

**EXHIBIT NO. ___(SEF-9C)
DOCKET NO. UG-151663
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**

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

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**AUGUST 11, 2015
REVISED SEPTEMBER 23, 2015**

Results of Cost Flow Allocation Methodology

Assuming Non-Regulated Operations are 0% 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-ICT), 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	C	D			F	G	H	I
1 Income Statement:										
2 Revenue:										
3 Customer Sales	480, 481			Direct	XXXXXXXXXX					XXXXXXXXXX
4 Distribution Revenue (see line 23)	489			Direct	XXXXXXXXXX					XXXXXXXXXX
5 Special Contracts	489			Direct	XXXXXXXXXX					XXXXXXXXXX
6 Non-Utility Revenue		417		Direct	XXXXXXXXXX					XXXXXXXXXX
7										
8 Total Revenue					XXXXXXXXXX					XXXXXXXXXX
9										
10 Expense:										
11 Power Costs:										
12 Fixed	Prod	417.1		Annual Capacity	XXXXXXXXXX		100%	XXXXXXXXXX		XXXXXXXXXX
13 Variable	Prod	417.1		LNG Volumes	XXXXXXXXXX		100%	XXXXXXXXXX		XXXXXXXXXX
14 Gas Costs	Prod	417.1		Direct	XXXXXXXXXX		--	XXXXXXXXXX		XXXXXXXXXX
15 O&M:										
16 Plant Consumables	845.5		417.1	LNG Volumes	XXXXXXXXXX		100%	XXXXXXXXXX		XXXXXXXXXX
17 Wharfage	845.5		417.1	Wharfage	XXXXXXXXXX		100%	XXXXXXXXXX		XXXXXXXXXX
18 Maintenance	847.1-847.8		417.1	Capital ⁽¹⁾	XXXXXXXXXX		62%	XXXXXXXXXX		XXXXXXXXXX
19 Staff, Insurance & Lease Cost	Multiple		417.1	Capital ⁽¹⁾	XXXXXXXXXX		74%	XXXXXXXXXX		XXXXXXXXXX
20 Tfr Bunkering Credit (incl. in line 5)			417.1	Direct	XXXXXXXXXX		--	XXXXXXXXXX		XXXXXXXXXX
21 Transfer Corporate Overheads	Multiple		417.1	Direct	XXXXXXXXXX		--	XXXXXXXXXX		XXXXXXXXXX
22 Bunkering Station	845.5		417.1	Direct	XXXXXXXXXX		--	XXXXXXXXXX		XXXXXXXXXX
23 Distribution Expense (see line 4)			417.1	Direct	XXXXXXXXXX		--	XXXXXXXXXX		XXXXXXXXXX
24 Depreciation	403		417.1	Direct	XXXXXXXXXX		--	XXXXXXXXXX		XXXXXXXXXX
25 Revenue Sensitive Fees & Taxes	Multiple		417.1	Direct	XXXXXXXXXX		--	XXXXXXXXXX		XXXXXXXXXX
26 Property Tax Expense	408.1		408.2	Capital	XXXXXXXXXX		74%	XXXXXXXXXX		XXXXXXXXXX
27 Federal Income Tax Expense	409.1		409.2	Direct	XXXXXXXXXX		--	XXXXXXXXXX		XXXXXXXXXX
28 Regulated Interest Expense	431		431	Direct	XXXXXXXXXX		--	XXXXXXXXXX		XXXXXXXXXX
29										
30 Total Expense					XXXXXXXXXX			XXXXXXXXXX		XXXXXXXXXX
31										
32 Net Operating Income / Net Income					XXXXXXXXXX			XXXXXXXXXX		XXXXXXXXXX

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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.

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Description 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	4,281,112		4,108,159		172,953
43								
44 Total Rate Base				360,381,887		269,362,001.77		91,019,885

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