

**BEFORE THE WASHINGTON  
UTILITIES & TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION,

Complainant,

v.

PUGET SOUND ENERGY, INC.

Respondent.

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DOCKETS UE-240004 & UG-240005 (Consolidated)

**CROSS-EXAMINATION EXHIBIT OF ANN E. BULKLEY  
ON BEHALF OF THE  
WASHINGTON STATE OFFICE OF THE ATTORNEY GENERAL  
PUBLIC COUNSEL UNIT**

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**EXHIBIT AEB-\_\_X**

Bond Yield

**October 28, 2024**

**EXH. AEB-9  
DOCKETS UE-240004/UG-240005  
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**

**EIGHTH EXHIBIT (NONCONFIDENTIAL) TO THE  
PREFILED DIRECT TESTIMONY OF**

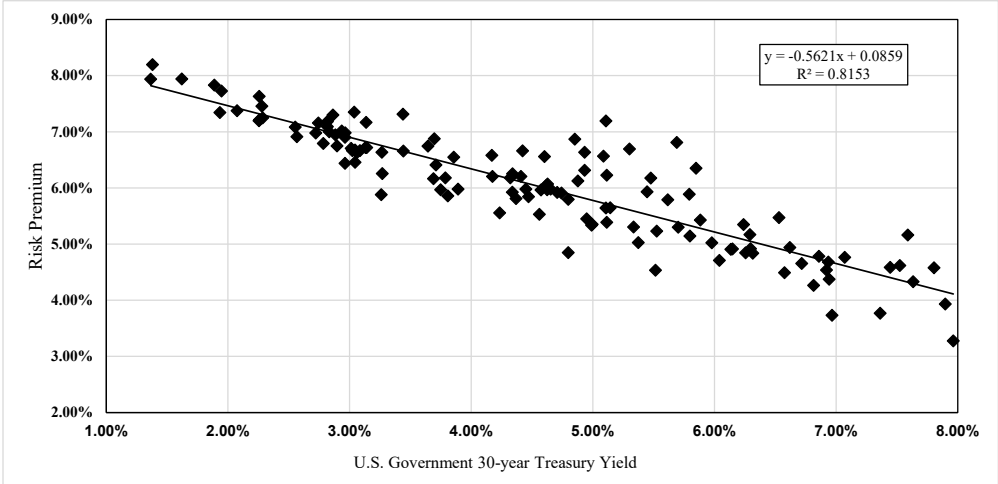
**ANN E. BULKLEY**

**ON BEHALF OF PUGET SOUND ENERGY**

**FEBRUARY 15, 2024**

BOND YIELD PLUS RISK PREMIUM

	[1]	[2]	[3]
Quarter	Average Authorized VI Electric ROE	U.S. Govt. 30-year Treasury	Risk Premium
1992.1	12.38%	7.81%	4.58%
1992.2	11.83%	7.90%	3.93%
1992.3	12.03%	7.45%	4.59%
1992.4	12.14%	7.52%	4.62%
1993.1	11.84%	7.07%	4.76%
1993.2	11.64%	6.86%	4.78%
1993.3	11.15%	6.32%	4.84%
1993.4	11.04%	6.14%	4.91%
1994.1	11.07%	6.58%	4.49%
1994.2	11.13%	7.36%	3.77%
1994.3	12.75%	7.59%	5.16%
1994.4	11.24%	7.96%	3.28%
1995.1	11.96%	7.63%	4.33%
1995.2	11.32%	6.94%	4.37%
1995.3	11.37%	6.72%	4.65%
1995.4	11.58%	6.24%	5.35%
1996.1	11.46%	6.29%	5.17%
1996.2	11.46%	6.92%	4.54%
1996.3	10.70%	6.97%	3.73%
1996.4	11.56%	6.62%	4.94%
1997.1	11.08%	6.82%	4.26%
1997.2	11.62%	6.94%	4.68%
1997.3	12.00%	6.53%	5.47%
1997.4	11.06%	6.15%	4.91%
1998.1	11.31%	5.88%	5.43%
1998.2	12.20%	5.85%	6.35%
1998.3	11.65%	5.48%	6.17%
1998.4	12.30%	5.11%	7.19%
1999.1	10.40%	5.37%	5.03%
1999.2	10.94%	5.80%	5.14%
1999.3	10.75%	6.04%	4.71%
1999.4	11.10%	6.26%	4.84%
2000.1	11.21%	6.30%	4.92%
2000.2	11.00%	5.98%	5.02%
2000.3	11.68%	5.79%	5.89%
2000.4	12.50%	5.69%	6.81%



