

Seattle Public Utilities
2019+ Wholesale Southwest Subregion Water Rate Study
March 17, 2018

Summary

This rate study updates the Southwest subregional rate surcharge for 2019-2023. This rate was not included as part of the regional 2018-2020 rate study conducted in 2017 due to the timing of replacement of metering equipment used to calculate the SW subregional allocations. The one-year delay also allowed inclusion of an options analysis for the upcoming subregional Beverly Tank capital project. The results of this analysis impacted the CIP assumption which is an input to this rate study.

This study proposes a five year rate period covering 2019 through 2023 rather than a shorter rate period covering only 2019-2020. The longer rate period allows for rate smoothing and minimizes the significant rate decrease caused by the projected 2018 true up surplus. As per the contracts, the true up surplus must be applied over the rate study period, and five years allows the balance to be spread out over a longer time span. This surplus was caused by lower than projected flow-based allocations as well as Highline's delay in their planned decreased purchases from Seattle as compared to assumptions used in the prior rate study.

	2018	2019	2020	2021	2022	2023
Rate, per ccf	Existing	Proposed	Proposed	Proposed	Proposed	Proposed
Proposed Five-Year Rate Path	\$0.16	\$0.07	\$0.07	\$0.07	\$0.07	\$0.07

Background Information for SW Subregion

Seattle's wholesale contracts define the regional transmission system as the pipelines from the Cedar River and Tolt watersheds and those that make up the circular loop through Seattle and the Eastside. Subregional assets are additional transmission infrastructure that is needed to deliver water to customers not reached by the regional system. There are three subregions: Southwest, Northwest, and East.

The Southwest transmission subregion consists of six facilities (see Attachment 1 for details). For each facility, total asset and O&M costs are determined. The asset cost for each facility is calculated using the same method as regional assets (Utility Basis Cost). Subregional O&M is calculated differently than regional O&M; rather than an indexing system, subregional O&M is only work specifically identified on subregional facility.

For each of the six individual facilities, asset and O&M costs are allocated between wholesale customers and Seattle's retail system. This allocation is based on the percentage of flow through each facility used by all subregional wholesale customers during the peak summer month, and is applied to the costs for the corresponding facility. These costs are combined to form the Southwest subregional cost pool.

The Southwest subregional cost pool has the same annual true up mechanism as the regional cost pools, and the same requirement to set rates to target a zero balance by the end of each rate study. As per the contracts, a single rate is set for all consumption by the five SW wholesale customers regardless on which, if any, Southwest subregional facility the service is located.

History of SW Subregion

Through 2009, Southwest subregional costs were low due to the age of the infrastructure and the subsequent low Utility Basis Cost. In 2010, the new West Seattle Reservoir was placed in service, resulting in increased costs. The reservoir project was needed as the older reservoir was uncovered and no longer met water quality regulations.

The subregional surcharge is currently 16 cents per ccf for several reasons:

- The need to make up a significant 2014 true up deficit due to 2012-2014 rates that, in retrospect, were set too low.
- The assumption of an 11% allocation rate for West Seattle Reservoir costs; actuals have been 4% to 8%.
- The incorporation of a 23% drop in overall Southwest subregional flow due to Highline's planned decrease in purchases, which has now been delayed past the timeframe of this rate study.

Changes since last rate study

In 2017, existing metering equipment was replaced to better determine the portion of water used by wholesale and Seattle retail customers through each facility. Due to expected changes in the allocations, the Subregional rate was not included in the 2018-2020 wholesale rate study conducted in 2017.

For 2014-2016, the best source of peak month flow for one of the facilities (585 Zone) was thought to be the sum of wholesale monthly demand and prorated bi-monthly retail demand. This avoided a system meter thought to be inaccurate. After system meters were replaced in early 2017, the suspect meter turned out to have been accurate. The allocation for the 585 Zone was revised for 2014-2016. Because the 585 Zone allocation feeds the W Seattle Reservoir and W Seattle Pipeline allocation, these allocations also were revised for 2014-2016.

These revised allocations were used to recalculate the 2014-2016 true up balances, resulting in a \$119k higher (i.e. less negative) true up balance in 2016. This revised balance will be used as the starting point for the 2017 True Up calculation. The original and updated true up summary statements are shown in Attachment 2.

