**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**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Allocation Method** | **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 | | |  |  |