

**EXHIBIT NO. ___(SEF-5)
DOCKETS UE-17___/UG-17___
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-17___

Docket UG-17___

**FOURTH EXHIBIT (NONCONFIDENTIAL) TO THE
PREFILED DIRECT TESTIMONY OF**

SUSAN E. FREE

ON BEHALF OF PUGET SOUND ENERGY

JANUARY 13, 2017

PUGET SOUND ENERGY
PERIODIC ALLOCATED RESULTS OF OPERATIONS
FOR THE 12 MONTHS ENDED SEPTEMBER 30, 2016

(Common cost is spread based on allocation factors developed for the 12 ME 09/30/2016)

	Electric	Gas	Total Amount
1 - OPERATING REVENUES:			
2 - SALES TO CUSTOMERS	\$ 2,146,048,308	\$ 857,492,456	\$ 3,003,540,764
3 - SALES FOR RESALE-FIRM	324,382	-	324,382
4 - SALES TO OTHER UTILITIES	201,125,742	-	201,125,742
5 - OTHER OPERATING REVENUES	47,841,339	37,980,142	85,821,481
6 - TOTAL OPERATING REVENUES	\$ 2,395,339,771	\$ 895,472,599	\$ 3,290,812,370
7			
8 - OPERATING REVENUE DEDUCTIONS:			
9			
10 - POWER COSTS:			
11 - FUEL	\$ 235,002,887	\$ -	\$ 235,002,887
12 - PURCHASED AND INTERCHANGED	532,346,459	326,393,369	858,739,829
13 - WHEELING	113,800,193	-	113,800,193
14 - RESIDENTIAL EXCHANGE	(69,268,220)	-	(69,268,220)
15 - TOTAL PRODUCTION EXPENSES	\$ 811,881,319	\$ 326,393,369	\$ 1,138,274,689
16			
17 - OTHER ENERGY SUPPLY EXPENSES	\$ 125,897,437	\$ 2,420,905	\$ 128,318,342
18 - TRANSMISSION EXPENSE	20,270,050	-	20,270,050
19 - DISTRIBUTION EXPENSE	83,356,029	55,510,540	138,866,570
20 - CUSTOMER ACCTS EXPENSES	47,600,166	26,085,152	73,685,319
21 - CUSTOMER SERVICE EXPENSES	19,829,127	7,953,019	27,782,147
22 - CONSERVATION AMORTIZATION	97,566,975	12,460,807	110,027,782
23 - ADMIN & GENERAL EXPENSE	114,599,759	50,479,810	165,079,569
24 - DEPRECIATION	268,356,985	122,080,785	390,437,770
25 - AMORTIZATION	45,684,975	11,666,003	57,350,978
26 - AMORTIZ OF PROPERTY LOSS	20,604,866	-	20,604,866
27 - OTHER OPERATING EXPENSES	(9,997,194)	(230,973)	(10,228,167)
28 - ASC 815	(64,111,668)	-	(64,111,668)
29 - TAXES OTHER THAN INCOME TAXES	230,800,257	95,653,987	326,454,244
30 - INCOME TAXES	800	-	800
31 - DEFERRED INCOME TAXES	181,996,915	65,853,423	247,850,337
32 - TOTAL OPERATING REV. DEDUCT.	\$ 1,994,336,799	\$ 776,326,830	\$ 2,770,663,629
NET OPERATING INCOME	\$ 401,002,972	\$ 119,145,769	\$ 520,148,741

