

**EXH. DAD-9  
DOCKETS UE-190529/UG-190530  
UE-190274/UG-190275  
2019 PSE GENERAL RATE CASE  
WITNESS: DANIEL A. DOYLE**

**BEFORE THE  
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION,**

**Complainant,**

**v.**

**PUGET SOUND ENERGY,**

**Respondent.**

**Docket UE-190529  
Docket UG-190530 (*Consolidated*)**

**In the Matter of the Petition of**

**PUGET SOUND ENERGY**

**For an Order Authorizing Deferral  
Accounting and Ratemaking Treatment  
for Short-life IT/Technology Investment**

**Docket UE-190274  
Docket UG-190275 (*Consolidated*)**

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

**DANIEL A. DOYLE**

**ON BEHALF OF PUGET SOUND ENERGY**

**JANUARY 15, 2020**

**Puget Sound Energy**  
**Impact of Proposed ROE on Cash Flow Comparison**

	(A)	(B)	(C)
	PSE	WUTC (Parcell)	Public Counsel (Woolridge)
1			
2 Proposed Capital Structure	48.5%	48.5%	48.5%
3 Proposed ROE	9.5%	9.2%	8.8%
4 Weighted Cost	4.61%	4.46%	4.24%
5 Rate Base per GRC filing (\$ million)	\$ 7,829	\$ 7,829	\$ 7,829
6 Revenue Requirement from ROE (\$ million)	\$ 361	\$ 349	\$ 332
7 Impact to Cash Flow (\$ million)		\$ (11)	\$ (28)

**Puget Sound Energy**  
**Impact of Proposed ROE on Credit Metrics Comparison - WUTC (Parcell)**

	(A) Desired Direction	(B)		(C)		(D)		(E) WUTC (Parcell)  (D)-(B) RY Var to PSE
		TY	RY	PSE	RY	RY	RY	
1								
2 <b><u>S&amp;P</u></b>								
3 FFO/Debt	↑	21.7%	23.4%		23.1%		-0.23%	
4 Debt/EBITDA	↓	3.6x	3.2x		3.2x		-0.03x	
5 <b><u>Moodys</u></b>								
6 CFO pre WC/Debt	↑	20.3%	22.1%		21.8%		-0.25%	
7 CFO pre WC/Int	↑	4.8x	5.2x		5.1x		-0.05x	
8 CFO pre WC - Div/Debt	↑	16.5%	18.3%		18.1%		-0.23%	
9 Debt/Cap	↓	49.9%	49.9%		49.9%		-	
10 <b><u>Fitch</u></b>								
11 FFO Fixed Charge Coverage	↑	4.4x	4.7x		4.64x		-0.04x	
12 FFO Adjusted Leverage	↓	3.9x	3.6x		3.67x		0.04x	
13 Debt/EBITDAR	↓	3.3x	3.0x		2.98x		0.03x	

**Puget Sound Energy**  
**Impact of Proposed ROE on Credit Metrics Comparison - Public Counsel (Woolridge)**

1	(A) Desired Direction	(B)		(C)		(D)		(E)	
		TY	PSE	RY	PSE	RY	RY	RY	RY Var to PSE
		Public Counsel (Woolridge) (D)-(B)							
2	<b><u>S&amp;P</u></b>								
3	FFO/Debt	↑	21.7%	23.4%	22.8%	22.8%	3.1x	-0.58%	
4	Debt/EBITDA	↓	3.6x	3.2x	3.1x	3.1x		-0.06x	
5	<b><u>Moodys</u></b>								
6	CFO pre WC/Debt	↑	20.3%	22.1%	21.5%	21.5%		-0.62%	
7	CFO pre WC/Int	↑	4.8x	5.2x	5.1x	5.1x		-0.12x	
8	CFO pre WC - Div/Debt	↑	16.5%	18.3%	17.7%	17.7%		-0.58%	
9	Debt/Cap	↓	49.9%	49.9%	49.9%	49.9%		0.0%	
10	<b><u>Fitch</u></b>								
11	FFO Fixed Charge Coverage	↑	4.4x	4.7x	4.6x	4.6x		-0.10x	
12	FFO Adjusted Leverage	↓	3.9x	3.6x	3.7x	3.7x		0.10x	
13	Debt/EBITDAR	↓	3.3x	3.0x	3.0x	3.0x		0.07x	