SUMMARY OUTPUT

Regression Statistics	
Multiple R	0.9029179
R Square	0.8152607
Adjusted R Square	0.8137945
Standard Error	0.0043923
Observations	128

ANOVA					
	df	SS	MS	F	Significance F
Regression	1	0.01073	0.01073	556.04213	0.00000
Residual	126	0.00243	0.00002		
Total	127	0.01316			

	Coefficients	Standard Error	t Stat	P-value	Lower 95%	Upper 95%	Lower 95.0%	Upper 95.0%
Intercept	0.0859	0.00	74.66	0.0000	0.0836	0.0882	0.0836	0.0882
US Government 30-year Treasury	(0.5621)	0.02	(23.58)	0.0000	(0.6092)	(0.5149)	(0.6092)	(0.5149)

2001.1	11.38%	5.45%	5.93%
2001.2	11.00%	5.70%	5.30%
2001.3	10.76%	5.53%	5.23%
2001.4	11.99%	5.30%	6.69%
2002.1	10.05%	5.52%	4.53%
2002.2	11.41%	5.62%	5.79%
2002.3	11.65%	5.09%	6.56%
2002.4	11.57%	4.93%	6.63%
2003.1	11.72%	4.85%	6.87%
2003.2	11.16%	4.60%	6.56%
2003.3	10.50%	5.11%	5.39%
2003.4	11.34%	5.11%	6.23%
2004.1	11.00%	4.88%	6.12%
2004.2	10.64%	5.34%	5.30%
2004.3	10.75%	5.11%	5.64%
2004.4	11.24%	4.93%	6.31%
2005.1	10.63%	4.71%	5.92%
2005.2	10.31%	4.47%	5.84%
2005.3	11.08%	4.42%	6.66%
2005.4	10.63%	4.65%	5.98%
2006.1	10.70%	4.63%	6.07%
2006.2	10.79%	5.14%	5.64%
2006.3	10.35%	5.00%	5.35%
2006.4	10.65%	4.74%	5.91%
2007.1	10.59%	4.80%	5.79%
2007.2	10.33%	4.99%	5.34%
2007.3	10.40%	4.95%	5.45%
2007.4	10.65%	4.61%	6.04%
2008.1	10.62%	4.41%	6.21%
2008.2	10.54%	4.57%	5.96%
2008.3	10.43%	4.45%	5.98%
2008.4	10.39%	3.64%	6.74%
2009.1	10.75%	3.44%	7.31%
2009.2	10.75%	4.17%	6.58%
2009.3	10.50%	4.32%	6.18%
2009.4	10.59%	4.34%	6.25%
2010.1	10.59%	4.62%	5.97%
2010.2	10.18%	4.37%	5.81%
2010.3	10.40%	3.86%	6.55%
2010.4	10.38%	4.17%	6.20%
2011.1	10.09%	4.56%	5.53%
2011.2	10.26%	4.34%	5.92%
2011.3	10.57%	3.70%	6.88%
2011.4	10.39%	3.04%	7.35%
2012.1	10.30%	3.14%	7.17%
2012.2	9.95%	2.94%	7.01%
2012.3	9.90%	2.74%	7.16%
2012.4	10.16%	2.86%	7.30%

	U.S. Govt. 30-year Treasury	Risk Premium	ROE
Current 30-day average of 30-year U.S. Treasury bond yield [4]	4.77%	5.90%	10.68%
Blue Chip Near-Term Projected Forecast (Q1 2024 - Q1 2025) [5]	4.48%	6.07%	10.55%
Blue Chip Long-Term Projected Forecast (2025-2029) [6]	4.10%	6.28%	10.38%
<b>AVERAGE</b>			<b>10.54%</b>