**Puget Sound Energy
Balance Sheet
2017 General Rate Case**

FERC Account and Description	Sept 2016	AMA Sept 2016
*ASSETS		
**UTILITY PLANT		
***Electric Plant		
101 Electric Plant in Service	\$ 9,256,939,502	\$ 9,155,233,283
102 Electric Plant Purchased or Sold		
105 Electric Plant Held for Future Use	49,005,656	49,313,213
106 Comp.Construction Not Classfd.-Electric	78,207,024	37,116,885
107 Construction Work in Prog. - Electric	240,138,725	246,486,388
114 Electric Plant Acquisition Adjustments	282,791,675	282,791,675
Total Electric Plant	9,907,082,581	9,770,941,445
***Gas Plant		
101 Gas Plant in Service	3,424,346,976	3,351,260,648
105 Gas Plant Held for Future Use	1,436,229	3,591,495
106 Comp. Construction Not Classfd.- Gas	58,118,844	34,157,043
107 Construction Work in Progress - Gas	95,512,140	90,396,919
117.3 Gas Strd.in Resvr.& Pipln.-Noncurr.	8,654,564	8,654,564
Total Gas Plant	3,588,068,754	3,488,060,669
***Common Plant		
101 Plant in Service - Common	520,668,925	485,420,919
101.1 - Property under capital leases	-	189,115
106 Comp Construction Not Classfd. - Common	3,237,945	631,074
107 Construction Work in Progress - Common	100,821,186	75,354,493
Total Common Plant	624,728,056	561,595,601
***Accumulated Depreciation and Amortization		
108 Accumulated Provision for Depreciation	(4,975,513,928)	(4,865,309,492)
111 Accumulated Provision for Amortization	(141,348,023)	(127,310,395)
115 Accm.Prv.for Amort.of Plant Acquis.Adj.	(119,095,484)	(114,219,709)
Less: Accumulated Depr and Amortizat	(5,235,957,435)	(5,106,839,596)
**NET UTILITY PLANT	8,883,921,956	8,713,758,120
**OTHER PROPERTY AND INVESTMENTS		
***Other Investments		
121 Nonutility Property	3,293,653	3,467,786
122 Accm.Prov.for Depr.& Amort.Non-utility P	79,713	172,791
123.1 Investment in Subsidiary Companies	29,644,604	29,743,548
124 Other Investments	51,523,528	50,838,695
***Total Other Investments	84,541,498	84,222,820
**TOTAL OTHER PROPERTY AND INVESTMENT	84,541,498	84,222,820
**CURRENT ASSETS		
***Cash		
131 Cash	12,115,586	18,950,088
134 Other Special Deposits	4,793,979	4,230,063
135 Working Funds	4,465,138	4,363,549
136 Temporary Cash Investments	-	1,500,000
***Total Cash	21,374,704	29,043,701
***Restricted Cash		
**Total Restricted Cash		
***Accounts Receivable		
141 Notes Receivable	3,259,692	3,287,182
142 Customer Accounts Receivable	149,268,745	202,558,536

