

**EXH. SEF-38
DOCKETS UE-240004/UG-240005 et al.
2024 PSE GENERAL RATE CASE
WITNESS: SUSAN E. FREE**

**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)**

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

SUSAN E. FREE

ON BEHALF OF PUGET SOUND ENERGY

SEPTEMBER 18, 2024

Exhibit A-1 Power Cost Baseline Rate 24GRC Rate Year 1 - 2025

Row	<u>AMA Rate Year 1</u>		Test Yr		Fixed	Variable
			\$/MWh		Prod Costs In Decoupling	Prod Costs in PCA
9A	(I)	(II)	(III)	(IV)	(V)	
3	Regulatory Assets	\$ 95,697,188				
4	Transmission Rate Base	66,912,595				
5	Production Rate Base	1,372,497,740				
6	Net Rate Base for Exh. A-1	\$ 1,535,107,523				
7	Net of tax rate of return	7.09%				
10	Fixed Asset Return Reg Assets (on Row 3)	\$ 8,588,520	\$ 0.418	F	\$ 8,588,520	
10a	Return on CETA DR PPAs	1,271,326	\$ 0.062	V		1,271,326
10b	Equity Adder Centralia Coal Transition PPA	3,232,440	\$ 0.157	V		3,232,440
11	Fixed Asset Return Transmission (on Row 4)	6,005,194	\$ 0.292	F	6,005,194	
12	Fixed Asset Return Production (on Row 5)	123,177,329	\$ 5.998	F	123,177,329	
13	501-Steam Fuel Incl Reg Amort	53,697,584	\$ 2.615	V		53,697,584
14	555-Purchased power Incl Reg Amort	1,056,961,751	\$ 51.465	V		1,056,961,751
14a	CETA DR PPAs	16,618,234	\$ 0.809	V		16,618,234
15	557-Other Power Exp	19,751,769	\$ 0.962	F	19,751,769	
15a	Payroll Overheads - Benefits	12,407,910	\$ 0.604	F	12,407,910	
15b	Property Insurance (A&G)	5,221,602	\$ 0.254	F	5,221,602	
15c	Montana Electric Energy Tax	in tracker	in tracker	V		
15d	Payroll Taxes on Production Wages	2,756,202	\$ 0.134	F	2,756,202	
15e	Brokerage Fees #55700003	439,744	\$ 0.021	V		439,744
16	547-Fuel Incl Reg Amort	468,952,601	\$ 22.834	V		468,952,601
17	565-Wheeling Incl Reg Amort	178,866,167	\$ 8.709	V		178,866,167
18	456-1 OATT Transmission Income	(7,026,151)	\$ (0.342)	F	(7,026,151)	
19	Production O&M	113,560,880	\$ 5.529	F	113,560,880	
20	447-Sales to Others	(516,269,299)	\$ (25.138)	V		(516,269,299)
21	456-Purch/Sales Non-Core Gas	(116,234,415)	\$ (5.660)	V		(116,234,415)
22	Transmission Exp - 500KV	802,102	\$ 0.039	F	802,102	
23	Depreciation-Production (FERC 403)	147,487,493	\$ 7.181	F	147,487,493	
24	Depreciation-Transmission	3,361,571	\$ 0.164	F	3,361,571	
25	Amortization - Reg Assets - Non PC Only	1,674,028	\$ 0.082	F	1,674,028	
27	Subtotal & Baseline Rate	\$ 1,585,304,583	\$ 77.189		\$ 437,768,450	\$ 1,147,536,133
28	Revenue Sensitive Items	0.950029			0.950029	0.950029
29	Grossed up for RSI	\$ 1,668,690,727			\$ 460,794,829	\$ 1,207,895,899
30	Rate Year Delivered MWh's (Excl Gr Direct)	20,537,347				
31		For PCA Mechanism				
32		<u>Before Rev.</u>	<u>After Rev.</u>			
33		<u>Sensitive Items</u>	<u>Sensitive Items</u>			
34		<u>Rev Req (Column (II))</u>				
35	Power Cost Baseline Rate	\$ 77.189	\$ 81.249			
36	Fixed Production Costs	\$ 21.315	\$ 22.436			
37	Variable Production Costs	\$ 55.874	\$ 58.813			
38	Power Cost Baseline Rate	\$ 77.189	\$ 81.249			
39		\$ -	\$ (0)			

