

**BEFORE THE**  
**WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION,	)	DOCKETS UE-220066, UG-220067, and
	)	UG-210918 ( <i>Consolidated</i> )
	)	
Complainant,	)	
	)	
v.	)	
	)	
PUGET SOUND ENERGY,	)	
	)	
Respondent.	)	
_____	)	
	)	
In the Matter of the Petition of	)	
	)	
PUGET SOUND ENERGY	)	
	)	
For an Order Authorizing Deferred Accounting	)	
Treatment for Puget Sound Energy’s Share of	)	
Costs Associated with the Tacoma LNG	)	
Facility.	)	
_____	)	

**EXHIBIT NO. BGM-7**  
**OPERATING EXPENSE ANALYSIS**

	PRO FORMA	FIVE-YEAR PLAN BUDGET			PSE PROPOSED ADJUSTMENT			% CHANGE		
	TEST YEAR	2023	2024	2025	2023	2024	2025	2023	2024	2025
<b>ELECTRIC</b>										
OTHER POWER SUPPLY EXPENSE	96,506,371	95,361,604	93,947,588	96,084,800	(1,144,767)	(1,414,016)	2,137,211	-1.19%	-1.48%	2.27%
TRANSMISSION EXPENSE	24,357,046	28,930,301	29,785,879	30,952,250	4,573,255	855,579	1,166,370	18.78%	2.96%	3.92%
DISTRIBUTION EXPENSE	92,344,074	98,359,664	101,235,660	105,221,516	6,015,591	2,875,995	3,985,856	6.51%	2.92%	3.94%
CUSTOMER ACCTS EXPENSES	49,375,130	52,580,011	53,787,136	54,523,039	3,204,881	1,207,125	735,903	6.49%	2.30%	1.37%
CUSTOMER SERVICE EXPENSES	4,365,526	11,215,057	12,183,565	14,816,141	6,849,532	968,507	2,632,577	156.90%	8.64%	21.61%
CONSERVATION AMORTIZATIONS	-	-	-	-	-	-	-	0.00%	0.00%	0.00%
ADMIN & GENERAL EXPENSE	138,927,849	196,959,259	205,099,694	212,695,259	58,031,410	8,140,435	7,595,566	41.77%	4.13%	3.70%
INCREMENTAL INCENTIVES	-	-	(215,565)	(4,572,559)	-	(215,565)	(4,356,993)	0.00%	n/a	2021.19%
<b>ELECTRIC TOTAL</b>	<b>405,875,995</b>	<b>483,405,897</b>	<b>495,823,956</b>	<b>509,720,447</b>	<b>77,529,902</b>	<b>12,418,059</b>	<b>13,896,491</b>	<b>19.10%</b>	<b>2.57%</b>	<b>2.80%</b>
<b>GAS</b>										
OTHER PRODUCTION EXPENSE	6,908,291	12,043,570	12,375,517	12,736,523	5,135,280	331,947	361,006	74.34%	2.76%	2.92%
TRANSMISSION EXPENSE	-	-	-	-	-	-	-	0.00%	0.00%	0.00%
DISTRIBUTION EXPENSE	61,436,912	70,393,300	72,570,733	75,541,195	8,956,387	2,177,433	2,970,463	14.58%	3.09%	4.09%
CUSTOMER ACCTS EXPENSES	24,322,340	27,257,437	27,985,256	28,433,278	2,935,097	727,819	448,022	12.07%	2.67%	1.60%
CUSTOMER SERVICE EXPENSES	2,625,749	2,473,796	2,523,332	2,569,095	(151,953)	49,536	45,763	-5.79%	2.00%	1.81%
CONSERVATION AMORTIZATIONS	-	-	-	-	-	-	-	0.00%	0.00%	0.00%
ADMIN & GENERAL EXPENSE	59,520,414	78,110,527	80,854,503	82,678,727	18,590,112	2,743,977	1,824,223	31.23%	3.51%	2.26%
INCREMENTAL INCENTIVES	-	-	(633,977)	(1,558,487)	-	(633,977)	(924,510)	0.00%	n/a	145.83%
<b>GAS TOTAL</b>	<b>154,813,706</b>	<b>190,278,630</b>	<b>195,675,364</b>	<b>200,400,331</b>	<b>35,464,923</b>	<b>5,396,734</b>	<b>4,724,967</b>	<b>22.91%</b>	<b>2.84%</b>	<b>2.41%</b>
<b>TOTAL COMPANY</b>										
OTHER PRODUCTION EXPENSE	103,414,661	107,405,174	106,323,106	108,821,323	3,990,513	(1,082,069)	2,498,217	3.86%	-1.01%	2.35%
TRANSMISSION EXPENSE	24,357,046	28,930,301	29,785,879	30,952,250	4,573,255	855,579	1,166,370	18.78%	2.96%	3.92%
DISTRIBUTION EXPENSE	153,780,986	168,752,964	173,806,392	180,762,711	14,971,978	5,053,428	6,956,319	9.74%	2.99%	4.00%
CUSTOMER ACCTS EXPENSES	73,697,470	79,837,448	81,772,392	82,956,317	6,139,978	1,934,944	1,183,926	8.33%	2.42%	1.45%
CUSTOMER SERVICE EXPENSES	6,991,275	13,688,854	14,706,897	17,385,236	6,697,579	1,018,043	2,678,340	95.80%	7.44%	18.21%
CONSERVATION AMORTIZATIONS	-	-	-	-	-	-	-	0.00%	0.00%	0.00%
ADMIN & GENERAL EXPENSE	198,448,263	275,069,786	285,954,197	295,373,986	76,621,522	10,884,411	9,419,789	38.61%	3.96%	3.29%
INCREMENTAL INCENTIVES	-	-	(849,543)	(6,131,046)	-	(849,543)	(5,281,503)	0.00%	n/a	621.69%
<b>TOTAL COMPANY TOTAL</b>	<b>560,689,701</b>	<b>673,684,527</b>	<b>691,499,320</b>	<b>710,120,778</b>	<b>112,994,825</b>	<b>17,814,793</b>	<b>18,621,458</b>	<b>20.15%</b>	<b>2.64%</b>	<b>2.69%</b>

