

BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND)	DOCKETS UE-220066, UG-220067, and
TRANSPORTATION COMMISSION,)	UG-210918 (<i>Consolidated</i>)
)	
Complainant,)	
)	
v.)	
)	
PUGET SOUND ENERGY,)	
)	
Respondent.)	
_____)	
)	
In the Matter of the Petition of)	
)	
PUGET SOUND ENERGY)	
)	
For an Order Authorizing Deferred Accounting)	
Treatment for Puget Sound Energy's Share of)	
Costs Associated with the Tacoma LNG)	
Facility.)	
_____)	

EXHIBIT NO. LDK-6
COST OF SERVICE MODEL

Puget Sound Energy - Gas Division
Class Cost of Service Study
Test Year Ended June 30, 2021
INPUTS - GENERAL

1	INPUTS															
2	Heading 1	Puget Sound Energy - Gas Division														
3	Heading 2	Class Cost of Service Study														
4	Heading 3	Test Year Ended Ju														
5																
6	Function Number	Function 1	Function 2	Function 3	Function 4	Function 5	Function 6	Function 7	Function 8	Function 9	Function 10	Function 11	Function 12			
7	Names of Function	Production	Storage	Distribution	Customer	Transmission	Function 6	Function 7	Function 8	Function 9	Function 10	Function 11	Function 12			
8																
9	Class Number	Class 1	Class 2	Class 3	Class 4	Class 5	Class 6	Class 7	Class 8	Class 9	Class 10	Class 11	Class 12	Class 13	Class 14	Class 15
10	Names Of Classes	Residential (16,23,53)	Comm. & Indus. (31,31T)	Large Volume (41,41T)	Interruptible (85, 85T)	Limited Interruptible (86,	Non-Exclusive Interruptible	Contracts	Class 8	Class 9	Class 10	Class 11	Class 12	Class 13	Class 14	Class 15
11																
12	Total Return on Ratebase	7.03%	NOTE: adjusted to meet AVEC Revenue Requirement													
13		0														
14		Production	Storage	Distribution	Customer	Transmission	Function 6	Function 7	Function 8	Function 9	Function 10	Function 11	Function 12			
15	RoR by Function	7.03%	7.03%	7.03%	7.03%	7.03%	7.03%	7.03%	7.03%	7.03%	7.03%	7.03%	7.03%			
16																
17	Revenue Gross-up Factors	Factor	Actual Gross-Up													
18	Federal Income Tax	0.20064	\$ 12,531,810													
19	State Utility Tax	0.03836	\$ 2,395,773													
20	Bad Debts	0.00420	\$ 262,200													
21	Annual Filing Fee	0.00200	\$ 124,916													
22			\$ 15,314,700													
23	Deficiency	\$	62,458,247													
24																
25	Error Check Limitation	1.000														
26																
27	Misc. Intangible Plant Split															
28	Plant Related	30.17%														
29	Customer Related	46.88%														
30	Labor Related	22.94%														
31																
32	JP Used for Balancing	0.00%														
33																
34	Construction Completed not Classified															
35	Intangible	0.33%														
36	Distribution	93.12%														
37	General	6.55%														
38																
39	Treatment of LNG Related Mains & Acct 870	PSE Proposal														Options for LNG Related Mains & Acct 870
40																
41																
42	Mains - Contracts	0.13%														
43	Mains - LNG Related	0.64%														
44	Mains - Balance of Mains	99.23%														
45																
46	Direct Assignment of Services	0.42%														
47																
48	TY Billing Determinant Totals															
49	Design Peak Day	9,731,314														
50	All Volumes	1,172,906,987														
51	Customer Count	855,291														
52																
53	Taxes Other Than Income Taxes Split															
54	Property	0.00%														
55	Payroll	16.66%														
56	Excise	83.34%														

Puget Sound Energy - Gas Division
Class Cost of Service Study
Test Year Ended June 30, 2021
Summary of Cost of Service Study Results

