with the amount of Distribution Plant Mains (Account 376) allocated to 88T in 240004-05-PSE-WP-JDT-4-GCOS-MODEL-PSE-24GRC-02-2024, DemandTotal worksheet, cell M72.

Response:

Puget Sound Energy (“PSE”) objects to Nucor Data Request No. 012 to the extent it requests information that is publicly available or obtainable from some other source that is more convenient, less burdensome, or less expensive. Notwithstanding these objections, and subject thereto, PSE responds as follows:

The discrepancy between the distribution mains (Account 376) direct assignment amount to Schedule 88T shown on the Mains Costs worksheet of the file 240004-05-PSE-WP-JDT-4-GCOS-EXT-ALLOC-24GRC- 02-2024, cell C34, and the DemandTotal worksheet of the file 240004-05-PSE-WP-JDT-4-GCOS-MODEL-PSE-24GRC-02-2024, cell M72, arises because the former represents replacement cost in 2023 dollars, while the latter reflects the test year distribution plant balance. Puget Sound Energy uses replacement cost for the purposes of distribution mains allocation and direct assignment. The replacement costs contained on the worksheet Mains Costs within the file 240004-05-PSE-WP-JDT-4-GCOS-EXT-ALLOC-24GRC- 02-2024 are used to develop the percent of total costs, which is then applied to the test year distribution plant balance within the GCOS Model.

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

**Dockets UE-240004 & UG-240005
Puget Sound Energy
2024 General Rate Case**

NUCOR DATA REQUEST NO. 016:

RE: Tacoma LNG Distribution Upgrades

Please refer to PSE's response to Nucor Data Request 011, Attachment B, which indicates a total PSE-Tacoma LNG-PSE Meter Station cost of \$2,110,376, of which 33.3% was allocated to PLNG and total Upgrade 3 - Frederickson Gate Station cost \$3,998,743, of which 22.0% was allocated to PLNG.

- a. How does PSE propose to recover the cost of the PSE-Tacoma LNG-PSE Meter Station and Upgrade 3 - Frederickson Gate Station?
- b. If the costs of the PSE-Tacoma LNG-PSE Meter Station and Upgrade 3 - Frederickson Gate Station are included in PSE's proposed base rates, please provide, in Excel format, the test year ended June 30, 2023, Rate Year 1, and Rate Year 2 revenue requirement associated with each of these investments, including the portion allocated to 88T and the non-88T portion. Please separately state each component of this revenue requirement calculation by FERC account, including the gross plant-in-service, accumulated depreciation, accumulated deferred income tax, depreciation expense, property tax, O&M expense, and any other component, and cite to the specific amount, location, and allocation factor applicable to each test year component in 240004-05-PSE-WP-JDT-4-GCOS-MODEL-PSE-24GRC-02-2024.
- c. Please reconcile any differences between the gross plant-in-service amounts provided in response to subpart b. and the amounts shown in PSE's response to Nucor Data Request 011, Attachment B.

Response:

Puget Sound Energy ("PSE") objects to Nucor Data Request No. 016 to the extent it requests information that is publicly available or obtainable from some other source that is more convenient, less burdensome, or less expensive. Notwithstanding these objections, and subject thereto, PSE responds as follows:

- a. The cost of the Tacoma LNG Meter station is currently recovered through PSE Schedule 141D as determined in Docket UG-230393. Please refer to the work paper file "240004-05-PSE-WP-SEF-11G-LNG-Dist-Upgrade-Remove-24GRC-02-2024.xlsx", which calculates the revenue requirement adjustment to remove

Tacoma LNG Distribution Upgrade costs. PSE is not opposed to rolling these costs into base rates should any party propose that in their response testimony.

PSE proposes to recover the cost of Upgrade 3 – Frederickson Gate Station by directly assigning 22.0 percent to Schedule 88T and recovering the remainder from other rate classes in base rates using its allocators for the FERC accounts where these costs are accounted for, which is primarily FERC 376, distribution mains. Please note that PSE uses replacement cost for the purposes of distribution main allocation and direct assignment within its cost of service study, as detailed in PSE's Response to Nucor Data Request No. 012.

While preparing the response to Nucor Data Request No. 016, PSE discovered an error within its cost of service study related to the Tacoma LNG Meter Station costs and Frederickson Gate Station costs directly assigned to Schedule 88T. PSE mistakenly directly assigned Tacoma LNG Meter Station costs to Schedule 88T while not directly assigning Frederickson Gate Station costs to Schedule 88T. To rectify this issue, PSE proposes to correct its cost of service study for these errors in PSE's rebuttal filing.

- b. Attached as Attachment A to PSE's Response to Nucor Data Request No. 016 is a Microsoft Excel file containing Frederickson Gate Station revenue requirement for the test year ended June 30, 2023, Rate Year 1, and Rate Year 2. This file breaks down the revenue requirement by FERC components and allocates it to Schedule 88T and the other rate classes. Property taxes are collected through a separate tracker schedule, Schedule 140, which is not included in this general rate case. As noted in subpart a. above, PSE mistakenly did not directly assign these costs to Schedule 88T, so the specific amounts are embedded with other costs in the FERC account detail included in the work paper "240004-05-PSE-WP-JDT-4-GCOS-MODEL-PSE-24GRC-02-2024.xlsx.
- c. The gross plant-in-service amount provided in response to subpart b. and the amount provided in PSE's Response to Nucor Data Request No. 011, Attachment B are \$4,122,754 and \$4,100,000 respectively. The difference of \$22,754 is due to the amount provided in PSE's Response to Nucor Data Request No. 011, Attachment B being an estimate of the final cost as noted in the worksheet "Exh. WJD-3 p.2" of that file.

