EXH. SEF-19 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

EIGHTEENTH EXHIBIT (NONCONFIDENTIAL) TO THE PREFILED DIRECT TESTIMONY OF

SUSAN E. FREE

ON BEHALF OF PUGET SOUND ENERGY

ELECTRIC

LINE	PLANT RELATED COSTS	2025	2026	_	Source
9	Cost of Debt	2.67%	2.63%	Fo	kh. SEF-3 page 2
10	Requested Rate of Return	7.65%	7.99%		kh. SEF-3 page 2
11	Statutory Federal Income Tax Rate	21.00%	21.00%		
12	Conversion Factor	75.13%	75.13%	Ex	kh. SEF-3 page 3
13					
14	Rate Base Associated with Post 2024 Plant Additions	\$ 309,022,459 \$	1,612,545,860	SI	EF-19 page 3 line 89
15	Rate Base Associated with Post 2024 Plant Retirements	2,492,517	4,530,245	SE	EF-19 page 4 line 23
16	Total Rate Base Proposed Subject to Refund	 311,514,975	1,617,076,105		
17					
18	Depr/Amort Expense Associated with Post 2024 Plant Additions	(13,480,311)	(84,303,982)	SI	EF-19 page 3 line 80
19	Depr/Amort Expense Associated with Post 2024 Plant Retirements	724,834	2,463,707	SI	EF-19 page 4 line 12
20	Impact on Operating Income for Depreciation/Amortization Expense	(12,755,477)	(81,840,275)		
21					
22	Income Tax Expense Associated with Post 2024 Plant Additions	2,830,865	17,703,836	SE	EF-19 page 3 line 82
23	Income Tax Expense Associated with Post 2024 Plant Retirements	 (111,522)	(547,253)	SE	EF-19 page 4 line 16
24	Income Tax Expense	2,719,343	17,156,584		
25					
26	Impact on NOI for Depreciation/Amortization Expense	(10,036,134)	(64,683,692)		
27					
28	Tax Benefit of Proforma Interest	1,746,664	8,931,111	L	ine 9 x Line 11 x Line 16
29					
30	Net Operating Income	(8,289,469)	(55,752,580)	Li	ne 26 + Line 28
31					
32	Net Operating Income Requirement (Return on Rate Base)	23,830,896	129,204,381	Li	ne 10 x Line 16
33					
34	Net Operating Income Deficiency	 32,120,365	184,956,961	Li	ne 32 - Line 30
35		 			
36	Grossed Up Deficiency - Cumulative	 42,752,308	246,178,305	Li	ne 34 / Line 12
37		 			
38	Grossed Up Deficiency - Cumulative In Rates	42,752,308	246,178,305	Li	ne 36
39	Consider Difference D. Verre	42.752.200	202 425 007		20 . D
40	Grossed Up Deficiency - By Year	 42,752,308	203,425,997	Li	ne 38 - Prior Year Line 38