Line No.	Revenue Requirement Summary	Total Account Balance	Check	Residential (16,23,53)	Comm. & Indus. (31,31T)	Large Volume (41,41T)	Interruptible (85, 85T)	Limited Interruptible (86, 86T)	Non-Exclusive Interruptible (87, 87T)	Contracts
1	Rate Base									
2	Plant in Service	\$ 5,106,432,707	-	\$ 3,297,678,953	\$ 1,435,679,775	\$ 213,264,507	\$ 85,805,286	\$ 9,720,359	\$ 58,576,234	\$ 5,707,593
3	Accumulated Reserve	(2,017,532,805)	-	(1,288,182,286)	(590,959,263)	(79,218,360)	(31,754,241)	(3,650,081)	(21,637,255)	(2,131,319)
4	Other Rate Base Items	(517,371,350)	-	(331,412,830)	(149,143,974)	(21,097,650)	(8,418,814)	(898,212)	(5,813,754)	(586,116)
5	Total Rate Base	\$ 2,571,528,553	-	\$ 1,678,083,837	\$ 695,576,538	\$ 112,948,498	\$ 45,632,230	\$ 5,172,066	\$ 31,125,226	\$ 2,990,157
6	Revenue at Current Rates									
7	Gas Service Revenue - Sales	\$ 503,531,281	-	\$ 371,522,164	\$ 111,008,800	\$ 16,528,624	\$ 2,003,374	\$ 1,143,200	\$ 1,325,119	\$ -
8	Gas Service Revenue - Transport	17,056,866	-	-	22,765	4,168,964	6,600,271	352,883	4,262,159	1,649,825
9	Other Revenues	4,050,270	-	3,436,037	570,822	20,153	21,459	1,176	615	8
10	Total Revenue	\$ 524,638,417	-	\$ 374,958,201	\$ 111,602,387	\$ 20,717,741	\$ 8,625,103	\$ 1,497,259	\$ 5,587,893	\$ 1,649,833
11	Expenses at Current Rates									
12	O&M and A&G Expenses	\$ 154,463,315	-	\$ 107,117,367	\$ 34,667,747	\$ 7,147,897	\$ 2,993,633	\$ 447,797	\$ 1,918,307	\$ 170,568
13	Depreciation and Amortization Expense	188,780,823	-	126,466,875	49,280,723	7,442,436	3,005,289	353,400	2,034,059	198,041
14	Taxes Other Than Income	23,823,426	-	16,878,102	5,112,425	1,004,090	418,585	70,716	271,461	68,047
15	Income Taxes	14,678,441	-	11,597,355	2,099,842	477,260	205,648	58,254	127,069	113,013
16	Total Expenses at Current Rates	\$ 381,746,005	-	\$ 262,059,698	\$ 91,160,738	\$ 16,071,683	\$ 6,623,154	\$ 930,167	\$ 4,350,896	\$ 549,669
17	Operating Income at Current Rates	\$ 142,892,412	-	\$ 112,898,503	\$ 20,441,649	\$ 4,646,058	\$ 2,001,949	\$ 567,092	\$ 1,236,997	\$ 1,100,164
18	Current Rate of Return	5.56%		6.73%	2.94%	4.11%	4.39%	10.96%	3.97%	36.79%
19	Current Revenue at Equal Rates of Return									
20	Current Rate of Return	5.56%		5.56%	5.56%	5.56%	5.56%	5.56%	5.56%	5.56%
21	Current Operating Income at Equal ROR	\$ 142,892,412	-	\$ 93,246,271	\$ 38,651,179	\$ 6,276,222	\$ 2,535,651	\$ 287,397	\$ 1,729,539	\$ 166,154
22	Income Taxes - Equal ROR	14,678,441	-	9,578,604	3,970,393	644,717	260,472	29,522	177,665	17,068
23	Other Expenses - Equal ROR	367,067,564	-	250,462,344	89,060,896	15,594,422	6,417,506	871,913	4,223,827	436,656
24	Total Margin @ Equal Rates of Return	\$ 524,638,417	-	\$ 353,287,219	\$ 131,682,467	\$ 22,515,361	\$ 9,213,629	\$ 1,188,832	\$ 6,131,031	\$ 619,878
