

**EXH. AEB-35  
DOCKETS UE-240004/UG-240005 et al.  
2024 PSE GENERAL RATE CASE  
WITNESS: ANN E. BULKLEY**

**BEFORE THE  
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION,**

**Complainant,**

**v.**

**PUGET SOUND ENERGY,**

**Respondent.**

**Docket UE-240004  
Docket UG-240005  
(consolidated)**

**In the Matter of the Petition of**

**PUGET SOUND ENERGY**

**For an Accounting Order Authorizing  
deferred accounting treatment of  
purchased power agreement expenses  
pursuant to RCW 80.28.410**

**Docket UE 230810  
(consolidated)**

**SIXTEENTH EXHIBIT (NONCONFIDENTIAL) TO THE  
PREFILED REBUTTAL TESTIMONY OF**

**ANN E. BULKLEY**

**ON BEHALF OF PUGET SOUND ENERGY**

**SEPTEMBER 18, 2024**

**Dr. Kaufman's CAPM Analysis**

Current Risk-Free Rate, Bloomberg Betas, and  
Dr. Kaufman's "Adjusted" Market Return

Company	Ticker	[1]	[2]	[3]	[4]	[5]	[6]
		Current 30-Day Average of 30-Year Treasury Bond Yield	Beta	Kaufman "Adjusted" Market Return	Market Risk Premium	Cost of Equity	
						CAPM	ECAPM
NiSource Inc.	NI	4.77%	0.81	11.58%	6.81%	10.30%	10.62%
ALLETE, Inc.	ALE	4.77%	0.83	11.58%	6.81%	10.39%	10.69%
Alliant Energy Corporation	LNT	4.77%	0.79	11.58%	6.81%	10.15%	10.50%
Ameren Corporation	AEE	4.77%	0.75	11.58%	6.81%	9.88%	10.30%
American Electric Power Company, Inc.	AEP	4.77%	0.76	11.58%	6.81%	9.92%	10.33%
Avista Corporation	AVA	4.77%	0.76	11.58%	6.81%	9.96%	10.36%
Black Hills Corporation	BKH	4.77%	0.90	11.58%	6.81%	10.91%	11.08%
CMS Energy Corporation	CMS	4.77%	0.75	11.58%	6.81%	9.86%	10.29%
Duke Energy Corporation	DUK	4.77%	0.72	11.58%	6.81%	9.64%	10.13%
Energy Corporation	ETR	4.77%	0.86	11.58%	6.81%	10.62%	10.86%
Energy, Inc.	EVRG	4.77%	0.78	11.58%	6.81%	10.09%	10.46%
IDACORP, Inc.	IDA	4.77%	0.80	11.58%	6.81%	10.21%	10.55%
MGE Energy, Inc.	MGEE	4.77%	0.68	11.58%	6.81%	9.42%	9.96%
NextEra Energy, Inc.	NEE	4.77%	0.81	11.58%	6.81%	10.31%	10.63%
NorthWestern Corporation	NWE	4.77%	0.87	11.58%	6.81%	10.68%	10.90%
OGE Energy Corporation	OGE	4.77%	0.92	11.58%	6.81%	11.00%	11.15%
Pinnacle West Capital Corporation	PNW	4.77%	0.82	11.58%	6.81%	10.35%	10.65%
Portland General Electric Company	POR	4.77%	0.79	11.58%	6.81%	10.15%	10.51%
Southern Company	SO	4.77%	0.77	11.58%	6.81%	10.05%	10.43%
Wisconsin Energy Corporation	WEC	4.77%	0.73	11.58%	6.81%	9.75%	10.21%
Xcel Energy Inc.	XEL	4.77%	0.74	11.58%	6.81%	9.79%	10.24%
	<b>Mean</b>					<b>10.16%</b>	<b>10.52%</b>
	<b>Median</b>					<b>10.15%</b>	<b>10.50%</b>

## Notes:

[1] Bloomberg Professional, as of November 30, 2023

[2] Bloomberg Professional, based on 10-year weekly returns

[3] Kaufman Testimony, at 62

[4] Equals [3] - [1]

[5] Equals [1] + [2] x [4]

[6] Equals [1] + 0.25 x ([4]) + 0.75 x ([2] x [4])

**Dr. Kaufman's CAPM Analysis**

Near Term Risk-Free Rate, Bloomberg Betas, and  
Dr. Kaufman's "Adjusted" Market Return

