EXH. SEF-10 DOCKETS UE-22 /UG-22 2022 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.

Docket UE-22\_\_\_\_ Docket UG-22

NINTH EXHIBIT (NONCONFIDENTIAL) TO THE PREFILED DIRECT TESTIMONY OF

SUSAN E. FREE

**ON BEHALF OF PUGET SOUND ENERGY** 

JANUARY 31, 2022

## 4-Factor (JUNE 21 GRC)

Electric Gas

| 65.94% | ) |
|--------|---|
| 34.06% | ) |

| Line | Description  | AMA              | EOP              |
|------|--|------------------|------------------|
| No.  |  | 06/30/21         | 06/30/21         |
|      |  |                  |                  |
| 1    | Gas Utility Plant in Service                                 | \$ 4,500,900,457 | \$ 4,616,699,414 |
| 2c   | Common Plant-Allocation to Gas                               | 352,292,812      | 348,398,811      |
| 3    | Gas Stored Underground - Non current                         | 8,654,564        | 8,654,564        |
| 4    | Total Plant in Service and Other Assets                      | 4,861,847,833    | 4,973,752,790    |
| 5    | Accumulated Provision for Depreciation                       | (1,716,040,168)  | (1,764,724,654)  |
| 7c   | Common Accumulated Depreciation-Allocation to Gas            | (153,648,285)    | (162,577,381)    |
| 8    | Customer Advances for Construction                           | (6,734,746)      | (4,549,924)      |
| 9    | DFIT 'Def. GTZ Depreciation                                  | (823,520)        | -                |
| 10   | Liberalized Depreciation Total Accum. Def. FIT - Liberalized | (584,992,307)    | (581,822,078)    |
| 10c  | DFIT common account  | (23,013,578)     | (22,154,351)     |
| 11a  | Other Regulatory Assets - AMI /GTZ                           | 15,021,856       | 14,249,991       |
| 12a  | Customer Deposits  | (7,286,283)      | (5,855,918)      |
| 12   | Accumulated Depreciation and Other Liabilities               | (2,477,517,031)  | (2,527,434,315)  |
| 13   | Net Operating Investment                                     | 2,384,330,802    | 2,446,318,475    |
| 14   | Allowance for Working Capital                                | 85,966,020       | 91,053,729       |
| 15   | Total Gas Rate Base  | \$ 2,470,296,822 | \$ 2,537,372,203 |
| 16   | Gross Utility Plant in Service                               | \$ 4,861,847,833 | \$ 4,973,752,790 |
| 17   | Less Accum Dep and Amort                                     | (1,869,688,453)  |                  |
| 18   | Deferred Debits and Credits                                  | 15,021,856       | 14,249,991       |
| 19   | Deferred Taxes   | (608,829,405)    |                  |
| 20   | Allowance for Working Capital                                | 85,966,020       | 91,053,729       |
| 21   | Customer Deposits/Advances                                   | (14,021,029)     | (10,405,842)     |
| 22   | Total Rate Base  | \$ 2,470,296,822 | \$ 2,537,372,203 |

