# BEFORE THE WASHINGTON UTILITIES & TRANSPORTATION COMMISSION

## WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION,

Complainant,

v.

## **PUGET SOUND ENERGY**

Respondent.

DOCKETS UE-220066, UG-220067, and UG-210918 (Consolidated)

# GLENN A. WATKINS ON BEHALF OF THE WASHINGTON STATE OFFICE OF THE ATTORNEY GENERAL PUBLIC COUNSEL UNIT

#### **EXHIBIT GAW-9**

Natural Gas Residential Customer Cost Analysis

July 28, 2022

# PUGET SOUND ENERGY Residential Natural Gas Customer Cost Analysis

Gross Plant   Services   \$728,487,300   \$728,487,300   381 Meters   \$133,543,140   \$133,543,140   \$133,543,140   \$20,5670,795   \$20,5670,795   \$20,5670,795   \$325,873,797   \$335,302,571   \$31,148,489,679   \$11,48,489,679   \$11,48,489,679   \$11,48,489,679   \$11,48,489,679   \$11,48,489,679   \$11,48,489,679   \$11,48,489,679   \$352,801,657   \$352,801		PC	PSE
Services			_
381 Meters	Gross Plant		
382 Meter Installations         \$205,670,795         \$205,670,795         362,670,795         362,670,795         362,670,795         315,485,873         \$15,485,873         \$15,485,873         \$15,485,873         \$15,485,873         \$15,485,873         \$15,485,873         \$15,485,873         \$352,25,25         \$1,148,489,679         \$1,123,833         \$1,237,883         \$31,237,883         \$31,237,883         \$31,237,883         \$31,237,883         \$41,237,883         \$41,237,883         \$41,237,883         \$41,237,883         \$45,022,525         \$45,028,258         \$59,02	380 Services	\$728,487,300	\$728,487,300
383   House Regulators   \$15,485,873   \$65,302,571   \$05,302,571   \$70,505,302,571   \$70,505,302,571   \$70,505,302,571   \$70,505,302,571   \$70,505,302,571   \$70,505,302,571   \$70,505,302,571   \$70,505,302,571   \$70,505,302,571   \$70,505,302,571   \$70,505,302,571   \$70,505,302,571   \$70,505,302,571   \$70,505,302,302,571   \$70,505,302,302,302,302,302,302,302,302,302,302	381 Meters	\$133,543,140	\$133,543,140
House Regulators Installations	382 Meter Installations	\$205,670,795	\$205,670,795
Total Gross Plant	383 House Regulators	\$15,485,873	\$15,485,873
Depreciation Reserve	384 House Regulators Installations	\$65,302,571	\$65,302,571
Services   \$352,801,657   \$352,801,657   Meters   Meter   Installations   \$59,028,258   \$59,028,258   House Regulators   \$59,028,258   \$59,028,258   House Regulators Installations   \$5,957,797   \$5,957,797   \$5,957,797   House Regulators Installations   \$26,601,629	Total Gross Plant	\$1,148,489,679	\$1,148,489,679
Services   \$352,801,657   \$352,801,657   Meters   Meter   Installations   \$59,028,258   \$59,028,258   House Regulators   \$59,028,258   \$59,028,258   House Regulators Installations   \$5,957,797   \$5,957,797   \$5,957,797   House Regulators Installations   \$26,601,629	Depreciation Reserve		
Meters         \$31,237,883         \$31,237,883         Meter Installations         \$59,028,258         \$59,028,258         \$59,028,258         \$59,028,258         \$59,028,258         \$59,028,258         \$59,027,797         \$5,957,793         \$5,622,625         \$475,627,225         \$48,627,533         \$48,023         \$818,023         \$818,023         \$818,023         \$818,023         \$818,023         \$818,023         \$818,023         \$817,799,47	•	\$352.801.657	\$352.801.657
Meter Installations	Meters		
House Regulators			
House Regulators Installations   \$26,601,629   \$26,601,629   Total Depreciation Reserve   \$475,627,225   \$475,627,245   \$475			
