

**BEFORE THE WASHINGTON
UTILITIES & TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION,

Complainant,

v.

PUGET SOUND ENERGY,

Respondent.

DOCKET UG-230393

**ROBERT L. EARLE
ON BEHALF OF THE
WASHINGTON STATE OFFICE OF THE ATTORNEY GENERAL
PUBLIC COUNSEL UNIT**

EXHIBIT RLE-4

Puget Sound Energy Response to Public Counsel's Data Request No. 42

September 8, 2023

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

**Docket UG-230393
Puget Sound Energy
Tacoma LNG Tracker**

PUBLIC COUNSEL DATA REQUEST NO. 042:

Re: PSE Response to Public Counsel Data Request 005.

- a. Please answer yes or no. Is it correct to understand that PSE's Board of Directors received no materials on design day peak gas requirements?
- b. If the answer to subpart a. is no, please provide any such materials.
- c. If the answer to subpart a. is yes, please explain why PSE's Board of Directors was never informed about design day peak gas requirements.

Response:

Puget Sound Energy ("PSE") objects to Public Counsel Data Request No. 042 to the extent it requests information not relevant to and outside the scope of the issues in this proceeding and is not reasonably calculated to lead to the discovery of admissible evidence. The issue of design peak day gas requirements was heavily litigated and resolved in the 2022 General Rate Case order:

Bearing this framework in mind, we agree that PSE has demonstrated a need for the Tacoma LNG Facility at least through the initial decision to build the facility on September 22, 2016. As PSE explains, the Commission has reviewed and accepted the approach PSE uses for its gas planning and IRP processes since at least 2005. IRP planning standards encourage a reliable, adequate gas service for core customers. PSE reasonably relied on its forecasts for gas demand, which showed a need for an LNG peak-shaving facility. Although Public Counsel and the Tribe challenge PSE's forecasting methods, we find these arguments unpersuasive. PSE observes that its forecasts for gas demand declined, and it reevaluated the need for an LNG facility in 2016 and 2018.

See Dockets UE-220066/UG-220067 and UG-210918 (consolidated), Final Order 24/10 ¶ 394 (Dec. 22, 2022).

Additionally, the issue of sufficiently informing the Board through the September 22, 2016 decision to build the facility was heavily litigated and addressed in the 2022 General Rate Case order:

With regard to the third prudency factor, we agree that PSE's Board of Directors was sufficiently informed and involved at least through its decision to authorize construction of the facility on September 22, 2016. In May 2012, the Company's Board of Directors approved the continued investigation of the potential ownership of an LNG facility. PSE management continued to inform the PSE Board of Directors regarding its evaluation of owning an LNG facility, and in September 2016, the Company's Board of Directors authorized construction of the Tacoma LNG Facility.

See Dockets UE-220066/UG-220067 and UG-210918 (consolidated), Final Order 24/10 ¶ 417 (Dec. 22, 2022).

Public Counsel and the Tribe argue that PSE failed to sufficiently inform its Board of Directors and failed to provide adequate documentation of its decision-making. These arguments appear to be premised on earlier challenges to the Company's load forecasts and proposed alternatives such as curtailing gas for generation. Because we agree with PSE that it appropriately based planning decisions on its design day standard and that proposed alternatives, such as curtailing gas for generation, are problematic, we do not accept Public Counsel's or the Tribe's challenges to the third and fourth prudency factors. PSE management provided the Board of Directors updated forecasts of gas demand over the course of the development and construction of the facility, keeping the Board of Directors sufficiently informed at least through September 22, 2016. Because the Tacoma LNG Settlement only indicates an agreement among the Settling Parties regarding the decision to build the facility, we do not proceed further.

See Dockets UE-220066/UG-220067 and UG-210918 (consolidated), Final Order 24/10 ¶ 419 (Dec. 22, 2022).

PSE also objects to this request to the extent it mischaracterizes PSE's Response to Public Counsel DR 005. Notwithstanding its objections and subject thereto, PSE responds as follows:

- a. No.
- b. As PSE stated in its Response to Public Counsel Data Request No. 005, it did not identify **additional** materials on design peak day gas requirements that were presented to the PSE Board of Directors that were not already included in exhibits in this case. This does not mean, however, that PSE did not inform the Board of Directors about design day peak gas requirements. For example, see Exh. No. RJR-8C at 76.
- c. Not applicable.