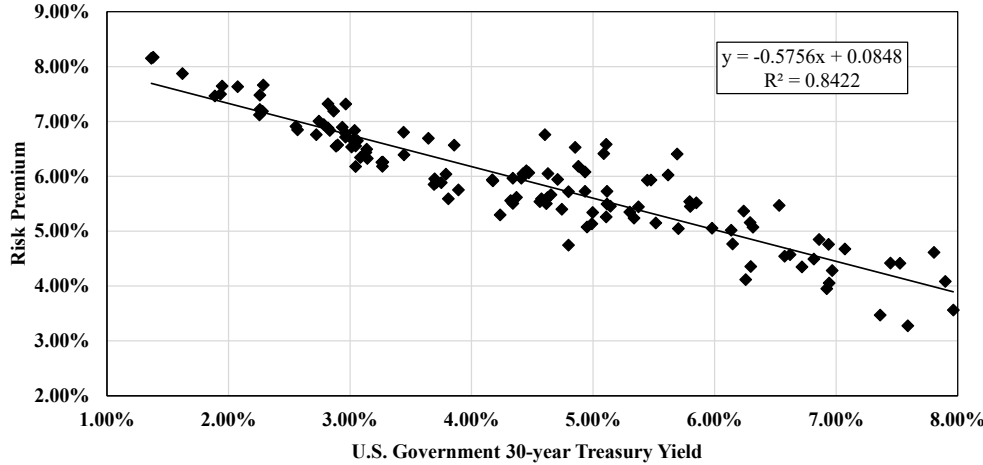
Notes:

- [1] Source: Regulatory Research Associates, rate cases through November 30, 2023
- [2] Source: S&P Capital IQ Pro, quarterly bond yields are the average of each trading day in the quarter
- [3] Equals Column [1] – Column [2]
- [4] Source: Bloomberg Professional, 30-day average as of November 30, 2023
- [5] Source: Blue Chip Financial Forecasts, Vol. 42, No. 12, December 1, 2023, at 2
- [6] Source: Blue Chip Financial Forecasts, Vol. 42, No. 12, December 1, 2023, at 14
- [7] See notes [4], [5] & [6]
- [8] Equals 0.085881 + (-0.562054 x Column [7])
- [9] Equals Column [7] + Column [8]

2013.1	9.85%	3.13%	6.72%
2013.2	9.86%	3.14%	6.72%
2013.3	10.12%	3.71%	6.41%
2013.4	9.97%	3.79%	6.18%
2014.1	9.86%	3.69%	6.16%
2014.2	10.10%	3.44%	6.66%
2014.3	9.90%	3.27%	6.63%
2014.4	9.94%	2.96%	6.98%
2015.1	9.64%	2.55%	7.08%
2015.2	9.83%	2.88%	6.94%
2015.3	9.40%	2.96%	6.44%
2015.4	9.86%	2.96%	6.90%
2016.1	9.70%	2.72%	6.98%
2016.2	9.48%	2.57%	6.91%
2016.3	9.74%	2.28%	7.46%
2016.4	9.83%	2.83%	7.00%
2017.1	9.72%	3.05%	6.67%
2017.2	9.64%	2.90%	6.75%
2017.3	10.00%	2.82%	7.18%
2017.4	9.91%	2.82%	7.09%
2018.1	9.69%	3.02%	6.66%
2018.2	9.75%	3.09%	6.66%
2018.3	9.69%	3.06%	6.63%
2018.4	9.52%	3.27%	6.25%
2019.1	9.72%	3.01%	6.70%
2019.2	9.58%	2.78%	6.79%
2019.3	9.53%	2.29%	7.25%
2019.4	9.89%	2.26%	7.63%
2020.1	9.72%	1.89%	7.83%
2020.2	9.58%	1.38%	8.19%
2020.3	9.30%	1.37%	7.93%
2020.4	9.56%	1.62%	7.94%
2021.1	9.45%	2.07%	7.38%
2021.2	9.47%	2.26%	7.21%
2021.3	9.27%	1.93%	7.34%
2021.4	9.67%	1.95%	7.73%
2022.1	9.45%	2.25%	7.20%
2022.2	9.50%	3.05%	6.45%
2022.3	9.14%	3.26%	5.88%
2022.4	9.87%	3.89%	5.98%
2023.1	9.72%	3.75%	5.97%
2023.2	9.67%	3.81%	5.86%
2023.3	9.79%	4.23%	5.55%
2023.4	9.64%	4.80%	4.85%
AVERAGE	10.58%	4.54%	6.03%
MEDIAN	10.52%	4.59%	6.14%