	PRO FORMA	AWEC PROPOSED O&M			AWEC PROPOSED ADJUSTMENT			% CHANGE		
	TEST YEAR									
	2022	2023	2024	2025	2023	2024	2025	2023	2024	2025
<b>ELECTRIC</b>										
OTHER POWER SUPPLY EXPENSE	96,506,371	99,700,732	102,253,070	104,870,749	3,194,361	2,552,339	2,617,679	3.31%	2.56%	2.56%
TRANSMISSION EXPENSE	24,357,046	25,163,264	25,807,444	26,468,114	806,218	644,180	660,671	3.31%	2.56%	2.56%
DISTRIBUTION EXPENSE	92,344,074	95,400,662	97,842,919	100,347,698	3,056,589	2,442,257	2,504,779	3.31%	2.56%	2.56%
CUSTOMER ACCTS EXPENSES	49,375,130	51,009,447	52,315,289	53,654,560	1,634,317	1,305,842	1,339,271	3.31%	2.56%	2.56%
CUSTOMER SERVICE EXPENSES	4,365,526	4,510,025	4,625,481	4,743,893	144,499	115,457	118,412	3.31%	2.56%	2.56%
CONSERVATION AMORTIZATIO	-	-	-	-	-	-	-	3.31%	2.56%	2.56%
ADMIN & GENERAL EXPENSE	138,927,849	143,526,361	147,200,636	150,968,972	4,598,512	3,674,275	3,768,336	3.31%	2.56%	2.56%
<b>ELECTRIC TOTAL</b>	<b>405,875,995</b>	<b>419,310,490</b>	<b>430,044,839</b>	<b>441,053,987</b>	<b>13,434,495</b>	<b>10,734,349</b>	<b>11,009,148</b>	<b>3.31%</b>	<b>2.56%</b>	<b>2.56%</b>
<b>GAS</b>										
OTHER PRODUCTION EXPENSE	6,908,291	7,136,955	7,319,661	7,507,044	228,664	182,706	187,383	3.31%	2.56%	2.56%
TRANSMISSION EXPENSE	-	-	-	-	-	-	-	3.31%	2.56%	2.56%
DISTRIBUTION EXPENSE	61,436,912	63,470,474	65,095,318	66,761,758	2,033,562	1,624,844	1,666,440	3.31%	2.56%	2.56%
CUSTOMER ACCTS EXPENSES	24,322,340	25,127,409	25,770,671	26,430,400	805,069	643,262	659,729	3.31%	2.56%	2.56%
CUSTOMER SERVICE EXPENSES	2,625,749	2,712,662	2,782,106	2,853,328	86,912	69,444	71,222	3.31%	2.56%	2.56%
CONSERVATION AMORTIZATIO	-	-	-	-	-	-	-	3.31%	2.56%	2.56%
ADMIN & GENERAL EXPENSE	59,520,414	61,490,540	63,064,698	64,679,154	1,970,126	1,574,158	1,614,456	3.31%	2.56%	2.56%
<b>GAS TOTAL</b>	<b>154,813,706</b>	<b>159,938,040</b>	<b>164,032,454</b>	<b>168,231,685</b>	<b>5,124,334</b>	<b>4,094,414</b>	<b>4,199,231</b>	<b>3.31%</b>	<b>2.56%</b>	<b>2.56%</b>
<b>TOTAL COMPANY</b>										
OTHER PRODUCTION EXPENSE	103,414,661	106,837,687	109,572,731	112,377,793	3,423,025	2,735,045	2,805,062	3.31%	2.56%	2.56%
TRANSMISSION EXPENSE	24,357,046	25,163,264	25,807,444	26,468,114	806,218	644,180	660,671	3.31%	2.56%	2.56%
DISTRIBUTION EXPENSE	153,780,986	158,871,137	162,938,238	167,109,457	5,090,151	4,067,101	4,171,219	3.31%	2.56%	2.56%
CUSTOMER ACCTS EXPENSES	73,697,470	76,136,856	78,085,959	80,084,960	2,439,386	1,949,104	1,999,001	3.31%	2.56%	2.56%
CUSTOMER SERVICE EXPENSES	6,991,275	7,222,686	7,407,587	7,597,221	231,411	184,901	189,634	3.31%	2.56%	2.56%
CONSERVATION AMORTIZATIO	-	-	-	-	-	-	-	3.31%	2.56%	2.56%
ADMIN & GENERAL EXPENSE	198,448,263	205,016,901	210,265,334	215,648,126	6,568,638	5,248,433	5,382,793	3.31%	2.56%	2.56%
<b>TOTAL COMPANY TOTAL</b>	<b>560,689,701</b>	<b>579,248,530</b>	<b>594,077,293</b>	<b>609,285,671</b>	<b>18,558,829</b>	<b>14,828,762</b>	<b>15,208,379</b>	<b>3.31%</b>	<b>2.56%</b>	<b>2.56%</b>