Concentric Energy Advisors valuation study on municipalization in Kitsap County

The study values utility assets. It does not estimate the total cost of municipalization.

The study estimates the financial value of PSE's electric transmission and distribution assets serving Kitsap County is worth approximately **$1.2 billion to $1.5 billion** based on a valuation date of December 31, 2030.

The valuation focuses on electric delivery infrastructure and is not an estimate of the total cost of creating and operating a municipal utility.

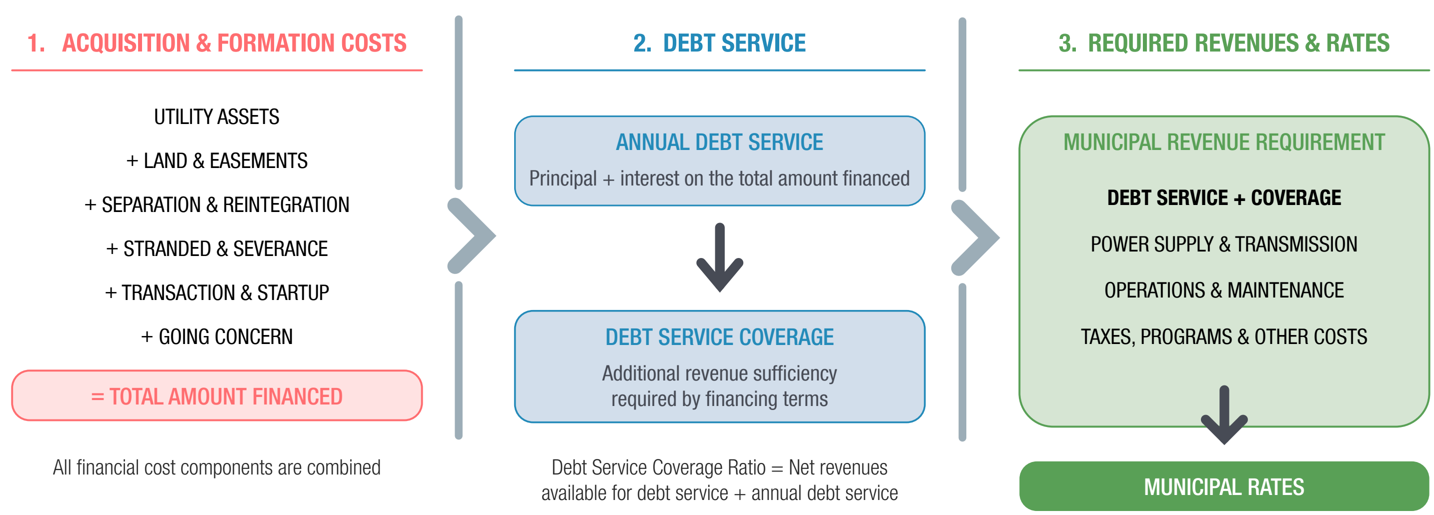
Included	Excluded
• Poles, wires and other transmission and distribution equipment	• Land, land rights, easements
• Transformers	• Natural gas assets
• Substations	• Construction work in progress
• Underground electric infrastructure	• Electric generation assets
• Meters	• Separation and reintegration costs
• Operational, technology and administrative assets required for the electric system	• Stranded and severance costs
	• Startup and financing costs
	• Operations and capital budget
	• Power supply costs

> "The starting price is $1.2 billion to $1.5 billion for poles and wires alone. It doesn't include the substantial costs of creating, financing or operating a new utility."

Josh Nowak
Vice President at Concentric Energy Advisors

How acquisition costs flow into municipal rates

All financed acquisition and formation costs determine annual debt service; coverage requirements then affect required revenues and rates.



How were these costs calculated?

The study evaluated electric transmission and distribution assets serving approximately 130,000 customer accounts throughout Kitsap County. Concentric Energy Advisors used three commonly accepted valuation approaches:

Income	Market	Cost
$1.2 billion	$1.4 billion	$1.5 billion
Regulated utility cash-flow analysis	Comparable utility market evidence	Physical plant cost analysis

Isn't the November vote to allow the PUD to conduct a study of the costs?

No. In Washington, a public utility district can assess the costs, risks and operational requirements of forming or acquiring an electric utility without a public vote, as other jurisdictions, including Jefferson County, have done.

PSE commissioned this independent evaluation because the PUD has not provided any public estimate on the cost to takeover PSE's system. No second vote is required so residents need to know the full costs before the November vote.

PSE funded this study. How can I trust the numbers are accurate?

The amount is similar to what Kitsap PUD General Manager Angela Bennink suggested in a July 2026 email exchange with an attorney from Foster Garvey. Bennink estimated that purchasing PSE's system would cost up to $1.2 billion, requiring a levy of about $0.92 on the thousand. To pay for that, Kitsap PUD would need to raise property taxes 20 times to what they are today.

While PSE paid for this study, the conclusions are solely those of Concentric, as an independent consultant and advisor. This study is paid for by the company, not by PSE customers.

Does this mean that municipalization would cost $1.2 billion to $1.5 billion?

No. The study repeatedly notes that the asset valuation should not be interpreted as the total cost of municipalization. Additional acquisition, transition, financing, and startup costs were not estimated and are not included in the asset valuation range.

Why are separation and reintegration costs important?

The electric system currently operates as part of a larger integrated network. A municipal utility would require engineering, planning and construction work so both systems can continue operating safely and reliably after separation.

Does the study estimate future municipal utility rates?

No. The report explains how acquisition and formation costs could flow into debt service and revenue requirements, but it does not estimate future municipal utility rates.

About Concentric Energy Advisors

Concentric is a management consulting and financial advisory firm founded in 2002 serving the North American energy industry. Concentric provides strategic, financial, regulatory, valuation, and expert testimony services throughout the United States and Canada.

Learn more about the study

Telephone Town Hall with Concentric Energy Advisors: **Tuesday, Oct. 13 at 6 p.m.**

Join at admin.teletownhall.us/event/watch/137121

Read the full study at PSE.com/PoweringKitsap.

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