

Puget Sound Energy, Inc.

**Impact of \$5.3 Million Investment in Maloney Ridge Line
to Total Utility Revenue Requirement**

Line	Description	Revenue Requirement	
		Total Company (1)	Distribution Only (2)
1	PSE Annual Maloney Ridge Line Levelized Life Revenue Requirement ¹	\$ 1,145,169	\$ 1,145,169
2	Less: O&M Expense ¹	\$ 547,560	\$ 547,560
3	Annual ML Revenue Requirement Excluding O&M ²	\$ 597,609	\$ 597,609
4	PSE Revenue Requirement ³	\$ 2,041,650,653	\$ 878,642,701
5	PSE Revenue Requirement Increase	0.03%	0.07%

Sources

- ¹ Adjusted Attachment B to PSE's Response to Petitioners Data Request No. 001 to reflect \$5.3 Million investment cost.
- ² Row 1 - Row 2
- ³ Attachment A to PSE's Response to Petitioners Data Request No. 007.

Puget Sound Energy, Inc.

**Impact of \$5.3 Million Investment in Maloney Ridge Line
to Rate Schedule 24 Tariff Rate Revenue**

Line	Description	Revenue Requirement		With Corrected Revenue Requirement
		Total Company (1)	Distribution Only (2)	
1	PSE Annual Maloney Ridge Line Levelized Life Revenue Requirement	\$ 1,145,169	\$ 1,145,169	\$ 1,376,871
2	Less: Maloney Ridge Line O&M Expense ¹	\$ 547,560	\$ 547,560	\$ 547,560
3	Annual ML Level Life Rev. Req Excluding O&M ²	\$ 597,609	\$ 597,609	\$ 829,311
4	Schedule 24 Total Tariff Rate Revenue Requirement ³	\$ 245,829,144	\$ 104,566,514	\$ 104,566,514
5	Schedule 24 Revenue Requirement Increase	0.2%	0.6%	0.8%

Sources

- ¹ Adjusted Attachment B to PSE's Response to Petitioners Data Request No. 001 to reflect \$5.3 Million investment cost.
- ² Row 1 - Row 2
- ³ Attachment A to PSE's Response to Petitioners Data Request No. 007.

Puget Sound Energy, Inc.
Adjusted Levelized Revenue Requirement

Capital Structure

	<u>Structure</u>	<u>Cost</u>	<u>WACC</u>
Long Term Debt	48%	6.22%	2.99%
Conservation Trust	0%	7.13%	0.00%
Short Term Debt	4%	2.68%	0.11%
Capital Trust	0%	8.58%	0.00%
Preferred	0%	8.51%	0.00%
Common	48%	9.80%	4.70%
Total	100%		7.80%

After-Tax Cost of Capital 6.71%

	2012	2013	2014	2015	2016	2017	2018	2019
Regulated Revenues	0	1,376,871	1,354,343	1,322,756	1,293,081	1,265,118	1,238,725	1,213,721
Unregulated Revenues	0	0	0	0	0	0	0	0
Capital Investments	0	4,916,658	0	0	0	0	0	0
NPV	0	(4,438,540)	555,833	490,279	433,116	382,909	339,093	304,175

Present Value Revenue Requirement	\$ 13,143,219	30 Years
Present Value of Unregulated Revenues	-	30 Years
Present Value of Total Revenues	\$ 13,143,219	

Levelized Revenue Requirement (Reg) **\$ 1,145,169** 30 Years

Levelized Revenue Requirement (UnR) - 30 Years

PV (WACC) of Capitalized Investment \$ 4,916,658 30 Years

Capital Recovery Factor (Reg) 8.71%

Capital Recovery Factor (UnR) 0.00%

Levelized Fixed Charge Rate (Reg) 23.29%

Levelized Fixed Charge Rate (UnR) 0.00%

Net Present Value of Cash Flows \$ 316,026 30 Years

Present Value of Capital Expenditures \$ 4,654,044

