

**EXH. SEF-17  
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**

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

**SUSAN E. FREE**

**ON BEHALF OF PUGET SOUND ENERGY**

**AUGUST 9, 2017**

Adj No (a)	Description (b)	Contested (c)	PSE Rebuttal			Staff Response Filing			Staff > PSE / (Staff < PSE)		
			NOI (d)	Rate Base (e)	Rev Req (f)	NOI (g)	Rate Base (h)	Rev Req @ ROR 7.37% (i)	NOI (j)	Rate Base (k)	Rev Req (l)
	<b>Actual Results of Operations</b>		<b>119,145,769</b>	<b>1,727,319,760</b>	<b>23,448,756</b>	<b>119,145,769</b>	<b>1,727,319,760</b>	<b>13,148,034</b>	-	-	<b>(10,300,722)</b>
SEF-15.01	E&G Revenue and Expenses		(32,674,131)	-	52,661,989	(32,674,131)	-	52,661,989	-	-	-
SEF-15.02	E&G Temp Normalization	C	16,046,445	-	(25,862,592)	16,435,328	-	(26,489,368)	388,883	-	(626,776)
SEF-15.03	E&G Pass-through Rev and Exp		736,148	-	(1,186,474)	736,148	-	(1,186,474)	-	-	-
SEF-15.04	E&G Fed Income Tax		700,822	-	(1,129,538)	700,822	-	(1,129,538)	-	-	-
SEF-15.05	E&G Tax Benefit of Proforma Int		18,529,101	-	(29,863,972)	17,578,856	-	(28,332,430)	(950,245)	-	1,531,541
SEF-15.06	E&G Depreciation Study		13,174,098	6,587,049	(20,411,411)	13,174,098	6,587,049	(20,450,692)	-	-	(39,281)
SEF-15.07	E&G Normalize Inj & Damages		(57,738)	-	93,058	(57,738)	-	93,058	-	-	-
SEF-15.08	E&G Bad Debt		35,240	-	(56,797)	35,240	-	(56,797)	-	-	-
SEF-15.09	E&G Incentive Pay		104,023	-	(167,657)	104,023	-	(167,657)	-	-	-
SEF-15.10	E&G D&O Insurance		11,636	-	(18,754)	11,636	-	(18,754)	-	-	-
SEF-15.11	E&G Interest on Cust Deposits		(50,137)	-	80,807	(50,137)	-	80,807	-	-	-
SEF-15.12	E&G Rate Case Expenses	C	(280,617)	-	452,280	-	-	-	280,617	-	(452,280)
SEF-15.13	E&G Deferred G/L on Prop Sales	C	(105,090)	-	169,377	(44,345)	-	71,472	60,745	-	(97,905)
SEF-15.14	E&G Prop & Liab Ins		45,174	-	(72,809)	45,174	-	(72,809)	(0)	-	0
SEF-15.15	E&G Pension Plan		(572,091)	-	922,058	(572,091)	-	922,058	-	-	-
SEF-15.16	E&G Wage Increase		(907,409)	-	1,462,502	(907,409)	-	1,462,502	-	-	-
SEF-15.17	E&G Investment Plan		(46,689)	-	75,250	(46,689)	-	75,250	-	-	-
SEF-15.18	E&G Employee Insurance		(58,781)	-	94,740	(58,781)	-	94,740	-	-	-
SEF-15.19	E&G Environmental Remediation		(5,592,128)	-	9,013,019	(2,089,549)	(2,089,549)	3,119,590	3,502,579	(2,089,549)	(5,893,429)
SEF-15.20	E&G Payment Processing	C	(1,449,117)	-	2,335,590	(1,449,117)	-	2,335,590	-	-	-
SEF-15.21	E&G South King Service Center		212,048	7,775,116	628,166	212,048	7,775,116	581,800	-	-	(46,366)
SEF-15.22	E&G Excise Tax and UTC Filing Fee		33,509	-	(54,008)	33,509	-	(54,008)	-	-	-
	Legal Cost Adjustment	C	-	9,884,603	1,233,086	587,729	(56,051,402)	(947,262)	587,729	(46,166,799)	(947,262)
	ISWC and RB Adjustment	C	-	-	-	-	-	-	-	-	-
	Plant Held For Future Use		-	-	-	-	-	-	-	-	-
	Greenwood Explosion		-	-	-	-	-	-	-	-	-
SEF-16.01	CRM		(4,003,724)	19,011,708	8,824,612	(4,003,724)	19,011,708	8,711,237	-	-	(113,375)
	Net Operating Loss Carryforward		-	-	-	-	-	-	-	-	-
	<b>Total Adjustments</b>		<b>3,830,593</b>	<b>43,258,476</b>	<b>(777,480)</b>	<b>7,700,901</b>	<b>(24,767,078)</b>	<b>(15,353,751)</b>	<b>3,870,308</b>	<b>(48,256,349)</b>	<b>(14,576,271)</b>
	<b>Adjusted Results of Operations</b>		<b>\$ 122,976,362</b>	<b>\$ 1,770,578,236</b>	<b>\$ 22,671,276</b>	<b>\$ 126,846,670</b>	<b>\$ 1,702,552,682</b>	<b>\$ (2,205,717)</b>	<b>\$ 3,870,308</b>	<b>\$ (48,256,349)</b>	<b>\$ (24,876,994)</b>

