From: phil brooke
To: Moss, Dennis (UTC); Kopta, Gregory (UTC); Gafken, Lisa (ATG); Public Involvement (UTC)
Cc: Wyse, Lisa (UTC); Claudia Riedener; John Carlton; Donna Thompson; Cindy Feist; Valarie Peaphon; Nanette Reetz; Dorothy Walker; William Kupinse; Yvonne McCarty; Steve Storms; Bliss Moore; Sue Clemens; Bruce Hoeft; JuanJose Chavez; Carol Colleran; Ann Locsin; Chun Yu; Tarika Powell; Steve Dunkelberger; Berglund Mel and Suzanna; Brad Thompson; Shearer, Brett (UTC); Brown, Sally (UTC)
Subject: Docket 151663-
Date: Tuesday, October 04, 2016 6:30:55 PM

Thank you for the additional information, Dennis. I appreciate it very much.

I don't have all of the information, in particular because PSE keeps suing to keep information critical to residents and ratepayers under lock and key. I come to this topic very much as an individual with a personal concern around PSE's LNG siting practices, however, in my day job, I've been the director of risk and safety Management for one of the area's largest employers for many years. I have reviewed the proposed stipulated settlement, and have a comment, request and a couple of questions:

COMMENT/RECORDS REQUEST: I would like to see the technical rationale and discussions relied upon to determine liabilities and cost allocations, as well as create the proposed stipulated settlement. I'm coming up over $100,000,000 short. The ratios don't reconcile to the EIS's LNG ratios published by the Lead EIS Agency. The proposed stipulated agreement looks as if it will function as a huge ratepayer subsidy for this risky unregulated LLC. That said, there may be good reason for the allocation as it is. This is the background information I seek. To illustrate, I have re-calculated the project costs using the EIS breakdowns provided from the Lead Agency, rather than those contained in the proposed stipulated settlement:

PSE MATH					
Component	PSE	Puget	Projected	Projected	Projected
Ownership		LNG	Capital	Capital	Capital
Share			Expenditures	Expenditures	Expenditures
			(No AFUDC)	Allocated to	Allocated to
				PSE	Puget LNG
Liquefaction	10%	90%	$88,546,234	$8,854,623	$79,691,611
Storage	79%	21%	$96,237,245	$76,027,424	$20,209,821
Bunkering	0%	100%	$29,671,922	$0	$29,671,922
Truck Loading	5%	95%	$6,229,252	$311,463	$5,917,789
Vaporization	100%	0%	$17,135,822	$17,135,822	$0
Common	43%	57%	$72,884,330	$31,340,262	$41,544,068
TOTALS	N/A	N/A	**$310,704,805**	**$133,669,593**	**$177,035,212**
ACTUAL OWNERSHIP					
Component	PSE	Puget	Projected	Projected	Projected
Ownership		LNG	Capital	Capital	Capital
Share			Expenditures	Expenditures	Expenditures
			(No AFUDC)	Allocated to	Allocated to
				PSE	Puget LNG

Liquefaction	7%	93%	$88,546,234	$6,198,236	$82,347,998
Storage	7%	93%	$96,237,245	$6,736,607	$89,500,638
Bunkering	0%	100%	$29,671,922	$0	$29,671,922
Truck Loading	5%	95%	$6,229,252	$311,463	$5,917,789
Vaporization	100%	0%	$17,135,822	$17,135,822	$0
Common	13%	87%	$72,884,330	$9,474,963	$63,409,367
TOTALS	N/A	N/A	**$310,704,805**	**$39,857,091**	**$270,847,714**

COMMENT/QUESTION: This same cost allocator will be used to apportion most all losses, accidents, or incidents, so it is doubly important to have the numbers point back to a rationale methodology, such as utilization and relative risk, so ratepayers aren't subsidizing Australian billionaires, who can well afford to build their own LNG refinery. The current breakdown assigns a great deal of financial responsibility for Puget LNG's risk to ratepayers. Even though the peak shaving function is thought to be needed on only the coldest 7-10 days of the year & 7% of the production (PSE's numbers), ratepayers could be apportioned nearly half the cost for incidents, losses or accidents, regardless of fault, function, severity or responsibility throughout the year.

Appears fixed operating costs of $10,000,000 a year will be allocated using these same ratios, so math here becomes critically important.

QUESTION: Was it ever substantiated PSE even needs additional peak shaving capacity in the first place. It feels more like an an excuse to get into LNG refinery production and sales to 3rd party merchants. I am familiar with the Jackson Prairie facility, which is enormous with 43 billion cubic feet of natural gas. Then there is another large underground storage, as well as Plymouth, WA's 16 million LNG storage. Others like Gig Harbor exist.

QUESTION: The annual production of the LNG refinery was to be 87 million, however, this may be nowhere near the actual production capacity of the facility, and peak shaving may be in reality, through a combination of warm weather and unregulated production/sales, a much smaller percentage of the overall "pie". Do we know the actual maximum production capacity of this refinery and storage? Will annual audits/reconciliations be completed of the LNG facility's production on a regular basis, so ratepayers are only paying for their true peak shaving needs and commensurate liabilities?

QUESTION: How will citizens be notified of the meeting Commissioners will be approving this settlement? How will folks submit comments? Speak at the meeting? I work during the day, but have grave concerns with the safety aspects of the siting of this proposed facility. There exists a very wide canyon between LNG regulation and safe siting practices.

Finally, what were the positions of the large industrial gas users and providers regarding this venture? I was reading through the original arguments by UTC staff and Public Counsel AGAINST allowing PSE to form a shell company for unregulated LNG. All of those arguments have vanished in the final proposed stipulated settlement. What happened behind the scenes?

Sincerely,

Phil Brooke
oldbrickhousefarm@yahoo.com
Summit-Waller, WA
253.531.3353