

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. 010

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Regarding the process described on page 12 of Mr. Henderson's testimony, is the amount of pipe to be replaced each year ultimately driven by the risk score or the Company's budget? For example, does the Company budget for all projects at a certain level of risk score, or does it determine the risk score threshold for replacement after its budget is determined? If the latter, then please describe how the Company determines the amount that should be budgeted each year.

Response:

The amount of pipe to be replaced each year is driven by many factors, including the risk score, engineering input, corporate budget, public improvement opportunities, permitting requirements/schedules, and resources. A combination of all these factors determine both the amount of pipe to be replaced each year as well as which segments of pipe will be replaced. There is no one ultimate driver, as the final decision regarding the amount of pipe to replace each year considers all factors.