



Bob Ferguson
ATTORNEY GENERAL OF WASHINGTON

Public Counsel

800 Fifth Ave • Suite 2000 • MS TB-14 • Seattle, WA 98104-3188 • (206) 464-7744

December 17, 2019

VIA UTC WEB PORTAL

Mark L. Johnson
Executive Director and Secretary
Washington Utilities and Transportation Commission
621 Woodland Square Loop S.E.
Lacey, WA 98503

Re: *Rulemaking to Address Electric and Natural Gas Cost of Service,*
Dockets UE-170002 and UG-170003

Dear Mr. Johnson:

On December 5, 2019, Ms. Elaine Jordan of Utilities and Transportation Commission Staff (“Staff”) requested informal comments from stakeholders in the ongoing Cost of Service Rulemaking. Ms. Jordan requested that stakeholders send their feedback via email on classification and allocation methods for natural gas storage because the topic had been inadvertently omitted from Table 4 – Natural Gas COS Approved Classification and Allocation Methodologies in the draft rules.¹ Public Counsel responded by email dated December 10, 2019, and submits the same comments in this letter.

Consistent with Public Counsel’s comments filed on September 7, 2018, Public Counsel recommends the following regarding natural gas storage allocation methodology:

[The] most preferred approach is a detailed analysis of storage withdrawals that evaluates such withdrawals on a daily basis and compared to individual class throughputs on these days. In reality, few utilities maintain accurate records or estimates of all classes’ throughputs on a daily basis. A second best approach is to evaluate withdrawals and class throughputs on a monthly basis, while a third option is to allocate storage-related costs based on Winter months throughput. Public Counsel is opposed to simply allocating storage-related costs on some measure of only a single (or a few) days of peak demand as storage facilities are typically called upon throughout the Winter months.²

Public Counsel looks forward to continued engagement on this rulemaking. Questions can be directed to Lisa Gafken, at (206) 464-6595 or lisa.gafken@atg.wa.gov; Nina Suetake, at

¹ Email from Elaine Jordan, UTC Staff, to stakeholders (Dec. 5, 2019, 08:58 PST) (on file with author).

² Comments of Public Counsel (Sept. 7, 2019) at 19.

Received
Records Management
12/17/19 15:32
State Of WASH.
UTIL. AND TRANSP.
COMMISSION

ATTORNEY GENERAL OF WASHINGTON

To: Mark L. Johnson
Re: Dockets UE-170002 and UG-170003
Date: December 17, 2019
Page 2 of 2

(206) 389-2055 or nina.suetake@atg.wa.gov; or Corey Dahl, at (206) 464-6380 or corey.dahl@atg.wa.gov.

Sincerely,

/s/ Lisa W. Gafken
LISA W. GAFKEN, WSBA No. 31549
Assistant Attorney General
Public Counsel Unit Chief

LWG/KMB