Total Depreciation Reserve         \$475,627,225         \$475,627,225           Total Net Plant         \$672,862,455         \$672,862,455           Operation & Maintenance Expenses         878 Meters & House Regulators - Oper         \$1,520,684         \$1,520,684           879 Customer Installations Expenses         \$818,023         \$818,023           892 Maintenance - Services         \$2,672,104         \$2,672,104           893 Maintenance-Meters & House Regulators         \$575,033         \$575,033           902 Meter Reading         \$8,698,672         \$8,698,672           903 Records & Collections         \$10,799,478         \$10,799,478           Total O & M Expenses         \$25,083,992         \$25,083,992           Depreciation Expense           Services (3,227% Weighted Average Depreciation Rate)         \$23,510,881         \$23,510,881           Meters (4,859% Weighted Average Depreciation Rate)         \$6,489,033         \$6,489,033           Meter Installations (2,25% Depreciation Rate)         \$85,792         \$85,792           House Regulators Installations (1,81% Depreciation Rate)         \$481,489         \$481,489           Total Depreciation Expense         \$35,194,789         \$35,194,789           Revenue Requirement         \$29,044,108         \$32,633,829           Income T	<u> </u>		
Operation & Maintenance Expenses           878 Meters & House Regulators - Oper         \$1,520,684         \$1,520,684           879 Customer Installations Expenses         \$818,023         \$818,023           892 Maintenance - Services         \$2,672,104         \$2,672,104           893 Maintenance-Meters & House Regulators         \$575,033         \$575,033           902 Meter Reading         \$8,698,672         \$8,698,672           903 Records & Collections         \$10,799,478         \$10,799,478           704 O & M Expenses         \$25,083,992         \$25,083,992           Depreciation Expense           Services (3.227% Weighted Average Depreciation Rate)         \$23,510,881         \$23,510,881           Meters (4.859% Weighted Average Depreciation Rate)         \$6,489,033         \$6,489,033           Meter Installations (2.25% Depreciation Rate)         \$4,627,593         \$4,627,593           House Regulators Installations (1.81% Depreciation Rate)         \$85,792         \$85,792           House Regulators Installations (1.81% Depreciation Rate)         \$35,194,789         \$35,194,789           Revenue Requirement           Interest         \$17,326,208         \$17,090,706           Equity return         \$29,044,108         \$32,633,829           Income Tax <td< td=""><td></td><td></td><td></td></td<>			
Operation & Maintenance Expenses           878 Meters & House Regulators - Oper         \$1,520,684         \$1,520,684           879 Customer Installations Expenses         \$818,023         \$818,023           892 Maintenance - Services         \$2,672,104         \$2,672,104           893 Maintenance-Meters & House Regulators         \$575,033         \$575,033           902 Meter Reading         \$8,698,672         \$8,698,672           903 Records & Collections         \$10,799,478         \$10,799,478           701 O & M Expenses         \$25,083,992         \$25,083,992           Depreciation Expense           Services (3,227% Weighted Average Depreciation Rate)         \$23,510,881         \$23,510,881           Meter Installations (2,25% Depreciation Rate)         \$6,489,033         \$6,489,033           Meter Installations (2,25% Depreciation Rate)         \$4,627,593         \$4,627,593           House Regulators Installations (1,81% Depreciation Rate)         \$85,792         \$85,792           House Regulators Installations (1,81% Depreciation Rate)         \$35,194,789         \$35,194,789           Revenue Requirement           Interest         \$17,326,208         \$17,090,706           Equity return         \$29,044,108         \$32,633,829           Income Tax	T	<b>^</b>	40-000 4