Adj No (a)	Description (b)	Contested (c)	PSE Rebuttal			Public Counsel Filing			Public Counsel > PSE / (Public Counsel < PSE)		
			NOI (d)	Rate Base (e)	Rev Req (f)	NOI (g)	Rate Base (h)	Rev Req @ ROR 7.28% (i)	NOI (j)	Rate Base (k)	Rev Req (l)
	<b>Actual Results of Operations</b>		<b>119,145,769</b>	<b>1,727,319,760</b>	<b>23,448,756</b>	<b>119,145,769</b>	<b>1,727,319,760</b>	<b>10,642,452</b>	<b>0</b>	<b>(0)</b>	<b>(12,806,304)</b>
SEF-15.01	E&G Revenue and Expenses		(32,674,131)	-	52,661,989	(32,674,131)	-	52,661,989	-	-	-
SEF-15.02	E&G Temp Normalization		16,046,445	-	(25,862,592)	16,046,445	-	(25,862,592)	-	-	-
SEF-15.03	E&G Pass-through Rev and Exp		736,148	-	(1,186,474)	736,148	-	(1,186,474)	-	-	-
SEF-15.04	E&G Fed Income Tax		700,822	-	(1,129,538)	700,822	-	(1,129,538)	-	-	-
SEF-15.05	E&G Tax Benefit of Proforma Int		18,529,101	-	(29,863,972)	18,482,904	-	(29,789,513)	(46,198)	-	74,458
SEF-15.06	E&G Depreciation Study	C	13,174,098	6,587,049	(20,411,411)	24,114,311	12,057,156	(37,451,125)	10,940,214	5,470,107	(17,039,714)
SEF-15.07	E&G Normalize Inj & Damages		(57,738)	-	93,058	(57,738)	-	93,058	-	-	-
SEF-15.08	E&G Bad Debt		35,240	-	(56,797)	35,240	-	(56,797)	-	-	-
SEF-15.09	E&G Incentive Pay		104,023	-	(167,657)	104,023	-	(167,657)	-	-	-
SEF-15.10	E&G D&O Insurance		11,636	-	(18,754)	11,636	-	(18,754)	-	-	-
SEF-15.11	E&G Interest on Cust Deposits		(50,137)	-	80,807	(50,137)	-	80,807	-	-	-
SEF-15.12	E&G Rate Case Expenses		(280,617)	-	452,280	(280,617)	-	452,280	-	-	-
SEF-15.13	E&G Deferred G/L on Prop Sales		(105,090)	-	169,377	(105,090)	-	169,377	-	-	-
SEF-15.14	E&G Prop & Liab Ins		45,174	-	(72,809)	45,174	-	(72,809)	(0)	-	0
SEF-15.15	E&G Pension Plan	C	(572,091)	-	922,058	(210,734)	-	339,647	361,357	-	(582,411)
SEF-15.16	E&G Wage Increase		(907,409)	-	1,462,502	(907,409)	-	1,462,502	-	-	-
SEF-15.17	E&G Investment Plan		(46,689)	-	75,250	(46,689)	-	75,250	-	-	-
SEF-15.18	E&G Employee Insurance		(58,781)	-	94,740	(58,781)	-	94,740	-	-	-
SEF-15.19	E&G Environmental Remediation	C	(5,592,128)	-	9,013,019	(2,850,219)	-	4,593,793	2,741,909	-	(4,419,227)
SEF-15.20	E&G Payment Processing		(1,449,117)	-	2,335,590	(1,449,117)	-	2,335,590	-	-	-
SEF-15.21	E&G South King Service Center		212,048	7,775,116	628,166	212,048	7,775,116	570,522	-	-	(57,645)
SEF-15.22	E&G Excise Tax and UTC Filing Fee		33,509	-	(54,008)	33,509	-	(54,008)	-	-	-
	Legal Cost Adjustment		-	-	-	-	-	-	-	-	-
	ISWC and RB Adjustment	(1)	-	9,884,603	1,233,086	-	-	-	-	(9,884,603)	(1,233,086)
	Plant Held For Future Use		-	-	-	-	-	-	-	-	-
	Greenwood Explosion		-	-	-	-	-	-	-	-	-
SEF-16.01	CRM		(4,003,724)	19,011,708	8,824,612	(4,003,724)	19,011,708	8,683,659	-	-	(140,952)
	Net Operating Loss Carryforward		-	-	-	-	-	-	-	-	-
	<b>Total Adjustments</b>		<b>3,830,593</b>	<b>43,258,476</b>	<b>(777,480)</b>	<b>17,827,876</b>	<b>38,843,980</b>	<b>(24,176,056)</b>	<b>13,997,282</b>	<b>(4,414,496)</b>	<b>(23,398,576)</b>
	<b>Adjusted Results of Operations</b>		<b>\$ 122,976,362</b>	<b>\$ 1,770,578,236</b>	<b>\$ 22,671,276</b>	<b>\$ 136,973,645</b>	<b>\$ 1,766,163,740</b>	<b>\$ (13,533,603)</b>	<b>\$ 13,997,282</b>	<b>\$ (4,414,496)</b>	<b>\$ (36,204,880)</b>

