

**BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**Docket Nos. UG-110723  
Puget Sound Energy, Inc.'s  
Tariff filing for Pipeline Integrity Program**

**PUBLIC COUNSEL DATA REQUEST NO. 016**

**PUBLIC COUNSEL DATA REQUEST NO. 016:**

Please provide all internal reports and analysis prepared for upper management and/or the Board of Directors relating to the proposed request for implementation of the PIP. For purposes of these data requests, the term "Board of Directors" means any Board of Directors of any company listed as having an affiliate interest with PSE in the Affiliated Interest Transaction report filed with PSE's general rate case filing in Docket UE-111048/UG-111049.

**Response:**

Puget Sound Energy, Inc. ("PSE") objects to Public Counsel Data Request No. 016 to the extent it seeks information that is neither relevant to the issues in this proceeding nor reasonably calculated to lead to the discovery of admissible evidence. PSE further objects to Public Counsel Data Request No. 016 as unduly burdensome taking into account the needs of the adjudicative proceeding. In particular, this objection applies to requested information provided to "Boards of Directors" in PSE's corporate ownership structure above PSE. Without waiving such objection, and subject thereto, PSE responds as follows:

Attached as Attachment A to PSE's Response to Public Counsel Data Request No. 016, please find a presentation given to the PSE Board on March 4, 2011.

Attached as Attachment B to PSE's Response to Public Counsel Data Request No. 016, please find a presentation given to the PSE Board on May 11, 2011.

**APPENDIX A**

**ATTACHMENT A to PSE's Response to  
Public Counsel Data Request No. 016**

# Pipeline Integrity Program Proposal

- ◆ Proposal facilitates increased safety and reliability benefits through a more holistic approach
- ◆ Program designed to recover actual and budgeted costs incurred implementing pipeline safety programs between rate cases
- ◆ Initially includes four existing programs, but is flexible as to scope
- ◆ Annual filing to adjust rate is based on difference between last rate filing and budgeted costs for the rate year

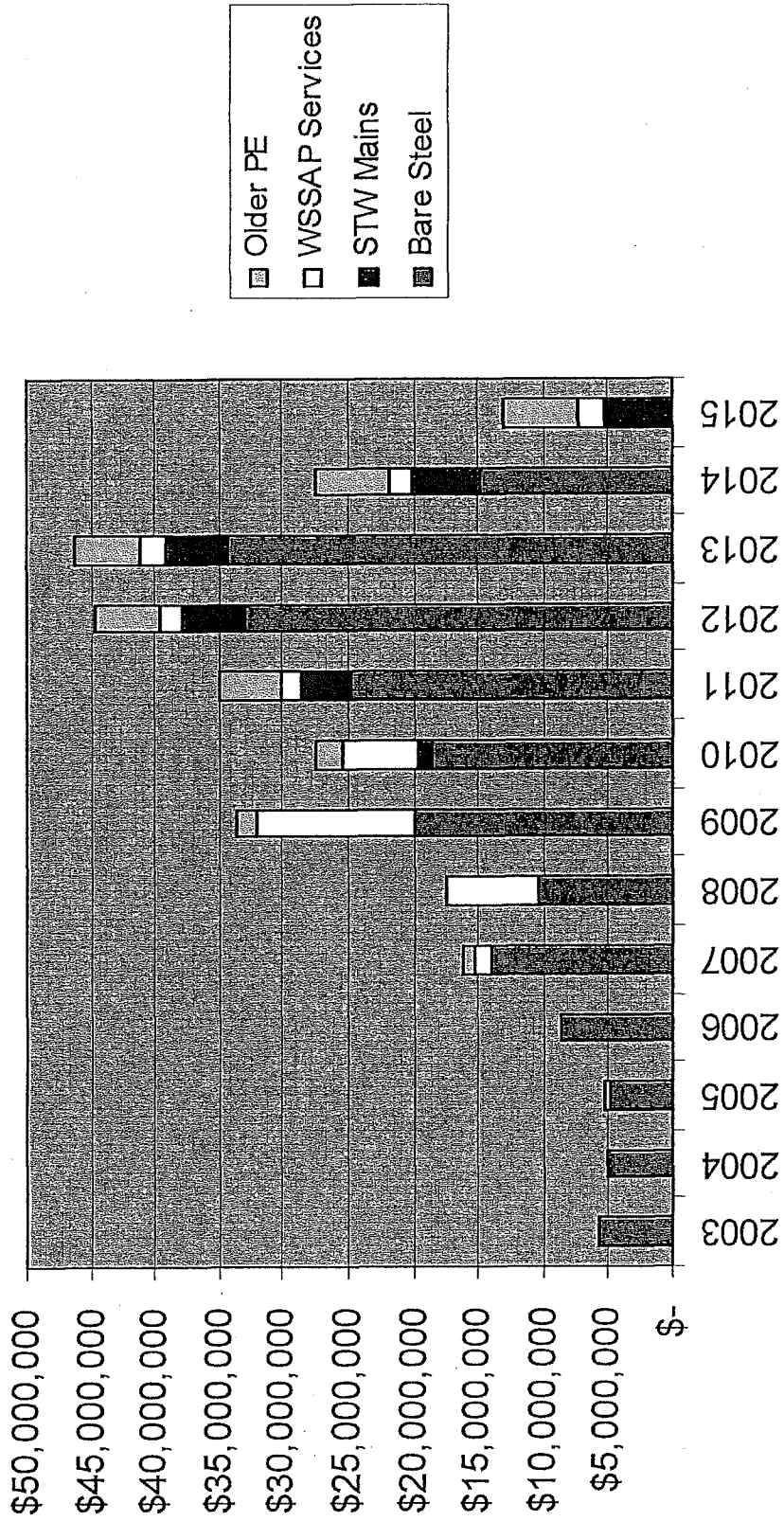
# Initial Scope of Pipeline Integrity Program

