

**BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**Docket No. UE-141335  
Puget Sound Energy, Inc.'s  
Petition for Declaratory Order of King County et al.  
Regarding Maloney Ridge Line**

**BENCH REQUEST NO. 002**

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Please determine the delta between how much it would cost to replace the Maloney Ridge Line and still be an economic project versus what the actual cost is.

**Response:**

Based on the existing usage of the Maloney Ridge customers and continuing the current arrangements for the Maloney Ridge customers to pay for the operations and maintenance (“O&M”) costs of the Maloney Ridge line, for economic replacement, the total cost of the Maloney Ridge line would need to be no more than \$335,000. Costs of replacement in excess of \$335,000 would need to be paid by the Maloney Ridge customers.

Shown below is a table summarizing the results of versions of Exhibit No. LFL-10 assuming that all ongoing O&M costs for the Maloney Ridge line would continue to be paid by the Maloney Ridge customers according to the service agreements.

	Capital Investment	Annual O&M Expense	Annuitized Revenue Requirement	Actual Annual Revenue
Bench Request No. 002 - Attachment A	\$5.3 M	\$0	\$575,171	
Bench Request No. 002 - Attachment B	\$335,000	\$0	\$36,355	
Annual Revenue From Maloney Ridge Customers				\$36,000

Attached as Attachment A to Puget Sound Energy, Inc.’s (“PSE”) Response to Bench Request No. 002, please find a version of Exhibit No. LFL-10 modified to reflect a capital investment of \$5.3 million and zero dollars of annual O&M expense. This modification was made in order to determine if the replacement was economic if the current arrangement of the Maloney Ridge customers paying the O&M costs was continued. The result is that it is still not an economic project.

Attached as Attachment B to PSE's Response to Bench Request No. 002, please find a version of Exhibit No. LFL-10 modified to reflect a capital investment of \$335,000 and zero dollars of annual O&M expense. This modification was made to show the point at which replacement of the Maloney Ridge line could be an economic project. This shows that in order for replacement of the Maloney Ridge line to be considered economic, the Maloney Ridge customers would have to pay all costs in excess of \$335,000, approximately \$5 million, and continue with the current arrangement for payment of O&M costs.

The final line of the table reflects the total annual revenue from Maloney Ridge customers under Schedule 24, which is \$36,000.