

**Exh. BAE-3
Docket UG-230393
Witness: Betty A. Erdahl**

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

PUGET SOUND ENERGY,

Respondent.

DOCKET UG-230393

EXHIBIT TO TESTIMONY OF

BETTY A. ERDAHL

**STAFF OF
WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION**

Allocation of Four-Mile Distribution Pipeline

September 8, 2023

ALLOCATION OF 4-MILE DISTRIBUTION PIPE

Distribution Upgrades related to providing service to/from Tacoma LNG

Note: Dist. Upgrades were never included in the CapEx Allocation by function discussed in the prior Settlement. It was always intended that Dist. Upgrade costs would be part of gas system and recovered through transportation service.

To Tacoma LNG = 21,400 Dth/day or .89M scfh - Impacts on Upgrades 1,2 and 3
From Tacoma LNG = 66,000 Dth/day or 2.75M scfh - Impacts on Upgrade 1 only.

(a) Project	(b) CapEx (\$Million)	(c) In-Service Date	(e) Per PSE Theoretical Allocation			(h) Per PSE CapEx Allocated			(k) Total
			(d)	(f)	(g)	(h)	(i)	(j)	
			Non LNG PSE Dist	LNG for PSE Dist	PSE Dist for PLNG	Non LNG PSE Dist	LNG for PSE Dist	PSE Dist for PLNG	
Upgrade 1- new 4 mile line									
1 4 mile 16" line (est. attributed as follows:)									
2 85% for permits,trench & 12" pipe (21,400 to plant)	92%	\$ 21.43	Oct.2017	0.0%	10.0%	90.0%	\$ -	\$ 2.14	\$ 19.29
3 85% for permits,trench & 12" pipe (21,400 from plant)	8%	\$ 1.86	Oct.2017	0.0%	100.0%	0.0%	\$ -	\$ 1.86	\$ -
4 15% for upgrade to 16" (66,000 less 21,400 from plant)		\$ 4.11	Oct.2017	0.0%	100.0%	0.0%	\$ -	\$ 4.11	\$ -
5 (estimates by Gas Sys Planning - may be capable of other volumes, but unplanned, so 100% attributed to plant)		\$ 27.40					\$ -	\$ 8.11	\$ 19.29
6 Staff used 7.99% allocation of 4-mile pipe from the plant to PSE							0.0%	29.6%	70.4%
7							PSE=	29.6%	
8									
9 PSE-Tacoma LNG-PSE Meter Station- 3 meters									
10 deliver 21,400 (liquefaction%)	\$ 0.70	Dec.2020	0.0%	10.0%	90.0%	\$ -	\$ 0.07	\$ 0.63	\$ 0.70
11 receive 66,000 (vaporization%)	\$ 1.06	Dec.2020	0.0%	100.0%	0.0%	\$ -	\$ 1.06	\$ -	\$ 1.06
12 Boil Off gas (function of tank capacity)	\$ 0.36	Dec.2020	0.0%	78.8%	21.3%	\$ -	\$ 0.28	\$ 0.08	\$ 0.36
13 Total Plant Meter Station	\$ 2.11					\$ -	\$ 1.41	\$ 0.70	\$ 2.11
14 solely for Tacoma LNG plant						0.0%	66.7%	33.3%	
15						PSE=	66.7%		
16 Total Upgrade 1	\$ 29.51					\$ -	\$ 9.52	\$ 19.99	\$ 29.51
17						0.0%	32.3%	67.7%	
18						PSE=	32.3%		
19									
20 Upgrade 2 - Golden Givens Pipe and LS									
21 1 mile 12" line + Golden Given LS	\$ 12.80	Oct.2020	39.8%	6.0%	54.1%	\$ 5.10	\$ 0.77	\$ 6.93	\$ 12.80
22 -as planned - upsized for system load growth- 39.8%						39.8%	6.0%	54.1%	
23 See File: Golden Givens PipeCost Sharing (40 yr average)						PSE=	45.9%		
24									
25 Upgrade 3 - Frederickson Gate Station									
26 upgrade Frederickson Gate Station	\$ 4.10	Sept.2017	75.52%	2.45%	22.03%	\$ 3.10	\$ 0.10	\$ 0.90	\$ 4.10
27 2.356 Mscfh to 6.0 Mscfh (delta 3.644 Mscfh)	24.5%					75.5%	2.4%	22.0%	
28 Tacoma LNG = 21,400Dth/day = .892 Mscfh or 24.4%						PSE=	78.0%		
29 (intentionally sized to accomodate other growth)									
30									
31									
32									
33 Total Upgrades 1-3	\$ 46.41					\$ 8.20	\$ 10.39	\$ 27.82	\$ 46.41
34									
35 All owned & operated as part of PSE Distribution System									
36						17.7%	22.4%	59.9%	
37						PSE=	40.1%		

Note: Because PLNG will have transportation service and pay a RS 87T rate, the allocated total of \$19.02 M should be considered the "main extension cost" for service to PLNG and compared to RS87T margin allowance to determine if a CIAC is required or not. This is how PSE would determine service costs to any other new RS87T customer.