				EOP		EOP		AMA		AMA
	ELECTRIC			Dec-23	2024	ADJUSTED	2025	ADJUSTED	2026	ADJUSTED
			TRADITIONAL	ADJUSTED	GAP YEAR	RESULTS	RATE YEAR 1	RESULTS	RATE YEAR 2	RESULTS
LINE	<u> </u>		PROFORMA	RESULTS OF	PROFORMA	START OF	PROVISIONAL	END OF	PROVISIONAL	END OF
NO.			ADJUSTMENTS	OPERATIONS	ADJUSTMENTS	RATE YEAR 1	ADJUSTMENTS	RATE YEAR 1	ADJUSTMENTS	RATE YEAR 2
1	Programmatic	(less Co	lstrip)							
2	403 ELEC. DEPRECIATION EXPENSE		-	-	-	-	5,990,412.97	5,990,412.97	17,959,710.56	23,950,123.53
3	403 ELEC. PORTION OF COMMON		-	-	-	-	41,980.05	41,980.05	1,022,585.54	1,064,565.59
4	404 ELEC. AMORTIZATION EXPENSE		-	-	-	-	97,753.04	97,753.04	768,446.99	866,200.03
5	404 ELEC. PORTION OF COMMON		-	=	-	=	270,530.37	270,530.37	6,400,893.25	6,671,423.62
6	TOTAL DEPRECIATION AND AMORTIZATION EXPENSE		-	-	-	-	6,400,676.43	6,400,676.43	26,151,636.34	32,552,312.77
7 8	INCREASE (DECREASE) EXPENSE						6,400,676.43	6,400,676.43	26,151,636.34	32,552,312.77
9	INCREASE (DECREASE) EXPENSE		-	-	-	-	6,400,676.43	6,400,676.45	20,131,030.34	32,332,312.77
10	INCREASE (DECREASE) FIT	21%	-	-	-	-	(1,344,142.05)	(1,344,142.05)	(5,491,843.63)	(6,835,985.68)
11		-								
12	INCREASE (DECREASE) NOI		-	-	-	-	(5,056,534.38)	(5,056,534.38)	(20,659,792.71)	(25,716,327.09)
13										
14	GROSS PLANT		-	-	-	-	166,513,952.52	166,513,952.52	488,013,286.24	654,527,238.76
15			-	-	-	-	(1,928,464.35)	(1,928,464.35)	(19,305,405.70)	(21,233,870.04)
	DFIT		-	-	-	-	(1,766,081.95)	(1,766,081.95)	(6,041,782.65)	(7,807,864.60)
17			-	-	-	-	162,819,406.22	162,819,406.22	462,666,097.89	625,485,504.11
18										
19	· ·									
20			-	-	-	-	1,837,128.33	1,837,128.33	3,997,892.69	5,835,021.02
21			-	-	-	-	-	-	-	422 644 70
22 23			-	-	-	-	44,575.20	44,575.20	88,036.50	132,611.70
	TOTAL DEPRECIATION AND AMORTIZATION EXPENSE						1,881,703.53	1,881,703.53	4,085,929.19	5,967,632.72
25							1,001,703.33	1,001,703.33	4,003,323.13	3,307,032.72
	INCREASE (DECREASE) EXPENSE		_	_	_	_	1,881,703.53	1,881,703.53	4,085,929.19	5,967,632.72
27							,,	,,	,,.	-,,
28		21%	_	-	-	-	(395,157.74)	(395,157.74)	(858,045.13)	(1,253,202.87)
29										
30	INCREASE (DECREASE) NOI		-	-	-	-	(1,486,545.79)	(1,486,545.79)	(3,227,884.06)	(4,714,429.85)
31		•								
32			-	-	-	-	58,413,576.16	58,413,576.16	128,498,653.74	186,912,229.90
33			-	-	-	-	(627,007.09)	(627,007.09)	(3,912,985.69)	(4,539,992.78)
34			-	-	-	-	4,466,121.51	4,466,121.51	8,804,158.35	13,270,279.86
35 36			-	-	-	=	62,252,690.58	62,252,690.58	133,389,826.40	195,642,516.98
37 38	•						CC0 000 C0	CCO 000 CO	10 100 002 22	10 000 703 03
38 39			-	-	-	-	669,880.60	669,880.60	10,196,902.23	10,866,782.83
40			-	-	-	-	-	-	-	-
41			_	_	_	_		_	461,782.42	461,782.42
42							669,880.60	669,880.60	10,658,684.65	11,328,565.25
43							113,000.00	,000.00	,_50,0005	,,
44			-	-	-	-	669,880.60	669,880.60	10,658,684.65	11,328,565.25
45							,	*		
46	INCREASE (DECREASE) FIT	21%	<u> </u>	<u>-</u>		-	(140,674.93)	(140,674.93)	(2,238,323.78)	(2,378,998.70)
47										
	INCREASE (DECREASE) NOI		-	-	-	-	(529,205.67)	(529,205.67)	(8,420,360.88)	(8,949,566.55)
49		-								

