EXH. SEF-45 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.

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 (consolidated)

Docket UE-240004 Docket UG-240005

Docket UE 230810 (consolidated)

SEVENTEENTH EXHIBIT (NONCONFIDENTIAL) TO THE PREFILED REBUTTAL TESTIMONY OF

SUSAN E. FREE

ON BEHALF OF PUGET SOUND ENERGY

SEPTEMBER 18, 2024

Wildfire Tracker Revenue Requirement

3 WEIGHTED AVERAGE COST OF DEBT 2.67% 2.63% 4 REQUESTED RATE OF RETURN 7.65% 7.99% 5 STATUTORY FEDERAL INCOME TAX RATE 21% 21% 6 CONVERSION FACTOR 0.750523 0.750523 7 8 RATE BASE - NET PLANT \$ 17,535,281 \$ 60,096,977 9 RATE BASE - NET DEFERRAL 6.382,493 2,127,498 10 TOTAL WILDFIRE RATE BASE 23,917,773 62,224,474 11 12 WILDFIRE INSURANCE O&M 5,628,712 6,425,884 13 WILDFIRE INSURANCE LIABILITY EXPENSE 14,460,817 14,336,418 14 WILDFIRE INSURANCE LIABILITY CONSTRUCTION SUPPORT (2,602,947) (2,580,555) 15 DEPRECIATION OF WILDFIRE LIABILITY INSURANCE DEFERRAL 5,386,070 5,386,070 17 TOTAL OPERATING EXPENSE 1,178,635 3,282,561 16 AMORTIZATION OF WILDFIRE LIABILITY INSURANCE DEFERRAL 5,386,070 5,386,070 17 TOTAL OPERATING EXPENSE (5,050,770) (5,638,579) 20 17AX BENEFIT OF PROFORMA INTEREST 134,107 343,666 22 13X ET OPERATING INCOME (NOI) (18,866,410) (20,868,133) 24 18 1,829,710 4,971,736	Row	Description		2025	2026
5 STATUTORY FEDERAL INCOME TAX RATE 21% 21% 6 CONVERSION FACTOR 0.750523 0.750523 7 8 RATE BASE - NET PLANT \$ 17,535,281 \$ 60,096,977 9 RATE BASE - NET DEFERRAL 6,382,493 2,127,498 10 TOTAL WILDFIRE RATE BASE 23,917,773 62,224,474 11 12 WILDFIRE NON-INSURANCE 0&M 5,628,712 6,425,884 13 WILDFIRE INSURANCE LIABILITY EXPENSE 14,460,817 14,336,418 14 WILDFIRE INSURANCE LIABILITY CONSTRUCTION SUPPORT (2,602,947) (2,580,555) 15 DEPRECIATION EXPENSE 1,178,635 3,282,561 16 AMORTIZATION OF WILDFIRE LIABILITY INSURANCE DEFERRAL 5,386,070 5,386,070 17 TOTAL OPERATING EXPENSE 24,051,287 26,850,378 18 19 FIT INCREASE/(DECREASE) (5,050,770) (5,638,579) 20 21 TAX BENEFIT OF PROFORMA INTEREST 134,107 343,666 21 22 134,107 343,666 22 23 NET OPERATING INCOME (NOI) (18,866,410) (20,868,133) 24 21 20,696,119 25,839,869 28 29 20,696,11	3 WEIGHTED AVERAGE COST OF DEBT			2.67%	2.63%
6 CONVERSION FACTOR 0.750523 0.750523 7 8 RATE BASE - NET PLANT \$ 17,535,281 \$ 60,096,977 9 RATE BASE - NET DEFERRAL 6.382,493 2,127,498 10 TOTAL WILDFIRE RATE BASE 23,917,773 62,224,474 11 11 11 11 11 11 11 12 WILDFIRE NON-INSURANCE 0&M 5,628,712 6,425,884 13 WILDFIRE INSURANCE LIABILITY EXPENSE 14,460,817 14,336,418 14 WILDFIRE INSURANCE LIABILITY CONSTRUCTION SUPPORT (2,602,947) (2,580,555) 15 DEPRECIATION EXPENSE 1,178,635 3,282,561 16 AMORTIZATION OF WILDFIRE LIABILITY INSURANCE DEFERRAL 5,386,070 5,386,070 17 TOTAL OPERATING EXPENSE 24,051,287 26,850,378 18 19 FIT INCREASE/(DECREASE) (5,050,770) (5,638,579) 20 23 NET OPERATING INCOME (NOI) (18,866,410) (20,868,133) 24 24,051,287 26,850,378 26,627,10 4,971,736 26 23 NET OPERATING INCOME METER 134,107 343,666	4 REQUESTED RATE OF RETURN			7.65%	7.99%
