

**EXH. SEF-12  
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 \_\_\_**

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

**SUSAN E. FREE**

**ON BEHALF OF PUGET SOUND ENERGY**

**JANUARY 31, 2022**

**Exhibit A-1 Power Cost Baseline Rate  
22GRC Rate Year 1 - 2023**

Row	AMA Rate Year 1	Test Yr \$/MWh	Fixed Prod Costs In Decoupling	Variable Prod Costs in PCA
	(I)	(II)	(IV)	(V)
3	Regulatory Assets	\$ 123,548,302		
4	Transmission Rate Base	70,678,010		
5	Production Rate Base	1,371,879,240		
6		\$ 1,566,105,552		
7	Net of tax rate of return	6.86%		
8				
9				
9A				
10	Fixed Asset Return Reg Assets (on Row 3)	\$ 10,728,372	\$ 10,728,372	
10a	Equity Adder Centralia Coal Transition PPA	4,094,424		4,094,424
11	Fixed Asset Return Transmission (on Row 4)	6,137,356	6,137,356	
12	Fixed Asset Return Production (on Row 5)	119,127,742	119,127,742	
13	501-Steam Fuel Incl Reg Amort	47,133,029		47,133,029
14	555-Purchased power Incl Reg Amort	663,356,527		663,356,527
15	557-Other Power Exp	13,689,651	13,689,651	
15a	Payroll Overheads - Benefits	8,696,041	8,696,041	
15b	Property Insurance (A&G)	4,192,840	4,192,840	
15c	Montana Electric Energy Tax	in tracker		
15d	Payroll Taxes on Production Wages	2,560,259	2,560,259	
15e	Brokerage Fees #55700003	521,380		521,380
16	547-Fuel Incl Reg Amort	211,780,599		211,780,599
17	565-Wheeling Incl Reg Amort	135,862,200		135,862,200
18	456-1 OATT Transmission Income	(4,966,373)	(4,966,373)	
19	Production O&M	95,361,604	95,361,604	
20	447-Sales to Others	(128,535,202)		(128,535,202)
21	456-Purch/Sales Non-Core Gas	(43,938,972)		(43,938,972)
22	Transmission Exp - 500KV	607,113	607,113	
23	Depreciation-Production (FERC 403)	127,589,262	127,589,262	
24	Depreciation-Transmission	3,584,179	3,584,179	
25	Amortization - Reg Assets - Non PC Only	3,878,829	3,878,829	
27	Subtotal & Baseline Rate	\$ 1,281,460,861	\$ 391,186,875	\$ 890,273,986
28	Revenue Sensitive Items	0.9523480	0.952348	0.952348
29	Grossed up for RSI	\$ 1,345,580,461	\$ 410,760,431	\$ 934,820,030
30	Rate Year DELIVERED Load (MWh's)	19,671,400	20,409,822	
31				
32				
33				
34				
35	Power Cost Baseline Rate	\$ 65.144	\$ 62.786	\$ 65.928
36	Fixed Production Costs	\$ 19.886	\$ 19.167	\$ 20.126
37	Variable Production Costs	\$ 45.258	\$ 43.620	\$ 45.802
38	Power Cost Baseline Rate	\$ 65.144	\$ 62.786	\$ 65.928

For PCA Mechanism	
Before Rev.	After Rev.
Sensitive Items	Sensitive Items
Rev Req (Column (II))	
\$ 65.144	\$ 68.404
\$ 19.886	\$ 20.881
\$ 45.258	\$ 47.523
\$ 65.144	\$ 68.404

For Green Direct Credit	
Before Rev.	After Rev.
Sensitive Items	Sensitive Items
Rev Req (Column (II))	
\$ 62.786	\$ 65.928
\$ 19.167	\$ 20.126
\$ 43.620	\$ 45.802
\$ 62.786	\$ 65.928