## Summary Working Capital New Format From 2017 GRC

| Securits       With Ne         ing       ano         363,723       5         318,475       2         318,475       2         318,475       2         318,475       2         318,475       2         318,475       2         318,475       2         318,475       2         318,475       2         323,645       \$         333,645       \$         536,527       \$         536,527       \$         533,645       \$  |          |                                 | Jun-21                          |
|--|----------|---------------------------------|---------------------------------|
| With New Accounts   With New Accounts   With New Accounts     Average Invested Capital   and Coding   and     Average Invested Capital   \$,001,900,343   8,     Total Average Invested Capital   \$,001,900,343   8,     3 subcategories Investments:   3 subcategories Investments:   5,304,663,723   5,     Total Cas Rate Base and Operating   2,446,318,475   2,     Total Cas Rate Base (lines 7 + 9)   7,750,982,198   7,     Total Electric and Gas Rate Base (lines 7 + 9)   7,750,982,198   7,     Total Electric and Gas Rate Base (lines 11+13)   8,678,866,699   8,     Total Rate Base & Non Operating (Lines 11+13)   8,678,866,699   8,     Investor Supplied Working Capital (line 3 - line 15)   3.23,033,645   8,     Investor Supplied Working Capital Spread   61,12%   5     Investor Supplied Working Capital Spread   61,12%   5     Investor Supplied Working Capital Spread   5   5     Investor Supplied Working Capital Spread   61,12%   5     Investor Supplied Working Capital Spread   61,12%   5     Investor Supplied Working Capital Spread   5   5     Investor Supplied Working Capital Spread   5   5     Investor Supplied Working Capital Spread   5   7 <t< th=""><th></th><th>EOP</th><th>AMA</th></t<>  |          | EOP                             | AMA                             |
| Average Invested Capital     \$ 9,001,900,343     8,       Total Average Invested Capital     \$ 9,001,900,343     8,       3 subcategories Investments:     3 subcategories Investments:     5,304,663,723     5,       Total Electric Rate Base and Operating     5,304,663,723     5,     7,       Total Electric Rate Base and Operating     2,446,318,475     2,     7,       Total Gas Rate Base and Operating     2,446,318,475     2,     2,       Total Cas Rate Base and Operating (Ines 7 + 9)     7,750,982,198     7,     7,       Total Electric and Gas Rate Base (Ines 7 + 9)     7,750,982,198     7,     7,       Total Rate Base & Non Operating (Lines 11+13)     8,678,866,699     8,     8,       Investor Supplied Working Capital (Ine 3 - line 15)     3,23,033,645     \$     5     10,733,723     5     10,736     5     10,663,723     5     10,663,723     5     10,756     5     10,756     5     10,756     5     10,756     5     10,756     5     10,756     5     10,756     5     10,756     5     10,756     5     10,756     5     10,756     5     10,756     5     10,756     5   |          | With New Accounts<br>and Coding | With New Accounts<br>and Coding |
| Total Average Invested Capital     \$ 9,001,900,343     8,       3 subcategories Investments:     3 subcategories Investments:     5,304,663,723     5,       Total Electric Rate Base and Operating     5,304,663,723     5,     7,       Total Cas Rate Base and Operating     2,446,318,475     2,     2,       Total Cas Rate Base and Operating     2,446,318,475     2,     2,       Total Cas Rate Base and Operating     2,446,318,475     2,     2,       Total Cas Rate Base (lines 7 + 9)     7,750,982,198     7,     7,       Total Non Operating Investments     927,884,501     8,     8,     8,       Total Non Operating Investments     927,884,501     8,     8,     8,     8,       Total Rate Base & Non Operating (Lines 11+13)     8,  |          |                                 | 0                               |