FIFOTOLO			EOP		EOP		AMA		AMA
ELECTRIC			Dec-23	2024	ADJUSTED	2025	ADJUSTED	2026	ADJUSTED
		TRADITIONAL	ADJUSTED	GAP YEAR	RESULTS	RATE YEAR 1	RESULTS	RATE YEAR 2	RESULTS
LINE		PROFORMA	RESULTS OF	PROFORMA	START OF	PROVISIONAL	END OF	PROVISIONAL	END OF
NO. DESCRIPTION			OPERATIONS	ADJUSTMENTS	RATE YEAR 1	ADJUSTMENTS	RATE YEAR 1	ADJUSTMENTS	RATE YEAR 2
50 GROSS PLANT		-	-	71D30311VIE1113	-	32,685,474.27	32,685,474.27	446,418,402.21	479,103,876.48
51 ACCUM. DEPRECIATION & AMORTIZATION		_	_	_	_	(69,214.33)	(69,214.33)	(6,032,352.12)	(6,101,566.45)
52 DFIT		_	_	_	_	(1,717,398.14)	(1,717,398.14)	(5,014,087.90)	(6,731,486.04)
53 TOTAL ADJUSTMENT TO RATE BASE	-	-	_	_	_	30,898,861.80	30,898,861.80	435,371,962.19	466,270,823.99
54							,,	,	,,
55 Projected									
56 403 ELEC. DEPRECIATION EXPENSE						1,902,729.21	1,902,729.21	7,696,925.22	9,599,654.43
57 403 ELEC. PORTION OF COMMON		-	-	-	-				
		-	-	-	-	110,891.08 1,215,588.80	110,891.08	1,896,880.34	2,007,771.43 12,236,309.00
58 404 ELEC. AMORTIZATION EXPENSE 59 404 ELEC. PORTION OF COMMON		-	-	-	-		1,215,588.80 1,298,841.37	11,020,720.20 9,312,895.08	
	_	-	-	-	-	1,298,841.37		· · · · ·	10,611,736.45
60 TOTAL DEPRECIATION AND AMORTIZATION EXPENSE		-	-	-	-	4,528,050.46	4,528,050.46	29,927,420.85	34,455,471.31
61						4 530 050 46	4 530 050 46	20 027 420 05	24 455 474 24
62 INCREASE (DECREASE) EXPENSE		-	-	-	-	4,528,050.46	4,528,050.46	29,927,420.85	34,455,471.31
63	240/					(050,000,60)	(050,000,00)	(6.204.750.20)	/7 225 C40 07\
64 INCREASE (DECREASE) FIT	21%		-		-	(950,890.60)	(950,890.60)	(6,284,758.38)	(7,235,648.97)
65	_					(2.577.450.07)	(2.577.450.07)	(22 642 662 47)	(27.240.022.22)
66 INCREASE (DECREASE) NOI	_	-	-	-	-	(3,577,159.87)	(3,577,159.87)	(23,642,662.47)	(27,219,822.33)
67									
68 GROSS PLANT		-	-	-	-	55,142,914.74	55,142,914.74	296,849,170.94	351,992,085.68
69 ACCUM. DEPRECIATION & AMORTIZATION		-	=	=	-	(1,107,051.09)	(1,107,051.09)	(19,746,564.90)	(20,853,615.99)
70 DFIT	_	-	-	-	-	(984,363.75)	(984,363.75)	(5,007,091.33)	(5,991,455.08)
71 TOTAL ADJUSTMENT TO RATE BASE		-	-	-	-	53,051,499.90	53,051,499.90	272,095,514.71	325,147,014.62
72									
73 Total All Provisional Proformas									
74 403 ELEC. DEPRECIATION EXPENSE		-	-	-	-	10,400,151.11	10,400,151.11	39,851,430.70	50,251,581.81
75 403 ELEC. PORTION OF COMMON		-	-	-	-	152,871.13	152,871.13	2,919,465.89	3,072,337.02
76 404 ELEC. AMORTIZATION EXPENSE		-	-	-	-	1,357,917.04	1,357,917.04	11,877,203.69	13,235,120.73
77 404 ELEC. PORTION OF COMMON		-	-	-	-	1,569,371.74	1,569,371.74	16,175,570.76	17,744,942.49
78 TOTAL DEPRECIATION AND AMORTIZATION EXPENSE		-	-	-	-	13,480,311.02	13,480,311.02	70,823,671.03	84,303,982.05
79									
80 INCREASE (DECREASE) EXPENSE		-	-	-	-	13,480,311.02	13,480,311.02	70,823,671.03	84,303,982.05
81									
82 INCREASE (DECREASE) FIT	21%	-	=	-	-	(2,830,865.31)	(2,830,865.31)	(14,872,970.92)	(17,703,836.23)
83									
84 INCREASE (DECREASE) NOI		-	=	-	-	(10,649,445.71)	(10,649,445.71)	(55,950,700.12)	(66,600,145.82)
85	-								
86 GROSS PLANT		-	-	-	-	312,755,917.69	312,755,917.69	1,359,779,513.13	1,672,535,430.82
87 ACCUM. DEPRECIATION & AMORTIZATION		-	-	-	-	(3,731,736.86)	(3,731,736.86)	(48,997,308.40)	(52,729,045.26)
88 DFIT		-	-	-	-	(1,722.33)	(1,722.33)	(7,258,803.53)	(7,260,525.86)
89 TOTAL ADJUSTMENT TO RATE BASE	_	-	-	-	-	309,022,458.50	309,022,458.50	1,303,523,401.20	1,612,545,859.70