**Exhibit A-1 Power Cost Baseline Rate  
22GRC Rate Year 2 - 2024**

Row	<u>AMA Rate Year 2</u>				Fixed	Variable
			Test Yr		Prod Costs	Prod Costs
			\$/MWh		In Decoupling	in PCA
9A	(I)	(II)	(III)	(IV)	(V)	
3	Regulatory Assets	\$ 109,756,064				
4	Transmission Rate Base	67,956,977				
5	Production Rate Base	<u>1,320,566,408</u>				
6		\$ 1,498,279,449				
7	Net of tax rate of return	6.91%				
10	Fixed Asset Return Reg Assets (on Row 3)	\$ 9,600,182	\$ 0.483	F	\$ 9,600,182	
10a	Equity Adder Centralia Coal Transition PPA	4,105,642	\$ 0.207	V		4,105,642
11	Fixed Asset Return Transmission (on Row 4)	5,944,085	\$ 0.299	F	5,944,085	
12	Fixed Asset Return Production (on Row 5)	115,507,771	\$ 5.814	F	115,507,771	
13	501-Steam Fuel Incl Reg Amort	44,057,839	\$ 2.218	V		44,057,839
14	555-Purchased power Incl Reg Amort	669,623,690	\$ 33.703	V		669,623,690
15	557-Other Power Exp	14,134,395	\$ 0.711	F	14,134,395	
15a	Payroll Overheads - Benefits	8,948,836	\$ 0.450	F	8,948,836	
15b	Property Insurance	4,192,840	\$ 0.211	F	4,192,840	
15c	Montana Electric Energy Tax	in tracker	in tracker	V		
15d	Payroll Taxes on Production Wages	2,634,871	\$ 0.133	F	2,634,871	
15e	Brokerage Fees #55700003	533,893	\$ 0.027	V		533,893
16	547-Fuel Incl Reg Amort	207,585,501	\$ 10.448	V		207,585,501
17	565-Wheeling Incl Reg Amort	140,769,860	\$ 7.085	V		140,769,860
18	456-1 OATT Transmission Income	(5,115,745)	\$ (0.257)	F	(5,115,745)	
19	Production O&M	93,947,588	\$ 4.729	F	93,947,588	
20	447-Sales to Others	(135,668,370)	\$ (6.828)	V		(135,668,370)
21	456-Purch/Sales Non-Core Gas	(30,092,088)	\$ (1.515)	V		(30,092,088)
22	Transmission Exp - 500KV	613,543	\$ 0.031	F	613,543	
23	Depreciation-Production (FERC 403)	130,037,269	\$ 6.545	F	130,037,269	
24	Depreciation-Transmission	3,448,893	\$ 0.174	F	3,448,893	
25	Amortization - Reg Assets - Non PC Only	3,572,472	\$ 0.180	F	3,572,472	
27	Subtotal & Baseline Rate	\$ 1,288,382,966	\$ 64.848		\$ 387,467,000	\$ 900,915,966
28	Revenue Sensitive Items	0.9523480			0.952348	0.952348
29	Grossed up for RSI	\$ 1,352,848,923			\$ 406,854,427	\$ 945,994,496
30	Rate Year DELIVERED Load (MWh's)	19,868,188			20,606,610	
31		For PCA Mechanism			For Green Direct Credit	
32		<u>Before Rev.</u>	<u>After Rev.</u>		<u>Before Rev.</u>	<u>After Rev.</u>
33		<u>Sensitive Items</u>	<u>Sensitive Items</u>		<u>Sensitive Items</u>	<u>Sensitive Items</u>
34		<u>Rev Req (Column (II) )</u>			<u>Rev Req (Column (II) )</u>	
35	Power Cost Baseline Rate	\$ 64.848	\$ 68.093		\$ 62.523	\$ 65.651
36	Fixed Production Costs	\$ 19.503	\$ 20.479		\$ 18.803	\$ 19.744
37	Variable Production Costs	\$ 45.345	\$ 47.614		\$ 43.720	\$ 45.907
38	Power Cost Baseline Rate	\$ 64.848	\$ 68.093		\$ 62.523	\$ 65.651

