

**Exh. DPK-3r
Dockets UE-240004,
UG-240005, UE-230810
Witness: Danny P. Kermode**

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

PUGET SOUND ENERGY,

Respondent.

**DOCKETS UE-240004,
UG-240005 and UE-230810
(Consolidated)**

EXHIBIT TO TESTIMONY OF

DANNY P. KERMODE

**ON BEHALF OF STAFF OF
WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION**

Electric Summary Schedules Staff Results - Proposed Trackers Included in Analysis

August 6, 2024

Revised August 14, 2024

**PUGET SOUND ENERGY - ELECTRIC
ELECTRIC RESULTS OF OPERATIONS
2024 GENERAL RATE CASE
12 MONTHS ENDED JUNE 30, 2023
GENERAL RATE INCREASE
includes Proposed Trackers**

LINE NO.	DESCRIPTION	2025 RATE YEAR 1	2026 RATE YEAR 2
1	RATE BASE	\$ 6,606,402,752	\$ 7,416,985,017
2	RATE OF RETURN	7.36%	7.37%
3			
4	OPERATING INCOME REQUIREMENT	486,231,243	546,631,796
5			
6	PRO FORMA OPERATING INCOME	82,495,385	(24,306,200)
7	OPERATING INCOME DEFICIENCY	403,735,857	570,937,996
8			
9	CONVERSION FACTOR	0.751313	0.751313
10	CUMULATIVE REVENUE CHANGE	\$ 537,373,714	\$ 759,920,294
11			
12	NET REVENUE CHANGE IN BASE RATES BY RATE YEAR	\$ 537,373,714	\$ 222,546,580
13			
14	CHANGES TO OTHER PRICE SCHEDULES FROM EXH. CTM-7		
15	CURRENT TARIFF RATES TRANSFERRED TO BASE RATES ABOVE:		
16	SCHEDULE 95 - 2020 PCORC		
17	SCHEDULE 95 - 2024 POWER COST UPDATE	\$ (161,629,358)	
18	SCHEDULE 141CEIP	(23,557,982)	
19	SCHEDULE 137	(142,890)	
20	SCH. 141N (RATES NOT SUBJ TO REF ADJ)	(160,864,693)	
21	SCH. 141R (RATES SUBJECT TO REF ADJ)	(152,840,009)	
22	NEW TARIFF RATES COSTS NOT INCLUDED IN BASE RATES DEFICIENCY:		
23	SCHEDULE 141CGR - CLEAN GENERATION RESOURCES	43,248,247	46,128,247
24	SCHEDULE 141WFP - WILDFIRE PREVENTION	21,005,123	6,789,958
25	SCHEDULE 141DCARB - DECARBONIZATION	7,673,452	-
26			
27			
28	SUBTOTAL CHANGES TO OTHER PRICE SCHEDULES	(427,108,110)	52,918,205
29			
30	NET REVENUE CHANGE AFTER TRACKERS AND RIDERS	\$ 110,265,604	\$ 275,464,785
31			
32			
33			
34			

PUGET SOUND ENERGY - ELECTRIC
ELECTRIC RESULTS OF OPERATIONS
2024 GENERAL RATE CASE
12 MONTHS ENDED JUNE 30, 2023
STAFF PROPOSED COST OF CAPITAL

LINE NO.	DESCRIPTION	CAPITAL STRUCTURE	COST	WEIGHTED COST
1	Restating through December 2023			
2	SHORT AND LONG TERM DEBT	50.93%	5.16%	2.63%
3	EQUITY	49.07%	9.40%	4.61%
4	TOTAL	100%		7.24%
5				
6	AFTER TAX SHORT TERM DEBT ((LINE 1)* 79%)	50.93%	4.08%	2.08%
7	EQUITY	49.07%	9.40%	4.61%
8	TOTAL AFTER TAX COST OF CAPITAL	100%		6.69%
9				
10	2025			
11	SHORT TERM DEBT	2.04%	5.07%	0.12%
12	LONG TERM DEBT	49.46%	5.27%	2.63%
13	WEIGHTED COST OF DEBT	51.50%		2.75%
14				
15	EQUITY	48.50%	9.50%	4.61%
16	TOTAL	100.0%		7.36%
17				
18				
19	2026			
20	SHORT TERM DEBT	1.18%	4.08%	0.06%
21	LONG TERM DEBT	50.32%	5.36%	2.71%
22	WEIGHTED COST OF DEBT	51.50%		2.77%
23				
24	EQUITY	48.50%	9.50%	4.61%
25	TOTAL	100.00%		7.37%
26				