878 Meters & House Regulators - Oper \$1,520,684 \$1,520,684 879 Customer Installations Expenses \$818,023 \$818,023 \$818,023 \$892 Maintenance - Services \$2,672,104 \$2,672,104 \$2,672,104 \$2,672,104 \$2,672,104 \$2,672,104 \$2,672,104 \$2,672,104 \$2,672,104 \$2,672,104 \$2,672,104 \$2,672,104 \$2,672,104 \$2,672,104 \$2,672,104 \$2,672,103 \$902 Meter Reading \$8,698,672 \$8,698,672 \$8,698,672 \$8,698,672 \$8,698,672 \$8,698,672 \$8,698,672 \$8,698,672 \$8,698,672 \$10,799,478 \$10,799,479 \$10,799,479 \$10,799,479 \$10,799,479 \$10,799,479 \$10,799,479 \$10,799,479 \$10,799,479 \$10,79	Total Net Plant	\$672,862,455	\$672,862,455
879 Customer Installations Expenses       \$818,023       \$818,023         892 Maintenance - Services       \$2,672,104       \$2,672,104         893 Maintenance-Meters & House Regulators       \$575,033       \$575,033         902 Meter Reading       \$8,698,672       \$8,698,672         903 Records & Collections       \$10,799,478       \$10,799,478         Total O & M Expenses       \$25,083,992       \$25,083,992         Depreciation Expense         Services (3,227% Weighted Average Depreciation Rate)       \$23,510,881       \$23,510,881         Meters (4,859% Weighted Average Depreciation Rate)       \$6,489,033       \$6,489,033         Meter Installations (2,25% Depreciation Rate)       \$4,627,593       \$4,627,593         House Regulators (1,44% Depreciation Rate)       \$85,792       \$85,792         House Regulators Installations (1,81% Depreciation Rate)       \$481,489       \$481,489         Total Depreciation Expense       \$35,194,789       \$35,194,789         Revenue Requirement         Interest       \$17,326,208       \$17,090,706         Equity return       \$29,044,108       \$32,633,829         Income Tax       \$7,720,586       \$8,674,815         Revenue For Return       \$54,090,902       \$58,399,351 <t< td=""><td>Operation &amp; Maintenance Expenses</td><td></td><td></td></t<>	Operation & Maintenance Expenses		
892 Maintenance - Services       \$2,672,104       \$2,672,104         893 Maintenance-Meters & House Regulators       \$575,033       \$575,033         902 Meter Reading       \$8,698,672       \$8,698,672         903 Records & Collections       \$10,799,478       \$10,799,478         Total O & M Expenses         Services (3.227% Weighted Average Depreciation Rate)       \$23,510,881       \$23,510,881         Meters (4.859% Weighted Average Depreciation Rate)       \$6,489,033       \$6,489,033         Meter Installations (2.25% Depreciation Rate)       \$6,489,033       \$4,627,593         House Regulators (1.44% Depreciation Rate)       \$85,792       \$85,792         House Regulators Installations (1.81% Depreciation Rate)       \$481,489       \$481,489         Total Depreciation Expense       \$35,194,789       \$35,194,789         Revenue Requirement         Interest       \$17,326,208       \$17,090,706         Equity return       \$29,044,108       \$32,633,829         Income Tax       \$7,720,586       \$8,674,815         Revenue For Return       \$54,090,902       \$58,399,351         O & M Expenses       \$25,083,992       \$25,083,992         Depreciation Expense       \$35,194,789       \$35,194,789         Revenue Requi	878 Meters & House Regulators - Oper	\$1,520,684	\$1,520,684
893 Maintenance-Meters & House Regulators         \$575,033         \$575,033           902 Meter Reading         \$8,698,672         \$8,698,672           903 Records & Collections         \$10,799,478         \$10,799,478           Total O & M Expenses         \$25,083,992         \$25,083,992           Depreciation Expense           Services (3.227% Weighted Average Depreciation Rate)         \$23,510,881         \$23,510,881           Meters (4.859% Weighted Average Depreciation Rate)         \$6,489,033         \$6,489,033           Meter Installations (2.25% Depreciation Rate)         \$4627,593         \$4,627,593           House Regulators (1.44% Depreciation Rate)         \$85,792         \$85,792           House Regulators Installations (1.81% Depreciation Rate)         \$481,489         \$481,489           Total Depreciation Expense         \$35,194,789         \$35,194,789           Revenue Requirement           Increment         \$17,326,208         \$17,090,706           Equity return         \$29,044,108         \$32,633,829           Income Tax         \$7,720,586         \$8,674,815           Revenue For Return         \$54,090,902         \$58,399,351           O & M Expenses         \$25,083,9	879 Customer Installations Expenses	\$818,023	\$818,023
