

**EXH. SEF-7
DOCKETS UE-240004/UG-240005
2024 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-240004
Docket UG-240005**

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

SUSAN E. FREE

ON BEHALF OF PUGET SOUND ENERGY

FEBRUARY 15, 2024

**PUGET SOUND ENERGY - GAS
GAS RESULTS OF OPERATIONS
2024 GENERAL RATE CASE
12 MONTHS ENDED JUNE 30, 2023
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	2025 RATE YEAR 1	2026 RATE YEAR 2
12	RATE BASE	\$ 2,866,503,993	\$ 2,863,128,296
13	RATE OF RETURN	7.65%	7.99%
14			
15	OPERATING INCOME REQUIREMENT	219,287,555	228,763,951
16			
17	PRO FORMA OPERATING INCOME	32,533,138	22,890,018
18	OPERATING INCOME DEFICIENCY	186,754,418	205,873,933
19			
20	CONVERSION FACTOR	0.754213	0.754213
21	CUMULATIVE REVENUE CHANGE	\$ 247,614,954	\$ 272,965,240
22			
23	NET REVENUE CHANGE IN BASE RATES BY RATE YEAR	\$ 247,614,954	\$ 25,350,286
24	CHANGES TO OTHER PRICE SCHEDULES FROM EXH. JDT-6:		
25	CURRENT TARIFF RATES TRANSFERRED TO BASE RATES ABOVE:		
26	SCHEDULE 141N (RATES NOT SUBJ TO REF ADJ)	3,931,154	
27	SCHEDULE 141R (RATES SUBJECT TO REF ADJ)	(59,540,833)	
28	NEW TARIFF SCHEDULES:		
29	SCHEDULE 141DCARB	4,035,116	-
30			
31	SUBTOTAL CHANGES TO OTHER PRICE SCHEDULES	(51,574,564)	-
32			
33	NET REVENUE CHANGE BY RATE YEAR	\$ 196,040,390	\$ 25,350,286
34			
35	PERCENTAGE CHANGE	18.96%	2.07%
36	REVENUES PER EXH. JDT-6 BILL IMPACTS	\$ 1,033,938,394	\$ 1,227,505,423
37			

**PUGET SOUND ENERGY - GAS
GAS RESULTS OF OPERATIONS
2024 GENERAL RATE CASE
12 MONTHS ENDED JUNE 30, 2023
REQUESTED COST OF CAPITAL**

LINE NO.	DESCRIPTION	CAPITAL STRUCTURE	COST	WEIGHTED COST
12	Restating through December 2024			
13	SHORT AND LONG TERM DEBT	50.93%	5.16%	2.63%
14	EQUITY	49.07%	9.40%	4.61%
15	TOTAL	100%		7.24%
16				
17	AFTER TAX SHORT TERM DEBT ((LINE 1)* 79%)	50.93%	4.08%	2.08%
18	EQUITY	49.07%	9.40%	4.61%
19	TOTAL AFTER TAX COST OF CAPITAL	100%		6.69%
20				
21	2025			
22	SHORT AND LONG TERM DEBT	50.00%	5.34%	2.67%
23	EQUITY	50.00%	9.95%	4.98%
24	TOTAL	100.0%		7.65%
25				
26	AFTER TAX SHORT TERM DEBT ((LINE 1)* 79%)	50.00%	4.22%	2.11%
27	EQUITY	50.00%	9.95%	4.98%
28	TOTAL AFTER TAX COST OF CAPITAL	100%		7.09%
29				
30	2026			
31	SHORT AND LONG TERM DEBT	49.00%	5.37%	2.63%
32	EQUITY	51.00%	10.50%	5.36%
33	TOTAL	100.00%		7.99%
34				
35	AFTER TAX SHORT TERM DEBT ((LINE 1)* 79%)	49.00%	4.24%	2.08%
36	EQUITY	51.00%	10.50%	5.36%
37	TOTAL AFTER TAX COST OF CAPITAL	100%		7.44%

**PUGET SOUND ENERGY - GAS
GAS RESULTS OF OPERATIONS
2024 GENERAL RATE CASE
12 MONTHS ENDED JUNE 30, 2023
CONVERSION FACTOR**

LINE NO.	DESCRIPTION		
12	BAD DEBTS		0.002891
13	ANNUAL FILING FEE		0.004000
14	STATE UTILITY TAX (3.8409% - (LINE 12 * 3.8409%))	3.8520%	<u>0.038409</u>
15			
16	SUM OF TAXES OTHER		0.045300
17			
18	CONVERSION FACTOR EXCLUDING FEDERAL INCOME TAX (1 - LINE 17)		0.954700
19	FIT	21%	<u>0.200487</u>
20	CONVERSION FACTOR INCL FEDERAL INCOME TAX (LINE 18 - LINE 19)		<u><u>0.754213</u></u>