

**BEFORE THE WASHINGTON  
UTILITIES & TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION,

Complainant,

v.

PUGET SOUND ENERGY

Respondent.

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DOCKETS UE-220066, UG-220067, and UG-210918 (*Consolidated*)

**ANDREA C. CRANE  
ON BEHALF OF THE  
WASHINGTON STATE OFFICE OF THE ATTORNEY GENERAL  
PUBLIC COUNSEL UNIT**

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**EXHIBIT ACC-3**

Puget Sound Energy Response to WUTC Staff Data Request No. 99 with Excerpted Attachment A (Workpaper SEF-3E-8G-ConversationFactor, Tabs 4.01E and 4.01G)

**July 28, 2022**

**BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION****Dockets UE-220066 & UG-220067  
Puget Sound Energy  
2022 General Rate Case****WUTC STAFF DATA REQUEST NO. 099:**

REQUESTED BY: Betty Erdahl

**Re: Revenue Requirement Model**

Please provide updated revenue requirement models for both electric and gas operations reflecting the change to PSE's UTC regulatory fee as a result of SB 5634.

**Response:**

Attached as Attachment A to Puget Sound Energy's ("PSE") Response to WUTC Staff Data Request No. 99 is an electronic file folder with a new set of work papers for the revenue requirement witness, Susan E. Free, that utilizes the updated UTC regulatory fee of 0.4 percent that was approved in Senate Bill 5634 (2022) and signed into law by the Governor on March 24, 2022. As was discussed in the Prefiled Direct Testimony of Ms. Free, Exh. SEF-1T page 72:13–19, PSE made the following changes to both the electric and gas models:

1. Made an adjustment to increase the test year level of UTC filing fee expense included in the revenue requirement calculation from a level that was based on 0.2 percent of revenues to the newly approved level of 0.4 percent. This change also incorporated the incremental increase in the filing fee expense for all post-test year adjustments made to revenues to which the filing fee applies.
2. Changed the UTC filing fee utilized in the conversion factor from 0.2 percent to 0.4 percent.

The impact on electric and natural gas deficiencies for the above changes is provided in the table below:

Description	Net Revenue Changes								
	2023			2024			2025		
	Electric	Gas	Combined	Electric	Gas	Combined	Electric	Gas	Combined
Adjust Filing Fee Expense	\$4.5	\$1.1	\$5.6	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Update Conversion Factor	0.7	0.3	1.0	0.1	0.1	0.2	-	-	-
Total Change in Staff DR 99	\$5.2	\$1.4	\$6.6	\$0.2	\$0.1	\$0.3	\$0.0	\$0.0	\$0.0

# **ATTACHMENT A to PSE's Response to WUTC Staff Data Request No. 099**

**PUGET SOUND ENERGY-ELECTRIC  
CONVERSION FACTOR  
FOR THE TWELVE MONTHS ENDED JUNE 30, 2021  
2022 GENERAL RATE CASE**

LINE NO.	DESCRIPTION	%'s	RATE
1	BAD DEBTS		0.007197
2	ANNUAL FILING FEE		0.004000
3	STATE UTILITY TAX - NET OF BAD DEBTS ( 3.8734% - ( LINE 1 * 3.8734% ) )	3.8734%	<u>0.038455</u>
4			
5	SUM OF TAXES OTHER		0.049652
6			
7	CONVERSION FACTOR EXCLUDING FEDERAL INCOME TAX ( 1 - LINE 5)		0.950348
8	FEDERAL INCOME TAX	21%	0.199573
9	CONVERSION FACTOR INCL FEDERAL INCOME TAX ( LINE 5 + LINE 8 )		<u>0.750775</u>

**PUGET SOUND ENERGY-GAS  
CONVERSION FACTOR  
FOR THE TWELVE MONTHS ENDED JUNE 30, 2021  
2022 GENERAL RATE CASE**

LINE NO.	DESCRIPTION	%'s	RATE
1	BAD DEBTS		0.004198
2	ANNUAL FILING FEE		0.004000
3	STATE UTILITY TAX - NET OF BAD DEBTS ( 3.852% - ( LINE 1 * 3.852% ) )	3.8520%	<u>0.038358</u>
4			
5	SUM OF TAXES OTHER		0.046556
6			
7	CONVERSION FACTOR EXCLUDING FEDERAL INCOME TAX ( 1 - LINE 5 )		0.953444
8	FEDERAL INCOME TAX	21%	0.200223
9	CONVERSION FACTOR INCL FEDERAL INCOME TAX ( LINE 5 + LINE 8 )		<span style="border: 1px solid black;">0.753221</span>