

**EXHIBIT NO. \_\_\_\_ (SEF-11C)  
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 \_\_\_\_**

**TENTH 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**

**Results of Cost Flow Allocation Methodology**  
**Assuming Non-Regulated Operations are 100% Subscribed in First Year of Operations**

-----From work papers supporting Prefiled Direct Testimony of Roger Garratt, Exhibit No. (RG-ICT), and-----  
-----Prefiled Direct Testimony of Clay Riding, Exhibit No. (CR-IHCT), and-----

Description	ATL FERC	BTL FERC	Allocation Method	Total	Regulated (ATL) Factor	Non-Regulated (BTL) Factor	Amount
A	B	C	D	E	F	H	I
1 Income Statement:							
2 Revenue:							
3 Customer Sales	480,481		Direct	\$ 28,742,452	--	--	
4 Distribution Revenue (see line 23)	489		Direct	995,762	--	--	
5 Special Contracts	489		Direct	46,072,986	--	--	
6 Non-Utility Revenue		417	Direct	29,501,458	--	--	29,501,458
7							
8 Total Revenue				105,312,659			29,501,458
9							
10 Expense:							
11 Power Costs:							
12 Fixed	Prod	417.1	Annual Capacity	1,802,844	54%	46%	826,574
13 Variable	Prod	417.1	LNG Volumes	5,753,656	53%	47%	2,708,817
14 Gas Costs	Prod	417.1	Direct	19,538,434	--	--	187,850
15 O&M:							
16 Plant Consumables	845.5	417.1	LNG Volumes	285,748	53%	47%	134,530
17 Wharfage	845.5	417.1	Wharfage	189,536	49%	51%	96,493
18 Maintenance	847.1-847.8	417.1	Capital <sup>(1)</sup>	732,926	62%	38%	279,511
19 Staff, Insurance & Lease Cost	Multiple	417.1	Capital <sup>(1)</sup>	6,548,769	74%	26%	1,715,609
20 Tfr Bunkering Credit (incl. in line 5)	Multiple	417.1	Direct	2,596,255	--	--	2,596,255
21 Transfer Corporate Overheads	Multiple	417.1	Direct	-	--	--	80,318
22 Bunkering Station	845.5	417.1	Direct	61,232	--	--	
23 Distribution Expense (see line 4)	403	417.1	Direct	995,762	--	--	995,762
24 Depreciation	Multiple	417.1	Direct	16,222,677	--	--	4,152,325
25 Revenue Sensitive Fees & Taxes	Multiple	Multiple	Direct	2,535,452	--	--	175,239
26 Property Tax Expense	408.1	408.2	Capital	5,073,196	74%	26%	1,295,335
27 Federal Income Tax Expense	409.1	409.2	Direct	10,820,503	--	--	4,011,549
28 Regulated Interest Expense	431	431	Direct	11,064,686	--	--	2,795,272
29							
30 Total Expense				84,221,677			22,051,438
31							
32 Net Operating Income / Net Income				21,090,981			7,450,020

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(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**  
**Assuming Non-Regulated Operations are 100% Subscribed in First Year of Operations**

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-----Prefiled Direct Testimony of Clay Riding, Exhibit No. \_\_\_\_ (CR-IHCT), and-----

Description A	ATL FERC		BTL FERC	Allocation Method D	Total E	Regulated (ATL) Factor Amount F G		Non-Regulated (BTL) Factor Amount H I	
	B	C				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	4,516,718		4,108,159		408,560
43									
44 Total Rate Base					360,617,493		269,362,002		91,255,491