**PUGET SOUND ENERGY - ELECTRIC
ELECTRIC RESULTS OF OPERATIONS
2024 GENERAL RATE CASE
12 MONTHS ENDED JUNE 30, 2023
REVENUE CONVERSION FACTOR**

LINE NO.	DESCRIPTION		
1	BAD DEBTS		0.006488
2	ANNUAL FILING FEE		0.004000
3	STATE UTILITY TAX (3.8483% - (LINE 1 * 3.8483%))	3.8734%	<u>0.038483</u>
4			
5	SUM OF TAXES OTHER		0.048971
6			
7	CONVERSION FACTOR EXCLUDING FEDERAL INCOME TAX (1 - LINE 6)		0.951029
8	FIT	21%	<u>0.199716</u>
9	CONVERSION FACTOR INCL FEDERAL INCOME TAX (LINE 7 - LINE 8)		<u><u>0.751313</u></u>

Exh. DPK-3r
UE-240004, UG-240005, UE-230810
With Trackers not included in Base Rates
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		AMA JUN 2023	EOP JUN 2023	EOP JUN 2023	EOP DEC 2023	EOP DEC 2023	EOP DEC 2024	EOP DEC 2024	AMA 2025	AMA DEC 2025	AMA 2026	AMA DEC 2026
		12ME JUNE 2023 TEST YEAR	RESTATING ADJUSTMENTS	RESTATED RESULTS OF OPERATIONS	TRADITIONAL PROFORMA ADJUSTMENTS	DEC 2023 ADJUSTED RESULTS OF OPERATIONS	2024 GAP YEAR ADJUSTMENTS	ADJUSTED RESULTS START OF YEAR 1	2025 RATE YEAR 1 ADJUSTMENTS	ADJUSTED RESULTS END OF RATE YEAR 1	2026 RATE YEAR 2 ADJUSTMENTS	ADJUSTED RESULTS END OF RATE YEAR 2
LINE	DESCRIPTION	c	d	e = c + d	f	g = c + f	h	i = g + h	j	k = i + j	l	m = k + l
14	OPERATING REVENUES											
15	SALES TO CUSTOMERS	\$ 2,655,527,874	\$ (260,804,368)	\$ 2,394,723,507	\$ (300,478,874)	\$ 2,094,244,633	\$ 14,181,030	\$ 2,108,425,664	\$ 9,749,529	\$ 2,118,175,193	\$ 22,389,081	\$ 2,140,564,274
16	SALES FROM RESALE-FIRM/SPECIAL CONTR	335,744	132,812	468,556	(34,111)	434,445	-	434,445	-	434,445	-	434,445
17	SALES TO OTHER UTILITIES	763,721,181	-	763,721,181	-	763,721,181	-	763,721,181	(257,319,991)	506,401,190	(225,575,930)	280,825,260
18	OTHER OPERATING REVENUES	149,493,302	(10,673,282)	138,820,020	43,573,286	182,393,306	(70,073)	182,323,234	6,868,397	189,191,630	(18,026,845)	171,164,785
19	TOTAL OPERATING REVENUES	\$ 3,569,078,101	\$ (271,344,837)	\$ 3,297,733,264	\$ (256,939,699)	\$ 3,040,793,565	\$ 14,110,958	\$ 3,054,904,523	\$ (240,702,065)	\$ 2,814,202,458	\$ (221,213,694)	\$ 2,592,988,764
20												
21	OPERATING REVENUE DEDUCTIONS:											
22												
23	POWER COSTS:											
24	FUEL	455,418,279	-	455,418,279	-	455,418,279	-	455,418,279	124,271,945	579,690,224	(1,041,915)	578,648,309
25	PURCHASED AND INTERCHANGED	1,350,026,211	(48,497,445)	1,301,528,766	54,209	1,301,582,975	22,553	1,301,605,528	(423,360,766)	878,244,762	(139,073,125)	739,171,638