Company	Ticker	[1]	[2]	[3]	[4]	[5]	[6]
		Near Term Projected 30-Year Treasury Bond Yield	Beta	Kaufman "Adjusted" Market Return	Market Risk Premium	Cost of Equity	
						CAPM	ECAPM
NiSource Inc.	NI	4.48%	0.81	11.58%	7.10%	10.25%	10.58%
ALLETE, Inc.	ALE	4.48%	0.83	11.58%	7.10%	10.34%	10.65%
Alliant Energy Corporation	LNT	4.48%	0.79	11.58%	7.10%	10.08%	10.46%
Ameren Corporation	AEE	4.48%	0.75	11.58%	7.10%	9.80%	10.25%
American Electric Power Company, Inc.	AEP	4.48%	0.76	11.58%	7.10%	9.84%	10.28%
Avista Corporation	AVA	4.48%	0.76	11.58%	7.10%	9.89%	10.31%
Black Hills Corporation	BKH	4.48%	0.90	11.58%	7.10%	10.88%	11.05%
CMS Energy Corporation	CMS	4.48%	0.75	11.58%	7.10%	9.78%	10.23%
Duke Energy Corporation	DUK	4.48%	0.72	11.58%	7.10%	9.56%	10.06%
Energy Corporation	ETR	4.48%	0.86	11.58%	7.10%	10.58%	10.83%
Energy, Inc.	EVRG	4.48%	0.78	11.58%	7.10%	10.02%	10.41%
IDACORP, Inc.	IDA	4.48%	0.80	11.58%	7.10%	10.15%	10.51%
MGE Energy, Inc.	MGEE	4.48%	0.68	11.58%	7.10%	9.32%	9.89%
NextEra Energy, Inc.	NEE	4.48%	0.81	11.58%	7.10%	10.25%	10.58%
NorthWestern Corporation	NWE	4.48%	0.87	11.58%	7.10%	10.64%	10.87%
OGE Energy Corporation	OGE	4.48%	0.92	11.58%	7.10%	10.98%	11.13%
Pinnacle West Capital Corporation	PNW	4.48%	0.82	11.58%	7.10%	10.29%	10.61%
Portland General Electric Company	POR	4.48%	0.79	11.58%	7.10%	10.09%	10.46%
Southern Company	SO	4.48%	0.77	11.58%	7.10%	9.98%	10.38%
Wisconsin Energy Corporation	WEC	4.48%	0.73	11.58%	7.10%	9.67%	10.15%
Xcel Energy Inc.	XEL	4.48%	0.74	11.58%	7.10%	9.71%	10.18%
	<b>Mean</b>					<b>10.10%</b>	<b>10.47%</b>
	<b>Median</b>					<b>10.08%</b>	<b>10.46%</b>

## Notes:

[1] Blue Chip Financial Forecasts, Vol. 42, No. 12, December 1, 2023, at 2

[2] Bloomberg Professional, based on 10-year weekly returns

[3] Kaufman Testimony, at 62

[4] Equals [3] - [1]

[5] Equals [1] + [2] x [4]

[6] Equals [1] + 0.25 x ([4]) + 0.75 x ([2] x [4])

### Dr. Kaufman's CAPM Analysis

Long Term Risk-Free Rate, Bloomberg Betas, and  
Dr. Kaufman's "Adjusted" Market Return

Company	Ticker	[1]	[2]	[3]	[4]	[5]	[6]
		Long Term Projected 30-Year Treasury Bond Yield	Beta	Kaufman "Adjusted" Market Return	Market Risk Premium	Cost of Equity	
						CAPM	ECAPM
NiSource Inc.	NI	4.10%	0.81	11.58%	7.48%	10.18%	10.53%
ALLETE, Inc.	ALE	4.10%	0.83	11.58%	7.48%	10.27%	10.60%
Alliant Energy Corporation	LNT	4.10%	0.79	11.58%	7.48%	10.00%	10.40%
Ameren Corporation	AEE	4.10%	0.75	11.58%	7.48%	9.71%	10.18%
American Electric Power Company, Inc.	AEP	4.10%	0.76	11.58%	7.48%	9.75%	10.21%
Avista Corporation	AVA	4.10%	0.76	11.58%	7.48%	9.79%	10.24%
Black Hills Corporation	BKH	4.10%	0.90	11.58%	7.48%	10.84%	11.03%
CMS Energy Corporation	CMS	4.10%	0.75	11.58%	7.48%	9.68%	10.16%
Duke Energy Corporation	DUK	4.10%	0.72	11.58%	7.48%	9.45%	9.98%
Energy Corporation	ETR	4.10%	0.86	11.58%	7.48%	10.52%	10.79%
Energy, Inc.	EVRG	4.10%	0.78	11.58%	7.48%	9.94%	10.35%
IDACORP, Inc.	IDA	4.10%	0.80	11.58%	7.48%	10.07%	10.45%
MGE Energy, Inc.	MGEE	4.10%	0.68	11.58%	7.48%	9.20%	9.80%
NextEra Energy, Inc.	NEE	4.10%	0.81	11.58%	7.48%	10.18%	10.53%
NorthWestern Corporation	NWE	4.10%	0.87	11.58%	7.48%	10.59%	10.83%
OGE Energy Corporation	OGE	4.10%	0.92	11.58%	7.48%	10.95%	11.10%
Pinnacle West Capital Corporation	PNW	4.10%	0.82	11.58%	7.48%	10.22%	10.56%
Portland General Electric Company	POR	4.10%	0.79	11.58%	7.48%	10.01%	10.40%
Southern Company	SO	4.10%	0.77	11.58%	7.48%	9.89%	10.32%
Wisconsin Energy Corporation	WEC	4.10%	0.73	11.58%	7.48%	9.57%	10.07%
Xcel Energy Inc.	XEL	4.10%	0.74	11.58%	7.48%	9.61%	10.10%
	<b>Mean</b>					<b>10.02%</b>	<b>10.41%</b>
	<b>Median</b>					<b>10.00%</b>	<b>10.40%</b>

Notes:

[1] Blue Chip Financial Forecasts, Vol. 42, No. 12, December 1, 2023, at 14

[2] Bloomberg Professional, based on 10-year weekly returns

[3] Kaufman Testimony, at 62

[4] Equals [3] - [1]

[5] Equals [1] + [2] x [4]

[6] Equals [1] + 0.25 x ([4]) + 0.75 x ([2] x [4])