Running Balance of True Up, SW Subregion (\$ Thousands)	2014	2015	2016
Previously Calculated True Up Balance	(755)	(444)	(169)
Revised True Up Balance	(789)	(477)	(50)
Change in True Up, entering 2017			119

Southwest Subregional Rate Calculation

Calculating rates for the Southwest subregion uses the same components as the main rate study: assets, O&M, true up balance, and demand, as well as an additional component that allocates costs between Seattle and the SW subregional customers.

As mentioned above, the Southwest subregion is comprised of six “Facilities” as defined in the contract:

- 585 Pressure Zone (detailed list of components in Attachment 1)
- West Seattle Reservoir
- West Seattle Pipeline (West of the connection to Cedar River Pipeline #4)
- Des Moines Way Pipeline
- Military Road Feeder
- East Marginal Way Feeder

Capital Cost (Assets)

As during the main rate study, the December 31, 2016 asset schedule was “rolled forward” to calculate the Utility Basis Cost for existing subregional assets in each facility during each year of the rate study. Identification of future assets came from 2017 capital spending amounts and the 2018-2023 Capital Improvement Plan. For each project, an in-service year was determined – typically the last year of spending shown in the CIP budget. The primary project that impacts the SW subregion within the rate study period is the Beverly Tank Project. This rate study assumes a project cost of \$5.587k and an in-service year of 2020, meaning that project costs will impact 2020 and beyond.

O&M

O&M costs for subregions are defined differently in the contracts than the indexing system used for regional O&M. For subregions, O&M costs are determined using location codes. No costs have been identified since 2014 and none have been assumed going forward.

Allocation

For the 585 Zone, West Seattle Reservoir, and West Seattle Pipeline facilities, allocations for 2018 and beyond were projected based on the methodology described under “Changes since last rate study.” Allocations for the Des Moines Way Pipeline, Military Road Pipeline, and the East Marginal Way Feeder facilities are 100%, as wholesale customers are the only ones using those pipelines.

Demand Volumes

Demand forecasts have an impact on rates since revenues generated are dependent upon the amount of water sold. As mentioned, volumes in 2017 are higher than those projected under the prior rate study because Highline did not reduce purchases as planned. This rate calculation is based on the same rate forecast used in 2017 for 2018-2020 regional rates.

Setting Rates

The procedures above produce a total subregional cost for all wholesale customers served by the subregion. This total was divided by the total flow for all wholesale customers in the subregion, regardless of the exact location of their wholesale meter, to produce a uniform rate per ccf. The detailed tables are included as Attachments 3 and 4.

Because of the significant true up balance anticipated at the end of 2018, the subregional surcharge will decrease from its current rate of \$0.16/ccf. The contracts require that rates be set to reduce the true up balance to zero by the end of the rate study period, which means a dramatic decrease if a two year rate

period is used. A two year rate path would also cause a significant increase in 2021 when the surplus was exhausted. Additionally, this option risks creating a deficit by 2020, increasing the rate in 2021 even further.

The proposed rate instead uses a five-year option for 2019 through 2023, allowing a smother rate path. Also, the rate can be reexamined in 2020 as part of the 2021-2023 regional rate study, which would allow adjustment and minimize the risk of a deficit. The SW subregional wholesale customers were consulted about the two options, and all five prefer the five year rate path.

The rate paths are:

Rate, per ccf	2018 Existing	2019 Proposed/ Alternate	2020 Proposed/ Alternate	2021 Proposed/ Projected	2022 Proposed/ Projected	2023 Proposed/ Projected
Proposed Five-Year Rate Path	\$0.16	\$0.07	\$0.07	\$0.07	\$0.07	\$0.07
Alternate Two-Year Rate Path	\$0.16	\$0.01	\$0.01	\$0.12	\$0.11	\$0.11

