EXHIBIT NO. ___(SEF-10C)
DOCKET NO. UG-15____
WITNESS: SUSAN E. FREE

BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of the Petition of **PUGET SOUND ENERGY, INC.** **for (i) Approval of a Special Contract for Liquefied Natural Gas Fuel Service with Totem Ocean Trailer Express, Inc. and (ii) a Declaratory Order Approving the Methodology for Allocating Costs Between Regulated and Non-regulated Liquefied Natural Gas Services**	**DOCKET NO. UG-15____**

NINTH EXHIBIT (CONFIDENTIAL) TO THE
PREFILED DIRECT TESTIMONY OF SUSAN E. FREE
ON BEHALF OF PUGET SOUND ENERGY, INC.

CONFIDENTIAL PER
WAC 480-07-160

AUGUST 11, 2015

CONFIDENTIAL PER
WAC 480-07-160

Results of Cost Flow Allocation Methodology
Assuming Non-Regulated Operations are 19% Subscribed in First Year of Operations
|----------From work papers supporting Prefiled Direct Testimony of Roger Garratt, Exhibit No. ___(RG-1CT), and----------|
|----------------------------Prefiled Direct Testimony of Clay Riding, Exhibit No. ___(CR-1HCT), and----------------------------|

	cription	ATL FERC	BTL FERC	Allocation Method	Total	Regulated (ATL) Factor	Regulated (ATL) Amount	Non-Regulated (BTL) Factor	Non-Regulated (BTL) Amount
	A	B	C	D	E	F	G	H	I
1	Income Statement:								
2	Revenue:								
3	Customer Sales	480, 481		Direct	$ 30,226,455	--	$ 30,226,455	--	
4	Distribution Revenue (see line 23)	489		Direct	308,275	--	308,275	--	
5	Special Contracts	489		Direct	44,556,850	--	44,556,850	--	
6	Non-Utility Revenue		417	Direct	5,611,855	--		--	5,611,855
7									
8	Total Revenue				80,703,436		75,091,581		5,611,855
9									
10	Expense:								
11	Power Costs:								
12	Fixed	Prod	417.1	Annual Capacity	1,133,908	86%	979,597	14%	154,311
13	Variable	Prod	417.1	LNG Volumes	3,548,823	86%	3,044,838	14%	503,984
14	Gas Costs	Prod	417.1	Direct	19,385,535	--	19,350,585	--	34,950
15	O&M:								
16	Plant Consumables	845.5	417.1	LNG Volumes	176,248	86%	151,218	14%	25,030
17	Wharfage	845.5	417.1	Wharfage	110,996	84%	93,043	16%	17,953
18	Maintenance	847.1-847.8	417.1	Capital(1)	732,926	62%	453,416	38%	279,511
19	Staff, Insurance & Lease Cost	Multiple	417.1	Capital(1)	6,548,769	74%	4,833,161	26%	1,715,609
20	Tfr Bunkering Credit (incl. in line 5)		417.1	Direct	483,042	--		--	483,042
21	Transfer Corporate Overheads	Multiple	417.1	Direct	-	--	(80,318)	--	80,318
22	Bunkering Station	845.5	417.1	Direct	61,232	--	61,232	--	
23	Distribution Expense (see line 4)		417.1	Direct	308,275	--		--	308,275
24	Depreciation	403	417.1	Direct	16,222,677	--	12,070,353	--	4,152,325
25	Revenue Sensitive Fees & Taxes	Multiple	Multiple	Direct	2,358,089	--	2,324,754	--	33,334
26	Property Tax Expense	408.1	408.2	Capital	5,073,196	74%	3,777,861	26%	1,295,335
27	Federal Income Tax Expense	409.1	409.2	Direct	4,616,396	--	6,808,953	--	(2,192,558)
28	Regulated Interest Expense	431	431	Direct	11,061,742	--	8,269,413	--	2,792,329
29									
30	Total Expense				71,821,854		62,138,106		9,683,748
31									
32	Net Operating Income / Net Income				8,881,582		12,953,475		(4,071,893)

(1) Maintenance and Labor will be direct charged and what cannot be will be allocated based on the capital allocator. The use of two methods will result in a blended allocation factor.

Results of Cost Flow Allocation Methodology
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|----------------------------Prefiled Direct Testimony of Clay Riding, Exhibit No. ___(CR-1HCT), and----------------------------|

					Regulated (ATL)		Non-Regulated (BTL)	
cription	ATL FERC	BTL FERC	Allocation Method	Total	Factor	Amount	Factor	Amount
A	B	C	D	E	F	G	H	I
36 Rate Base:								
37 Gross Plant in Service	101		Multiple	310,704,805	74%	229,308,161	26%	81,396,644
38 AFUDC	101		Follows Plant	53,933,985		42,244,634		11,689,351
39 Total Gross Plant in Service				364,638,790		271,552,795		93,085,995
40 Accumulated Depreciation	108		Direct	(8,111,339)		(6,035,176)		(2,076,162)
41 Deferred Federal Income Taxes	282		Direct	(426,676)		(263,775)		(162,900)
42 Working Capital	Various		Working Cap	4,324,947		4,108,159		216,788
43								
44 Total Rate Base				360,425,722		269,362,002		91,063,720