

**EXH. SEF-3
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**

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

SUSAN E. FREE

ON BEHALF OF PUGET SOUND ENERGY

FEBRUARY 15, 2024

**PUGET SOUND ENERGY - ELECTRIC
ELECTRIC 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	\$ 6,606,402,752	\$ 7,416,985,017
13	RATE OF RETURN	7.65%	7.99%
14			
15	OPERATING INCOME REQUIREMENT	505,389,810	592,617,103
16			
17	PRO FORMA OPERATING INCOME	66,339,955	(41,700,447)
18	OPERATING INCOME DEFICIENCY	439,049,855	634,317,550
19			
20	CONVERSION FACTOR	0.751313	0.751313
21	CUMULATIVE REVENUE CHANGE	\$ 584,376,758	\$ 844,278,682
22			
23	NET REVENUE CHANGE IN BASE RATES BY RATE YEAR	\$ 584,376,758	\$ 259,901,924
24			
25	CHANGES TO OTHER PRICE SCHEDULES FROM EXH. CTM-7		
26	CURRENT TARIFF RATES TRANSFERRED TO BASE RATES ABOVE:		
27	SCHEDULE 95 - 2020 PCORC		
28	SCHEDULE 95 - 2024 POWER COST UPDATE	\$ (161,629,358)	
29	SCHEDULE 141CEIP	(23,557,982)	
30	SCHEDULE 137	(142,890)	
31	SCH. 141N (RATES NOT SUBJ TO REF ADJ)	(160,864,693)	
32	SCH. 141R (RATES SUBJECT TO REF ADJ)	(152,840,009)	
33	NEW TARIFF RATES COSTS NOT INCLUDED IN BASE RATES DEFICIENCY:		
34	SCHEDULE 141CGR - CLEAN GENERATION RESOURCES	71,656,160	18,419,941
35	SCHEDULE 141WFP - WILDFIRE PREVENTION	27,546,601	6,846,347
36	SCHEDULE 141DCARB - DECARBONIZATION	7,673,452	-
37			
38			
39	SUBTOTAL CHANGES TO OTHER PRICE SCHEDULES	(392,158,719)	25,266,288
40			
41	NET REVENUE CHANGE AFTER TRACKERS AND RIDERS	\$ 192,218,039	\$ 285,168,212
42			
43	PERCENTAGE CHANGE	6.74%	8.48%
44	REVENUES PER EXH. CTM-7 BILL IMPACTS	\$ 2,851,103,553	\$ 3,065,710,673
45			
46	GRAY AMOUNTS ARE CURRENT ESTIMATES THAT HAVE NOT BEEN FORMALLY FILED IN TARIFF SHEETS		
47	WITH PRESENT ESTIMATES FOR RATE YEAR 2 FOR SCH. 141CGR/WFP/DCARB		9.30%

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

LINE NO.	DESCRIPTION		
12	BAD DEBTS		0.006488
13	ANNUAL FILING FEE		0.004000
14	STATE UTILITY TAX (3.8483% - (LINE 12 * 3.8483%))	3.8734%	<u>0.038483</u>
15			
16	SUM OF TAXES OTHER		0.048971
17			
18	CONVERSION FACTOR EXCLUDING FEDERAL INCOME TAX (1 - LINE 17)		0.951029
19	FIT	21%	<u>0.199716</u>
20	CONVERSION FACTOR INCL FEDERAL INCOME TAX (LINE 18 - LINE 19)		<u><u>0.751313</u></u>