

**EXH. SEF-12
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**

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

SUSAN E. FREE

ON BEHALF OF PUGET SOUND ENERGY

FEBRUARY 15, 2024

**Exhibit A-1 Power Cost Baseline Rate
24GRC Rate Year 1 - 2025**

Row		<u>AMA Rate Year 1</u>					Fixed Prod Costs In Decoupling	Variable Prod Costs in PCA																
			Test Yr \$/MWh																					
9A		(I)	(II)	(III)		(IV)	(V)																	
3	Regulatory Assets	\$ 95,697,188																						
4	Transmission Rate Base	66,912,595																						
5	Production Rate Base	1,372,497,740																						
6	Net Rate Base for Exh. A-1	\$ 1,535,107,523																						
7	Net of tax rate of return		7.09%																					
10	Fixed Asset Return Reg Assets (on Row 3)	\$ 8,588,520	\$ 0.418	F		\$ 8,588,520																		
10a	Return on CETA DR PPAs	1,271,326	\$ 0.062	V			1,271,326																	
10b	Equity Adder Centralia Coal Transition PPA	3,232,440	\$ 0.157	V			3,232,440																	
11	Fixed Asset Return Transmission (on Row 4)	6,005,194	\$ 0.292	F		6,005,194																		
12	Fixed Asset Return Production (on Row 5)	123,177,329	\$ 5.998	F		123,177,329																		
13	501-Steam Fuel Incl Reg Amort	46,932,540	\$ 2.285	V			46,932,540																	
14	555-Purchased power Incl Reg Amort	837,745,562	\$ 40.791	V			837,745,562																	
14a	CETA DR PPAs	16,618,234	\$ 0.809	V			16,618,234																	
15	557-Other Power Exp	19,751,769	\$ 0.962	F		19,751,769																		
15a	Payroll Overheads - Benefits	12,407,910	\$ 0.604	F		12,407,910																		
15b	Property Insurance (A&G)	5,221,602	\$ 0.254	F		5,221,602																		
15c	Montana Electric Energy Tax	in tracker	in tracker	V																				
15d	Payroll Taxes on Production Wages	2,756,202	\$ 0.134	F		2,756,202																		
15e	Brokerage Fees #55700003	439,744	\$ 0.021	V			439,744																	
16	547-Fuel Incl Reg Amort	532,757,684	\$ 25.941	V			532,757,684																	
17	565-Wheeling Incl Reg Amort	162,467,602	\$ 7.911	V			162,467,602																	
18	456-1 OATT Transmission Income	(7,026,151)	\$ (0.342)	F		(7,026,151)																		
19	Production O&M	99,929,274	\$ 4.866	F		99,929,274																		
20	447-Sales to Others	(506,401,190)	\$ (24.658)	V			(506,401,190)																	
21	456-Purch/Sales Non-Core Gas	(130,054,373)	\$ (6.333)	V			(130,054,373)																	
22	Transmission Exp - 500KV	802,102	\$ 0.039	F		802,102																		
23	Depreciation-Production (FERC 403)	147,487,493	\$ 7.181	F		147,487,493																		
24	Depreciation-Transmission	3,361,571	\$ 0.164	F		3,361,571																		
25	Amortization - Reg Assets - Non PC Only	1,674,028	\$ 0.082	F		1,674,028																		
27	Subtotal & Baseline Rate	\$ 1,389,146,414	\$ 67.638			\$ 424,136,844	\$ 965,009,569																	
28	Revenue Sensitive Items	0.9510290				0.951029	0.951029																	
29	Grossed up for RSI	\$ 1,460,677,239				\$ 445,976,773	\$ 1,014,700,466																	
30	Rate Year Delivered MWh's (Excl Gr Direct)	20,537,347																						
31		<table border="1"> <thead> <tr> <th colspan="2">For PCA Mechanism</th> </tr> <tr> <th>Before Rev.</th> <th>After Rev.</th> </tr> <tr> <th>Sensitive Items</th> <th>Sensitive Items</th> </tr> <tr> <th colspan="2">Rev Req (Column (II))</th> </tr> </thead> <tbody> <tr> <td>\$ 67.638</td> <td>\$ 71.121</td> </tr> <tr> <td>\$ 20.652</td> <td>\$ 21.715</td> </tr> <tr> <td>\$ 46.986</td> <td>\$ 49.405</td> </tr> <tr> <td>\$ 67.638</td> <td>\$ 71.120</td> </tr> </tbody> </table>							For PCA Mechanism		Before Rev.	After Rev.	Sensitive Items	Sensitive Items	Rev Req (Column (II))		\$ 67.638	\$ 71.121	\$ 20.652	\$ 21.715	\$ 46.986	\$ 49.405	\$ 67.638	\$ 71.120
For PCA Mechanism																								
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35	Power Cost Baseline Rate	\$ 67.638	\$ 71.121																					
36	Fixed Production Costs	\$ 20.652	\$ 21.715																					
37	Variable Production Costs	\$ 46.986	\$ 49.405																					
38	Power Cost Baseline Rate	\$ 67.638	\$ 71.120																					

