

**EXH. TMH-10
DOCKETS UE-240004/UG-240005
2024 PSE GENERAL RATE CASE
WITNESS: THOMAS M. HUNT**

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

PUGET SOUND ENERGY,

Respondent.

**Docket UE-240004
Docket UG-240005**

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

THOMAS M. HUNT

ON BEHALF OF PUGET SOUND ENERGY

FEBRUARY 15, 2024

Retirement Plan for Employees of Puget Sound Energy, Inc.

**Funding Guidelines -- Illustrated Results for 2023
Based on 1/1/2023 valuation results**

MVA = 658.5M as of 12/31/2022, excluding receivable contributions
FAS discount rate as of 12/31/2022 = 5.60%
Funding segment rates for 2023 = 4.75%, 5.00%, 5.74%

Funding Guidelines Summary for 2023	
Minimum/Maximum Range:	\$4.4M to \$505.7M
Baseline Amount:	\$28.5M
EoY Floor Amount:	\$0.0M
Funding Guideline Range:	\$4.4M to \$28.5M

IRS Minimum (simplified):	
= TNC x100% + 1/6 (FT x100% - MV Assets) based on 2023 Actuarial Valuation results	
16,968,949	Target Normal Cost 2023
16,968,949	TNC x100%
583,125,115	Funding Target as of 1/1/2023
583,125,115	FT x100%
658,532,801	MV Assets as of 1/1/2023
112.9%	Funded ratio = Assets / Funding Target
(75,407,686) Shortfall/(Surplus) = FT x100% - MV Assets	
16,968,949	TNC x100%
(12,567,948)	1/6 x Shortfall / (Surplus)
4,401,001	Minimum for 2023

Baseline Amount:	
= SC x120% + 1/10 (PBO x120% - MV Assets) based on 2023 Actuarial Valuation results	
18,529,641	PBO Service Cost 2023
22,235,569	SC x120%
600,578,843	PBO as of 1/1/2023
720,694,612	PBO x120%
658,532,801	MV Assets as of 1/1/2023
109.6%	PBO funded ratio = Assets / PBO
62,161,811 120% Shortfall/(Surplus) = PBO x120% - MV Assets	
22,235,569	SC x120%
6,216,181	1/10 x 120% Shortfall/(Surplus)
28,451,750	Baseline for 2023

Maximum Deductible (simplified):	
= TNC + (FT x150% - MV Assets) based on 2023 Actuarial Valuation results	
24,823,869	Target Normal Cost 2023
1,139,425,337	FT x150%
24,823,869	TNC x100%
480,892,536	FT x150% - MV Assets
505,716,405	Maximum Deductible for 2023

EoY Floor Amount:	
= FT x90% - MV Assets (close to year-end) actual amount to be determined as of 11/30/2023	
589,200,000	Funding Target as of 1/1/2024 (estimated)
530,300,000	FT x90%
655,900,000	MV Assets as of 1/1/2024 (estimated)
111.3%	Funded ratio = Assets / Funding Target
0	EoY Floor for 2023

Notes:
 IRS Minimum reflects segment rate stabilization.
 Actual IRS minimum contribution for 2023 is 0.0M.
 Maximum deductible calculations do not reflect segment rate stabilization.
 EoY Floor Amount is based on projected assets and liabilities from beginning of year, ignoring 2023 contributions.