

Exh. MCC-9r
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**

Comparison of PSE-Staff Gas Revenue Requirements

June 30, 2017
Revised August 8, 2017

COMPARISON OF PSE-STAFF REVENUE REQUIREMENTS
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016

Exh. MCC-9r
Dockets UE-170033/UC-170034
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Adj. No. (A)	Description (B)	PSE Direct (Supplemental) NOI (C)	Rate Base (D)	Rev Req @7.74% (E)	Return on Rate Base (F)	NOI* (G)	Rate Base* (H)	Rev Req @7.74% (I)	NOI (J)	Rate Base (K)	Rev Req @7.37% (L)	Return on Rate Base (M)	Staff-PSE Dif (N) = (E) - (I) (O) = (E) - (L)	Staff-PSE Dif (P) = (E) - (L)
	Actual Results of Operations	119,145,769	1,727,319,760	23,448,756	6.90%	119,145,769	1,727,319,760	23,448,756	119,145,769	1,727,319,760	13,148,034	6.90%	-	(10,300,222)
	Common Adjustments													
11.01	REVENUES AND EXPENSES	62,674,131	-	52,661,989	-1.89%	62,674,131	-	52,661,989	62,674,131	-	52,661,989	-1.89%	-	-
11.02	TEMPERATURE NORMALIZATION	16,046,445	-	(25,862,592)	0.93%	16,435,328	-	(26,489,368)	16,435,328	-	(26,489,368)	0.95%	(626,776)	(626,776)
11.03	PASS-THROUGH REVENUES AND EXPENSES	736,148	-	(1,186,474)	0.64%	736,148	-	(1,186,474)	736,148	-	(1,186,474)	0.64%	-	-
11.04	FEDERAL INCOME TAX	700,822	-	(1,129,538)	0.64%	700,822	-	(1,129,538)	700,822	-	(1,129,538)	0.64%	-	-
11.05	TAX BENEFIT OF PRO FORMA INTEREST	18,425,659	-	(29,697,250)	1.07%	18,442,864	-	(29,724,081)	18,442,864	-	(29,724,081)	1.05%	(27,730)	(27,730)
11.06	DEPRECIATION STUDY	13,174,998	6,387,049	(20,411,411)	0.73%	13,174,998	6,387,049	(20,411,411)	13,174,998	6,387,049	(20,450,692)	0.73%	(39,281)	(39,281)
11.07	NORMALIZE INJURIES AND DAMAGES	(57,738)	-	93,058	0.00%	(57,738)	-	93,058	(57,738)	-	93,058	0.00%	-	-
11.08	BAD DEBTS	35,240	-	(56,797)	0.00%	35,240	-	(56,797)	35,240	-	(56,797)	0.00%	-	-
11.09	INCENTIVE PAY	104,023	-	(167,657)	0.01%	104,023	-	(167,657)	104,023	-	(167,657)	0.01%	-	-
11.10	DIRECTORS & OFFICERS INSURANCE	(50,137)	-	(80,807)	0.00%	(50,137)	-	(80,807)	(50,137)	-	(80,807)	0.00%	-	-
11.11	INTEREST ON CUSTOMER DEPOSITS	(280,617)	-	452,280	-0.02%	(280,617)	-	452,280	(280,617)	-	452,280	-0.02%	(452,280)	(452,280)
11.12	DEFERRED GAINS/LOSSES ON PROPERTY SALES	(105,090)	-	169,377	-0.01%	(105,090)	-	169,377	(105,090)	-	169,377	-0.01%	(97,905)	(97,905)
11.13	PROPERTY & LIABILITY INSURANCE	45,174	-	(72,809)	0.00%	45,174	-	(72,809)	45,174	-	(72,809)	0.00%	-	-
11.14	PENSION PLAN	(572,091)	-	922,058	-0.03%	(572,091)	-	922,058	(572,091)	-	922,058	-0.03%	-	-
11.15	WAGE INCREASE	(907,409)	-	1,462,502	-0.05%	(907,409)	-	1,462,502	(907,409)	-	1,462,502	-0.05%	-	-
11.16	INVESTMENT PLAN	(46,689)	-	75,250	0.00%	(46,689)	-	75,250	(46,689)	-	75,250	0.00%	-	-
11.17	EMPLOYEE INSURANCE	(58,781)	-	94,740	0.00%	(58,781)	-	94,740	(58,781)	-	94,740	0.00%	-	-
11.18	ENVIRONMENTAL REMEDIATION	(5,564,911)	-	8,960,152	-0.32%	(5,564,911)	-	8,960,152	(5,564,911)	-	8,960,152	-0.32%	(3,849,563)	(3,849,563)
11.19	PAYMENT PROCESSING COSTS	(2,225,700)	-	3,387,235	-0.13%	(2,225,700)	-	3,387,235	(2,225,700)	-	3,387,235	-0.13%	(1,251,645)	(1,251,645)
11.20	SOUTH KING SERVICE CENTER	212,048	7,775,116	628,166	-0.02%	212,048	7,775,116	628,166	212,048	7,775,116	581,800	-0.02%	(46,366)	(46,366)
11.21	FILING FEE AND EXCISE TAX	33,509	-	(54,008)	0.00%	33,509	-	(54,008)	33,509	-	(54,008)	0.00%	-	-
11.22	Power Cost	(4,003,724)	19,011,708	8,824,612	-0.30%	(4,003,724)	19,011,708	8,824,612	(4,003,724)	19,011,708	8,711,237	-0.30%	(113,375)	(113,375)
13.23	INVESTOR SUPPLIED WORKING CAPITAL	-	-	-	0.00%	-	-	-	-	-	-	0.00%	-	-
13.24	LEGAL COSTS	-	-	-	0.00%	-	-	-	-	-	-	0.00%	-	-
	Gas Only Adjustments													
	Total Adjustment	2,977,785	33,373,873	(655,065)	0.04%	2,977,785	33,373,873	(655,065)	2,977,785	33,373,873	3,735,655	-0.01%	465,764	465,764
	Adjusted Results of Operations	122,123,553	1,760,693,633	22,814,690	6.94%	122,123,553	1,760,693,633	22,814,690	122,123,553	1,760,693,633	17,085,688	7.23%	(8,799,858)	(8,799,858)
	check	122,123,553	1,760,693,633	22,814,690	6.94%	122,123,553	1,760,693,633	22,814,690	122,123,553	1,760,693,633	17,085,688	7.23%	(8,799,858)	(8,799,858)

PSE Proposed
Dif
ROR Impact
Staff Proposed

23,812,560
16,792,564
100,112,600
3,999,932