25	Revenue Requirement at Equal Rates of Return									
26	Required Return	7.03%		7.03%	7.03%	7.03%	7.03%	7.03%	7.03%	7.03%
27	Required Operating Income	\$ 180,870,710	-	\$ 118,029,494	\$ 48,923,984	\$ 7,944,331	\$ 3,209,583	\$ 363,782	\$ 2,189,220	\$ 210,315
28	Operating Income (Deficiency)/Surplus	\$ (37,978,297)	-	\$ (5,130,991)	\$ (28,482,335)	\$ (3,298,274)	\$ (1,207,634)	\$ 203,310	\$ (952,223)	\$ 889,849
29	Expenses at Required Return									
30	O&M and A&G Expenses	154,463,315	-	107,117,367	34,667,747	7,147,897	2,993,633	447,797	1,918,307	170,568
31	Depreciation and Amortization Expense	188,780,823	-	126,466,875	49,280,723	7,442,436	3,005,289	353,400	2,034,059	198,041
32	Taxes Other Than Income	23,823,426	-	16,878,102	5,112,425	1,004,090	418,585	70,716	271,461	68,047
33	Income Taxes	14,678,441	-	9,578,604	3,970,393	644,717	260,472	29,522	177,665	17,068
34	Increase - Federal Income Tax	12,531,810	-	8,177,793	3,389,748	550,431	222,379	25,205	151,682	14,572
35	Increase - State Utility Tax	2,395,773	-	1,609,926	604,484	102,980	42,104	5,388	28,065	2,828
36	Increase - Bad Debts	262,200	-	197,381	62,273	2,546	-	-	-	-
37	Increase - Annual Filing Fee	124,916	-	83,942	31,518	5,369	2,195	281	1,463	147
38	Total Expenses at Required Return	\$ 397,060,705	-	\$ 270,109,989	\$ 97,119,311	\$ 16,900,465	\$ 6,944,656	\$ 932,309	\$ 4,582,703	\$ 471,271
39	Total Revenue Requirement at Equal Rates of Return	\$ 577,931,414	-	\$ 388,139,484	\$ 146,043,296	\$ 24,844,797	\$ 10,154,239	\$ 1,296,090	\$ 6,771,923	\$ 681,586
40	LESS									
41	Current Miscellaneous Revenue Margin	4,050,270	-	3,436,037	570,822	20,153	21,459	1,176	615	8
42	Total Rate Margin at Equal Rates of Return	\$ 573,881,144	-	\$ 384,703,446	\$ 145,472,473	\$ 24,824,644	\$ 10,132,781	\$ 1,294,915	\$ 6,771,307	\$ 681,578
43	Base Rate Margin (Deficiency)/Surplus	\$ (53,292,997)	-	\$ (13,181,282)	\$ (34,440,908)	\$ (4,127,056)	\$ (1,529,136)	\$ 201,168	\$ (1,184,029)	\$ 968,247
44	Proposed Margin Increase	\$ 53,292,997	-	\$ 35,259,131	\$ 14,215,477	\$ 2,111,156	\$ 878,906	\$ 114,429	\$ 569,411	\$ 144,487
45	Revenue Conversion Factor	1.4032		1.4032	1.4032	1.4032	1.4032	1.4032	1.4032	1.4032
46	Income Increase	37,978,297	-	25,126,787	10,130,404	1,504,477	626,336	81,546	405,781	102,966
47	Income at Current Rates	\$ 142,892,412	-	\$ 112,898,503	\$ 20,441,649	\$ 4,646,058	\$ 2,001,949	\$ 567,092	\$ 1,236,997	\$ 1,100,164
48	Proposed Operating Income	\$ 180,870,710	-	\$ 138,025,290	\$ 30,572,054	\$ 6,150,535	\$ 2,628,285	\$ 648,638	\$ 1,642,778	\$ 1,203,130
49	Proposed Return	7.03%		8.23%	4.40%	5.45%	5.76%	12.54%	5.28%	40.24%

