

**EXH. SEF-13  
DOCKETS UE-170033/UG-170034  
2017 PSE GENERAL RATE CASE  
WITNESS: SUSAN E. FREE**

**BEFORE THE  
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION,**

**Complainant,**

**v.**

**PUGET SOUND ENERGY,**

**Respondent.**

**Docket UE-170033  
Docket UG-170034**

**FIRST EXHIBIT (NONCONFIDENTIAL) TO THE  
PREFILED REBUTTAL TESTIMONY OF**

**SUSAN E. FREE**

**ON BEHALF OF PUGET SOUND ENERGY**

**AUGUST 9, 2017**

**PUGET SOUND ENERGY-GAS  
GENERAL RATE INCREASE  
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016  
GENERAL RATE CASE**

<b>LINE NO. DESCRIPTION</b>		
1	RATE BASE	<b>\$ 1,770,578,236</b>
2	RATE OF RETURN	<u>7.74%</u>
3		
4	OPERATING INCOME REQUIREMENT	<b>\$ 137,042,755</b>
5		
6	PRO FORMA OPERATING INCOME	<b>\$ 122,976,362</b>
7	OPERATING INCOME DEFICIENCY	<b>\$ 14,066,393</b>
8		
9	CONVERSION FACTOR	<u>0.620450</u>
10	REVENUE REQUIREMENT DEFICIENCY	<b>\$ 22,671,276</b>

*Note: Amounts in bold and italics are different from April 3, 2017 supplemental filing.*

**PUGET SOUND ENERGY-GAS**  
**PRO FORMA COST OF CAPITAL**  
**FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016**  
**GENERAL RATE CASE**

LINE NO.	DESCRIPTION	PRO FORMA CAPITAL %	COST %	COST OF CAPITAL
1	SHORT & LONG TERM DEBT	51.50%	5.81%	2.99%
2	EQUITY	48.50%	9.80%	4.75%
3	TOTAL COST OF CAPITAL	100.00%		7.74%
4				
5	AFTER TAX DEBT	51.50%	5.81%	1.94%
6	EQUITY	48.50%	9.80%	4.75%
7	TOTAL AFTER TAX COST OF CAPITAL	100.00%		6.69%

*Note: Amounts in bold and italics are different from April 3, 2017 supplemental filing.*

**PUGET SOUND ENERGY-GAS  
CONVERSION FACTOR  
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016  
GENERAL RATE CASE**

LINE NO.	DESCRIPTION	BASE	RATE	AMOUNT
1	BAD DEBTS			0.005140
2	ANNUAL FILING FEE			0.002000
3	STATE UTILITY TAX ( 3.852% - ( LINE 1 * 3.852% ) )		3.852%	0.038322
4				
5	SUM OF TAXES OTHER			0.045462
6				
7	CONVERSION FACTOR EXCLUDING FEDERAL INCOME TAX ( 1 - LINE 5)			0.954538
8	FEDERAL INCOME TAX ( LINE 7 * 35%)		35%	0.334088
9				
10	CONVERSION FACTOR			0.620450

*Note: Amounts in bold and italics are different from April 3, 2017 supplemental filing.*