

**Exh. MCC-11
Dockets UE-170033/UG-170034
Witness: Melissa Cheesman**

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

PUGET SOUND ENERGY,

Respondent.

**DOCKETS UE-170033 and
UG-170034 (*Consolidated*)**

**EXHIBIT TO
TESTIMONY OF**

Melissa C. Cheesman

**ON BEHALF OF STAFF OF
WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION**

PSE Requested Overall Gas Revenue Sufficiency

June 30, 2017

Sources:
 UE-170033 - UG-170034 Free Supplemental Exhibit
 SEF-9, SEF-10, SEF-11 SEF 04-03-2017.xlsx
 JAP-45 WP Gas 2017 GRC Impacts_Supp.xlsx

Exh. MCC-11
 Dockets UE-170033/UG-170034
 Page 1 of 4

Exhibit No. (SEF-10)

PUGET SOUND ENERGY-GAS
 RESULTS OF OPERATIONS
 FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016
 GENERAL RATE CASE

OVERALL REVENUE SUFFICIENCY CALCULATION

LINE NO.	ACTUAL RESULTS OF OPERATIONS	REVISED RESULTS OF OPERATIONS	ADJUSTED RESULTS OF OPERATIONS	REVISED REVENUE	REVISED REQUIREMENT	REVISED RATE INCREASE	NEW (LESS) SCHEDULE REVENUE	NEW FINAL OVERALL REQUIREMENT SUFFICIENCY	Rate Incr.	Rate Decr.
1	OPERATING REVENUES:									
2	SALES TO CUSTOMERS	\$ 857,492,456	\$ (51,809,291)	\$ 802,683,165	\$ 22,812,690	\$ 825,495,855	\$ 51,494,626	\$ (28,621,936)	2.8%	-3.37%
3	MUNICIPAL ADDITIONS	-	0	-	-	-	-	-		
3	OTHER OPERATING REVENUES	\$ 37,980,142	(24,929,000)	13,051,143	-	13,051,143	664,064	(664,064)	0.0%	
4	TOTAL OPERATING REVENUES	\$ 895,472,598	\$ (79,738,291)	\$ 815,734,308	\$ 22,812,690	\$ 838,546,998	\$ 52,098,690	\$ (29,286,000)	2.8%	-3.59%
5										
6	OPERATING REVENUE DEDUCTIONS:									
7										
8	GAS COSTS:									
9										
10										
11	PURCHASED GAS	\$ 326,393,369	\$ 30,816,427	\$ 357,209,797	\$ -	\$ 357,209,797	-	-		
12										
13	TOTAL PRODUCTION EXPENSES	\$ 326,393,369	\$ 30,816,427	\$ 357,209,797	\$ -	\$ 357,209,797	-	-		
14										
15	OTHER POWER SUPPLY EXPENSES	\$ 2,420,905	\$ 34,478	\$ 2,455,383	\$ -	\$ 2,455,383	-	-		
16	TRANSMISSION EXPENSE	-	0	-	-	-	-	-		
17	DISTRIBUTION EXPENSE	\$ 55,510,540	\$ 682,282	\$ 56,192,822	\$ -	\$ 56,192,822	\$ 267,787	\$ (150,530)		
18	CUSTOMER ACCOUNT EXPENSES	\$ 26,085,152	\$ 3,082,069	\$ 29,167,222	\$ 117,257	\$ 29,284,479	-	-		
19	CUSTOMER SERVICE EXPENSES	\$ 7,953,019	\$ (5,668,879)	\$ 2,284,141	-	\$ 2,284,141	-	-		
20	CONSERVATION AMORTIZATION	\$ 12,460,807	\$ (12,460,807)	\$ -	-	\$ -	-	-		
21	ADMIN & GENERAL EXPENSE	\$ 50,479,810	\$ 1,452,435	\$ 51,932,246	\$ 45,625	\$ 51,977,871	\$ 104,197	\$ (58,572)		
22	DEPRECIATION	\$ 122,080,785	\$ (20,280,517)	\$ 101,800,268	-	\$ 101,800,268	-	-		
23	AMORTIZATION	\$ 11,666,003	\$ (8,253)	\$ 11,657,750	-	\$ 11,657,750	-	-		
24	AMORTIZATION OF PROPERTY LOSS	-	0	-	-	-	-	-		
25	OTHER OPERATING EXPENSES	\$ (230,973)	\$ 8,723,078	\$ 8,492,105	-	\$ 8,492,105	-	-		
26	ASC 815	-	0	-	-	-	-	-		
27	TAXES OTHER THAN INCOME TAXES	\$ 95,653,987	\$ (61,293,554)	\$ 34,360,433	\$ 874,228	\$ 35,234,661	\$ 1,996,526	\$ (1,122,298)		
28	INCOME TAXES	-	\$ (506,288)	\$ (506,288)	\$ 7,621,446	\$ 7,115,158	\$ 17,405,547	\$ (9,784,101)		
29	DEFERRED INCOME TAXES	\$ 65,853,423	\$ (27,288,647)	\$ 38,564,776	-	\$ 38,564,776	-	-		
30	TOTAL OPERATING REV. DEDUCT.	\$ 776,326,830	\$ (719,532,503)	\$ 356,400,938	\$ 8,688,556	\$ 345,059,514	\$ 19,774,058	\$ (11,115,501)		
31										
32	NET OPERATING INCOME	\$ 119,145,769	\$ 2,977,785	\$ 122,123,553	\$ 14,154,134	\$ 136,277,687	\$ 32,324,632	\$ (18,170,499)		
33										
34	RATE BASE	\$ 1,727,319,760	\$ 333,373,873	\$ 1,760,693,633	\$ -	\$ 1,760,693,633	-	-		
35										
36	RATE OF RETURN	6.90%		6.94%		7.74%				
37										
38	RATE BASE:									
39	UTILITY PLANT IN SERVICE	\$ 3,545,031,363	\$ 39,696,239	\$ 3,584,727,602	\$ -	\$ 3,584,727,602	\$ -	\$ -		
40	ACCUMULATED DEPRECIATION	\$ (1,363,034,789)	\$ 2,736,291	\$ (1,360,298,498)	\$ -	\$ (1,360,298,498)	\$ -	\$ -		
41	ACCUMULATED DEFERRED FIT	\$ (502,155,618)	\$ (9,058,658)	\$ (511,214,276)	\$ -	\$ (511,214,276)	\$ -	\$ -		
42	OTHER	\$ (30,161,803)	\$ -	\$ (30,161,803)	\$ -	\$ (30,161,803)	\$ -	\$ -		
43	TOTAL NET INVESTMENT	\$ 1,649,679,153	\$ 33,373,873	\$ 1,683,053,026	\$ -	\$ 1,683,053,026	\$ -	\$ -		
44	ALLOWANCE FOR WORKING CAPITAL	\$ 77,640,607	\$ -	\$ 77,640,607	\$ -	\$ 77,640,607	\$ -	\$ -		
45										
46	TOTAL RATE BASE	\$ 1,727,319,760	\$ 333,373,873	\$ 1,760,693,633	\$ -	\$ 1,760,693,633	\$ -	\$ -		