BOND YIELD PLUS RISK PREMIUM

	[1]	[2]	[3]
Quarter	Average Authorized Natural Gas ROE	U.S. Govt. 30-year Treasury	Risk Premium
1992.1	12.42%	7.81%	4.61%
1992.2	11.98%	7.90%	4.09%
1992.3	11.87%	7.45%	4.42%
1992.4	11.94%	7.52%	4.42%
1993.1	11.75%	7.07%	4.68%
1993.2	11.71%	6.86%	4.85%
1993.3	11.39%	6.32%	5.07%
1993.4	11.16%	6.14%	5.02%
1994.1	11.12%	6.58%	4.54%
1994.2	10.84%	7.36%	3.47%
1994.3	10.87%	7.59%	3.28%
1994.4	11.53%	7.96%	3.56%
1995.2	11.00%	6.94%	4.06%
1995.3	11.07%	6.72%	4.35%
1995.4	11.61%	6.24%	5.37%
1996.1	11.45%	6.29%	5.16%
1996.2	10.88%	6.92%	3.95%
1996.3	11.25%	6.97%	4.28%
1996.4	11.19%	6.62%	4.57%
1997.1	11.31%	6.82%	4.49%
1997.2	11.70%	6.94%	4.76%
1997.3	12.00%	6.53%	5.47%
1997.4	10.92%	6.15%	4.77%
1998.2	11.37%	5.85%	5.52%
1998.3	11.41%	5.48%	5.93%
1998.4	11.69%	5.11%	6.58%
1999.1	10.82%	5.37%	5.44%
1999.2	11.25%	5.80%	5.45%
1999.4	10.38%	6.26%	4.12%
2000.1	10.66%	6.30%	4.36%
2000.2	11.03%	5.98%	5.05%
2000.3	11.33%	5.79%	5.54%
2000.4	12.10%	5.69%	6.41%
2001.1	11.38%	5.45%	5.93%
2001.2	10.75%	5.70%	5.05%
2001.4	10.65%	5.30%	5.35%



SUMMARY OUTPUT

Regression Statistics	
Multiple R	0.9177396
R Square	0.8422460
Adjusted R Square	0.8409530
Standard Error	0.0040636
Observations	124

ANOVA					
	df	SS	MS	F	Significance F
Regression	1	0.01076	0.01076	651.35620	0.00000
Residual	122	0.00201	0.00002		
Total	123	0.01277			

	Coefficients	Standard Error	t Stat	P-value	Lower 95%	Upper 95%	Lower 95.0%	Upper 95.0%
Intercept	0.0848	0.00	78.82	0.0000	0.0827	0.0869	0.0827	0.0869
U.S. Govt. 30-year Treasury	(0.5756)	0.02	(25.52)	0.0000	(0.6203)	(0.5310)	(0.6203)	(0.5310)

2002.1	10.67%	5.52%	5.15%
2002.2	11.64%	5.62%	6.03%
2002.3	11.50%	5.09%	6.41%
2002.4	11.01%	4.93%	6.08%
2003.1	11.38%	4.85%	6.53%
2003.2	11.36%	4.60%	6.76%
2003.3	10.61%	5.11%	5.50%
2003.4	10.84%	5.11%	5.73%
2004.1	11.06%	4.88%	6.18%
2004.2	10.57%	5.34%	5.24%
2004.3	10.37%	5.11%	5.26%
2004.4	10.66%	4.93%	5.73%
2005.1	10.65%	4.71%	5.94%
2005.2	10.54%	4.47%	6.07%
2005.3	10.47%	4.42%	6.05%
2005.4	10.32%	4.65%	5.66%
2006.1	10.68%	4.63%	6.05%
2006.2	10.60%	5.14%	5.46%
2006.3	10.34%	5.00%	5.34%
2006.4	10.14%	4.74%	5.40%
2007.1	10.52%	4.80%	5.72%
2007.2	10.13%	4.99%	5.14%
2007.3	10.03%	4.95%	5.08%
2007.4	10.12%	4.61%	5.50%
2008.1	10.38%	4.41%	5.97%
2008.2	10.17%	4.57%	5.59%
2008.3	10.55%	4.45%	6.10%
2008.4	10.34%	3.64%	6.69%
2009.1	10.24%	3.44%	6.80%
2009.2	10.11%	4.17%	5.94%
2009.3	9.88%	4.32%	5.56%
2009.4	10.31%	4.34%	5.97%
2010.1	10.24%	4.62%	5.61%
2010.2	9.99%	4.37%	5.62%
2010.3	10.43%	3.86%	6.57%
2010.4	10.09%	4.17%	5.92%
2011.1	10.10%	4.56%	5.54%
2011.2	9.85%	4.34%	5.51%
2011.3	9.65%	3.70%	5.95%
2011.4	9.88%	3.04%	6.84%
2012.1	9.63%	3.14%	6.50%
2012.2	9.83%	2.94%	6.89%
2012.3	9.75%	2.74%	7.01%
2012.4	10.06%	2.86%	7.19%
2013.1	9.57%	3.13%	6.44%
2013.2	9.47%	3.14%	6.33%
2013.3	9.60%	3.71%	5.89%

