EXH. SEF-20 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

NINETEENTH EXHIBIT (NONCONFIDENTIAL) TO THE PREFILED DIRECT TESTIMONY OF

SUSAN E. FREE

ON BEHALF OF PUGET SOUND ENERGY

NATURAL GAS

LINE	PLANT RELATED COSTS	 2025	2026	Source
9	Cost of Debt	2.67%	2.63%	Exh. SEF-7 page 2
10	Requested Rate of Return	7.65%	7.99%	Exh. SEF-7 page 2
11	Statutory Federal Income Tax Rate	21.00%	21.00%	
12	Conversion Factor	75.42%	75.42%	Exh. SEF-7 page 3
13				
14	Rate Base Associated with Post 2024 Plant Additions	\$ 100,724,774 \$	352,815,861	SEF-20 page 3 line 89
15	Rate Base Associated with Post 2024 Plant Retirements	(7,206,751)	(25,143,902)	SEF-20 page 4 line 24
16	Total Rate Base Proposed Subject to Refund	 93,518,023	327,671,958	
17				
18	Depr/Amort Expense Associated with Post 2024 Plant Additions	(6,434,902)	(27,934,486)	SEF-20 page 3 line 80
19	Depr/Amort Expense Associated with Post 2024 Plant Retirements	 214,282	669,912	SEF-20 page 4 line 12
20	Impact on Operating Income for Depreciation/Amortization Expense	 (6,220,620)	(27,264,574)	
21				
22	Income Tax Expense Associated with Post 2024 Plant Additions	1,351,330	5,866,242	SEF-20 page 3 line 82
23	Income Tax Expense Associated with Post 2024 Plant Retirements	(3,708,960)	(3,848,128)	SEF-20 page 4 line 17
24	Income Tax Expense	 (2,357,630)	2,018,114	
25				
26	Impact on NOI for Depreciation/Amortization Expense	(8,578,250)	(25,246,460)	
27				
28	Tax Benefit of Proforma Interest	524,356	1,809,732	Line 9 x Line 11 x Line 16
29				
30	Net Operating Income	(8,053,895)	(23,436,728)	Line 26 + Line 28
31				
32	Net Operating Income Requirement (Return on Rate Base)	7,154,129	26,180,989	Line 10 x Line 16
33				
34	Net Operating Income Deficiency	 15,208,024	49,617,717	Line 32 - Line 30
35				
36	Grossed Up Deficiency - Cumulative	 20,164,096	65,787,407	Line 34 / Line 12
37				
38	Grossed Up Deficiency - Cumulative In Rates	20,164,096	65,787,407	Line 36
39 40	Grossed Up Deficiency - By Year	20,164,096	45,623,311	Line 38 - Prior Year Line 38
40	Grossed op Deficiency By Tear	 20,104,030	73,023,311	Line 30 Triol Teal Line 30