**Exhibit A-1 Power Cost Baseline Rate
24GRC Rate Year 2 - 2026**

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	\$ 82,502,919					
4	Transmission Rate Base	63,899,762					
5	Production Rate Base	1,612,344,362					
6	Net Rate Base for Exh. A-1	\$ 1,758,747,043					
7	Net of tax rate of return	7.44%					
10	Fixed Asset Return Reg Assets (on Row 3)	\$ 7,769,895	\$ 0.374	F	\$ 7,769,895		
10a	Return on CETA DR PPAs	1,364,913		V			1,364,913
10b	Equity Adder Centralia Coal Transition PPA	-	-	V			-
11	Fixed Asset Return Transmission (on Row 4)	6,017,902	\$ 0.290	F	6,017,902		
12	Fixed Asset Return Production (on Row 5)	151,846,102	\$ 7.315	F	151,846,102		
13	501-Steam Fuel Incl Reg Amort	-	-	V			-
14	555-Purchased power Incl Reg Amort	700,461,174	\$ 33.745	V			700,461,174
14a	CETA DR PPAs	17,082,769		V			17,082,769
15	557-Other Power Exp	20,714,453	\$ 0.998	F	20,714,453		
15a	Payroll Overheads - Benefits	12,872,066	\$ 0.620	F	12,872,066		
15b	Property Insurance	5,221,602	\$ 0.252	F	5,221,602		
15c	Montana Electric Energy Tax	in tracker	in tracker	V			
15d	Payroll Taxes on Production Wages	2,861,756	\$ 0.138	F	2,861,756		
15e	Brokerage Fees #55700003	450,298	\$ 0.022	V			450,298
16	547-Fuel Incl Reg Amort	578,648,309	\$ 27.877	V			578,648,309
17	565-Wheeling Incl Reg Amort	161,778,231	\$ 7.794	V			161,778,231
18	456-1 OATT Transmission Income	(7,271,660)	\$ (0.350)	F	(7,271,660)		
19	Production O&M	109,458,110	\$ 5.273	F	109,458,110		
20	447-Sales to Others	(280,825,260)	\$ (13.529)	V			(280,825,260)
21	456-Purch/Sales Non-Core Gas	(104,404,052)	\$ (5.030)	V			(104,404,052)
22	Transmission Exp - 500KV	808,856	\$ 0.039	F	808,856		
23	Depreciation-Production (FERC 403)	177,283,878	\$ 8.541	F	177,283,878		
24	Depreciation-Transmission	3,361,571	\$ 0.162	F	3,361,571		
25	Amortization - Reg Assets - Non PC Only	1,119,005	\$ 0.054	F	1,119,005		
27	Subtotal & Baseline Rate	\$ 1,566,619,917	\$ 74.585		\$ 492,063,535		\$ 1,074,556,382
28	Revenue Sensitive Items	0.9510290			0.951029		0.951029
29	Grossed up for RSI	\$ 1,647,289,323			\$ 517,401,189		\$ 1,129,888,134
30	Rate Year Delivered MWh's (Excl Gr Direct)	20,757,313					
31							
32							
33							
34							
35	Power Cost Baseline Rate	\$ 74.585	\$ 78.426				
36	Fixed Production Costs	\$ 23.706	\$ 24.927				
37	Variable Production Costs	\$ 50.879	\$ 53.499				
38	Power Cost Baseline Rate	\$ 74.585	\$ 78.426				

For PCA Mechanism	
Before Rev.	After Rev.
Sensitive Items	Sensitive Items
Rev Req (Column (II))	
\$ 74.585	\$ 78.426
\$ 23.706	\$ 24.927
\$ 50.879	\$ 53.499
\$ 74.585	\$ 78.426