893 Maintenance-Meters & House Regulators         \$575,033         \$575,033           902 Meter Reading         \$8,698,672         \$8,698,672           903 Records & Collections         \$10,799,478         \$10,799,478           Total O & M Expenses         \$25,083,992         \$25,083,992           Depreciation Expense           Services (3.227% Weighted Average Depreciation Rate)         \$23,510,881         \$23,510,881           Meters (4.859% Weighted Average Depreciation Rate)         \$6,489,033         \$6,489,033           Meter Installations (2.25% Depreciation Rate)         \$4627,593         \$4,627,593           House Regulators (1.44% Depreciation Rate)         \$85,792         \$85,792           House Regulators Installations (1.81% Depreciation Rate)         \$481,489         \$481,489           Total Depreciation Expense         \$35,194,789         \$35,194,789           Revenue Requirement           Increment         \$17,326,208         \$17,090,706           Equity return         \$29,044,108         \$32,633,829           Income Tax         \$7,720,586         \$8,674,815           Revenue For Return         \$54,090,902         \$58,399,351           O & M Expenses         \$25,083,9	892 Maintenance - Services	\$2,672,104	\$2,672,104
902 Meter Reading 903 Records & Collections \$10,799,478 \$10,799,478  Total O & M Expenses \$25,083,992 \$25,083,992  Depreciation Expense Services (3.227% Weighted Average Depreciation Rate) Meters (4.859% Weighted Average Depreciation Rate) \$23,510,881 \$23,510,881 Meter Installations (2.25% Depreciation Rate) \$4,627,593 \$4,627,593 House Regulators (1.44% Depreciation Rate) \$85,792 \$85,792 House Regulators Installations (1.81% Depreciation Rate) \$481,489 \$481,489  Total Depreciation Expense \$35,194,789  Revenue Requirement  Interest \$17,326,208 \$17,090,706 Equity return \$29,044,108 \$32,633,829 Income Tax \$7,720,586 \$8,674,815  Revenue For Return \$54,090,902 \$58,399,351  O & M Expenses \$25,083,992 \$25,083,992 Depreciation Expense \$35,194,789 \$35,194,789  Revenue Requirement Before Excise & WUTC Gross-Up Uncollectible, State Utility Tax & WUTC Fee Gross-Up Factor 0.9554440 0.9554440	893 Maintenance-Meters & House Regulators	\$575,033	
Page	<u> </u>		
Total O & M Expenses   \$25,083,992   \$25,083,992	•		
Services (3.227% Weighted Average Depreciation Rate)       \$23,510,881       \$23,510,881         Meters (4.859% Weighted Average Depreciation Rate)       \$6,489,033       \$6,489,033         Meter Installations (2.25% Depreciation Rate)       \$4,627,593       \$4,627,593         House Regulators (1.44% Depreciation Rate)       \$85,792       \$85,792         House Regulators Installations (1.81% Depreciation Rate)       \$481,489       \$481,489         Total Depreciation Expense       \$35,194,789       \$35,194,789         Revenue Requirement         Interest       \$17,326,208       \$17,090,706         Equity return       \$29,044,108       \$32,633,829         Income Tax       \$7,720,586       \$8,674,815         Revenue For Return       \$54,090,902       \$58,399,351         O & M Expenses       \$25,083,992       \$25,083,992         Depreciation Expense       \$35,194,789       \$35,194,789         Revenue Requirement Before Excise & WUTC Gross-Up       \$114,369,683       \$118,678,132         Uncollectible, State Utility Tax & WUTC Fee Gross-Up Factor       0.9554440       0.9554440			