**Exhibit A-1 Power Cost Baseline Rate  
22GRC Rate Year 3 - 2025**

Row		<u>AMA Rate Year 3</u>					Fixed Prod Costs In Decoupling	Variable Prod Costs in PCA
			Test Yr \$/MWh					
9A		(I)	(II)	(III)	(IV)	(V)		
3	Regulatory Assets	\$ 95,537,058						
4	Transmission Rate Base	65,443,336						
5	Production Rate Base	<u>1,284,000,923</u>						
6		\$ 1,444,981,317						
7	Net of tax rate of return		6.96%					
10	Fixed Asset Return Reg Assets (on Row 3)	\$ 8,416,936	\$ 0.433	F	\$ 8,416,936			
10a	Equity Adder Centralia Coal Transition PPA	3,232,440	\$ 0.166	V				3,232,440
11	Fixed Asset Return Transmission (on Row 4)	5,765,641	\$ 0.297	F	5,765,641			
12	Fixed Asset Return Production (on Row 5)	111,496,789	\$ 5.734	F	111,496,789			
13	501-Steam Fuel Incl Reg Amort	44,102,799	\$ 2.268	V				44,102,799
14	555-Purchased power Incl Reg Amort	578,899,870	\$ 29.773	V				578,899,870
15	557-Other Power Exp	14,641,667	\$ 0.753	F	14,641,667			
15a	Payroll Overheads - Benefits	9,210,031	\$ 0.474	F	9,210,031			
15b	Property Insurance	4,192,840	\$ 0.216	F	4,192,840			
15c	Montana Electric Energy Tax	in tracker	in tracker	V				
15d	Payroll Taxes on Production Wages	2,711,944	\$ 0.139	F	2,711,944			
15e	Brokerage Fees #55700003	546,707	\$ 0.028	V				546,707
16	547-Fuel Incl Reg Amort	207,712,024	\$ 10.683	V				207,712,024
17	565-Wheeling Incl Reg Amort	142,481,594	\$ 7.328	V				142,481,594
18	456-1 OATT Transmission Income	(5,269,217)	\$ (0.271)	F	(5,269,217)			
19	Production O&M	96,084,800	\$ 4.942	F	96,084,800			
20	447-Sales to Others	(115,324,264)	\$ (5.931)	V				(115,324,264)
21	456-Purch/Sales Non-Core Gas	(24,671,916)	\$ (1.269)	V				(24,671,916)
22	Transmission Exp - 500KV	620,102	\$ 0.032	F	620,102			
23	Depreciation-Production (FERC 403)	132,651,471	\$ 6.822	F	132,651,471			
24	Depreciation-Transmission	3,336,056	\$ 0.172	F	3,336,056			
25	Amortization - Reg Assets - Non PC Only	1,242,443	\$ 0.064	F	1,242,443			
27	Subtotal & Baseline Rate	\$ 1,222,080,758	\$ 62.853		\$ 385,101,504		\$ 836,979,254	
28	Revenue Sensitive Items	0.9523480			0.952348		0.952348	
29	Grossed up for RSI	\$ 1,283,229,196			\$ 404,370,570		\$ 878,858,626	
30	Rate Year DELIVERED Load (MWh's)	19,443,871			20,631,871			
31								
32		For PCA Mechanism		For Green Direct Credit				
33		<u>Before Rev.</u>	<u>After Rev.</u>	<u>Before Rev.</u>	<u>After Rev.</u>			
34		<u>Sensitive Items</u>	<u>Sensitive Items</u>	<u>Sensitive Items</u>	<u>Sensitive Items</u>			
35	Power Cost Baseline Rate	\$ 62.853	\$ 65.998	\$ 59.233	\$ 62.196			
36	Fixed Production Costs	\$ 19.807	\$ 20.798	\$ 18.665	\$ 19.599			
37	Variable Production Costs	\$ 43.046	\$ 45.200	\$ 40.567	\$ 42.597			
38	Power Cost Baseline Rate	\$ 62.853	\$ 65.998	\$ 59.233	\$ 62.196			