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	R	2025 ATE YEAR 1	2026 RATE YEAR 2	
110.	DESCRIPTION			11/1	TE TEME
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					

323334

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

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

Exh. DPK-3r UE-240004, UG-240005, UE-230810 With Trackers not included in Pase Rates Tage 4 of S

		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
LIN	E DESCRIPTION	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 RATE 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
1.4	OPED ATTING DEVENING	с	d	e = c + d	f	g = e + f	h	i = g + h	j	k = i + j	1	m = k + 1
14	OPERATING REVENUES 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	3 14,161,030	434,445	3 9,749,329	434,445	22,369,061	434,445
17	SALES TO OTHER UTILITIES	763,721,181	132,012	763,721,181	(54,111)	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 22	OPERATING REVENUE DEDUCTIONS:											
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	OTHER BOWER GLIBBY V. SYSSESSES	100 000 000	(26.22.22	0= 100 000		0.000.000				00.000.00	0.440.000	100 100 1
30	OTHER POWER SUPPLY EXPENSES TRANSMISSION EXPENSE	122,361,884 25,498,629	(26,935,262) 522,026	95,426,621 26,020,656	145,899 77,981	95,572,521 26,098,637	60,701 32,444	95,633,221 26,131,080	4,296,053	99,929,274 31,997,753	9,528,835 4,016,576	109,458,110 36,014,329
32									5,866,673	120,348,053		
33	DISTRIBUTION EXPENSE CUSTOMER ACCTS EXPENSES	103,169,980 56,519,137	1,228,201 (2,215,432)	104,398,181 54,303,705	238,126 (1,601,055)	104,636,307 52,702,650	99,071 115,935	104,735,378 52,818,585	15,612,675 (10,531,489)	42,287,097	6,717,844 (452,205)	127,065,897 41,834,891
34	CUSTOMER ACCTS EXTENSES 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)	1,200,777	-	1,201,275	-	- 1,2,2,5 17	-	-	-	-
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	110,836,269
39	AMORTIZ OF PROPERTY GAIN/LOSS	27,712,466	6,532,622	34,245,088	-	34,245,088	-	34,245,088	(5,309,458)	28,935,631	(9,923,259)	19,012,372
40	OTHER OPERATING EXPENSES	(89,556,413)	111,033,266	21,476,853	3,387,453	24,864,305	(6,060,851)	18,803,455	23,948,533	42,751,987	(6,809,748)	35,942,239
41	TAXES OTHER THAN INCOME TAXES	267,182,421	(160,179,142)	107,003,279	(9,760,504)	97,242,774	577,826	97,820,601	(1,386,386)	96,434,215	2,420,401	98,854,616
42	INCOME TAXES	159,200,857	(88,401,095)	70,799,762	(55,799,349)	15,000,413	(6,797,457)	8,202,957	(6,630,717)	1,572,239	(34,858,947)	(33,286,708)
43	DEFERRED INCOME TAXES	(92,361,481)	48,944,521	(43,416,959)	(3,832,343)	(47,249,302)	1,299,233	(45,950,069)	(455,131)	(46,405,199)	(560,044)	(46,965,244)
44	TOTAL OPERATING EXPENSES	1,367,942,189	(294,007,562)	1,073,934,627	(64,550,587)	1,009,384,041	29,241,149	1,038,625,190	12,065,675	1,111,304,485	26,392,303	1,137,696,788
45 46	TOTAL OPERATING REV. DEDUCT.	3,257,349,686	(264,931,573)	2,992,418,114	(64,496,378)	2,927,921,736	29,263,702	2,957,185,438	(225,478,365)	2,731,707,073	(114,412,108)	2,617,294,964
47	NET OPERATING INCOME	\$ 311,728,415	\$ (6,413,265) \$	305,315,150	\$ (192,443,321)	\$ 112,871,830	\$ (15,152,745)	\$ 97,719,085	\$ (15,223,700)	\$ 82,495,385	\$ (106,801,586)	\$ (24,306,200)
48	ACTUAL DATE OF DETURN	5 500/		5.469/		1.050/		1.400/		1.250/		0.220/