Services (3.227% Weighted Average Depreciation Rate)       \$23,510,881       \$23,510,881         Meters (4.859% Weighted Average Depreciation Rate)       \$6,489,033       \$6,489,033         Meter Installations (2.25% Depreciation Rate)       \$4,627,593       \$4,627,593         House Regulators (1.44% Depreciation Rate)       \$85,792       \$85,792         House Regulators Installations (1.81% Depreciation Rate)       \$481,489       \$481,489         Total Depreciation Expense       \$35,194,789       \$35,194,789         Revenue Requirement         Interest       \$17,326,208       \$17,090,706         Equity return       \$29,044,108       \$32,633,829         Income Tax       \$7,720,586       \$8,674,815         Revenue For Return       \$54,090,902       \$58,399,351         O & M Expenses       \$25,083,992       \$25,083,992         Depreciation Expense       \$35,194,789       \$35,194,789         Revenue Requirement Before Excise & WUTC Gross-Up       \$114,369,683       \$118,678,132         Uncollectible, State Utility Tax & WUTC Fee Gross-Up Factor       0.9554440       0.9554440	Depreciation Expense		
Meters (4.859% Weighted Average Depreciation Rate)       \$6,489,033       \$6,489,033         Meter Installations (2.25% Depreciation Rate)       \$4,627,593       \$4,627,593         House Regulators (1.44% Depreciation Rate)       \$85,792       \$85,792         House Regulators Installations (1.81% Depreciation Rate)       \$481,489       \$481,489         Total Depreciation Expense       \$35,194,789       \$35,194,789         Revenue Requirement         Interest       \$17,326,208       \$17,090,706         Equity return       \$29,044,108       \$32,633,829         Income Tax       \$7,720,586       \$8,674,815         Revenue For Return       \$54,090,902       \$58,399,351         O & M Expenses       \$25,083,992       \$25,083,992         Depreciation Expense       \$35,194,789       \$35,194,789         Revenue Requirement Before Excise & WUTC Gross-Up       \$114,369,683       \$118,678,132         Uncollectible, State Utility Tax & WUTC Fee Gross-Up Factor       0.9554440       0.9554440		¢23 510 881	¢23 510 881
Meter Installations (2.25% Depreciation Rate)         \$4,627,593         \$4,627,593           House Regulators (1.44% Depreciation Rate)         \$85,792         \$85,792           House Regulators Installations (1.81% Depreciation Rate)         \$481,489         \$481,489           Total Depreciation Expense         \$35,194,789         \$35,194,789           Revenue Requirement           Interest         \$17,326,208         \$17,090,706           Equity return         \$29,044,108         \$32,633,829           Income Tax         \$7,720,586         \$8,674,815           Revenue For Return         \$54,090,902         \$58,399,351           O & M Expenses         \$25,083,992         \$25,083,992           Depreciation Expense         \$35,194,789         \$35,194,789           Revenue Requirement Before Excise & WUTC Gross-Up         \$114,369,683         \$118,678,132           Uncollectible, State Utility Tax & WUTC Fee Gross-Up Factor         0.9554440         0.9554440			
House Regulators (1.44% Depreciation Rate) \$85,792 \$85,792 House Regulators Installations (1.81% Depreciation Rate) \$481,489 \$481,489 Total Depreciation Expense \$35,194,789 \$35,194,789 \$35,194,789 \$35,194,789 \$35,194,789 \$35,194,789 \$35,194,789 \$35,194,789 \$35,194,789 \$35,194,789 \$35,194,789 \$32,633,829 \$32,033,829 \$			
House Regulators Installations (1.81% Depreciation Rate)   \$481,489   \$481,489   \$70   \$35,194,789			