26	WHEELING	161,536,441	-	161,536,441	-	161,536,441	-	161,536,441	931,161	162,467,602	(689,371)	161,778,231
27	RESIDENTIAL EXCHANGE	(77,573,435)	77,573,435	-	-	-	-	-	-	-	-	-
28	TOTAL PRODUCTION EXPENSES	1,889,407,497	29,075,989	1,918,483,486	54,209	1,918,537,695	22,553	1,918,560,248	(298,157,660)	1,620,402,588	(140,804,411)	1,479,598,177
29												
30	OTHER POWER SUPPLY EXPENSES	122,361,884	(26,935,262)	95,426,621	145,899	95,572,521	60,701	95,633,221	4,296,053	99,929,274	9,528,835	109,458,110
31	TRANSMISSION EXPENSE	25,498,629	522,026	26,020,656	77,981	26,098,637	32,444	26,131,080	5,866,673	31,997,753	4,016,576	36,014,329
32	DISTRIBUTION EXPENSE	103,169,980	1,228,201	104,398,181	238,126	104,636,307	99,071	104,735,378	15,612,675	120,348,053	6,717,844	127,065,897
33	CUSTOMER ACCTS EXPENSES	56,519,137	(2,215,432)	54,303,705	(1,601,055)	52,702,650	115,935	52,818,585	(10,531,489)	42,287,097	(452,205)	41,834,891
34	CUSTOMER SERVICE EXPENSES	52,218,524	(47,949,725)	4,268,799	15,474	4,284,273	8,674	4,292,947	(607,664)	3,685,283	115,535	3,800,818
35	CONSERVATION AMORTIZATION	102,976,391	(102,976,391)	-	-	-	-	-	-	-	-	-
36	ADMIN & GENERAL EXPENSE	166,863,451	5,142,121	172,005,572	(56,710)	171,948,863	174,512	172,123,375	6,147,754	178,271,129	9,156,545	187,427,674
37	DEPRECIATION	388,725,218	(23,259,313)	365,465,906	1,560,986	367,026,891	24,155,832	391,182,724	29,059,382	420,242,106	27,459,418	447,701,523
38	AMORTIZATION	77,431,123	(15,493,959)	61,937,164	1,073,456	63,010,620	15,575,228	78,585,848	12,669,069	91,254,917	19,581,352	110,836

PUGET SOUND ENERGY - NATURAL GAS
COMPARISION OF REVENUE AND RATE CHANGE
STAFF TO COMPANY
UG-240005

With Trackers not included in Base Rates

LINE	DESCRIPTION	AMA DEC 2025	AMA DEC 2026
1	Staff		
2			
3	Revenue Deficiency - Grossed Up	\$ 537,373,714	\$ 222,546,580
4	Rate schedules set to zero	(499,034,932)	-
5	Deficiencies for Trackers	71,926,822	52,918,205
6	Total Revenue Rate Change	<u>\$ 110,265,603</u>	<u>\$ 275,464,785</u>
7			
8			
9	PSE		
10	Company		Company
11	Revenue Deficiency - Grossed Up	584,376,758	\$ 259,901,924
12	Rate schedules set to zero	(499,034,932)	
13	Deficiencies for Trackers	106,876,213	25,266,288
14	Total Revenue Rate Change	<u>\$ 192,218,039</u>	<u>\$ 285,168,212</u>
15			
16	Difference		
17	Revenue Deficiency - Grossed Up	\$ (47,003,044)	\$ (37,355,344)
18	Rate schedules set to zero	-	-
19	Deficiencies for Trackers	(34,949,391)	27,651,917
20	Total Revenue Rate Change	<u>\$ (81,952,436)</u>	<u>\$ (9,703,427)</u>
21			
22			
23			
24			