7 8 RATE BASE - NET PLANT \$ 17,535,281 \$ 60,096,977 9 RATE BASE - NET DEFERRAL 6,382,493 2,127,498 10 TOTAL WILDFIRE RATE BASE 23,917,773 6,2224,474 11 12 WILDFIRE NON-INSURANCE 0&M 5,628,712 6,425,884 13 WILDFIRE INSURANCE LIABILITY EXPENSE 14,460,817 14,336,418 14 WILDFIRE INSURANCE LIABILITY CONSTRUCTION SUPPORT (2,602,947) (2,580,555) 15 DEPRECIATION EXPENSE 1,178,635 3,282,561 16 AMORTIZATION OF WILDFIRE LIABILITY INSURANCE DEFERRAL 5,386,070 5,386,070 17 TOTAL OPERATING EXPENSE 24,051,287 26,850,378 18 19 FIT INCREASE/(DECREASE) (5,050,770) (5,638,579) 20 21 TAX BENEFIT OF PROFORMA INTEREST 134,107 343,666 22 11 TAX BENEFIT OF PROFORMA INTEREST 134,107 343,666 23 NET OPERATING INCOME (NOI) (18,866,410) (20,868,133) 24 20,696,119 25,839,869 25,839,869 29 REVENUE REQUIREMENT \$ 27,575,596 \$ 34,429,150	5 STATUTORY FEDERAL INCOME TAX RATE			21%	21%
8 RATE BASE - NET PLANT \$ 17,535,281 \$ 60,096,977 9 RATE BASE - NET DEFERRAL 6,382,493 2,127,498 10 TOTAL WILDFIRE RATE BASE 23,917,773 62,224,474 11 12 WILDFIRE NON-INSURANCE 0&M 5,628,712 6,425,884 13 WILDFIRE INSURANCE LIABILITY EXPENSE 14,460,817 14,336,418 14 WILDFIRE INSURANCE LIABILITY CONSTRUCTION SUPPORT (2,602,947) (2,580,555) 15 DEPRECIATION EXPENSE 1,178,635 3,282,561 16 AMORTIZATION OF WILDFIRE LIABILITY INSURANCE DEFERRAL 5,386,070 5,386,070 17 TOTAL OPERATING EXPENSE 24,051,287 26,850,378 18 19 FIT INCREASE/(DECREASE) (5,050,770) (5,638,579) 20 21 TAX BENEFIT OF PROFORMA INTEREST 134,107 343,666 22 23 NET OPERATING INCOME (NOI) (18,866,410) (20,868,133) 24 25 RETURN ON RATE BASE 1,829,710 4,971,736 26 20,696,119 25,839,869 28 29 REVENUE REQUIREMENT \$ 27,575,596 \$ 34,429,150	6 CONVERSION FACTOR			0.750523	0.750523
9 RATE BASE - NET DEFERRAL 6,382,493 2,127,498 10 TOTAL WILDFIRE RATE BASE 23,917,773 62,224,474 11 12 WILDFIRE NON-INSURANCE 0&M 5,628,712 6,425,884 13 WILDFIRE INSURANCE LIABILITY EXPENSE 14,460,817 14,336,418 14 WILDFIRE INSURANCE LIABILITY CONSTRUCTION SUPPORT (2,602,947) (2,580,555) 15 DEPRECIATION EXPENSE 1,178,635 3,282,561 16 AMORTIZATION OF WILDFIRE LIABILITY INSURANCE DEFERRAL 5,386,070 5,386,070 17 TOTAL OPERATING EXPENSE 24,051,287 26,850,378 18 19 FIT INCREASE/(DECREASE) (5,050,770) (5,638,579) 20 21 TAX BENEFIT OF PROFORMA INTEREST 134,107 343,666 22 23 NET OPERATING INCOME (NOI) (18,866,410) (20,868,133) 24 25 710 4,971,736 26 20,696,119 25,839,869 28 29 REVENUE REQUIREMENT 5 27,575,596 5 3,429,150	7				
10 TOTAL WILDFIRE RATE BASE 23,917,773 62,224,474 11 12 WILDFIRE NON-INSURANCE O&M 5,628,712 6,425,884 13 WILDFIRE INSURANCE LIABILITY EXPENSE 14,460,817 14,336,418 14 WILDFIRE INSURANCE LIABILITY CONSTRUCTION SUPPORT (2,602,947) (2,580,555) 15 DEPRECIATION EXPENSE 1,178,635 3,282,561 16 AMORTIZATION OF WILDFIRE LIABILITY INSURANCE DEFERRAL 5,386,070 5,386,070 17 TOTAL OPERATING EXPENSE 24,051,287 26,850,378 18 19 FIT INCREASE/(DECREASE) (5,050,770) (5,638,579) 20 21 TAX BENEFIT OF PROFORMA INTEREST 134,107 343,666 22 23 NET OPERATING INCOME (NOI) (18,866,410) (20,868,133) 24 24 24,971,0 4,971,736 25 RETURN ON RATE BASE 1,829,710 4,971,736 26 20,696,119 25,839,869 28 29 REVENUE REQUIREMENT \$ 27,575,596 \$ 34,429,150	8 RATE BASE -	NET PLANT	\$	17,535,281	\$ 60,096,977