Total Depreciation Expense         \$35,194,789         \$35,194,789           Revenue Requirement           Interest         \$17,326,208         \$17,090,706           Equity return         \$29,044,108         \$32,633,829           Income Tax         \$7,720,586         \$8,674,815           Revenue For Return         \$54,090,902         \$58,399,351           O & M Expenses         \$25,083,992         \$25,083,992           Depreciation Expense         \$35,194,789         \$35,194,789           Revenue Requirement Before Excise & WUTC Gross-Up         \$114,369,683         \$118,678,132           Uncollectible, State Utility Tax & WUTC Fee Gross-Up Factor         0.9554440         0.9554440			
Interest			
Interest \$ 17,326,208 \$17,090,706 Equity return \$ 29,044,108 \$32,633,829 Income Tax \$ \$7,720,586 \$8,674,815  Revenue For Return \$ \$54,090,902 \$58,399,351  O & M Expenses \$25,083,992 \$25,083,992 Depreciation Expense \$35,194,789 \$35,194,789  Revenue Requirement Before Excise & WUTC Gross-Up Uncollectible, State Utility Tax & WUTC Fee Gross-Up Factor \$0.9554440 \$0.9554440	Total Depresidation Expense	ψου, 104,700	ψου, το 4,7 ου
Equity return Income Tax       \$ 29,044,108 \$32,633,829 \$7,720,586       \$32,633,829 \$8,674,815         Revenue For Return       \$54,090,902 \$58,399,351         O & M Expenses Depreciation Expense       \$25,083,992 \$25,083,992 \$25,083,992 \$35,194,789         Revenue Requirement Before Excise & WUTC Gross-Up Uncollectible, State Utility Tax & WUTC Fee Gross-Up Factor       \$114,369,683 \$118,678,132 \$0.9554440	Revenue Requirement		
Equity return Income Tax       \$ 29,044,108 \$32,633,829 \$7,720,586       \$32,633,829 \$8,674,815         Revenue For Return       \$54,090,902 \$58,399,351         O & M Expenses Depreciation Expense       \$25,083,992 \$25,083,992 \$25,083,992 \$35,194,789         Revenue Requirement Before Excise & WUTC Gross-Up Uncollectible, State Utility Tax & WUTC Fee Gross-Up Factor       \$114,369,683 \$118,678,132 \$0.9554440	Interest	\$ 17.326.208	\$17,090,706
Income Tax         \$7,720,586         \$8,674,815           Revenue For Return         \$54,090,902         \$58,399,351           O & M Expenses Depreciation Expense         \$25,083,992         \$25,083,992           Revenue Requirement Before Excise & WUTC Gross-Up Uncollectible, State Utility Tax & WUTC Fee Gross-Up Factor         \$114,369,683         \$118,678,132           0.9554440         0.9554440			
O & M Expenses       \$25,083,992       \$25,083,992         Depreciation Expense       \$35,194,789       \$35,194,789         Revenue Requirement Before Excise & WUTC Gross-Up       \$114,369,683       \$118,678,132         Uncollectible, State Utility Tax & WUTC Fee Gross-Up Factor       0.9554440       0.9554440			
Depreciation Expense \$35,194,789 \$35,194,789  Revenue Requirement Before Excise & WUTC Gross-Up \$114,369,683 \$118,678,132 Uncollectible, State Utility Tax & WUTC Fee Gross-Up Factor 0.9554440 0.9554440	Revenue For Return	\$54,090,902	\$58,399,351
Depreciation Expense \$35,194,789 \$35,194,789  Revenue Requirement Before Excise & WUTC Gross-Up \$114,369,683 \$118,678,132 Uncollectible, State Utility Tax & WUTC Fee Gross-Up Factor 0.9554440 0.9554440	O & M Expanses	¢25,093,003	¢25,092,002
Revenue Requirement Before Excise & WUTC Gross-Up \$114,369,683 \$118,678,132 Uncollectible, State Utility Tax & WUTC Fee Gross-Up Factor 0.9554440 0.9554440			
Uncollectible, State Utility Tax & WUTC Fee Gross-Up Factor 0.9554440 0.9554440	Boptosidaton Exponed	φου, το τ,τ σο	ψου, το τ,τ συ
	Revenue Requirement Before Excise & WUTC Gross-Up	\$114,369,683	\$118,678,132
Total Revenue Requirement \$119,703,178 \$124,212,546	Uncollectible, State Utility Tax & WUTC Fee Gross-Up Factor	0.9554440	0.9554440
	Total Revenue Requirement	\$119,703,178	\$124,212,546
Number of Customers 796,287 796,287	Number of Customers	796.287	796.287
Number of Bills 9,555,444 9,555,444			
TOTAL MONTHLY CUSTOMER COST \$12.53 \$13.00	TOTAL MONTHLY CUSTOMER COST	\$12.53	\$13.00