Attachment 1 – Contract Exhibits X and XI

EXHIBIT X

List of Southwest Sub-region Transmission Facilities

585 ZONE FACILITIES

Pipelines

1. The discharge pipeline of Burien Pump Station, from the pump station to Ambaum Boulevard SW
2. The pipeline in 8 Ave SW from SW Kenyon Street to SW 108 Street
3. The discharge pipeline of Highland Park Pump Station to SW 108th Street.
4. The 585 Pipeline in SW 108th Street between 4th Avenue SW and 12th Avenue SW
5. The 585 head Pipeline in 4th Avenue SW between SW 108th Street and SW 146th Street
6. The 585 Pipeline in 12th Avenue SW and Ambaum Boulevard SW between SW 108th Street and SW 146th Street
7. The 585 Pipeline in Ambaum Boulevard SW between SW 146th Street and SW 149th Street
8. The 585 pipeline in SW 149th Street between Ambaum Boulevard SW and 14th Avenue SW
9. The 585 pipeline in 12 Ave SW from SW 108 Street to SW 106 Street
10. The discharge of the Trenton Turbines pump station within the West Seattle Reservoir property, and up to SW Cloverdale Street
11. The 585 pipeline in 5 Ave SW from SW Cloverdale Street to SW Kenyon Street
12. The 585 pipeline in SW Kenyon Street from 5 Ave SW to 8 Ave SW
13. The 585 pipeline in SW Kenyon Street from 8 Ave SW to 35 Ave SW
14. The 585 pipeline in 35 Ave SW from SW Kenyon Street to SW Myrtle Street
15. The 585 pipeline in SW Myrtle Street from 35 Ave SW to Myrtle Tanks.

Pump Stations

1. Burien Pump Station, including its suction line from the 24-inch tee to the pump station
 2. Highland Park Pump Station, including its suction line from the tee off the 42-inch West Seattle Reservoir inlet-outlet line to the pump station
 3. Trenton Turbines Pump Station, including the suction/supply line from the pump station to the 36x36x20 tee
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Tanks

1. Beverly Park Tank, and all associated appurtenances and connections to the 585 zone
2. Myrtle Tanks, and all associated appurtenances and connections to the 585 zone

WEST SEATTLE RESERVOIR

1. The reservoir Gate House, except for the West Seattle Low Service Pump Station
2. App reservoir appurtenances, including but not limited to the reservoir drain , washout, and overflow pipelines
3. The reservoir bypass from the tee off the West Seattle Pipeline to the reservoir easterly outlet pipeline

WEST SEATTLE PIPELINE

From the connection to Cedar River Pipeline No. 4 to the West Seattle Reservoir Gate House

DES MOINES WAY PIPELINE

1. From the connection to the Bow Lake Pipeline as relocated outside Seatac Airport, to S 168 Street
2. South 168 Street to the terminus of the pipeline near S 218 Street (until purchased by the Highline WD)

MILITARY ROAD FEEDER

THE EAST MARGINAL WAY FEEDER

From the West Seattle Pipeline to S 115 Street, including pressure reducing and pressure relief facilities from the West Seattle Pipeline to that feeder.

Wholesale customer tap and meter installations shall not be part of the Southwest Sub-region Transmission Facilities. The cost of improvements to such installations shall be borne by the wholesale customer served by the installation regardless of the cause for the improvements provided that such cause is consistent with AWWA and safety standards and practices.

The facilities include the appurtenance of these transmission facilities including but not limited to rights of way, line valves, system meters and remote automation devices.

Seattle may from time to time eliminate facilities from this list provided that it secures the written consent of Water Utility in the event that Water Utility is served by a tap or meter installation on the facility being eliminated. Seattle shall provide Water Utility with 120 days prior written notice of any change.

EXHIBIT XI

Allocating Costs and Setting Rates for Southwest Sub-region

In any year, Southwest Wholesale Customer means a Wholesale Customer that is served in whole or in part by a tap or meter installation on a Southwest Sub-region Transmission Facility listed in Exhibit X, or successor (replacement) facility.

In each year, the cost of each Southwest Sub-region Transmission Facility shall be allocated between Seattle and Southwest Wholesale Customers as a group based on Peak 7 Day flows through that facility. In the event that Peak 7 Day flow data is not available, Peak Month flows may be substituted.

Southwest Wholesale Customers shall pay a uniform rate to collect the Southwest Sub-region Transmission Facility costs allocated to the Southwest Wholesale Customer group under the terms of the prior paragraph. This rate shall apply to every unit of water delivered to a Southwest Wholesale Customer by Seattle, without regard to the specific location at which that water was delivered.

Actual costs and actual revenues for the Southwest Sub-region shall be trued up in a manner consistent with Section IV.I.

