

**EXH. SEF-40  
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)**

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

**SUSAN E. FREE**

**ON BEHALF OF PUGET SOUND ENERGY**

**SEPTEMBER 18, 2024**

**Summary of Requested O&M**

<b>Row</b>	<b>Description</b>	<b>2025</b>	<b>2026</b>
a	Board approved target	<b>\$ 848,000,000</b>	<b>\$ 876,000,000</b>
b			
c	Add: Incremental Wildfire Costs	3,329,579	3,819,757
d	Add: Phase 2 Decarb Study Costs	10,600,000	11,700,000
e	Add: Participatory Funding	-	-
f	Add: LTIP	966,856	1,000,696
g	Total Approved Plan as Adjusted	<b>\$ 862,896,435</b>	<b>\$ 892,520,453</b>
h	Remove Non-Utility/Non-Rate Case (Puget LNG, Low Income Amort, Green Power)	(72,755,380)	(71,199,304)
i	Remove Items Recovered Elsewhere (Colstrip, Transp Elect, Unselected CETA projects)	(45,340,995)	(29,684,165)
j	Regulatory Adjustments (mainly RSIs on above and GAAP Pension to regulatory)	<b><i>(21,767,112)</i></b>	<b><i>(31,265,390)</i></b>
k	Total Requested O&M	<b><i>\$ 723,032,948</i></b>	<b><i>\$ 760,371,594</i></b>
l	Base Rates	<b><i>\$ 681,314,760</i></b>	<b><i>\$ 716,585,609</i></b>
m	Schedule 141CGR - Clean Generation Resources Tracker	13,631,606	13,904,238
n	Schedule 141WFP - Wildfire Prevention Cost Recovery Adjustment	17,486,582	18,181,747
o	Schedule 141DCARB - Decarbonization Rate Adjustment	10,600,000	11,700,000
p	Total Requested O&M	<b><i>\$ 723,032,948</i></b>	<b><i>\$ 760,371,594</i></b>

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

## Summary of Requested O&M

Description	2025	2026
Total Approved Plan as Adjusted	\$ 862,896,435	\$ 892,520,453
Remove Non-Utility/Non-Rate Case		
Puget LNG	(11,865,590)	(14,088,537)
Low Income Amortization	(58,577,499)	(54,699,875)
Green Power Certificates [p]	(2,312,291)	(2,410,892)
Subtotal Remove Non-Utility/Non-Rate Case	<u>(72,755,380)</u>	<u>(71,199,304)</u>
Remove Items Recovered Separately:		
Beaver Creek (Schedule 141CGR)	(13,631,606)	(13,904,238)
Unselected CETA Projects (Schedule 141CGR)	(1,949,209)	(10,580,634)
Wildfire Tracker (Schedule 141WFD)	(17,486,582)	(18,181,747)
Targeted Electrification Program Pilot Phase 2 (Schedule 141DCARB)	(10,600,000)	(11,700,000)
Tacoma LNG Facility (Schedule 141LNG) [p]	(5,384,273)	(5,388,403)
Colstrip (Schedule 141COL)	(27,904,518)	(3,366,300)
Transportation Electrification Program (Schedule 141TEP) [p]	(10,102,995)	(10,348,828)
Add Incremental Items:		
Participatory Funding		
Long Term Incentive Program	-	-
Payroll Taxes removed above [p]	197,459	209,155
Subtotal Adjustments for Items Recovered Separately	<u>(86,861,725)</u>	<u>(73,260,995)</u>
Subtotal Before Regulatory Adjustments	\$ 703,279,330	\$ 748,060,153
Regulatory Adjustments:		
Adjust Filing Fees to match revenues	<b><i>(6,807,840)</i></b>	<b><i>(8,157,811)</i></b>
Adjust Bad Debt to 3 year average	<b><i>(8,938,499)</i></b>	<b><i>(11,791,291)</i></b>
Add normalized Rate Case Expense	2,826,800	2,826,800
Add Interest on Customer Deposits	161,822	161,822
Adjust Pension Expense to 4 year average of payouts	(11,316,386)	(12,350,047)
Adjust Injuries and Damages to 3 year average	184,554	(13,410)
Adjust Storm to a 6 year average	(38,803)	(19,344)
Adjust Incentive to 4 year average	2,161,242	(1,922,108)
Subtotal Regulatory Adjustments	<b><i>(21,767,112)</i></b>	<b><i>(31,265,390)</i></b>
Total Requested O&M	<b><i><u>\$ 681,512,219</u></i></b>	<b><i><u>\$ 716,794,763</u></i></b>

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