Note: Amounts in bold and italics are different from January 13, 2017 original filing.

PUGET SOUND ENERGY-GAS
STATEMENT OF OPERATING INCOME AND ADJUSTMENTS
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016
 Adjustment Summary (Page 1)

LINE NO.	ACTUAL RESULTS OF OPERATIONS		REVENUE & EXPENSES		TEMPERATURE	PASS THROUGH	FEDERAL	TAX BENEFIT OF	DEPRECIATION	INJURIES &	REVISED
	12ME Sept 30, 2016	11.01	11.01	11.02	11.03	11.04	11.05	11.06	11.07	11.08	
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Note: Amounts in bold and italics are different.

Sources:
 UE-170033 - UG-170034 Free Supplemental Exhibit
 SEF-9, SEF-10, SEF-11 PSE 04-03-2017.xlsx
 JAP-45 WP Gas 2017 GRC Impacts Supp.xlsx

Exhibit No. (SEF-10)

PUGET SOUND ENERGY-GAS
 STATEMENT OF OPERATING INCOME AND ADJUSTMENTS
 FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016
 Adjustment Summary (Page 2)

LINE NO.	REVISED INCENTIVE	D&O	REVISED INTEREST ON CUSTOMER DEPOSITS	RATE CASE EXPENSES	DEFERRED LOSSES	GAINS/PROP SALES	PROPERTY & LIABILITY INS	PENSION PLAN	REVISED WAGE INCREASE	REVISED INVESTMENT PLAN	EMPLOYEE INSURANCE
	11.09	11.10	11.11	11.12	11.13	11.14	11.15	11.16	11.17	11.18	
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Exhibit No. (SEF-10)

PUGET SOUND ENERGY-GAS
 STATEMENT OF OPERATING INCOME AND ADJUSTMENTS
 FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016
 Adjustment Summary (Page 3)

Sources:
 UE-170033 - LG-170034 Fees Supplemental Exhibit
 SEF-9, SEF-10, SEF-11, PSE 04-03-2017.xlsx
 JAP-45 WP Gas 2017 ORC Impacts Supp.xlsx

LINE NO.	ENVIRONMENTAL REMEDATION 11.19	PAYMENT 11.20	SOUTH KING SERVICE CENTER 11.21	WUTC FILING FEE 11.22	COST 7.01	RCVRY MECH ADJUSTMENTS	REVISED TOTAL	REVISED ADJUSTED RESULTS OF OPERATIONS
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