**Puget Sound Energy
Balance Sheet
2017 General Rate Case**

FERC Account and Description	Sept 2016	AMA Sept 2016
143 Other Accounts Receivable	82,531,613	75,177,124
146 Accounts Receiv.from Assoc. Companies	382,342	586,664
171 Interest and Dividends Receivable	-	-
173 Accrued Utility Revenues	126,021,172	157,185,906
185 Temporary Facilities	153,439	58,278
191 Unrecovered Purchased Gas Costs	(1,846,464)	(11,122,379)
***Total Accounts Receivable	359,770,538	427,731,311
***Allowance for Doubtful Accounts		
144 - Accumulated provision for uncollectible account credit	(9,571,222)	(10,120,399)
***Less: Allowance for Doubtful Accounts	(9,571,222)	(10,120,399)
***Materials and Supplies		
151 Fuel Stock	20,023,777	19,753,935
154 Plant Materials and Operating Supplies	104,049,263	88,480,144
156 Other Materials and Supplies	149,552	228,040
158.1 Carbon Allowances	4,083	10,371
163 Stores Expense Undistributed	2,638,929	3,854,381
164.1 Gas Stored - Current	40,348,459	34,459,339
164.2 Liquefied Natural Gas Stored	23,991	117,456
***Total Materials and Supplies	167,238,054	146,903,666
***Unrealized Gain-Derivative Instrumnts (ST)		
175 Invest in Derivative Instrumnts -Opt ST	15,007,638	29,076,392
176 Invest in Derivative Instrumnts-Gain ST	-	-
***Unrealized Gain on Derivatives (ST)	15,007,638	29,076,392
***Prepayments and Other Current Assets		
165 Prepayments	23,088,162	25,078,684
174 Misc.Current and Accrued Assets	23,302,850	7,217,785
186 Miscellaneous Deferred Debits	5,733	7,911
***Total Prepayments & Othr.Currnt.Assets	46,396,745	32,304,380
Current Deferred Taxes		
Total Current Deferred Taxes	564,368,437	575,608,842
**TOTAL CURRENT ASSETS	1,164,584,893	1,230,547,894
**LONG-TERM ASSETS		
128 Qualified Pension Plan Funded Status	20,162,915	20,162,234
165 Long-Term Prepaid	3,309,431	9,785,562
165.8 Long-Term Prepaid Contra	(3,299,086)	(8,483,302)
165.9 Long-Term Prepaid	3,299,086	8,483,302
175 Invest in Derivative Instrumnts -Opt LT	5,408,676	6,658,203
176 Invest in Derivative Instrumnts-Gain LT	-	-
181 Unamortized Debt Expense	27,866,390	29,298,606
182.1 Extraordinary Property Losses	120,682,992	123,187,221
182.2 Unrecovered Plant & Reg Study Costs	6,512,533	9,076,683
Subtotal WUTC AFUDC	50,586,416	51,599,995
182.3 Other Regulatory Assets	577,302,640	565,257,630
183 Prelm. Survey and Investigation Charges	-	-
184 Clearing Accounts	434,193	(445,293)
186 Miscellaneous Deferred Debits	226,853,103	232,885,643
187 Def.Losses from Dispos.of Utility Plant	432,310	543,734
189 Unamortized Loss on Reacquired Debt	42,891,619	44,286,693
**TOTAL LONG-TERM ASSETS	1,082,443,218	1,092,296,911

**Puget Sound Energy
Balance Sheet
2017 General Rate Case**

FERC Account and Description	Sept 2016	AMA Sept 2016
*TOTAL ASSETS	\$ 11,215,491,566	\$ 11,120,825,744
*CAPITALIZATION AND LIABILITIES		
**CURRENT LIABILITIES		
230 Asset Retirement Obligations	(352,791)	(734,658)
244 FAS 133 Opt Unrealized Loss ST	(49,966,219)	(110,594,259)
245 FAS 133 Unrealized Loss ST	-	-
231 Notes Payable	(172,000,000)	(58,312,833)
232 Accounts Payable	(267,240,580)	(243,572,181)
233 Notes Payable to Associated Companies	-	-
234 Accounts Payable to Assted Companies	-	-
235 Customer Deposits	(41,476,101)	(34,305,054)
236 Taxes Accrued	(78,381,284)	(106,040,537)
237 Interest Accrued	(55,930,702)	(57,657,710)
238 Dividends Declared	-	-
241 Tax Collections Payable	(1,270,321)	(1,228,021)
242 Misc. Current and Accrued Liabilities	(27,718,311)	(28,680,489)
243 Obligations Under Cap.Leases - Current	-	(189,115)
**TOTAL CURRENT LIABILITIES	(694,336,310)	(641,314,858)
**DEFERRED TAXES		
***Reg. Liability for Def.Income Tax		
283 Accum.Deferred Income Taxes - Other	(68,624,722)	(70,002,825)
***Total Reg.Liab.for Def.Income Tax	(68,624,722)	(70,002,825)
***Deferred Income Tax		
255 Accum.Deferred Investment Tax Credits		
282 Accum. Def. Income Taxes - Other Prop.	(1,875,726,118)	(1,814,935,209)
283 Accum.Deferred Income Taxes - Other	(297,497,139)	(301,459,012)
***Total Deferred Income Tax	(2,173,223,257)	(2,116,394,221)
**TOTAL DEFERRED TAXES	(2,241,847,979)	(2,186,397,045)
**OTHER DEFERRED CREDITS		
Subtotal 227 Oblig Under Cap Lease - Noncurr	-	-
Total Unrealized Loss on Derivatives -LT	(20,417,407)	(34,367,248)
228.2 Accum. Prov.for Injuries and Damages	(528,000)	(285,083)
228.3 Pension & Post Retirement Liabilities	(81,391,389)	(102,436,651)
228.4 Accum. Misc.Operating Provisions	(288,144,418)	(287,626,313)
229 Accum Provision for Rate Refunds	-	-
230 Asset Retirement Obligations (FAS 143)	(102,132,316)	(92,531,822)
252 Customer Advances for Construction	(84,105,179)	(75,580,382)
253 Other Deferred Credits	(371,095,231)	(358,723,385)
254 Other Regulatory Liabilities	(125,490,005)	(131,176,563)
256 Def. Gains from Dispos.of Utility Plt	(3,056,783)	(3,305,302)
257 Unamortized Gain on Reacquired Debt	142,320	7,185
**TOTAL OTHER DEFERRED CREDITS	(1,076,218,406)	(1,086,025,564)
**CAPITALIZATION		
***SHAREHOLDER'S EQUITY		
****Common Equity		
201 Common Stock Issued	(859,038)	(859,038)
207 Premium on Capital Stock	(478,145,250)	(478,145,250)
211 Miscellaneous Paid-in Capital	(2,804,096,691)	(2,804,096,691)
214 Capital Stock Expense	7,133,879	7,133,879
215 Appropriated Retained Earnings	(20,239,166)	(15,836,660)