11 12 WILDFIRE NON-INSURANCE 0&M 5,628,712 6,425,884 13 WILDFIRE INSURANCE LIABILITY EXPENSE 14,460,817 14,336,418 14 WILDFIRE INSURANCE LIABILITY CONSTRUCTION SUPPORT (2,602,947) (2,580,555) 15 DEPRECIATION OF WILDFIRE LIABILITY INSURANCE DEFERAL 5,386,070 5,386,070 16 AMORTIZATION OF WILDFIRE LIABILITY INSURANCE DEFERAL 5,386,070 5,386,070 17 TOTAL OPERATING EXPENSE 24,051,287 26,850,378 18 19 FIT INCREASE/(DECREASE) (5,050,770) (5,638,579) 20 21 TAX BENEFIT OF PROFORMA INTEREST 134,107 343,666 22 3 NET OPERATING INCOME (NOI) (18,866,410) (20,868,133) 24 24 24,9710 4,971,736 26 20,696,119 25,839,869 28 29 REVENUE REQUIREMENT 20,696,119 25,839,869	9 RATE BASE -	NET DEFERRAL		6,382,493	2,127,498
12 WILDFIRE NON-INSURANCE O&M 5,628,712 6,425,884 13 WILDFIRE INSURANCE LIABILITY EXPENSE 14,460,817 14,336,418 14 WILDFIRE INSURANCE LIABILITY CONSTRUCTION SUPPORT (2,602,947) (2,580,555) 15 DEPRECIATION EXPENSE 1,178,635 3,282,561 16 AMORTIZATION OF WILDFIRE LIABILITY INSURANCE DEFERRAL 5,386,070 5,386,070 17 TOTAL OPERATING EXPENSE 24,051,287 26,850,378 18	10 TOTAL WI	ILDFIRE RATE BASE		23,917,773	62,224,474
13 WILDFIRE INSURANCE LIABILITY EXPENSE 14,460,817 14,336,418 14 WILDFIRE INSURANCE LIABILITY CONSTRUCTION SUPPORT (2,602,947) (2,580,555) 15 DEPRECIATION EXPENSE 1,178,635 3,282,561 16 AMORTIZATION OF WILDFIRE LIABILITY INSURANCE DEFERRAL 5,386,070 5,386,070 17 TOTAL OPERATING EXPENSE 24,051,287 26,850,378 18	11				
14 WILDFIRE INSURANCE LIABILITY CONSTRUCTION SUPPORT (2,602,947) (2,580,555) 15 DEPRECIATION EXPENSE 1,178,635 3,282,561 16 AMORTIZATION OF WILDFIRE LIABILITY INSURANCE DEFERRAL 5,386,070 5,386,070 17 TOTAL OPERATING EXPENSE 24,051,287 26,850,378 18 19 FIT INCREASE/(DECREASE) (5,050,770) (5,638,579) 20 21 134,107 343,666 22 134,107 343,666 23 NET OPERATING INCOME (NOI) (18,866,410) (20,868,133) 24 25 1,829,710 4,971,736 26 20,696,119 25,839,869 28 29 8 20,696,119 25,839,869	12 WILDFIRE NO	ON-INSURANCE O&M		5,628,712	6,425,884
15 DEPRECIATION EXPENSE 1,178,635 3,282,561 16 AMORTIZATION OF WILDFIRE LIABILITY INSURANCE DEFERRAL 5,386,070 5,386,070 17 TOTAL OPERATING EXPENSE 24,051,287 26,850,378 18 (5,050,770) (5,638,579) 20 134,107 343,666 21 TAX BENEFIT OF PROFORMA INTEREST 134,107 343,666 22 134,107 343,666 23 NET OPERATING INCOME (NOI) (18,866,410) (20,868,133) 24 25 1,829,710 4,971,736 26 20,696,119 25,839,869 28 29 REVENUE REQUIREMENT \$ 27,575,596 \$ 34,429,150	13 WILDFIRE IN	ISURANCE LIABILITY EXPENSE		14,460,817	14,336,418
16 AMORTIZATION OF WILDFIRE LIABILITY INSURANCE DEFERRAL 5,386,070 5,386,070 17 TOTAL OPERATING EXPENSE 24,051,287 26,850,378 18 24,051,287 26,850,378 19 FIT INCREASE/(DECREASE) (5,050,770) (5,638,579) 20 134,107 343,666 22 134,107 343,666 23 NET OPERATING INCOME (NOI) (18,866,410) (20,868,133) 24 25 RETURN ON RATE BASE 1,829,710 4,971,736 26 20,696,119 25,839,869 28 29 REVENUE REQUIREMENT \$ 27,575,596 \$ 34,429,150				(2,602,947)	(2,580,555)