NATURAL GAS		EOP			EOP		AMA	AMA		
				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		ADJUSTMENTS	OPERATIONS	ADJUSTMENTS	RATE YEAR 1	ADJUSTMENTS	RATE YEAR 1	ADJUSTMENTS	RATE YEAR 2
1	Programmatic									
2	403 GAS DEPRECIATION EXPENSE		-	-	-	-	3,093,213.97	3,093,213.97	6,362,082.77	9,455,296.74
3	403 GAS PORTION OF COMMON		-	-	-	-	22,160.59	22,160.59	539,806.43	561,967.02
4	404 GAS AMORTIZATION EXPENSE		-	-	-	-	102,916.33	102,916.33	305,957.90	408,874.23
5	404 GAS PORTION OF COMMON		-	-	-	-	142,808.62	142,808.62	3,378,928.37	3,521,736.99
6	TOTAL DEPRECIATION AND AMORTIZATION EXPENSE		-	-	-	-	3,361,099.51	3,361,099.51	10,586,775.47	13,947,874.98
7										
8	INCREASE (DECREASE) EXPENSE		-	-	-	-	3,361,099.51	3,361,099.51	10,586,775.47	13,947,874.98
9										
10	INCREASE (DECREASE) FIT	21%		-	-	-	(705,830.90)	(705,830.90)	(2,223,222.85)	(2,929,053.75)
11										
12	INCREASE (DECREASE) NOI			-	-	-	(2,655,268.61)	(2,655,268.61)	(8,363,552.62)	(11,018,821.23)
13										
14	INCREASE TO RATE BASE		-	-	-	-	61,776,287.74	61,776,287.74	148,518,084.85	210,294,372.59
15	ACCUM. DEPRECIATION & AMORTIZATION		-	-	-	-	(1,054,473.12)	(1,054,473.12)	(8,684,311.83)	(9,738,784.96)
16	DFIT			-	-	-	(298,755.77)	(298,755.77)	(987,859.37)	(1,286,615.14)
17	TOTAL ADJUSTMENT TO RATE BASE		-	-	-	-	60,423,058.85	60,423,058.85	138,845,913.65	199,268,972.50
18										
19	Programmatic Customer Driven		-	-	-	-	-	-	-	-
20	403 GAS DEPRECIATION EXPENSE		-	-	-	-	1,252,300.02	1,252,300.02	2,294,484.11	3,546,784.13
21	403 GAS PORTION OF COMMON		-	-	-	-	-	-	-	-
22	404 GAS AMORTIZATION EXPENSE		-	-	-	-	-	-	-	-
23	404 GAS PORTION OF COMMON			-	-	-	-	-	-	-
24	TOTAL DEPRECIATION AND AMORTIZATION EXPENSE		-	-	-	-	1,252,300.02	1,252,300.02	2,294,484.11	3,546,784.13
25										
26	INCREASE (DECREASE) EXPENSE		-	-	-	-	1,252,300.02	1,252,300.02	2,294,484.11	3,546,784.13
27							/ ·			/
28	INCREASE (DECREASE) FIT	21%		-	-	-	(262,983.00)	(262,983.00)	(481,841.66)	(744,824.67)
29	INCREASE (DESPEASE) NO						(000 247 02)	(000 247 02)	(4.042.642.45)	(2.004.050.46)
30	INCREASE (DECREASE) NOI			-	-	-	(989,317.02)	(989,317.02)	(1,812,642.45)	(2,801,959.46)
31	INCREASE TO DATE DASE						20 472 055 24	20 472 000 24	F2 740 220 FF	02 402 206 00
32	INCREASE TO RATE BASE		-	-	-	-	28,472,966.34	28,472,966.34	53,719,330.55	82,192,296.89
33 34	ACCUM. DEPRECIATION & AMORTIZATION DFIT		-	-	-	-	(418,631.86)	(418,631.86) (136,688.74)	(2,453,536.82)	(2,872,168.68)
35	TOTAL ADJUSTMENT TO RATE BASE					-	(136,688.74) 27,917,645.74	27,917,645.74	(343,302.21) 50,922,491.52	(479,990.95) 78,840,137.26
36	TOTAL ADJUSTIVIENT TO RATE BASE		_	_	_	_	27,517,043.74	27,317,043.74	30,322,431.32	78,840,137.20
	Chasifia									
37	Specific									
38	403 GAS DEPRECIATION EXPENSE		-	-	-	-	-	-	-	-
39 40	403 GAS PORTION OF COMMON		-	-	-	-	-	-	-	-
	404 GAS AMORTIZATION EXPENSE		-	-	-	-	-	-	- 242 767 50	242.767.50
41 42	404 GAS PORTION OF COMMON TOTAL DEPRECIATION AND AMORTIZATION EXPENSE			-	-	-	-	-	243,767.50 243,767.50	243,767.50 243,767.50
42	TOTAL PERMEDIATION AND AMORTIZATION EXPENSE		-	-	-	-	-	-	243,/07.30	243,707.30
44	INCREASE (DECREASE) EXPENSE								243,767.50	243,767.50
45	INCIDENCE (DECREASE) EN ENSE		-	-	-	-	-	-	243,707.30	2+3,707.30
46	INCREASE (DECREASE) FIT	21%	_	_	_	_	_	_	(51,191.17)	(51,191.17)
47	THE TOTAL (DECKEDSE) III	21/0							(31,131.17)	(31,131.17)
48	INCREASE (DECREASE) NOI			_	-	_	-	-	(192,576.32)	(192,576.32)
49									(,-: -:32)	(,-: ::02)