49 50	ACTUAL RATE OF RETURN	5.58%		5.46%		1.85%		1.49%		1.25%		-0.33%
51	GROSS UTILITY PLANT IN SERVICE	\$ 11,825,124,793	\$ (632,016,687) \$	11,193,108,106	\$ 747,237,437	\$ 11,940,345,543		\$ 12,764,132,949	\$ 285,564,138	\$ 13,049,697,086	\$ 849,756,371	\$ 13,899,453,457
52	ACCUM DEPR AND AMORT	(5,578,520,719)	479,037,657	(5,099,483,061)	(281,870,849)	(5,381,353,910)	(369,607,442)	(5,750,961,352)	\$ (228,780,260)	(5,979,741,611)	(29,744,404)	(6,009,486,015)
53	DEFERRED DEBITS AND CREDITS	456,443,722	147,951,889	604,395,611	66,015,830	670,411,442	(34,141,797)	636,269,645	\$ (16,047,878)	620,221,767	(27,518,408)	592,703,359
54	DEFERRED TAXES	(1,224,323,797)	37,288,600	(1,187,035,196)	(12,896,721)	(1,199,931,917)	25,508,329	(1,174,423,588)	\$ 10,123,821	(1,164,299,767)	18,088,706	(1,146,211,061)
55	ALLOWANCE FOR WORKING CAPITAL	240,993,567	(18,474,762)	222,518,806	-	222,518,806	-	222,518,806	s -	222,518,806	-	222,518,806
56	OTHER	(135,953,118)	(6,040,412)	(141,993,530)	-	(141,993,530)	-	(141,993,530)	\$ -	(141,993,530)	-	(141,993,530)
57 58	TOTAL RATE BASE	\$ 5,583,764,450	\$ 7,746,286 \$	5,591,510,736	\$ 518,485,698	\$ 6,109,996,434	\$ 445,546,496	\$ 6,555,542,930	\$ 50,859,821	\$ 6,606,402,752	\$ 810,582,265	\$ 7,416,985,017
59												
60 61	STAFF RATE OF RETURN	7.36%	7.36%	7.36%	7.36%	7.36%	7.36%	7.36%	7.36%	7.36%	7.37%	7.37%
62	OPERATING INCOME (DEFICIENCY) SURPLU	(99,236,648)	(6,983,391)	(106,220,040)	(230,603,868)	(336,823,908)	(47,944,967)	(384,768,875)	(18,966,982)	(403,735,857)	(166,541,499)	(570,937,996)
63	CONVERSION FACTOR	0.751313	0.751313	0.751313	0.751313	0.751313	0.751313	0.751313	0.751313	0.751313	0.751313	0.751313
64	CONVERDIGITATION CONTRACTOR	0.731313	0.751515	0.751515	0.751515	0.751515	0.751515	0.731313	0.731313	0.751515	0.731313	0.751515
65	CUMULATIVE REVENUE CHANGE	\$ 132,084,295	\$ 9,294,916 \$	141,379,212	\$ 306,934,484	\$ 448,313,696	\$ 63,814,904	\$ 512,128,600	\$ 25,245,114	\$ 537,373,714	\$ 221,667,266	\$ 759,920,294
66	NET CHANCE TO DE MADE AT.								DEC OF DV 1	6 527 272 714	DEC OF DV 2	e 222 546 590
71 72	NET CHANGE TO BE MADE AT:						1		BEG OF RY 1 →	\$ 537,373,714	BEG OF RY 2 →	\$ 222,546,580
73	BASE RATES						İ					
74	TARGETED ELECTRIFICATION ACTIVITIES D	DEFERRAL					1			\$ 8,688,516		\$ (534,652)
75	REMAINING						ĺ			528,685,198		223,081,233
76	REVENUE CHANGE BEFORE RIDERS						1		Ī	537,373,714	1	222,546,580
77							İ					
78							ĺ					
79	CHANGES TO OTHER PRICE SCHEDULES						ĺ			(427,108,110)		52,918,205
80	NET BEVENUE OHANOS											
81	NET REVENUE CHANGE						1			\$ 110,265,603	1	\$ 275,464,785

PUGET SOUND ENERGY - NATURAL GAS COMPARISION OF REVENUE AND RATE CHANGE STAFF TO COMPANY UG-240005 Exh. DPK 3r UE-240004, UG-240005, UE-230810 Page 5 of 5

With Trackers not included in Base Rates

LINE	DESCRIPTION	AMA DEC 2025	AMA DEC 2026		
1	G. M				
$\frac{1}{2}$	Staff				
2		Ф 527.272.71A	Ф	222 546 500	
3	Revenue Deficiency - Grossed Up		\$	222,546,580	
4	Rate schedules set to zero	(499,034,932)		<u>-</u>	
5	Deficiencies for Trackers	71,926,822		52,918,205	
6	Total Revenue Rate Change	\$ 110,265,603	\$	275,464,785	
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		\$	285,168,212	
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			(9,703,427)	
21	=	(01,502,100)		(3,700,127)	
21 22					
23					
24					