Summary Att 1 - SPU Wholesale Water SW Rate Surcharge
V1

Attachment 2

Original True Up Statements

Summary Att 1 - SPU Wholesale Water SW Rate Surcharge
V1

City of Seattle, Seattle Public Utilities Statement of Surplus (Deficit) of SW Subregional Rate Revenues Less Service Costs Year Ended December 31, 2014			City of Seattle, Seattle Public Utilities Statement of Surplus (Deficit) of SW Subregional Rate Revenues Less Service Costs Year Ended December 31, 2015			City of Seattle, Seattle Public Utilities Statement of Surplus (Deficit) of SW Subregional Rate Revenues Less Service Costs Year Ended December 31, 2016		
Beginning Balance - 12/31/13	\$	(743,465)	Beginning Balance - 12/31/14	\$	(754,968)	Beginning Balance - 12/31/15	\$	(444,267)
Interest		(34,199)	Interest		(33,974)	Interest		(19,992)
Total Prior Balance:		\$ (777,664)	Total Prior Balance:		\$ (788,942)	Total Prior Balance:		\$ (464,259)
2014 Rate Based Revenues		297,377	2015 Rate Based Revenues		769,410	2016 Rate Based Revenues		760,735
2014 Rate Based Costs			2015 Rate Based Costs			2016 Rate Based Costs		
585 Zone Facilities			585 Zone Facilities			585 Zone Facilities		
Operations Costs		11,919	Operations Costs		0	Operations Costs		0
Asset Recovery Costs		314,658	Asset Recovery Costs		305,913	Asset Recovery Costs		300,796
Total		326,577	Total		305,913	Total		300,796
Allocation to Southwest Subregion Customers (at 46.0%)		150,112	Allocation to Southwest Subregion Customers (at 52.2%)		160,642	Allocation to Southwest Subregion Customers (at 49.2%)		147,992
West Seattle Reservoir			West Seattle Reservoir			West Seattle Reservoir		
Operations Costs		15,677	Operations Costs		0	Operations Costs		0
Asset Recovery Costs		2,961,026	Asset Recovery Costs		3,149,976	Asset Recovery Costs		3,165,558
Total		2,976,703	Total		3,149,976	Total		3,165,558
Allocation to Southwest Subregion Customers (at 2.7%)		79,855	Allocation to Southwest Subregion Customers (at 7.1%)		223,838	Allocation to Southwest Subregion Customers (at 8.9%)		281,735
West Seattle Pipeline			West Seattle Pipeline			West Seattle Pipeline		
Operations Costs		1,058	Operations Costs		0	Operations Costs		0
Asset Recovery Costs		145,510	Asset Recovery Costs		143,501	Asset Recovery Costs		147,632
Total		146,568	Total		143,501	Total		147,632
Allocation to Southwest Subregion Customers (at 22.3%)		32,697	Allocation to Southwest Subregion Customers (at 22.2%)		31,817	Allocation to Southwest Subregion Customers (at 18.9%)		27,902
Des Moines Way Pipeline			Des Moines Way Pipeline			Des Moines Way Pipeline		
Operations Costs		3,121	Operations Costs		0	Operations Costs		0
Asset Recovery Costs		8,896	Asset Recovery Costs		8,438	Asset Recovery Costs		8,009
Total		12,016	Total		8,438	Total		8,009
Allocation to Southwest Subregion Customers (at 100%)		12,016	Allocation to Southwest Subregion Customers (at 100%)		8,438	Allocation to Southwest Subregion Customers (at 100%)		8,009
Military Road Feeder			Military Road Feeder			Military Road Feeder		
Operations Costs		-	Operations Costs		-	Operations Costs		-
Asset Recovery Costs		-	Asset Recovery Costs		-	Asset Recovery Costs		-
Total		-	Total		-	Total		-
Allocation to Southwest Subregion Customers (at 100%)		0	Allocation to Southwest Subregion Customers (at 100%)		0	Allocation to Southwest Subregion Customers (at 100%)		0
East Marginal Way Feeder			East Marginal Way Feeder			East Marginal Way Feeder		
Operations Costs		-	Operations Costs		-	Operations Costs		-
Asset Recovery Costs		-	Asset Recovery Costs		-	Asset Recovery Costs		-
Total		-	Total		-	Total		-
Allocation to Southwest Subregion Customers (at 100%)		0	Allocation to Southwest Subregion Customers (at 100%)		0	Allocation to Southwest Subregion Customers (at 100%)		0
Total Costs:		274,680	Total Costs:		424,734	Total Costs:		465,638
PY correction		0	PY correction		0	PY correction		0
Net excess (deficit) of revenues over cost of service 12/31/2014		(754,968)	Net excess (deficit) of revenues over cost of service 12/31/2015		\$ (444,266)	Net excess (deficit) of revenues over cost of service 12/31/2016		\$ (169,162)