| <u>3 subcategories Investments:</u> Total Electric Rate Base and Operating       Total Electric Rate Base and Operating     2,446,318,475     2,       Total Cas Rate Base and Operating     2,446,318,475     2,       Total Cas Rate Base (lines 7 + 9)     7,750,982,198     7,       Total Non Operating Investments     927,884,501     8,       Total Non Operating (Lines 11+13)     8,678,866,699     8,       Investor Supplied Working Capital (line 3 - line 15)     3,23,033,645     \$,       Investor Supplied Working Capital (line 3 - line 15)     \$, 323,033,645     \$,       Investor Supplied Working Capital (line 3 - line 15)     \$, 323,033,645     \$,       Investor Supplied Working Capital (line 3 - line 15)     \$, 323,033,645     \$,       Investor Supplied Working Capital (line 3 - line 15)     \$, 314,3,389     \$,       Investor Supplied Working Capital (line 3 - line 15)     \$, 314,3,389     \$,       Investor Supplied Working Capital (line 3 - line 15)     \$, 314,3,389     \$,       Investor Supplied Working Capital Non-Over / Total Average Investments     \$, 314,3,389     \$,       Investor Supplied Investments     \$, 314,3,389     \$,     \$,       Inves 13 /line 15). Total Non-Over / Total Average Investment  |          |                                 | 8,903,162,134                   |
| Total Electric Rate Base and Operating5,304,663,7235,Total Gas Rate Base and Operating2,446,318,4752,Total Gas Rate Base and Operating2,446,318,4752,Total Electric and Gas Rate Base (lines 7 + 9)7,750,982,1987,Total Non Operating Investments927,884,5018,Total Non Operating (Lines 11+13)8,678,866,6998,Total Rate Base & Non Operating (Lines 11+13)8,678,866,6998,Total Rate Base & Non Operating (Lines 11+13)8,678,866,6998,Investor Supplied Working Capital (line 3 - line 15)5323,033,6455Cotal Rate Base & Non Operating (Lines 3 - line 15)591,053,7795Investor Supplied Working Capital Spread61,12%61,12%5Cotal Working Capital Spread591,053,7795Clines 13,1ine 15) Total Elec RB / Total Average Investments5323,033,6455Clines 13,1ine 15) Total Cas RB / Total Average Investments5323,033,6455Clines 13,1ine 15) Total Cas RB / Total Average Investments5323,033,6455Clines 13,1ine 15) Total Cas RB / Total Average Investments5323,033,6455Clines 13,1ine 15) Total Cas RB / Total Average Investments5323,033,6455Clines 13,1ine 15) Total Cas RB / Total Average Investments5323,033,6455Clines 13,1ine 15) Total Cas RB / Total Average Investments5323,033,6455Clines 13,1ine 15) Total Cas RB / Total Average Investments5323,033,6455   |          |                                 |                                 |
| Total Gas Rate Base and Operating2,446,318,4752,Total Electric and Gas Rate Base (lines 7 + 9)7,750,982,1987,Total Non Operating Investments927,884,5018,Total Non Operating Investments927,884,5018,Total Rate Base & Non Operating (Lines 11+13)8,678,866,6998,Investor Supplied Working Capital (line 3 - line 15)8,678,366,6998,Investor Supplied Working Capital (line 3 - line 15)8,678,366,6998,Investor Supplied Working Capital (line 3 - line 15)8,678,366,6998,Investor Supplied Working Capital Spread197,443,3388,Investor Supplied Working Capital Spread8,678,369,6958,Investor Supplied Working Capital Spread97,443,3388,Investor Supplied Working Capital Spread97,443,3388,Investor Supplied Working Capital Spread97,443,3388,Investor Supplied Working Capital Spread97,443,3388,Investor Supplied Non-Utility8,0537,7598,Investor Supplied Investments8,078,0537,7598,Investor Supplied Investments8,033,6458,Investor Supplied Investments8,033,6458,Investor Supplied Investments8,078,0537,7598,Investor Supplied Investments8,078,0537,7598,Investor Supplied Investments8,078,0537,7598,053,053,645Investor Supplied Investments8,078,0537,7598,076,0537,759Investor Supplied Investments8,078,0537,7598,076,0537,557In   |          | 5,304,663,723                   | 5,292,401,161                   |
| Total Electric and Gas Rate Base (lines 7 + 9)7,750,982,1987,Total Non Operating Investments927,884,5018,Total Non Operating Investments927,884,5018,Total Rate Base & Non Operating (Lines 11+13)8,678,866,6998,Investor Supplied Working Capital (line 3 - line 15)8,578,866,6998,Investor Supplied Working Capital (line 3 - line 15)5323,033,6455Investor Supplied Working Capital Spread197,443,3885112%Electric\$324,536,52751060%Cass100.001\$34,536,52751060%Innes 15) Total Average Investments\$323,033,64551060%Innes 15) Total Cas RB / Total Average Investments\$324,5536,52751060%Innes 15) Total Average Investments\$323,033,64551060%Innes 15) Total Average Investments\$323,033,64551060% <td< td=""><td>-</td><td>2,446,318,475</td><td>2,384,330,802</td></td<>  | -        | 2,446,318,475                   | 2,384,330,802                   |
