**EXHIBIT NO. \_\_\_(SEF-4)**

**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\_\_\_\_** |

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

**AUGUST 11, 2015**

**Allocation Factors Developed for the Tacoma LNG Facility to
Allocate Tacoma LNG Facility Costs and Capital**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **AllocationMethod** | **Allocation Factor** | **Cost Category** | **Rev/Exp** | **Capital** |
| Direct | Direct Assigned | Bunkering Capital and O&M | x | x |
|   |   | Vaporization Capital and O&M | x | x |
|   |   | Revenue | x |   |
|   |   | Gas Costs | x |   |
|   |   | Non-Regulated Fuel Sales Distribution Revenues and Expenses | x |   |
|   |   | Certain Labor and Labor and Corporate Overheads | x |   |
|   |   | Certain Maintenance Expenses | x |   |
|   |   | Depreciation Expense | x |   |
|   |   | Regulated Interest Expense | x |   |
|   |   | Revenue Sensitive Fees & Taxes and | x |   |
|   |   | Federal Income Tax | x |   |
| Causal | Liquefaction Capacity | Liquefaction Capital |   | x |
|   | LNG Volumes | Variable Power Costs | x |   |
|   |   | Plant Consumables | x |   |
|   | Annual Capacity | Fixed Power Costs | x |   |
|   | Wharfage | Wharfage | x |   |
|   | Storage | Storage O&M and Capital | x | x |
| General | Truck Loading | Truck Loading O&M and Capital | x | x |
|   | Common Capital | Capital Costs Common to All LNG Functions |   | x |
|   | Total Capital | Staff Expenses1 | x |   |
|   |   | Labor and Associated Labor and Corporate Overheads1  | x |   |
|   |   | Incremental Insurance Expense | x |   |
|   |   | Lease Expense | x |   |
|   |   | Property Tax Expense | x |   |
|  |  |  |  |  |
| 1 That cannot be directly assigned or causally allocated |  |  |