

**Exh. BAE-2
Docket UG-230393
Witness: Betty A. Erdahl**

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

PUGET SOUND ENERGY,

Respondent.

DOCKET UG-230393

EXHIBIT TO TESTIMONY OF

BETTY A. ERDAHL

**STAFF OF
WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION**

Comparison of Tacoma LNG Tracker Revenue Requirement

September 8, 2023

Puget Sound Energy Tacoma Liquefied Natural Gas Tracker
Comparison of Staff Recommended Revenue Requirement
To PSE's Proposed Revenue Requirement

Ref #	Item	Revenue Requirement		
		Staff Recommended (a)	As-Filed (b)	Difference (c)
Rate Base				
14	Plant Balance	242,655,486	243,198,714	(543,228)
15	Accumulated Depreciation	(12,855,861)	(13,922,882)	1,067,022
16	Deffered Income Taxes	(3,987,232)	(3,877,235)	(109,997)
17	Total Net Plant in Rate Base	<u>225,812,393</u>	<u>225,398,596</u>	<u>413,797</u>
Deferrals				
20	Depreciation deferral balances (Account 182.3)	\$ 9,710,112	\$ 10,770,091	(1,059,980)
21	O&M deferral balance (Account 182.3)	8,879,094	8,879,094	-
22	Accum Amortization on Depreciation Deferral	(1,213,764)	(1,346,261)	132,497
23	Accum Amortization on O&M Deferral	(1,109,887)	(1,109,887)	-
24	ADFIT on Depreciation Deferral	(1,784,233)	(1,979,004)	194,771
25	ADFIT on O&M Deferral	(1,631,533)	(1,631,533)	-
26	Net deferral rate base	<u>\$ 12,849,788</u>	<u>\$ 13,582,499</u>	<u>(732,711)</u>
28	Total rate base	\$ 238,662,181	\$ 238,981,095	(318,914)
30	Approved Rate of Return	7.16%	7.16%	7.16%
31	Approved Weighted Average Cost of Debt	2.55%	2.55%	2.55%
32	Statutory Federal Income Tax Rate	21%	21%	21%
33	Return on rate base	\$ 17,088,212	\$ 17,111,046	(22,834)
Net Operating Income for:				
36	Operating and maintenance expenses (O&M)	\$ (4,244,175)	\$ (4,244,175)	-
37	Depreciation expense	(4,970,283)	(4,981,410)	11,127
38	Amortization of deferrals for return, depreciation and O&M	(6,887,249)	(10,823,501)	3,936,252
39	Tax Benefit of Interest (Line 21 x Line 24 x Line 25)	1,278,036	1,279,744	(1,708)
40	Total before revenue sensitive fees and taxes	<u>\$ 31,911,883</u>	<u>\$ 35,880,388</u>	<u>(3,968,505)</u>
42	Conversion Factor	<u>0.753221</u>	<u>0.753221</u>	-
43	Total revenue requirement	<u>\$ 42,367,224</u>	<u>\$ 47,635,937</u>	<u>(5,268,712)</u>