| Total Non Operating Investments     927,884,501     8,       Total Rate Base & Non Operating (Lines 11+13)     8,678,866,699     8,       Investor Supplied Working Capital (line 3 - line 15)     8,678,866,699     8,       Investor Supplied Working Capital (line 3 - line 15)     \$ 323,033,645     \$       Investor Supplied Working Capital Spread     \$ 91,053,729     \$       Investor Supplied Working Capital Spread     \$ 91,053,729     \$       Investor Supplied Non-Utility     \$ 323,033,645     \$       Investor Supplied Working Capital Spread     \$ 91,053,729     \$       Investor Supplied Non-Utility     \$ 334,553,729     \$       Inves 13 / line 15) Total Average Investments     \$ 323,033,645     \$       Inves 13 / line 15) Total Average Investments     \$ 323,033,645     \$       Inves 13 / line 15) Total Average Investments     \$ 323,033,645     \$   | •        | 7,750,982,198                   | 7,676,731,964                   |
| Total Rate Base & Non Operating (Lines 11+13)8,678,866,6998,Investor Supplied Working Capital (line 3 - line 15)\$ 323,033,645\$Investor Supplied Working Capital Spread\$ 323,033,645\$Electric\$ 017,443,389\$Clines 12 line 15) Total Elec RB / Total Average Investments\$ 01,053,729\$Clines 2 line 15) Total Elec RB / Total Average Investments\$ 323,033,645\$Clines 15 line 15) Total Elec RB / Total Average Investments\$ 01,053,729\$Clines 15 line 15) Total Case RB / Total Average Investments\$ 334,553,729\$Clines 15 line 15) Total Case RB / Total Average Investments\$ 323,033,645\$Non-Utility\$ 323,033,645\$\$Total Working Capital\$ 323,033,645\$  |          | 927,884,501                     | 916,601,243                     |
| Investor Supplied Working Capital (line 3 - line 15) \$ 323,033,645 \$ \$ Lectric \$ 323,033,645 \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$  | -        | 8,678,866,699                   | 8,593,333,207                   |
| Working Capital Spread       Blectric     \$ 197,443,389     \$ 197,443,389     \$ 197,443,389     \$ 197,443,389     \$ 197,443,389     \$ 197,443,389     \$ 197,443,389     \$ 197,443,389     \$ 197,443,389     \$ 197,443,389     \$ 101,12%     Gas     (lines 7.1 line 15) Total Average Investments   |          |                                 |                                 |
| Working Capital Spread       Electric     \$ 197,443,389     \$       Electric     \$ 197,443,389     \$       (lines 7/ line 15) Total Elec RB / Total Average Investments     \$ 91,053,729     \$       Clines 9/ line 15) Total Cas       Non-Utility     \$ 34,536,527     \$       (lines 15) Total Non-Oper / Total Average Investments     \$ 323,033,645     \$       Total Working Capital     \$ 323,033,645     \$   | 18       |                                 |                                 |
| (lines 7/ line 15) Total Elec RB / Total Average Investments \$ 91,053,729 \$ \$ 0.112% \$ 61.12% \$ 60.05% \$ 729 \$ \$ 0.100 \$ | Flactric | -                               |                                 |
| Gas     \$ 91,053,729     \$ 10,053,729     \$ 10,053,729     \$ 10,053,729     \$ 10,053,729     \$ 10,053,729     \$ 10,053,729     \$ 10,053,729     \$ 10,053,729     \$ 10,053,729     \$ 10,053,729     \$ 10,053,729     \$ 10,053,729     \$ 10,053,729     \$ 10,053,729     \$ 10,053,729     \$ 10,053,729     \$ 10,053,729     \$ 10,053,172     \$ 10,059,111     \$ 10,059  |          |                                 | •                               |
| Non-Utility       \$ 34,536,527       \$         Non-Utility       \$ 323,033,645       \$         (lines 13/line 15) Total Non-Oper / Total Average Investments       \$ 323,033,645       \$         Total Working Capital       \$ 323,033,645       \$       \$  | 1        |                                 | <br> <br> ∳                     |
| <u>(lines 13 / line 15)</u> Total Non-Oper / Total Average Investments \$ 10.69% 10.69% 70tal Working Capital \$ 323,033,645 \$ 309,82   | <u> </u> |                                 | <br> <br> \$                    |
|  |          | 323,0                           | 309,82                          |
|  |          |                                 |                                 |

