

**EXH. AEB-36
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)**

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

ANN E. BULKLEY

ON BEHALF OF PUGET SOUND ENERGY

SEPTEMBER 18, 2024

Mr. Parcell's Risk Premium Analysis

As Filed

	Notes	2012 - 2019 Period		2012 - 2023 Period	
		Low	High	Low	High
Risk Premium Range	[1]	4.84%	5.01%	5.04%	5.10%
Current level of Baa-rated Utility bonds	[2]	5.92%	5.92%	5.92%	5.92%
Interest Rate Range	[3]	4.45%	5.17%	3.28%	5.54%
Difference in Interest Rate Levels	[4]	1.47%	0.75%	2.64%	0.38%
Relationship between Interest Rates and Risk Premiums	[5]	-0.576	-0.576	-0.576	-0.576
Required change in Risk Premium	[6]	-0.85%	-0.43%	-1.52%	-0.22%
Risk Premium	[7]	3.99%	4.58%	3.52%	4.88%
Risk Premium Result		9.91%	10.50%	9.44%	10.80%

Notes:

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- [1] Exh. DCP-15, at 2.
 - [2] Exh. DCP-4, at 2 (Average yield on Baa-rated utility bonds for three-month period March - May 2024)
 - [3] Exh. DCP-15, at 2.
 - [4] Equals [2] - [3]
 - [5] Exh. AEB-9, at 4.
 - [6] Equals [4] x [5]
 - [7] Equals [1] + [6]
 - [8] Equals [2] + [7]

Mr. Parcell's Risk Premium Analysis

Updated Moody's Baa Utility Bond Yield & Adjusted Interest Rate Range

	Notes	2012 - 2019 Period		2012 - 2023 Period	
		Low	High	Low	High
Risk Premium Range	[1]	4.84%	5.01%	5.04%	5.10%
Current level of Baa-rated Utility bonds	[2]	5.94%	5.94%	5.94%	5.94%
Historical Interest Rates	[3]	4.87%	4.70%	4.60%	4.54%
Difference in Interest Rate Levels	[4]	1.07%	1.24%	1.34%	1.40%
Relationship between Interest Rates and Risk Premiums	[5]	-0.576	-0.576	-0.576	-0.576
Required change in Risk Premium	[6]	-0.62%	-0.71%	-0.77%	-0.81%
Risk Premium	[7]	4.22%	4.30%	4.27%	4.29%
Risk Premium Result		10.16%	10.24%	10.21%	10.23%

Notes:

- [1] Exh. DCP-15, at 2.
[2] Exh. DCP-4, at 2 for April and May & Bloomberg Professional for June (Average yield on Baa-rated utility bonds for three-month period April - June, 2024)
[3] Exh. DCP-15, at 2. (Selected interest rates that corresponded to the Risk Premia shown in [1])
[4] Equals [2] - [3]
[5] Exh. AEB-9, at 4.
[6] Equals [4] x [5]
[7] Equals [1] + [6]
[8] Equals [2] + [7]

BAA-rated Utility Bond Yield

Month	Rate
Apr-24	6.01%
May-24	5.97%
June 24	5.84%
Average	5.94%