**ATTACHMENT A to PSE's Response to
Nucor Data Request No. 016**

**Puget Sound Energy
Fredrickson Gate Station Expansion
Cost of Service Allocation**

12ME June 30, 2023:

	Total	Schedule 88T ⁽¹⁾	Other Rate Classes
Allocation %	100.0%	22.0%	78.0%
Revenue Requirement	\$ 388,909	\$ 85,560	\$ 303,349

2025:

	Total	Schedule 88T ⁽¹⁾	Other Rate Classes
Allocation %	100.0%	22.0%	78.0%
Revenue Requirement	\$ 423,917	\$ 93,262	\$ 330,655

2026:

	Total	Schedule 88T ⁽¹⁾	Other Rate Classes
Allocation %	100.0%	22.0%	78.0%
Revenue Requirement	\$ 438,045	\$ 96,370	\$ 341,675

⁽¹⁾ Tacoma LNG Docket UG-230393, Exh WFD-3

Revenue Requirement Calculation Frederickson Gate Station Expansion			
Stand Alone Revenue Requirement Calculation 2023			
1			<i>Reference</i>
2	Weighted Average Cost of Debt	2.55%	2022 GRC Approved COC - SEF-8 page 2 line 22
3	Requested Rate of Return	7.16%	2022 GRC Approved COC - SEF-8 page 2 line 24
4	Gross Plant Balance	\$ 4,122,754	From Tab Upgrades by FERC Acct
5	Accumulated Depreciation	(579,464)	From Tab Upgrades by FERC Acct
6	Accumulated Deferred Income Tax	(218,313)	From Tab Upgrades by FERC Acct
7	Rate Year Rate Base	\$ 3,324,977	
8			
9	Depreciation Expense	\$ (73,317)	From Tab Upgrades by FERC Acct x 79%
10	Tax Benefit of Proforma Interest	17,805	Line 2 x 7 x 21%
11	Return on Rate Base	(238,068)	Line 3 x 7
12	Total Costs	\$ 293,580	
13	Pre-tax grossed up for Revenue Sensitive Items	\$ 388,909	Line 12 ÷ 79% ÷ .955444 2022 GRC Approved Conv Factor - SEF-8 page 3 line 18
Stand Alone Revenue Requirement Calculation 2025			
1			<i>Reference</i>
2	Weighted Average Cost of Debt	2.67%	WP-SEF-3E-8G-CostofCapital RY2025 Line 14
3	Requested Rate of Return	7.65%	WP-SEF-3E-8G-CostofCapital RY2025 Line 16
4	Gross Plant Balance	\$ 4,122,754	From Tab Upgrades by FERC Acct
5	Accumulated Depreciation	(782,615)	From Tab Upgrades by FERC Acct
6	Accumulated Deferred Income Tax	(255,277)	From Tab Upgrades by FERC Acct
7	Rate Year Rate Base	\$ 3,084,862	
8			
9	Depreciation Expense	\$ (101,028)	From Tab Upgrades by FERC Acct x 79%
10	Tax Benefit of Proforma Interest	17,297	Line 2 x 7 x 21%
11	Return on Rate Base	(235,992)	Line 3 x 7
12	Total Costs	\$ 319,723	
13	Pre-tax grossed up for Revenue Sensitive Items	\$ 423,917	Line 12 ÷ 79% ÷ .954700 (WP-SEF-3E-8G-Conversion Factor 4.01G Line 7)
Stand Alone Revenue Requirement Calculation 2026			
1			<i>Reference</i>
2	Weighted Average Cost of Debt	2.63%	WP-SEF-3E-8G-CostofCapital RY2026 Line 14
3	Requested Rate of Return	7.99%	WP-SEF-3E-8G-CostofCapital RY2026 Line 16
4	Gross Plant Balance	4,122,754	From Tab Upgrades by FERC Acct
5	Accumulated Depreciation	(772,071)	From Tab Upgrades by FERC Acct
6	Accumulated Deferred Income Tax	(267,052)	From Tab Upgrades by FERC Acct
7	Rate Year Rate Base	\$ 3,083,631	
8			
9	Depreciation Expense	\$ (101,028)	From Tab Upgrades by FERC Acct x 79%
10	Tax Benefit of Proforma Interest	17,031	Line 2 x 7 x 21%
11	Return on Rate Base	(246,382)	Line 3 x 7
12	Total Costs	\$ 330,379	
13	Pre-tax grossed up for Revenue Sensitive Items	\$ 438,045	Line 12 ÷ 79% ÷ .954700 (WP-SEF-3E-8G-Conversion Factor 4.01G Line 7)