Puget Sound Energy - Gas Division
Class Cost of Service Study
Test Year Ended June 30, 2021
Functionalized and Classified Rate Base and Revenue Requirement, and Unit Costs by Customer Class

Line	Description	TOTAL	Total Check	Residential (16,23,53)	Comm. & Indus. (31,31T)	Large Volume (41,41T)	Interruptible (85, 85T)	Limited Interruptible (86, 86T)	Non-Exclusive Interruptible (87, 87T)	Contracts
Functional Rate Base										
1	Production									
2	Demand									
	Product_Dem	\$ -	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3	Commodity									
	Product_Comm	\$ 7,298,816	-	\$ 4,756,590	\$ 1,702,127	\$ 478,674	\$ 152,092	\$ 44,204	\$ 165,635	\$ (506)
4	Customer									
	Product_Cust	\$ -	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5	Subtotal	\$ 7,298,816	-	\$ 4,756,590	\$ 1,702,127	\$ 478,674	\$ 152,092	\$ 44,204	\$ 165,635	\$ (506)
6	Storage									
7	Demand									
	Storage_Dem	\$ 49,405,078	-	\$ 34,604,009	\$ 11,299,167	\$ 2,149,164	\$ 613,129	\$ 264,322	\$ 475,286	\$ -
8	Commodity									
	Storage_Comm	\$ -	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9	Customer									
	Storage_Cust	\$ -	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10	Subtotal	\$ 49,405,078	-	\$ 34,604,009	\$ 11,299,167	\$ 2,149,164	\$ 613,129	\$ 264,322	\$ 475,286	\$ -
11	Distribution									
12	Demand									
	Dist_Dem	\$ 1,470,503,137	-	\$ 974,614,522	\$ 326,584,781	\$ 96,244,409	\$ 38,513,303	\$ 3,387,490	\$ 29,292,725	\$ 1,865,908
13	Commodity									
	Dist_Comm	\$ -	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
14	Customer									
	Dist_Cust	\$ 967,322,502	-	\$ 594,467,490	\$ 349,883,320	\$ 13,440,795	\$ 5,955,712	\$ 1,359,650	\$ 1,098,655	\$ 1,116,879
15	Subtotal	\$ 2,437,825,639	-	\$ 1,569,082,012	\$ 676,468,101	\$ 109,685,204	\$ 44,469,015	\$ 4,747,140	\$ 30,391,379	\$ 2,982,787
16	Customer									
17	Demand									
	Cust_Dem	\$ -	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
18	Commodity									
	Cust_Comm	\$ -	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
19	Customer									
	Cust_Cust	\$ 76,999,020	-	\$ 69,641,226	\$ 6,107,143	\$ 635,456	\$ 397,995	\$ 116,399	\$ 92,925	\$ 7,876
20	Subtotal	\$ 76,999,020	-	\$ 69,641,226	\$ 6,107,143	\$ 635,456	\$ 397,995	\$ 116,399	\$ 92,925	\$ 7,876
21	Total									
22	Demand	\$ 1,519,908,215	-	\$ 1,009,218,530	\$ 337,883,949	\$ 98,393,573	\$ 39,126,432	\$ 3,651,813	\$ 29,768,011	\$ 1,865,908
23	Commodity	\$ 7,298,816	-	\$ 4,756,590	\$ 1,702,127	\$ 478,674	\$ 152,092	\$ 44,204	\$ 165,635	\$ (506)
24	Customer	\$ 1,044,321,522	-	\$ 664,108,716	\$ 355,990,463	\$ 14,076,252	\$ 6,353,707	\$ 1,476,049	\$ 1,191,580	\$ 1,124,755
25	TOTAL RATE BASE	\$ 2,571,528,553	-	\$ 1,678,083,837	\$ 695,576,538	\$ 112,948,498	\$ 45,632,230	\$ 5,172,066	\$ 31,125,226	\$ 2,990,157