(1) Mr. Smith had no issues with PSE's test year working capital adjustment. Current differences are due to changes made by PSE at rebuttal as explained in Ms. Free's rebuttal testimony.

Adj No (a)	Description (b)	Contested (c)	PSE Rebuttal			NWIGU Filing			NWIGU > PSE / (NWIGU < PSE)		
			NOI (d)	Rate Base (e)	Rev Req (f)	NOI (g)	Rate Base (h)	Rev Req @ ROR 7.40% (i)	NOI (j)	Rate Base (k)	Rev Req (l)
	<b>Actual Results of Operations</b>		<b>119,145,769</b>	<b>1,727,319,760</b>	<b>23,448,756</b>	<b>119,145,769</b>	<b>1,727,319,760</b>	<b>13,983,227</b>	<b>0</b>	<b>(0)</b>	<b>(9,465,529)</b>
SEF-15.01	E&G Revenue and Expenses		(32,674,131)	-	52,661,989	(32,674,131)	-	52,661,989	-	-	-
SEF-15.02	E&G Temp Normalization	(1)	16,046,445	-	(25,862,592)	16,069,959	-	(25,900,489)	23,513	-	(37,897)
SEF-15.03	E&G Pass-through Rev and Exp		736,148	-	(1,186,474)	736,148	-	(1,186,474)	-	-	-
SEF-15.04	E&G Fed Income Tax		700,822	-	(1,129,538)	700,822	-	(1,129,538)	-	-	-
SEF-15.05	E&G Tax Benefit of Proforma Int		18,529,101	-	(29,863,972)	18,255,977	-	(29,423,767)	(273,125)	-	440,204
SEF-15.06	E&G Depreciation Study		13,174,098	6,587,049	(20,411,411)	13,174,098	6,587,049	(20,447,507)	-	-	(36,096)
SEF-15.07	E&G Normalize Inj & Damages		(57,738)	-	93,058	(57,738)	-	93,058	-	-	-
SEF-15.08	E&G Bad Debt	(1)	35,240	-	(56,797)	(158,835)	-	256,000	(194,075)	-	312,797
SEF-15.09	E&G Incentive Pay	(1)	104,023	-	(167,657)	213,058	-	(343,393)	109,035	-	(175,736)
SEF-15.10	E&G D&O Insurance		11,636	-	(18,754)	11,636	-	(18,754)	-	-	-
SEF-15.11	E&G Interest on Cust Deposits	(1)	(50,137)	-	80,807	(30,709)	-	49,494	19,428	-	(31,313)
SEF-15.12	E&G Rate Case Expenses		(280,617)	-	452,280	(280,617)	-	452,280	-	-	-
SEF-15.13	E&G Deferred G/L on Prop Sales		(105,090)	-	169,377	(105,090)	-	169,377	-	-	-
SEF-15.14	E&G Prop & Liab Ins		45,174	-	(72,809)	45,174	-	(72,809)	(0)	-	0
SEF-15.15	E&G Pension Plan	C	(572,091)	-	922,058	448,790	-	(723,330)	1,020,881	-	(1,645,388)
SEF-15.16	E&G Wage Increase	(1)	(907,409)	-	1,462,502	(972,167)	-	1,566,875	(64,758)	-	104,373