NATURAL GAS			EOP			EOP AMA			AMA		
LINE			TRADITIONAL PROFORMA	Dec-23 ADJUSTED RESULTS OF	2024 GAP YEAR PROFORMA	ADJUSTED RESULTS START OF	2025 RATE YEAR 1 PROVISIONAL	ADJUSTED RESULTS END OF	2026 RATE YEAR 2 PROVISIONAL	ADJUSTED RESULTS END OF	
NO.	DESCRIPTION		ADJUSTMENTS	OPERATIONS	ADJUSTMENTS	RATE YEAR 1	ADJUSTMENTS	RATE YEAR 1	ADJUSTMENTS	RATE YEAR 2	
50	INCREASE TO RATE BASE		-	-	-	-	-	-	2,437,674.99	2,437,674.99	
	ACCUM. DEPRECIATION & AMORTIZATION		-	-	-	-	-	-	(26,315.87)	(26,315.87)	
52				-			-	-	(75,474.99)	(75,474.99)	
53 54	TOTAL ADJUSTMENT TO RATE BASE		-	-	-	-	-	-	2,335,884.13	2,335,884.13	
	Drojected										
55			-	-	-	-	- 242.452.20	-	-	1 002 625 22	
56 57	403 GAS DEPRECIATION EXPENSE 403 GAS PORTION OF COMMON		-	-	-	-	212,452.39 58,537.62	212,452.39 58,537.62	881,172.93 1,001,332.56	1,093,625.32 1,059,870.17	
58	404 GAS AMORTIZATION EXPENSE		_	_	_	-	864,875.47	864,875.47	1,575,923.90	2,440,799.37	
59	404 GAS PORTION OF COMMON		_	_	_	_	685,637.42	685,637.42	4,916,127.20	5,601,764.62	
60	TOTAL DEPRECIATION AND AMORTIZATION EXPENSE		_	_	-	-	1,821,502.90	1,821,502.90	8,374,556.58	10,196,059.48	
61							,- ,	,- ,	-,- ,	., ,	
62	INCREASE (DECREASE) EXPENSE		-	-	-	-	1,821,502.90	1,821,502.90	8,374,556.58	10,196,059.48	
63											
64	INCREASE (DECREASE) FIT	21%	-	-	-	-	(382,515.61)	(382,515.61)	(1,758,656.88)	(2,141,172.49)	
65											
66	INCREASE (DECREASE) NOI		-	-	-	-	(1,438,987.29)	(1,438,987.29)	(6,615,899.70)	(8,054,886.99)	
67											
68	INCREASE TO RATE BASE		-	-	-	-	13,304,012.33	13,304,012.33	67,432,604.70	80,736,617.03	
69	ACCUM. DEPRECIATION & AMORTIZATION		-	-	-	-	(506,590.61)	(506,590.61)	(6,132,803.36)	(6,639,393.97)	
70 71				-	-		(413,352.15) 12,384,069.57	(413,352.15)	(1,313,004.12)	(1,726,356.27)	
71	TOTAL ADJUSTMENT TO RATE BASE		-	-	-	-	12,384,069.57	12,384,069.57	59,986,797.22	72,370,866.78	
	Total All Provisional Proformas										
73							4 557 066 30	4 557 066 30	0 527 720 04	14 005 706 10	
74 75	403 GAS DEPRECIATION EXPENSE 403 GAS PORTION OF COMMON		-	-	-	-	4,557,966.38 80,698.21	4,557,966.38 80,698.21	9,537,739.81 1,541,138.98	14,095,706.19 1,621,837.19	
75 76	404 GAS AMORTIZATION EXPENSE		-	-	-	-	967,791.80	967,791.80	1,881,881.80	2,849,673.60	
77			_	_	_	_	828,446.04	828,446.04	8,538,823.06	9,367,269.11	
78	TOTAL DEPRECIATION AND AMORTIZATION EXPENSE		_	_	-	-	6,434,902.43	6,434,902.43	21,499,583.66	27,934,486.09	
79							2, 10 1,000.10	o, .o .,	,,	=-,,	
80	INCREASE (DECREASE) EXPENSE		-	-	-	-	6,434,902.43	6,434,902.43	21,499,583.66	27,934,486.09	
81											
82	INCREASE (DECREASE) FIT	21%	-	-	-	-	(1,351,329.51)	(1,351,329.51)	(4,514,912.57)	(5,866,242.08)	
83											
84	INCREASE (DECREASE) NOI		-	-	-	-	(5,083,572.92)	(5,083,572.92)	(16,984,671.09)	(22,068,244.01)	
85											
86	INCREASE TO RATE BASE		-	-	-	-	103,553,266.41	103,553,266.41	272,107,695.09	375,660,961.50	
87	ACCUM. DEPRECIATION & AMORTIZATION		-	-	-	-	(1,979,695.59)	(1,979,695.59)	(17,296,967.89)	(19,276,663.48)	
88	DFIT		-	-	-	-	(848,796.66)	(848,796.66)	(2,719,640.69)	(3,568,437.35)	
89	TOTAL ADJUSTMENT TO RATE BASE		-	-	-	-	100,724,774.16	100,724,774.16	252,091,086.51	352,815,860.67	

