

**EXHIBIT NO. ___(SEF-10C)
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**

DOCKET NO. UG-151663

**NINTH 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 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-----

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	B	C			F	G	H	I
1 Income Statement:										
2 Revenue:										
3 Customer Sales	480, 481				Direct	XXXXXXXXXX	--	XXXXXXXXXX	--	XXXXXXXXXX
4 Distribution Revenue (see line 23)	489				Direct	XXXXXXXXXX	--	XXXXXXXXXX	--	XXXXXXXXXX
5 Special Contracts	489				Direct	XXXXXXXXXX	--	XXXXXXXXXX	--	XXXXXXXXXX
6 Non-Utility Revenue		417			Direct	XXXXXXXXXX	--	XXXXXXXXXX	--	XXXXXXXXXX
7										
8 Total Revenue						XXXXXXXXXX		XXXXXXXXXX		XXXXXXXXXX
9										
10 Expense:										
11 Power Costs:										
12 Fixed	Prod	417.1			Annual Capacity	XXXXXXXXXX	86%	XXXXXXXXXX	14%	XXXXXXXXXX
13 Variable	Prod	417.1			LNG Volumes	XXXXXXXXXX	86%	XXXXXXXXXX	14%	XXXXXXXXXX
14 Gas Costs	Prod	417.1			Direct	XXXXXXXXXX	--	XXXXXXXXXX	--	XXXXXXXXXX
15 O&M:										
16 Plant Consumables	845.5				LNG Volumes	XXXXXXXXXX	86%	XXXXXXXXXX	14%	XXXXXXXXXX
17 Wharfage	845.5				Wharfage	XXXXXXXXXX	84%	XXXXXXXXXX	16%	XXXXXXXXXX
18 Maintenance	847.1-847.8				Capital ⁽¹⁾	XXXXXXXXXX	62%	XXXXXXXXXX	38%	XXXXXXXXXX
19 Staff, Insurance & Lease Cost	Multiple				Capital ⁽¹⁾	XXXXXXXXXX	74%	XXXXXXXXXX	26%	XXXXXXXXXX
20 Tfr Bunkering Credit (incl. in line 5)	Multiple				Direct	XXXXXXXXXX	--	XXXXXXXXXX	--	XXXXXXXXXX
21 Transfer Corporate Overheads	Multiple				Direct	XXXXXXXXXX	--	XXXXXXXXXX	--	XXXXXXXXXX
22 Bunkering Station	845.5				Direct	XXXXXXXXXX	--	XXXXXXXXXX	--	XXXXXXXXXX
23 Distribution Expense (see line 4)	403				Direct	XXXXXXXXXX	--	XXXXXXXXXX	--	XXXXXXXXXX
24 Depreciation	Multiple				Direct	XXXXXXXXXX	--	XXXXXXXXXX	--	XXXXXXXXXX
25 Revenue Sensitive Fees & Taxes	408.1				Capital	XXXXXXXXXX	74%	XXXXXXXXXX	26%	XXXXXXXXXX
26 Property Tax Expense	409.1				Direct	XXXXXXXXXX	--	XXXXXXXXXX	--	XXXXXXXXXX
27 Federal Income Tax Expense	431				Direct	XXXXXXXXXX	--	XXXXXXXXXX	--	XXXXXXXXXX
28 Regulated Interest Expense										
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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-----Prefiled Direct Testimony of Clay Riding, Exhibit No. ____ (CR-ICT), and-----

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	4,324,947		4,108,159		216,788
43								
44 Total Rate Base				360,425,722		269,362,002		91,063,720

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