**EXHIBIT NO. \_\_\_(SEF-7C)**

**DOCKET NO. UG-15\_\_\_\_**

**WITNESS:  SUSAN E. FREE**

**BEFORE THE**

**WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

|  |  |
| --- | --- |
| **In the Matter of the Petition of****PUGET SOUND ENERGY, INC.** **for (i) Approval of a Special Contract for Liquefied Natural Gas Fuel Service with Totem Ocean Trailer Express, Inc. and (ii) a Declaratory Order Approving the Methodology for Allocating Costs Between Regulated and Non-regulated Liquefied Natural Gas Services** | **DOCKET NO. UG-15\_\_\_\_** |

**SIXTH EXHIBIT (CONFIDENTIAL) TO THE
PREFILED DIRECT TESTIMONY OF SUSAN E. FREE
ON BEHALF OF PUGET SOUND ENERGY, INC.**

**Confidential per**

**WAC 480-07-160**

**AUGUST 11, 2015**

**General Allocators to be Used to Allocate Tacoma LNG Facility Expenses
and Capital Between Regulated and Non-Regulated Operations**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Category** | **Basis for Allocation** | **Related Allocator** | **Capital** | **PeakShaving** | **TOTEFuel Sales** | **Non-regFuel Sales** | **Total** |
| Common Capital | Allocated liquefaction and storage costs weighted based on total capital allocated to these services | Liquefaction | $88.5M(48%) | 10% | 44% | 46% | 100% |
| Storage | $96.2M(52%) | 79% | 6% | 15% | 100% |
| Common Capital | $184.8M(100%) | 46% | 24% | 30% | 100% |
| Truck Loading | Only applied to Capital. Service not used by TOTE Fuel Sales. Current modeling assumes 25% of the cost to core gas to ensure that PSE gas operations has priority access to the truck loading racks to support PSE’s system. |  |  | 25% | 0% | 75% | 100% |
| Total Capital[[1]](#footnote-1) | Weighted distribution of plant costs before AFUDC to all capital allocators[[2]](#footnote-2), including common capital | Peak Shaving TOTE Fuel Sales Non-Regulated Fuel Sales Total | $136.4M$92.9M$81.4M$310.7M | 44% | 30% | 26% | 100% |

Note: Allocators are representative of estimates in the first year of operations assuming 19% utilization of non-regulated capacity

1. The numbers shown in the table are indicative and based off PSE’s best estimates at this time. The actual total capital allocator will be based on the actual cost of construction when known. [↑](#footnote-ref-1)
2. Liquefaction Capacity (causal), Storage (causal), Bunkering (direct), Truck Loading (causal), Vaporization (direct) and Common (general) [↑](#footnote-ref-2)