NATURAL GAS

LINE	255202701			DEC 2023 TRADITIONAL PROFORMA	Dec-23 ADJUSTED RESULTS OF	2024 GAP YEAR PROFORMA	ADJUSTED RESULTS START OF	2025 RATE YEAR 1 PROVISIONAL	ADJUSTED RESULTS END OF	2026 RATE YEAR 2 PROVISIONAL	ADJUSTED RESULTS END OF
NO.	DESCRIPTION			ADJUSTMENTS	OPERATIONS	ADJUSTMENTS	RATE YEAR 1	ADJUSTMENTS	RATE YEAR 1	ADJUSTMENTS	RATE YEAR 2
2	403 GAS DEPRECIATION EXPENSE							(214,282)	(214,282)	(455,630)	(669,912)
3	403 GAS PORTION OF COMMON							(214,202)	(214,202)	(455,050)	(003,312)
4	404 GAS AMORTIZATION EXPENSE		-	_	_	_	_			_	-
5	404 GAS PORTION OF COMMON		_	-		_		_	_	_	
6	SUBTOTAL DEPRECIATION EXPENSE 403		-	-	-		-	(214,282)	(214,282)	(455,630)	(669,912)
7	403.1 GAS ASSET RETIREMENT COST DEPRECIATION		-		-			-	-	-	-
8	403.1 GAS PORTION OF COMMON		-		-						
9	411.10 GAS ASSET RETIREMENT OBLIGATION ACCRETION		-	-	-	-	-	-	-	-	-
10	TOTAL DEPRECIATION AND ACCRETION		-	-	-	-	-	(214,282)	(214,282)	(455,630)	(669,912)
11											
12	INCREASE (DECREASE) EXPENSE		-	-	-	-	-	(214,282)	(214,282)	(455,630)	(669,912)
13											
14											
15	INCREASE (DECREASE) FIT		-	-	-	-	-	44,999	44,999	95,682	140,682
16	INCREASE (DECREASE) DFIT		-	-	-	-	-	3,663,960	3,663,960	43,486	3,707,447
17	INCREASE (DECREASE) TAX EXPENSE		-	-	-	-	-	3,708,960	3,708,960	139,169	3,848,128
18											
19	INCREASE (DECREASE) NOI		-	-	-	-	-	(3,494,677)	(3,494,677)	316,461	(3,178,216)
20											
21	ADJUSTMENT TO RATE BASE:		-	-	-	-	-	-	-	-	-
22	ADJUSTMENT TO ACCUM. DEPREC.		-	-	-	-	-	68,042	68,042	442,097	510,139
23	DFIT		-	-	-	-	-	(7,274,793)	(7,274,793)	(18,379,248)	(25,654,041)
24	TOTAL ADJUSTMENT TO RATEBASE		-	-	-	-	-	(7,206,751)	(7,206,751)	(17,937,151)	(25,143,902)
25											
26											
27	Four Factor Allocation Percentages:	Gas:		.55%							
28		Electric:	65	.45%							