17 TOTAL OPERATING EXPENSE 24,051,287 26,850,378 18 19 FIT INCREASE/(DECREASE) (5,050,770) (5,638,579) 20 21 TAX BENEFIT OF PROFORMA INTEREST 134,107 343,666 22 23 NET OPERATING INCOME (NOI) (18,866,410) (20,868,133) 24 25 RETURN ON RATE BASE 1,829,710 4,971,736 26 20,696,119 25,839,869 28 29 REVENUE REQUIREMENT \$ 27,575,596 \$ 34,429,150	15 DEPRECIATION EXPENSE			1,178,635	3,282,561
18 19 FIT INCREASE/(DECREASE) (5,050,770) (5,638,579) 20 21 TAX BENEFIT OF PROFORMA INTEREST 134,107 343,666 22 23 NET OPERATING INCOME (NOI) (18,866,410) (20,868,133) 24 25 RETURN ON RATE BASE 1,829,710 4,971,736 26 20,696,119 25,839,869 28 29 REVENUE REQUIREMENT § 27,575,596 § 34,429,150	16 AMORTIZAT	ION OF WILDFIRE LIABILITY INSURANCE DEFERRAL		5,386,070	5,386,070
19 FIT INCREASE/(DECREASE) (5,050,770) (5,638,579) 20	17 TOTAL OP	PERATING EXPENSE		24,051,287	26,850,378
20 134,107 343,666 21 TAX BENEFIT OF PROFORMA INTEREST 134,107 343,666 22 3 NET OPERATING INCOME (NOI) (18,866,410) (20,868,133) 24 25 RETURN ON RATE BASE 1,829,710 4,971,736 26 20,696,119 25,839,869 28 29 REVENUE REQUIREMENT \$ 27,575,596 \$ 34,429,150	18				
21 TAX BENEFIT OF PROFORMA INTEREST 134,107 343,666 22 23 NET OPERATING INCOME (NOI) (18,866,410) (20,868,133) 24 25 RETURN ON RATE BASE 1,829,710 4,971,736 26 20,696,119 25,839,869 28 29 REVENUE REQUIREMENT \$ 27,575,596 \$ 34,429,150	19 FIT INCREAS	SE/(DECREASE)		(5,050,770)	(5,638,579)
22 23 NET OPERATING INCOME (NOI) (18,866,410) (20,868,133) 24 25 RETURN ON RATE BASE 1,829,710 4,971,736 26 26 20,696,119 25,839,869 28 29 REVENUE REQUIREMENT \$ 27,575,596 \$ 34,429,150	20				
23 NET OPERATING INCOME (NOI) (18,866,410) (20,868,133) 24 25 RETURN ON RATE BASE 1,829,710 4,971,736 26 20,696,119 25,839,869 28 29 REVENUE REQUIREMENT \$ 27,575,596 \$ 34,429,150	21 TAX BENEFI	T OF PROFORMA INTEREST		134,107	343,666
24 25 RETURN ON RATE BASE 1,829,710 4,971,736 26 20,696,119 25,839,869 28 29 REVENUE REQUIREMENT \$ 27,575,596 \$ 34,429,150	22				
25 RETURN ON RATE BASE 1,829,710 4,971,736 26 20,696,119 25,839,869 28 29 REVENUE REQUIREMENT \$ 27,575,596 \$ 34,429,150	23 NET OPERAT	TING INCOME (NOI)		(18,866,410)	(20,868,133)
26 27 NET OPERATING INCOME DEFICIENCY 20,696,119 25,839,869 28 29 REVENUE REQUIREMENT \$ 27,575,596 \$ 34,429,150	24				
27 NET OPERATING INCOME DEFICIENCY 20,696,119 25,839,869 28 29 REVENUE REQUIREMENT \$ 27,575,596 \$ 34,429,150	25 RETURN ON	RATE BASE		1,829,710	4,971,736
28 29 REVENUE REQUIREMENT <u>\$ 27,575,596 \$ 34,429,150</u>	26				
29 REVENUE REQUIREMENT \$ 27,575,596 \$ 34,429,150		ING INCOME DEFICIENCY		20,696,119	25,839,869
	28				
30 GROSSED UP DEFICIENCY BY YEAR \$ 27,575,596 \$ 6,853,553	29 REVENUE RE	EQUIREMENT	\$	27,575,596	\$ 34,429,150
	30 GROSSED UP	P DEFICIENCY BY YEAR	\$	27,575,596	\$ 6,853,553

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