	U.S. Govt. 30-year Treasury	Risk Premium	Cost of Equity
Current 30-day average of 30-year U.S. Treasury bond yield [4]	4.77%	5.73%	10.51%
Blue Chip Near-Term Projected Forecast (Q1 2024 - Q1 2025) [5]	4.48%	5.90%	10.38%
Blue Chip Long-Term Projected Forecast (2025-2029) [6]	4.10%	6.12%	10.22%
<b>AVERAGE</b>			<b>10.37%</b>

Notes:  
 [1] Source: Regulatory Research Associates, rate cases through November 30, 2023  
 [2] Source: S&P Capital IQ Pro, quarterly bond yields are the average of each trading day in the quarter  
 [3] Equals Column [1] - Column [2]  
 [4] Source: Bloomberg Professional, 30-day average as of November 30, 2023  
 [5] Source: Blue Chip Financial Forecasts, Vol. 42, No. 12, December 1, 2023, at 2  
 [6] Source: Blue Chip Financial Forecasts, Vol. 42, No. 12, December 1, 2023, at 14  
 [7] See notes [4], [5] & [6]  
 [8] Equals 0.084792 + (-0.575606 x Column [7])  
 [9] Equals Column [7] + Column [8]

2013.4	9.83%	3.79%	6.04%
2014.1	9.54%	3.69%	5.85%
2014.2	9.84%	3.44%	6.39%
2014.3	9.45%	3.27%	6.18%
2014.4	10.28%	2.96%	7.32%
2015.1	9.47%	2.55%	6.91%
2015.2	9.43%	2.88%	6.55%
2015.3	9.75%	2.96%	6.79%
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2017.2	9.47%	2.90%	6.57%
2017.3	10.14%	2.82%	7.32%
2017.4	9.70%	2.82%	6.88%
2018.1	9.68%	3.02%	6.66%
2018.2	9.43%	3.09%	6.34%
2018.3	9.71%	3.06%	6.65%
2018.4	9.53%	3.27%	6.26%
2019.1	9.55%	3.01%	6.54%
2019.2	9.73%	2.78%	6.94%
2019.3	9.95%	2.29%	7.67%
2019.4	9.74%	2.26%	7.48%
2020.1	9.35%	1.89%	7.46%
2020.2	9.55%	1.38%	8.17%
2020.3	9.52%	1.37%	8.15%
2020.4	9.50%	1.62%	7.87%
2021.1	9.71%	2.07%	7.63%
2021.2	9.48%	2.26%	7.22%
2021.3	9.43%	1.93%	7.50%
2021.4	9.59%	1.95%	7.65%
2022.1	9.38%	2.25%	7.12%
2022.2	9.23%	3.05%	6.18%
2022.3	9.52%	3.26%	6.26%
2022.4	9.65%	3.89%	5.75%
2023.1	9.64%	3.75%	5.89%
2023.2	9.40%	3.81%	5.59%
2023.3	9.53%	4.23%	5.30%
2023.4	9.54%	4.80%	4.75%
AVERAGE	10.38%	4.49%	5.90%
MEDIAN	10.26%	4.52%	5.94%