ELECTRIC

			EOP	5 22	EOP	AD II ICTED	AMA	4.D.U.GTED	AMA	ADULETED
			DEC 2023 TRADITIONAL	Dec-23 ADJUSTED	2024	ADJUSTED	2025 RATE YEAR 1	ADJUSTED	2026	ADJUSTED RESULTS
LINE			PROFORMA	RESULTS OF	GAP YEAR PROFORMA	RESULTS START OF	PROVISIONAL	RESULTS END OF	RATE YEAR 2 PROVISIONAL	END OF
NO. DESCRIPTION			ADJUSTMENTS	OPERATIONS	ADJUSTMENTS	RATE YEAR 1	ADJUSTMENTS	RATE YEAR 1	ADJUSTMENTS	RATE YEAR 2
NO. DESCRIPTION			ADJUSTIVIEN 13	OPERATIONS	ADJUSTIVIENTS	KATE TEAR I	ADJUSTIVIENTS	KAIE TEAK I	ADJUSTIVIENTS	RATE TEAR 2
2 403 ELEC. DEPRECIATION EXPENSE							(724,834.00)	(724,834.00)	(1,738,872.72)	(2,463,706.72)
3 403 ELEC. PORTION OF COMMON		_	_	_	_	_	(72.,0000)	(72.,0000)	(1), 50,0,2,12)	(2) 100)7 0017 2)
4 404 ELEC. AMORTIZATION EXPENSE		_	_	_	_	_	_	-	-	-
5 404 ELEC. PORTION OF COMMON		-			-	-		-	-	-
6 SUBTOTAL DEPRECIATION EXPENSE 403		-	-	-	-	-	(724,834.00)	(724,834.00)	(1,738,872.72)	(2,463,706.72)
7 403.1 ELEC. ASSET RETIREMENT COST DEPRECIATION		-	-	-	-	-	-	-	-	-
8 403.1 ELEC. PORTION OF COMMON		-	-	-	-	-	-	-	-	-
9 411.10 ELEC. ASSET RETIREMENT OBLIGATION ACCRETION		-	-	-	-	-	-	-	-	-
10 TOTAL DEPRECIATION AND ACCRETION		-	-	-	-	-	(724,834.00)	(724,834.00)	(1,738,872.72)	(2,463,706.72)
11										
12 INCREASE (DECREASE) EXPENSE		-	-	-	-	-	(724,834.00)	(724,834.00)	(1,738,872.72)	(2,463,706.72)
13										
14 INCREASE (DECREASE) FIT	21%	-	-	-	-	-	152,215.14	152,215.14	365,163.27	517,378.41
15 INCREASE (DECREASE) DFIT		-	-	-	-	-	(40,693.04)	(40,693.04)	70,567.17	29,874.14
16 INCREASE (DECREASE) TAX EXPENSE		-	-	-	-	-	111,522.10	111,522.10	435,730.44	547,252.55
17										
18 INCREASE (DECREASE) NOI	_	-	-	-	-	-	613,311.90	613,311.90	1,303,142.28	1,916,454.17
19										
20 ADJUSTMENT TO RATE BASE:		-	-	-	-	-	-	-	-	-
21 ADJUSTMENT TO ACCUM. DEPREC.		-	-	-	-	-	241,061.32	241,061.32	1,594,270.37	1,835,331.69
22 DFIT		-	-	-	-	-	2,251,455.31	2,251,455.31	443,457.99	2,694,913.29
23 TOTAL ADJUSTMENT TO RATEBASE		-	-	-	-	-	2,492,516.63	2,492,516.63	2,037,728.36	4,530,244.98
24										
25										
26										
27	Cos	2	34.55%							
28 Four Factor Allocation Percentages: 29	Gas: Electric:		55.45%							
29	Electric:	ь	03.4370							