SEF-15.17	E&G Investment Plan	(1)	(46,689)	-	75,250	(46,689)	-	82,905	(4,750)	-	7,655
SEF-15.18	E&G Employee Insurance		(58,781)	-	94,740	(58,781)	-	94,740	-	-	-
SEF-15.19	E&G Environmental Remediation	C	(5,592,128)	-	9,013,019	(2,850,219)	-	4,593,793	2,741,909	-	(4,419,227)
SEF-15.20	E&G Payment Processing	(2)	(1,449,117)	-	2,335,590	(2,225,700)	-	3,587,235	(776,583)	-	1,251,645
SEF-15.21	E&G South King Service Center		212,048	7,775,116	628,166	212,048	7,775,116	585,559	-	-	(42,607)
SEF-15.22	E&G Excise Tax and UTC Filing Fee		33,509	-	(54,008)	33,509	-	(54,008)	-	-	-
	Legal Cost Adjustment		-	-	-	-	-	-	-	-	-
	ISWC and RB Adjustment	(3)	-	9,884,603	1,233,086	-	-	-	-	(9,884,603)	(1,233,086)
	Plant Held For Future Use	C	-	-	-	-	(3,591,495)	(428,351)	-	(3,591,495)	(428,351)
	Greenwood Explosion	C	-	-	-	238,126	19,011,708	(383,796)	238,126	-	(383,796)
SEF-16.01	CRM		(4,003,724)	19,011,708	8,824,612	(4,003,724)	19,011,708	8,720,429	-	-	(104,182)
	Net Operating Loss Carryforward	C	-	-	-	(12,622,777)	(12,622,777)	(1,505,497)	-	(12,622,777)	(1,505,497)
	<b>Total Adjustments</b>		<b>3,830,593</b>	<b>43,258,476</b>	<b>(777,480)</b>	<b>6,670,195</b>	<b>17,159,601</b>	<b>(8,703,980)</b>	<b>2,839,602</b>	<b>(26,098,874)</b>	<b>(7,926,500)</b>
	<b>Adjusted Results of Operations</b>		<b>\$ 122,976,362</b>	<b>\$ 1,770,578,236</b>	<b>\$ 22,671,276</b>	<b>\$ 125,815,964</b>	<b>\$ 1,744,479,361</b>	<b>\$ 5,279,247</b>	<b>\$ 2,839,602</b>	<b>\$ (26,098,875)</b>	<b>\$ (17,392,029)</b>

(1) Mr. Mullins did not incorporate PSE's changes made at Supplemental but did not expressly indicate he did not accept them. As discussed in Ms. Free's rebuttal testimony, these adjustments are not considered contested.  
 (2) Mr. Mullins originally indicated as uncontested on BGM-4 Line 21. The current difference is due to PSE's acceptance of other parties' position at rebuttal.  
 (3) Mr. Mullins had no issues with PSE's test year working capital adjustment. Current differences are due to changes made by PSE at rebuttal as explained in Ms. Free's rebuttal testimony.