**Puget Sound Energy
Balance Sheet
2017 General Rate Case**

FERC Account and Description	Sept 2016	AMA Sept 2016
216 Unappropriated Retained Earnings	(237,035,697)	(231,435,556)
216.1 Unappr.Undistrib.Subsidiary Earnings	14,852,840	14,753,896
219 Other Comprehensive Income	141,989,923	148,535,213
433 Balance Transferred from Income	(256,382,152)	(203,198,975)
438 Dividends Declared - Common Stock	195,864,996	122,201,293
439 Adjustments to Retained Earnings	5,848,610	5,848,610
****Total Common Equity	(3,431,067,746)	(3,435,099,279)
***TOTAL SHAREHOLDER'S EQUITY	(3,431,067,746)	(3,435,099,279)
***REDEEMABLE SECURITIES AND LONG-TERM DEBT		
****Preferred Stock - Manditorily Redeemable Capital		
****Total Preferred Stock - Mand Redeem		
****Corporation Obligated, Mand Redeemable Preferred Stock Subscribed		
****Corporation Obligated, Mand Redeem		
****Long-term Debt		
221 Junior Subordinated Debt	(250,000,000)	(250,000,000)
221 Bonds	(3,523,860,000)	(3,523,860,000)
226 Unamort.Disct. on Long-term Debt-Debit	1,838,875	1,871,001
Long-term Debt	(3,772,021,125)	(3,771,988,999)
****Long-term Debt Total	(3,772,021,125)	(3,771,988,999)
***REDEEMABLE SECURITIES AND LTD	(3,772,021,125)	(3,771,988,999)
**TOTAL CAPITALIZATION	(7,203,088,871)	(7,207,088,278)
*TOTAL CAPITALIZATION AND LIABILITIES	\$(11,215,491,566)	\$ (11,120,825,744)

**Puget Sound Energy
Gas Rate Base
September 2016**

Line No.	Description	AMA 09/30/16
1	Gas Utility Plant in Service	\$ 3,380,227,259
2	Common Plant-Allocation to Gas	156,149,540
3	Gas Stored Underground - Non current	<u>8,654,564</u>
4	Total Plant in Service and Other Assets	3,545,031,363
5	Accumulated Provision for Depreciation	(1,298,250,043)
7	Common Accumulated Depreciation-Allocation to Gas	(64,784,746)
8	Customer Advances for Construction	(20,859,704)
9	Contributions in Aid of Construction - Accum. Def. FIT.	-
10	Liberalized Depreciation Total Accum. Def. FIT - Liberalized	(514,778,395)
11	NOL Carryforward	12,622,777
12	Customer Deposits	<u>(9,302,099)</u>
12	Accumulated Depreciation and Other Liabilities	(1,895,352,210)
13	Net Operating Investment	<u>1,649,679,153</u>
14	Allowance for Working Capital	<u>77,640,607</u>
15	Total Gas Rate Base	<u><u>\$ 1,727,319,760</u></u>

