

**EXH. SEF-30
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**

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

SUSAN E. FREE

ON BEHALF OF PUGET SOUND ENERGY

AUGUST 9, 2017

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION STAFF
RESPONSE TO DATA REQUEST

DATE PREPARED: July 19, 2017
DOCKETS: UE-170033/UG-170034
REQUESTER: PSE

WITNESS: Betty A. Erdahl
RESPONDER: Betty A. Erdahl
TELEPHONE: (360) 664-1283

REQUEST NO. 11:

Related to Ms. Erdahl's recommendation to include CWIP as a non-operating item:

- a. Please provide the basis and prevailing WUTC Orders that support including CWIP in determining the allocation of working capital.
- b. Is it Ms. Erdahl's position that inclusion of CWIP in non-operating is consistent with the approved calculations of Investor Supplied Working Capital of other Washington utilities? Please provide the relevant prevailing WUTC Orders for the other Washington utilities that support Ms. Erdahl's conclusion.

RESPONSE:

- a. CWIP is included in ISWC as an investment but is categorized as non-operating because it is not used and useful, and it accrues a return through the allowance of funds used during construction (AFUDC) calculation. It should not earn a further return through ISWC. Staff finds no orders directly discussing the details of ISWC, but Staff's method was accepted in the following dockets.
 - UTC Docket UE-061546, Pacific Power & Light Company
 - UTC Docket UE-050684, et. al., Pacific Power & Light Company
 - UTC Docket UG-060256, Cascade Natural Gas Corporation
- b. Yes. CWIP is treated as non-operating for other Washington utilities when calculating ISWC. The basis for this treatment is that CWIP accrues interest until the project is in service and prior to that it is not used and useful. The dockets noted above reflect Ms. Erdahl's position.