Attachment 2, continued

Revised True Up Statements

Summary Att 1 - SPU Wholesale Water SW Rate Surcharge
V1

City of Seattle, Seattle Public Utilities			City of Seattle, Seattle Public Utilities			City of Seattle, Seattle Public Utilities		
Statement of Surplus (Deficit) of SW Subregional Rate Revenues Less Service Costs Year Ended December 31, 2014			Statement of Surplus (Deficit) of SW Subregional Rate Revenues Less Service Costs Year Ended December 31, 2015			Statement of Surplus (Deficit) of SW Subregional Rate Revenues Less Service Costs Year Ended December 31, 2016		
Beginning Balance - 12/31/13	\$ (743,465)		Beginning Balance - 12/31/14	\$ (789,156)		Beginning Balance - 12/31/15	\$ (477,163)	
Interest	(34,199)		Interest	(35,512)		Interest	(21,472)	
Total Prior Balance:		\$ (777,664)	Total Prior Balance:		\$ (824,668)	Total Prior Balance:		\$ (498,635)
2014 Rate Based Revenues		297,377	2015 Rate Based Revenues		769,410	2016 Rate Based Revenues		760,735
2014 Rate Based Costs			2015 Rate Based Costs			2016 Rate Based Costs		
585 Zone Facilities			585 Zone Facilities			585 Zone Facilities		
Operations Costs	11,919		Operations Costs	0		Operations Costs	0	
Asset Recovery Costs	314,658		Asset Recovery Costs	305,913		Asset Recovery Costs	300,796	
Total	326,577		Total	305,913		Total	300,796	
Allocation to Southwest Subregion Customers (at 39.5%)		128,998	Allocation to Southwest Subregion Customers (at 48.5%)		148,368	Allocation to Southwest Subregion Customers (at 52.0%)		156,414
West Seattle Reservoir			West Seattle Reservoir			West Seattle Reservoir		
Operations Costs	15,677		Operations Costs	0		Operations Costs	0	
Asset Recovery Costs	2,961,026		Asset Recovery Costs	3,149,976		Asset Recovery Costs	3,165,558	
Total	2,976,703		Total	3,149,976		Total	3,165,558	
Allocation to Southwest Subregion Customers (at 4.6%)		136,928	Allocation to Southwest Subregion Customers (at 7.4%)		233,098	Allocation to Southwest Subregion Customers (at 3.9%)		123,457
West Seattle Pipeline			West Seattle Pipeline			West Seattle Pipeline		
Operations Costs	1,058		Operations Costs	0		Operations Costs	0	
Asset Recovery Costs	145,510		Asset Recovery Costs	143,501		Asset Recovery Costs	147,632	
Total	146,568		Total	143,501		Total	147,632	
Allocation to Southwest Subregion Customers (at 21.1%)		30,926	Allocation to Southwest Subregion Customers (at 22.3%)		32,001	Allocation to Southwest Subregion Customers (at 16.1%)		23,769
Des Moines Way Pipeline			Des Moines Way Pipeline			Des Moines Way Pipeline		
Operations Costs	3,121		Operations Costs	0		Operations Costs	0	
Asset Recovery Costs	8,896		Asset Recovery Costs	8,438		Asset Recovery Costs	8,009	
Total	12,016		Total	8,438		Total	8,009	
Allocation to Southwest Subregion Customers (at 100%)		12,016	Allocation to Southwest Subregion Customers (at 100%)		8,438	Allocation to Southwest Subregion Customers (at 100%)		8,009
Military Road Feeder			Military Road Feeder			Military Road Feeder		
Operations Costs	-		Operations Costs	-		Operations Costs	-	
Asset Recovery Costs	-		Asset Recovery Costs	-		Asset Recovery Costs	-	
Total	-		Total	-		Total	-	
Allocation to Southwest Subregion Customers (at 100%)		0	Allocation to Southwest Subregion Customers (at 100%)		0	Allocation to Southwest Subregion Customers (at 100%)		0
East Marginal Way Feeder			East Marginal Way Feeder			East Marginal Way Feeder		
Operations Costs	-		Operations Costs	-		Operations Costs	-	
Asset Recovery Costs	-		Asset Recovery Costs	-		Asset Recovery Costs	-	
Total	-		Total	-		Total	-	
Allocation to Southwest Subregion Customers (at 100%)		0	Allocation to Southwest Subregion Customers (at 100%)		0	Allocation to Southwest Subregion Customers (at 100%)		0
Total Costs:		308,868	Total Costs:		421,905	Total Costs:		311,648
PY correction		0	PY correction		0	PY correction		0
Net excess (deficit) of revenues over cost of service 12/31/2014		(789,156)	Net excess (deficit) of revenues over cost of service 12/31/2015		\$ (477,163)	Net excess (deficit) of revenues over cost of service 12/31/2016		\$ (49,549)