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- ◆ Propose to include the following programs:
  - ◆ Bare Steel
  - ◆ Wrapped Steel Services
  - ◆ Wrapped Steel Mains
  - ◆ Older Polyethylene Pipe

# Pipeline Program Capital Costs

2003-2010 Actuals, 2011-2015 Budget



## Mechanics of Proposal

- ◆ Budgeted costs will be trued up to actual costs during the rate period and any adjustment will be included in future filings
- ◆ Estimated Revenue Requirement for April 2011 through March 2012: \$4.8 million
  - ◆ Bare Steel & Wrapped Steel: \$4.2 million
  - ◆ Older Plastic Pipe: \$0.6 million

**ATTACHMENT B to PSE's Response to  
Public Counsel Data Request No. 016**

# Regulatory Update

Meeting of the Board of Directors  
May 11, 2011

Tom DeBoer – Director, Fed. & State Regulatory Affairs





# Pipeline Integrity Program Proposal

- ◆ Filed with WUTC: **April 26, 2011**
- ◆ Requested effective date: **July 1, 2011**
- ◆ Program designed to recover actual and budgeted costs incurred implementing certain pipeline integrity programs between rate cases
- ◆ Annual filing to adjust rate is based on difference between last filing and budgeted costs for the next year

# Initial Scope of Pipeline Integrity Program

Propose to include the following programs:

- ◆ **Bare Steel**
- ◆ **Wrapped Steel Services**
- ◆ **Wrapped Steel Mains**
- ◆ **Older Polyethylene Pipe**

# Pipeline Integrity Program Estimated Impacts

## Estimated revenue requirement:

- ◆ **\$732,000** for initial period  
(July 1 through October 31, 2011)
- ◆ **\$5.7 million** for first full year  
(Nov. 1, 2011 to Oct. 31, 2012)

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**PUBLIC COUNSEL DATA REQUEST NO. 017**

**PUBLIC COUNSEL DATA REQUEST NO. 017:**

Please provide all Board of Director minutes which contain any reference to the PIP. For purposes of these data requests, the term "Board of Directors" means any Board of Directors of any company listed as having an affiliate interest with PSE in the Affiliated Interest Transaction report filed with PSE's general rate case filing in Docket UE-111048/UG-111049.

**Response:**

Puget Sound Energy, Inc. ("PSE") objects to Public Counsel Data Request No. 017 to the extent it seeks information that is neither relevant to the issues in this proceeding nor reasonably calculated to lead to the discovery of admissible evidence. PSE further objects to Public Counsel Data Request No. 017 as unduly burdensome taking into account the needs of the adjudicative proceeding. In particular, this objection applies to requested information provided to "Boards of Directors" in PSE's corporate ownership structure above PSE. Without waiving such objection, and subject thereto, PSE responds as follows:

Attached as Attachment A to PSE's Response to Public Counsel Data Request No. 017, please find the Board Minutes referencing the PIP from the Board meeting on March 4, 2011.

Attached as Attachment B to PSE's Response to Public Counsel Data Request No. 017, please find the Board Minutes referencing the PIP from the Board meeting on May 11, 2011.

**ATTACHMENT A to PSE's Response to  
Public Counsel Data Request No. 017**

**PIPELINE INTEGRITY PROGRAM  
2011 MINUTE EXCERPT**

**March 4, 2011**

Regulatory Update

Mr. Ayer then asked Mr. DeBoer to provide a regulatory update. Mr. DeBoer reported on the 2010 gas tariff filing, the timeline of the 2011 general rate case, the proposed pipeline integrity program tracker, and provided an update on the Centralia coal-fired power plant.

**Attachment B to PSE's Response to Public  
Counsel Data Request No. 017**

**PIPELINE INTEGRITY PROGRAM  
2011 MINUTE EXCERPT**

**May 11, 2011**

Regulatory Update

Mr. Ayer then asked Mr. DeBoer to provide a regulatory update. Mr. DeBoer reported on the 2011 general rate case and estimated rate case schedule, the conservation savings adjustment rate, and the proposed Pipeline Integrity Program.



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**PUBLIC COUNSEL DATA REQUEST NO. 018**

**PUBLIC COUNSEL DATA REQUEST NO. 018:**

Please provide all briefing or other materials provided to the Board of Directors with regard to the proposed request for implementation of the PIP. For purposes of these data requests, the term "Board of Directors" means any Board of Directors of any company listed as having an affiliate interest with PSE in the Affiliated Interest Transaction report filed with PSE's general rate case filing in Docket UE-111048/UG-111049

**Response:**

Puget Sound Energy, Inc. ("PSE") objects to Public Counsel Data Request No. 018 to the extent it seeks information that is neither relevant to the issues in this proceeding nor reasonably calculated to lead to the discovery of admissible evidence. PSE further objects to Public Counsel Data Request No. 018 as unduly burdensome taking into account the needs of the adjudicative proceeding. In particular, this objection applies to requested information provided to "Boards of Directors" in PSE's corporate ownership structure above PSE. Without waiving such objection, and subject thereto, PSE responds as follows:

See PSE's Responses to Public Counsel Data Requests Nos. 016 and 017 for information regarding Board of Directors presentations.