

BEFORE THE WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION,

Complainant,

v.

PUGET SOUND PILOTS,

Respondent.

**DOCKET TP-190976**

**EXHIBIT TO  
TESTIMONY OF  
John C. Ramirez, ASA  
ON BEHALF OF  
PACIFIC MERCHANT SHIPPING ASSOCIATION**

*UTC Response to Data Request No. 6*

July 13, 2020

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION STAFF  
RESPONSE TO DATA REQUEST

DATE PREPARED:	June 19, 2020	WITNESS:	Danny Kermode
DOCKET:	TP-190976	RESPONDER:	Danny Kermode
REQUESTER:	PMSA	TELEPHONE:	(360) 664-1253

**DATA REQUEST NO. 6:**

For each industry identified in DR No. 5, please identify the ratemaking formula and provide a general description of the regulatory theory or model which underpins the ratemaking formula.

**RESPONSE:**

Electric –

Revenue Requirement = expenses + depreciation + income taxes + (return\*rate base)

Natural Gas –

Revenue Requirement = expenses + depreciation + income taxes + (return\*rate base)

Water Distribution –

Revenue Requirement = expenses + depreciation + income taxes + (return\*rate base)

Revenue requirement equals recoverable expense including depreciation and income taxes plus a fair return on investment.

See *POWER v. Wash. Water Power Co.*, 102 Wn.2d 260 (1984).