Attachment 3 – Two Year Rate Path

	2014 REVISED	2015 REVISED	2016 REVISED	2017 PROJECTED	2018 PROJECTED	2019 PROPOSED	2020 PROPOSED	2021 PROJECTED	2022 PROJECTED	2023 PROJECTED
585 Zone Facilities										
Operations Costs	11,919	0	0	0	0	0	0	0	0	0
Asset Recovery Costs	314,658	305,913	300,796	292,310	286,019	279,910	434,438	514,810	504,860	494,909
Total	326,577	305,913	300,796	292,310	286,019	279,910	434,438	514,810	504,860	494,909
Allocator	39.5%	48.5%	52.0%	48.7%	48.5%	48.5%	48.5%	48.5%	48.5%	48.5%
Allocation to Southwest Subregion Customers	128,998	148,368	156,414	142,355	138,719	135,756	210,702	249,683	244,857	240,031
West Seattle Reservoir										
Operations Costs	15,677	0	0	0	0	0	0	0	0	0
Asset Recovery Costs	2,961,026	3,149,976	3,165,558	3,075,087	3,019,178	2,962,640	2,879,601	2,801,595	2,748,170	2,694,744
Total	2,976,703	3,149,976	3,165,558	3,075,087	3,019,178	2,962,640	2,879,601	2,801,595	2,748,170	2,694,744
Allocator	4.6%	7.4%	3.9%	3.6%	7.4%	7.4%	7.4%	7.4%	7.4%	7.4%
Allocation to Southwest Subregion Customers	136,928	233,098	123,457	110,703	223,419	219,235	213,090	207,318	203,365	199,411
West Seattle Pipeline										
Operations Costs	1,058	0	0	0	0	0	0	0	0	0
Asset Recovery Costs	145,510	143,501	147,632	145,191	141,623	138,055	134,487	130,919	127,351	123,783
Total	146,568	143,501	147,632	145,191	141,623	138,055	134,487	130,919	127,351	123,783
Allocator	21.1%	22.3%	16.1%	15.5%	22.3%	22.3%	22.3%	22.3%	22.3%	22.3%
Allocation to Southwest Subregion Customers	30,926	32,001	23,769	22,505	31,582	30,786	29,991	29,195	28,399	27,604
Des Moines Way Pipeline										
Operations Costs	3,121	0	0	0	0	0	0	0	0	0
Asset Recovery Costs	8,896	8,438	8,009	7,573	7,151	0	0	0	0	0
Total (100% Wholesale)	12,016	8,438	8,009	7,573	7,151	0	0	0	0	0
Military Road Feeder										
Operations Costs	0	0	0	0	0	0	0	0	0	0
Asset Recovery Costs	0	0	0	0	0	0	0	0	0	0
Total (100% Wholesale)	0	0	0	0	0	0	0	0	0	0
East Marginal Way Feeder										
Operations Costs	0	0	0	0	0	0	0	0	0	0
Asset Recovery Costs	0	0	0	0	0	0	0	0	0	0
Total (100% Wholesale)	0	0	0	0	0	0	0	0	0	0
PY adjustment										
Total Cost Allocated to SW Subregion	308,868	421,905	311,648	283,135	400,871	385,778	453,784	486,196	476,621	467,045
True Up balance applied						(344,000)	(410,000)			
Amount to be collected through rates						41,778	43,784	486,196	476,621	467,045
Flow (ccf)				4,730,587	4,165,200	4,184,600	4,204,100	4,217,900	4,231,700	4,245,500
Rates, per ccf										
		0.16	0.16	0.16	0.16	0.01	0.01	0.12	0.11	0.11
Expected revenues	297,377	769,410	760,735	756,894	666,432	41,846	42,041	506,148	465,487	467,005
CY (under)/Over payment	(11,492)	347,505	449,087	473,759	265,561	(343,932)	(411,743)	19,952	(11,134)	(40)
True up Balance	(789,155)	(477,162)	(49,548)	421,981	706,110	393,246	(1,193)	18,706	8,396	8,725
Interest on above, affect following year	(35,512)	(21,472)	(2,230)	18,567	31,069	17,303	(53)	823	369	384

