

**EXH. DAD-8
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*)**

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

DANIEL A. DOYLE

ON BEHALF OF PUGET SOUND ENERGY

JANUARY 15, 2020

**Example Calculation of PSE's Proposed Changes to
PSE's Earnings Sharing Mechanism if the Commission Were
to Adopt PSE's Proposed Attrition Adjustments**

(\$ Thousands)

1 Description	Electric	Gas	Combined
2			
3 Net Operating Income	\$413,658	\$160,986	\$574,644
4 Regulated Interest	(\$155,800)	(\$60,634)	(\$216,434)
5			
6 Regulated Net Income	\$257,858	\$100,352	\$358,210
7			
8 Calculated ROR			7.6%
9			
10 Rate Base	\$5,428,588	\$2,112,673	\$7,541,261
11 Weighted Average Cost of Debt	2.87%	2.87%	2.87%
12			
13 Regulated Interest	\$155,800	\$60,634	\$216,434
14			

(\$ Thousands)

1 Share earnings in excess of our authorized 7.6% ROR			
2			
3 % of Regulated Net Income	Electric	Gas	
4 3 Percent	\$7,736	\$3,011	
5 6 Percent	\$15,471	\$6,021	
6			
7 Customer's Share (\$ Thousands)	Electric	Gas	
8 1st Band - 50%	\$0 - \$7,650	\$0 - \$3,000	
9 2nd Band - 75%	\$7,651 - \$15,300	\$3,001 - \$6,000	
10 3rd Band - 90%	> \$15,300	> \$6,000	
11			
12 Example of Proposed vs Current Customer Sharing			
13	Electric	Gas	Combined
14 Over Earnings	\$20,000	\$8,000	\$28,000
15			
16 Proposed Customer Share	Electric	Gas	Combined
17 1st Band - 50%	\$3,825	\$1,500	\$5,325
18 2nd Band - 75%	\$5,737	\$2,249	\$7,986
19 3rd Band - 90%	\$4,230	\$2,000	\$6,230
20	\$13,792	\$5,749	\$19,541
21			
22 Current Customer Share	Electric	Gas	Combined
23 Sharing Band - 50%	\$10,000	\$4,000	\$14,000
24			
25 Benefit to Customer	\$3,792	\$1,749	\$5,541