

**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.**

**REDACTED
VERSION**

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-----

cription	A	B	ATL FERC	BTL FERC	C	Allocation Method	D	Total	E	F	Regulated (ATL) Factor Amount	G	H	Non-Regulated (BTL) Factor Amount	I
1	Income Statement:														
2	Revenue:														
3	Customer Sales	480, 481				Direct									
4	Distribution Revenue (see line 23)	489				Direct									
5	Special Contracts	489				Direct									
6	Non-Utility Revenue				417	Direct									
7															
8	Total Revenue														
9															
10	Expense:														
11	Power Costs:														
12	Fixed		Prod		417.1	Annual Capacity									
13	Variable		Prod		417.1	LNG Volumes									
14	Gas Costs		Prod		417.1	Direct									
15	O&M:														
16	Plant Consumables		845.5		417.1	LNG Volumes									
17	Wharfage		845.5		417.1	Wharfage									
18	Maintenance		847.1-847.8		417.1	Capital ⁽¹⁾									
19	Staff, Insurance & Lease Cost		Multiple		417.1	Capital ⁽¹⁾									
20	Tfr Bunkering Credit (incl. in line 5)		Multiple		417.1	Direct									
21	Transfer Corporate Overheads		Multiple		417.1	Direct									
22	Bunkering Station		845.5		417.1	Direct									
23	Distribution Expense (see line 4)				417.1	Direct									
24	Depreciation		403		417.1	Direct									
25	Revenue Sensitive Fees & Taxes		Multiple		Multiple	Direct									
26	Property Tax Expense		408.1		408.2	Capital									
27	Federal Income Tax Expense		409.1		409.2	Direct									
28	Regulated Interest Expense		431		431	Direct									
29															
30	Total Expense														
31															
32	Net Operating Income / Net Income														

**REDACTED
VERSION**

(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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cription	A	ATL FERC B	BTL FERC C	Allocation Method D	Total E	Regulated (ATL) Factor F	Regulated (ATL) Amount G	Non-Regulated (BTL) Factor H	Non-Regulated (BTL) Amount 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