

**EXH. SEF-8
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 ___**

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

SUSAN E. FREE

ON BEHALF OF PUGET SOUND ENERGY

JANUARY 31, 2022

PUGET SOUND ENERGY - GAS
GAS RESULTS OF OPERATIONS
2022 GENERAL RATE CASE
12 MONTHS ENDED JUNE 30, 2021
GENERAL RATE INCREASE

LINE NO.	DESCRIPTION	2023 RATE YEAR 1	2024 RATE YEAR 2	2025 RATE YEAR 3
12	RATE BASE	\$ 2,963,664,294	\$ 3,133,269,162	\$ 3,227,147,270
13	RATE OF RETURN	7.39%	7.44%	7.49%
14				
15	OPERATING INCOME REQUIREMENT	219,014,791	233,115,226	241,713,331
16				
17	PRO FORMA OPERATING INCOME	94,107,923	85,647,411	76,638,135
18	OPERATING INCOME DEFICIENCY	124,906,868	147,467,815	165,075,195
19				
20	CONVERSION FACTOR	0.754801	0.754801	0.754801
21	CUMULATIVE REVENUE CHANGE	\$ 165,483,178	\$ 195,373,105	\$ 218,700,287
22				
23	NET REVENUE CHANGE BY RATE YEAR	\$ 165,483,178	\$ 29,889,927	\$ 23,327,182
24				
25	CHANGES TO OTHER PRICE SCHEDULES FROM EXH. JDT-6:			
26	SET SCHEDULE 149 GAS COST RECOVERY MECHANISM TO ZERO	(22,490,189)		
27	IMPACT FOR CHANGES IN LOAD	16	(1,351,282)	(16,014)
28	SUBTOTAL CHANGES TO OTHER PRICE SCHEDULES	(22,490,173)	(1,351,282)	(16,014)
29				
30	NET REVENUE CHANGE BY RATE YEAR	\$ 142,993,005	\$ 28,538,645	\$ 23,311,168
31				
32	PERCENTAGE CHANGE	12.98%	2.29%	1.83%
33	REVENUES PER EXH. JDT-6 BILL IMPACTS	\$ 1,101,528,916	\$ 1,244,999,573	\$ 1,276,349,129

**PUGET SOUND ENERGY - GAS
GAS RESULTS OF OPERATIONS
2022 GENERAL RATE CASE
12 MONTHS ENDED JUNE 30, 2021
REQUESTED COST OF CAPITAL**

LINE NO.	DESCRIPTION	CAPITAL STRUCTURE	COST	WEIGHTED COST
12	Restating through December 2022			
13	SHORT AND LONG TERM DEBT	51.04%	5.13%	2.62%
14	EQUITY	48.96%	9.43%	4.61%
15	TOTAL	100%		7.23%
16				
17	AFTER TAX SHORT TERM DEBT ((LINE 1)* 79%)	51.04%	4.06%	2.07%
18	EQUITY	48.96%	9.43%	4.61%
19	TOTAL AFTER TAX COST OF CAPITAL	100%		6.68%
20				
21	2023			
22	SHORT AND LONG TERM DEBT	51.00%	4.98%	2.54%
23	EQUITY	49.00%	9.90%	4.85%
24	TOTAL	100%		7.39%
25				
26	AFTER TAX SHORT TERM DEBT ((LINE 1)* 79%)	51.00%	3.93%	2.01%
27	EQUITY	49.00%	9.90%	4.85%
28	TOTAL AFTER TAX COST OF CAPITAL	100%		6.86%
29				
30	2024			
31	SHORT AND LONG TERM DEBT	50.50%	5.03%	2.54%
32	EQUITY	49.50%	9.90%	4.90%
33	TOTAL	100%		7.44%
34				
35	AFTER TAX SHORT TERM DEBT ((LINE 1)* 79%)	50.50%	3.97%	2.01%
36	EQUITY	49.50%	9.90%	4.90%
37	TOTAL AFTER TAX COST OF CAPITAL	100%		6.91%
38				
39	2025			
40	SHORT AND LONG TERM DEBT	50.00%	5.08%	2.54%
41	EQUITY	50.00%	9.90%	4.95%
42	TOTAL	100%		7.49%
43				
44	AFTER TAX SHORT TERM DEBT ((LINE 1)* 79%)	50.00%	4.01%	2.01%
45	EQUITY	50.00%	9.90%	4.95%
46	TOTAL AFTER TAX COST OF CAPITAL	100%		6.96%

**PUGET SOUND ENERGY - GAS
GAS RESULTS OF OPERATIONS
2022 GENERAL RATE CASE
12 MONTHS ENDED JUNE 30, 2021
CONVERSION FACTOR**

LINE NO.	DESCRIPTION		
12	BAD DEBTS		0.004198
13	ANNUAL FILING FEE		0.002000
14	STATE UTILITY TAX (3.8358% - (LINE 1 * 3.8358%))	0.038520	<u>0.038358</u>
15			
16	SUM OF TAXES OTHER		0.044556
17			
18	CONVERSION FACTOR EXCLUDING FEDERAL INCOME TAX (1 - LINE 17)		0.955444
19	FIT	21%	<u>0.200643</u>
20	CONVERSION FACTOR INCL FEDERAL INCOME TAX (LINE 18 - LINE 19)		<u><u>0.754801</u></u>