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## PUGET SOUND ENERGY-ELECTRIC & GAS FOR THE TWELVE MONTHS ENDED JUNE 30, 2021 ALLOCATION METHODS

| Method | Description   |            |    | Electric      |          | Gas              | Total          |
|--------|---|------------|----|---------------|----------|------------------|----------------|
|        |   |            |    |               |          |                  |                |
| 1      | * <u>12 Month Average Number of Customers</u>           | 6/30/2021  |    | 1,189,324     |          | 855,422          | 2,044,746      |
|        | Percent   |            |    | 58.16%        |          | 41.84%           | 100.00%        |
| 2      | * Joint Meter Reading Customers                         | 6/30/2021  |    | 818,699       |          | 489,556          | 1,308,255      |
|        | Percent   |            |    | 62.58%        |          | 37.42%           | 100.00%        |
| 3      | * Non-Production Plant                                  |            |    |               |          |                  |                |
|        | Distribution  | 6/30/2021  |    | 4,511,910,709 | \$       | 4,342,968,052 \$ | 8,854,878,761  |
|        | Transmission  | 6/30/2021  |    | 1,651,217,343 |          | -                | 1,651,217,343  |
|        | Direct General Plant                                    | 6/30/2021  |    | 240,488,311   |          | 42,290,998       | 282,779,309    |
|        | Total   |            | \$ | 6,403,616,363 | \$       | 4,385,259,050 \$ | 10,788,875,413 |
|        | Percent   |            |    | 59.35%        |          | 40.65%           | 100.00%        |
|        | * 4 Easter Allocator                                    |            |    |               |          |                  |                |
| 4      | * <u>4-Factor Allocator</u><br>Number of Customers      | 6/30/2021  |    | 1,189,324     |          | 855,422          | 2,044,746      |
|        | Percent   |            |    | 58.16%        |          | 41.84%           | 100.00%        |
|        | Labor - Direct Charge to O&M                            | 6/30/2021  |    | 62,132,531    |          | 26,806,474 \$    | 88,939,006     |
|        | Percent   | 0,00,2021  |    | 69.86%        |          | 30.14%           | 100.00%        |
|        | T&D O&M Expense (Less Labor)                            | 6/30/2021  |    | 77,452,462    |          | 36,552,816 \$    | 114,005,278    |
|        | Percent   |            |    | 67.94%        |          | 32.06%           | 100.00%        |
|        | Net Classified Plant (Excluding General (Common) Plant) | 6/30/2021  |    | 5,845,329,837 |          | 2,777,486,055    | 8,622,815,892  |
|        | Percent   |            |    | 67.79%        |          | 32.21%           | 100.00%        |
|        | Total Percentages                                       |            |    | 263.75%       |          | 136.25%          | 400.00%        |
|        | Percent   |            |    | 65.94%        |          | 34.06%           | 100.00%        |
| 5      | * Employee Benefits                                     |            |    |               |          |                  |                |
| Ŭ      | Direct Labor Accts 500-935                              | 6/30/2021  |    | 69,978,761    |          | 27,958,917       | 97,937,678     |
|        | Total   | 0,00,2021  | \$ | 69,978,761    | \$       | 27,958,917 \$    | 97,937,678     |
|        | Percent   |            | Ŧ  | 71.45%        | Ŧ        | 28.55%           | 100.00%        |
| •      | 0.000.0-1%  | 0,00,00004 |    |               |          | O such in s d    |                |
| 6      | <u>O&amp;M Split</u>                                    | 6/30/2021  |    |               | ¢        | Combined         | 40.040/        |
|        | Utility   |            |    |               | \$       | 149,445,774      | 48.21%         |
|        | Non-Utility   |            |    |               | \$<br>¢  | 3,300,674        | 1.06%          |
|        | Capital<br>Dercent Tatal                                |            |    | -             | \$<br>\$ | 157,247,745      | 50.73%         |
|        | Percent Total   |            |    | =             | Ф        | 309,994,193      | 100.00%        |