**Puget Sound Energy
Combined Working Capital
September 2016**

Code	Line No.	Description	AMA
1	1	Average Invested Capital	
2	2	Common Stock	859,038
3	3	Preferred Stock	-
4	4	Additional Paid in Capital	3,274,616,487
5	5	Unamortized Debt Expense	(22,512,342)
6	6	Unappropriated Retained Earnings	350,249,011
7	7	Notes Payable - Misc	-
8	8	Long Term Debt	3,771,988,999
9	9	Short Term Debt	58,312,833
10	10	Accumulated Deferred ITC	-
10.1	11	Treasury Grants	-
11	12	Deferred Debits-Other	-
12	13	Unamortized Gain/Loss on Debt	(44,293,879)
14	14	Total Average Invested Capital	<u>7,389,220,147</u>
15	15		
16	16	Average Operating Investments - Electric	
17	17		
18	18	Plant in Service (includes acquisition adj)	9,391,462,270
19	19	Electric Future Use Property	49,313,213
20	20	Customer Advances for Construction	(54,720,678)
21	21	Customer Deposits	(25,002,955)
22	22	Deferred Taxes	(1,058,549,600)
23	23	Deferred Debits/Credits - Other	142,916,634
24	24	Less: Accumulated Depreciation	(3,611,195,445)
25	25	Snoqualmie & Baker Treasury Grants	(105,149,977)
26	26	Common Plant-Allocation to Electric	319,626,023
27	27	Common Accum Depr-Allocation to Electric	(132,609,362)
28	28	Common Deferred Taxes-Allocation to Electric	(28,198,145)
29	29	NOL Carryforward	73,969,464
30	30	Total Average Operating Investment - Electric	<u>4,961,861,442</u>
31	31		
32	32	Average Operating Investments - Gas	
33	33		
34	34	Gas Utility Plant in Service	3,380,227,259
35	35	Deferred Items - Other	92,614,679
36	36	Gas Stored Underground, Non-Current	8,654,564
37	37	Gas Accumulated Depreciation	(1,298,250,043)
38	38	Gas Customer Advances for Construction	(20,859,704)
38.1	39	Gas Customer Deposits	(9,302,099)
39	40	DFIT 17	(535,112,124)
40	41	PGA	(11,122,379)
26	42	Common Plant-Allocation to Gas	156,149,540
27	43	Common Accumulated Depreciation-Allocation to Gas	(64,784,746)
28	44	Common Deferred Tax	(13,775,872)
29	45	NOL Carryforward	12,622,777
46	46	Total Average Operating Investment - Gas	<u>1,697,061,852</u>

Puget Sound Energy
Combined Working Capital
September 2016

Code	Line No.	Description	AMA
47	47		
48	48	Total Electric & Gas Operating Investment	<u>\$ 6,658,923,294</u>
	49		
	50	Construction Work in Progress	
	51		
51	52	Elec Construction Work in Process	\$ 297,109,537
52	53	Gas Construction Work in Process	115,128,263
53	54	Other Work in Process	1,162,260
60	55	Electric Preliminary Surveys	-
	56	Total Construction Work in Progress	<u>413,400,060</u>
	57		
	58	Nonoperating	
	59		
54	60	Non-Utility Property	3,640,577
55	61	Investment in Associated Companies	30,330,212
56	62	Other Investments & FAS 133	(168,058,765)
57	63	Deferred Items-Other	169,357,943
58	64	Deferred Federal Income Tax	(25,049,326)
59	65	Investment Tracking Funds	1,494,342
61	66		-
62	67		-
67	68		
	69	Total Non Operating Investment	<u>11,714,983</u>
	70		
	71	Total CWIP & Nonoperating Investment	425,115,043
	72		
	73	Total Average Investments	<u>\$ 7,084,038,337</u>
	74	Rounding	
	75	Total Investor Supplied Capital	<u>\$ 305,181,810</u>