Attachment 4 – Five Year Rate Path

	2014 REVISED	2015 REVISED	2016 REVISED	2017 PROJECTED	2018 PROJECTED	2019 PROPOSED	2020 PROPOSED	2021 PROPOSED	2022 PROPOSED	2023 PROPOSED
585 Zone Facilities										
Operations Costs	11,919	0	0	0	0	0	0	0	0	0
Asset Recovery Costs	314,658	305,913	300,796	292,310	286,019	279,910	434,438	514,810	504,860	494,909
Total	326,577	305,913	300,796	292,310	286,019	279,910	434,438	514,810	504,860	494,909
Allocator	39.5%	48.5%	52.0%	48.7%	48.5%	48.5%	48.5%	48.5%	48.5%	48.5%
Allocation to Southwest Subregion Customers	128,998	148,368	156,414	142,355	138,719	135,756	210,702	249,683	244,857	240,031
West Seattle Reservoir										
Operations Costs	15,677	0	0	0	0	0	0	0	0	0
Asset Recovery Costs	2,961,026	3,149,976	3,165,558	3,075,087	3,019,178	2,962,640	2,879,601	2,801,595	2,748,170	2,694,744
Total	2,976,703	3,149,976	3,165,558	3,075,087	3,019,178	2,962,640	2,879,601	2,801,595	2,748,170	2,694,744
Allocator	4.6%	7.4%	3.9%	3.6%	7.4%	7.4%	7.4%	7.4%	7.4%	7.4%
Allocation to Southwest Subregion Customers	136,928	233,098	123,457	110,703	223,419	219,235	213,090	207,318	203,365	199,411
West Seattle Pipeline										
Operations Costs	1,058	0	0	0	0	0	0	0	0	0
Asset Recovery Costs	145,510	143,501	147,632	145,191	141,623	138,055	134,487	130,919	127,351	123,783
Total	146,568	143,501	147,632	145,191	141,623	138,055	134,487	130,919	127,351	123,783
Allocator	21.1%	22.3%	16.1%	15.5%	22.3%	22.3%	22.3%	22.3%	22.3%	22.3%
Allocation to Southwest Subregion Customers	30,926	32,001	23,769	22,505	31,582	30,786	29,991	29,195	28,399	27,604
Des Moines Way Pipeline										
Operations Costs	3,121	0	0	0	0	0	0	0	0	0
Asset Recovery Costs	8,896	8,438	8,009	7,573	7,151	0	0	0	0	0
Total (100% Wholesale)	12,016	8,438	8,009	7,573	7,151	0	0	0	0	0
Military Road Feeder										
Operations Costs	0	0	0	0	0	0	0	0	0	0
Asset Recovery Costs	0	0	0	0	0	0	0	0	0	0
Total (100% Wholesale)	0	0	0	0	0	0	0	0	0	0
East Marginal Way Feeder										
Operations Costs	0	0	0	0	0	0	0	0	0	0
Asset Recovery Costs	0	0	0	0	0	0	0	0	0	0
Total (100% Wholesale)	0	0	0	0	0	0	0	0	0	0
PY adjustment										
Total Cost Allocated to SW Subregion	308,868	421,905	311,648	283,135	400,871	385,778	453,784	486,196	476,621	467,045
True Up balance applied						(95,000)	(165,000)	(200,000)	(190,000)	(165,000)
Amount to be collected through rates						290,778	288,784	286,196	286,621	302,045
Flow (cc)				4,730,587	4,165,200	4,184,600	4,204,100	4,217,900	4,231,700	4,245,500
Rates, per ccf		0.16	0.16	0.16	0.16	0.07	0.07	0.07	0.07	0.07
Expected revenues	297,377	769,410	760,735	756,894	666,432	292,922	294,287	295,253	296,219	297,185
CY (under)/Over payment	(11,492)	347,505	449,087	473,759	265,561	(92,856)	(159,497)	(190,943)	(180,402)	(169,860)
True up Balance	(789,155)	(477,162)	(49,548)	421,981	706,110	644,322	513,176	344,813	179,583	17,624
Interest on above, affect following year	(35,512)	(21,472)	(2,230)	18,567	31,069	28,350	22,580	15,172	7,902	775