BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant,

v.

PUGET SOUND ENERGY,

Respondent.

SECOND EXHIBIT (NONCONFIDENTIAL) TO THE
PREFILED DIRECT TESTIMONY OF

SUSAN E. FREE

ON BEHALF OF PUGET SOUND ENERGY

JANUARY 31, 2022
<table>
<thead>
<tr>
<th>LINE</th>
<th>DESCRIPTION</th>
<th>2023 RATE YEAR 1</th>
<th>2024 RATE YEAR 2</th>
<th>2025 RATE YEAR 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>12</td>
<td>RATE BASE</td>
<td>$ 5,659,074,413</td>
<td>$ 6,028,296,640</td>
<td>$ 6,441,067,850</td>
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<tr>
<td>13</td>
<td>RATE OF RETURN</td>
<td>7.39%</td>
<td>7.44%</td>
<td>7.49%</td>
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<tr>
<td>14</td>
<td>OPERATING INCOME REQUIREMENT</td>
<td>418,205,599</td>
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<td>482,435,982</td>
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<td>15</td>
<td>PRO FORMA OPERATING INCOME</td>
<td>169,918,367</td>
<td>153,070,840</td>
<td>179,338,260</td>
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<td>OPERATING INCOME DEFICIENCY</td>
<td>248,287,233</td>
<td>295,434,430</td>
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<td>CONVERSION FACTOR</td>
<td>0.752355</td>
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<td>CUMULATIVE REVENUE CHANGE</td>
<td>$330,013,401</td>
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<td>$402,865,299</td>
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<td>NET REVENUE CHANGE BY RATE YEAR</td>
<td>$330,013,401</td>
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<td>CHANGES TO OTHER PRICE SCHEDULES FROM EXH. BDJ-7:</td>
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<tr>
<td>21</td>
<td>SET TO ZERO:</td>
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<td></td>
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<tr>
<td>22</td>
<td>SCHEDULE 95 - 2020 PCORC</td>
<td>(67,510,000)</td>
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<tr>
<td>23</td>
<td>SCHEDULE 139</td>
<td>(3,624,000)</td>
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<td>NEW TARIFF RATES:</td>
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<td>25</td>
<td>SCHEDULE 139 - UPDATE RESOURCE COST TO 2023 AND UPDATE CREDIT</td>
<td>(2,212,000)</td>
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<td>26</td>
<td>SCHEDULE 141C - COLSTRIP TRACKER</td>
<td>53,883,000</td>
<td>3,620,000</td>
<td>22,434,000</td>
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<td>27</td>
<td>IMPACT OF CHANGES IN LOAD</td>
<td>6,598</td>
<td>(3,227,718)</td>
<td>(792,780)</td>
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<td>SUBTOTAL CHANGES TO OTHER PRICE SCHEDULES</td>
<td>(19,456,402)</td>
<td>392,282</td>
<td>21,641,220</td>
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<td>NET REVENUE CHANGE AFTER TRACKERS AND RIDERS</td>
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<td>PERCENTAGE CHANGE</td>
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<td>REVENUES PER EXH. BDJ-7 BILL IMPACTS</td>
<td>$2,284,477,373</td>
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<td>$2,618,594,351</td>
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### Requested Cost of Capital

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<tr>
<th>LINE NO.</th>
<th>DESCRIPTION</th>
<th>CAPITAL STRUCTURE</th>
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<td>Restating through December 2022</td>
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<td>TOTAL</td>
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<td>AFTER TAX SHORT TERM DEBT (LINE 1)* 79%</td>
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<td>19</td>
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<td>6.68%</td>
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<td>SHORT AND LONG TERM DEBT</td>
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<td>2.54%</td>
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<td>AFTER TAX SHORT TERM DEBT (LINE 1)* 79%</td>
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<td>3.93%</td>
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<td>35</td>
<td>AFTER TAX SHORT TERM DEBT (LINE 1)* 79%</td>
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<td>SHORT AND LONG TERM DEBT</td>
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<td>TOTAL AFTER TAX COST OF CAPITAL</td>
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<td>CONVERSION FACTOR EXCLUDING FEDERAL INCOME TAX ( 1 - LINE 17 )</td>
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