Allocation of Working Capital

76	Electric Working Capital	
77	Total Investment	\$ 7,084,038,337
78	Less: Electric CWIP	(297,109,537)
79	Less: Gas	(115,128,263)
80	Interest Bearing Regulatory Assets	
81	Other Work in Progress	(1,162,260)
82	Preliminary Surveys	-
83	Total	<u>6,670,638,277</u>
84		
85	Electric Working Capital Ratio	4.5750%
86		
87	Electric Working Capital	<u>\$ 227,005,242</u>
88		
89	Gas Working Capital	

**Puget Sound Energy
 Combined Working Capital
 September 2016**

Code	Line No.	Description	AMA
	90	Total Investment	\$ 7,084,038,337
	91	Less: Electric CWIP	(297,109,537)
	92	Less: Gas CWIP	(115,128,263)
	93	Interest Bearing Regulatory Assets	
	94	Other Work in Progress	(1,162,260)
	95	Preliminary Surveys	-
	96	Total	<u>6,670,638,277</u>
	97		
	98	Gas Working Capital Ratio	4.5750%
	99		
	100	Gas Working Capital	\$ 77,640,607
	101		
	102	Non Operating Working Capital	\$ 535,961

**PUGET SOUND ENERGY-ELECTRIC & GAS
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016
ALLOCATION METHODS**

<u>Method</u>	<u>Description</u>		<u>Electric</u>	<u>Gas</u>	<u>Total</u>
1	* <u>12 Month Average Number of Customers</u>	9/30/2016	\$ 1,115,041	\$ 803,909	\$ 1,918,950
	Percent		58.11%	41.89%	100.00%
2	* <u>Joint Meter Reading Customers</u>	9/30/2016	\$ 755,880	\$ 449,176	\$ 1,205,056
	Percent		62.73%	37.27%	100.00%
3	* <u>Non-Production Plant</u>				
	Distribution	9/30/2016	\$ 3,525,057,125	\$ 3,276,390,620	\$ 6,801,447,745
	Transmission	9/30/2016	1,389,050,214	-	1,389,050,214
	Direct General Plant	9/30/2016	219,791,580	32,844,304	252,635,884
	Total		\$ 5,133,898,919	\$ 3,309,234,924	\$ 8,443,133,843
	Percent		60.81%	39.19%	100.00%
4	* <u>4-Factor Allocator</u>				
	Number of Customers	9/30/2016	\$ 1,115,041	\$ 803,909	\$ 1,918,950
	Percent		58.11%	41.89%	100.00%
	Labor - Direct Charge to O&M	9/30/2016	\$ 50,692,855	\$ 24,077,926	\$ 74,770,781
	Percent		67.80%	32.20%	100.00%
	T&D O&M Expense (Less Labor)	9/30/2016	\$ 74,663,501	\$ 32,511,062	\$ 107,174,564
	Percent		69.67%	30.33%	100.00%
	Net Classified Plant (Excluding General (Common) Plant	9/30/2016	\$ 5,574,577,974	\$ 2,044,228,678	\$ 7,618,806,652
	Percent		73.17%	26.83%	100.00%
	Total Percentages		268.74%	131.26%	400.00%
	Percent		67.18%	32.82%	100.00%
5	* <u>Direct Labor Allocator</u>				
	Direct Labor Accts 500-935	9/30/2016	\$ 56,256,422	\$ 27,160,091	\$ 83,416,513
	Total		\$ 56,256,422	\$ 27,160,091	\$ 83,416,513
	Percent		67.44%	32.56%	100.00%