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Note: Amounts in bold and italics are different from February 15, 2024 Original filing

**Exhibit A-1 Power Cost Baseline Rate
24GRC Rate Year 2 - 2026**

Row	<u>AMA Rate Year 2</u>		Test Yr		Fixed	Variable
			\$/MWh		Prod Costs	Prod Costs
					In Decoupling	in PCA
9A	(I)	(II)	(III)	(IV)	(V)	
3	Regulatory Assets	\$ 82,502,919				
4	Transmission Rate Base	63,899,762				
5	Production Rate Base	1,612,344,362				
6	Net Rate Base for Exh. A-1	\$ 1,758,747,043				
7	Net of tax rate of return	7.44%				
10	Fixed Asset Return Reg Assets (on Row 3)	\$ 7,769,895	\$ 0.374	F	\$ 7,769,895	
10a	Return on CETA DR PPAs	1,364,913	\$ 0.066	V		1,364,913
10b	Equity Adder Centralia Coal Transition PPA	-	\$ -	V		-
11	Fixed Asset Return Transmission (on Row 4)	6,017,902	\$ 0.290	F	6,017,902	
12	Fixed Asset Return Production (on Row 5)	151,846,102	\$ 7.315	F	151,846,102	
13	501-Steam Fuel Incl Reg Amort	-	\$ -	V		-
14	555-Purchased power Incl Reg Amort	850,369,724	\$ 40.967	V		850,369,724
14a	CETA DR PPAs	17,082,769	\$ 0.823	V		17,082,769
15	557-Other Power Exp	20,714,453	\$ 0.998	F	20,714,453	
15a	Payroll Overheads - Benefits	12,872,066	\$ 0.620	F	12,872,066	
15b	Property Insurance	5,221,602	\$ 0.252	F	5,221,602	
15c	Montana Electric Energy Tax	in tracker	in tracker	V		
15d	Payroll Taxes on Production Wages	2,861,756	\$ 0.138	F	2,861,756	
15e	Brokerage Fees #55700003	450,298	\$ 0.022	V		450,298
16	547-Fuel Incl Reg Amort	546,075,060	\$ 26.308	V		546,075,060
17	565-Wheeling Incl Reg Amort	183,209,987	\$ 8.826	V		183,209,987
18	456-1 OATT Transmission Income	(7,271,660)	\$ (0.350)	F	(7,271,660)	
19	Production O&M	123,362,348	\$ 5.943	F	123,362,348	
20	447-Sales to Others	(320,035,436)	\$ (15.418)	V		(320,035,436)
21	456-Purch/Sales Non-Core Gas	(108,411,528)	\$ (5.223)	V		(108,411,528)
22	Transmission Exp - 500KV	808,856	\$ 0.039	F	808,856	
23	Depreciation-Production (FERC 403)	177,283,878	\$ 8.541	F	177,283,878	
24	Depreciation-Transmission	3,361,571	\$ 0.162	F	3,361,571	
25	Amortization - Reg Assets - Non PC Only	1,119,005	\$ 0.054	F	1,119,005	
27	Subtotal & Baseline Rate	\$ 1,676,073,561	\$ 80.747		\$ 505,967,773	\$ 1,170,105,787
28	Revenue Sensitive Items	0.9500290			0.950029	0.950029
29	Grossed up for RSI	\$ 1,764,234,103			\$ 532,581,399	\$ 1,231,652,705
30	Rate Year Delivered MWh's (Excl Gr Direct)	20,757,313				
31		For PCA Mechanism				
32		<u>Before Rev.</u>	<u>After Rev.</u>			
33		<u>Sensitive Items</u>	<u>Sensitive Items</u>			
34		<u>Rev Req (Column (II))</u>				
35	Power Cost Baseline Rate	\$ 80.747	\$ 84.994			
36	Fixed Production Costs	\$ 24.376	\$ 25.658			
37	Variable Production Costs	\$ 56.371	\$ 59.336			
38	Power Cost Baseline Rate	\$ 80.747	\$ 84.994			
		\$ -	\$ (0)			

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