

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

**Dockets UE-240004 & UG-240005
Puget Sound Energy
2024 General Rate Case**

AWEC DATA REQUEST NO. 063:

RE: Cost of Service

For each Schedule 87 or 87T customer, please provide a scaled diagram of all 4 inch or larger pipe connected to the customer to a citygate. Please identify the pipe size and material. Please include any lateral pipes that do not directly serve the customer. Please provide each data using customer numbers that are consistent with PSE's response to Nucor Data Request 008.

First Revised Response:

Puget Sound Energy ("PSE") determined it was necessary to revise its Response to AWEC Data Request No. 063 after review of its initial response. The revision was necessary due to some diagrams not including customer numbers consistent with PSE's Response to Nucor Data Request No. 08 and some diagrams not including piping all the way to city gates.

PSE objects to AWEC Data Request No. 063 as overbroad and unduly burdensome as it requests PSE to provide scaled diagrams for all Schedule 87 or 87T customers that include four-inch or larger pipe connected to the customer to a city gate, pipe size, material, and any lateral pipes that do not directly serve the customer. Notwithstanding these objections, and subject thereto, PSE responds as follows:

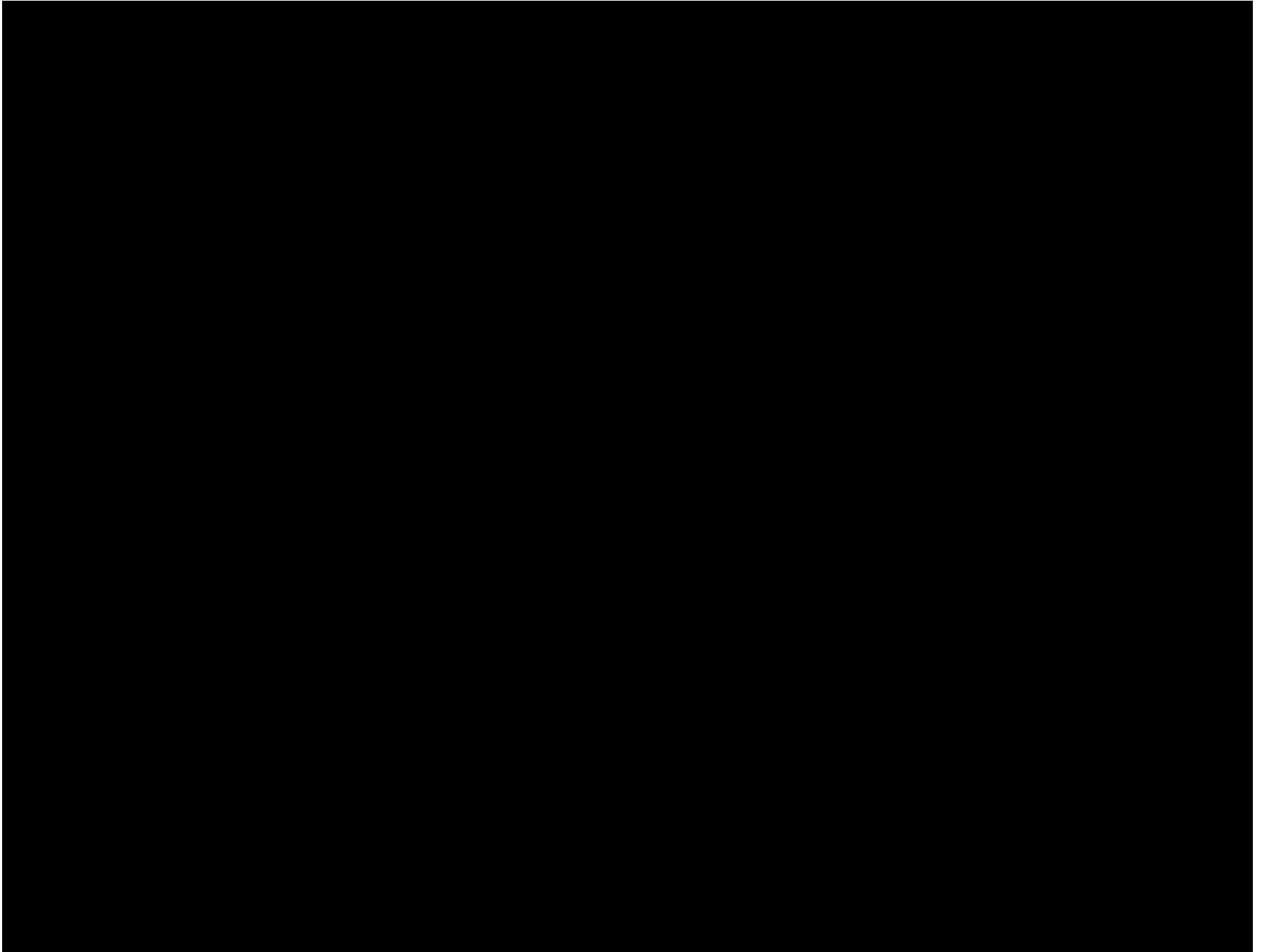
Please see Attachments A through J for updated scaled diagrams produced from PSE's geospatial information system based on readily available mapping layers that illustrate the piping network in the vicinity of the customer location and nearest gate or town border station and identify pipe that is four inches or larger in diameter and reference customer numbers consistent with PSE's Response to Nucor Data Request No. 008.

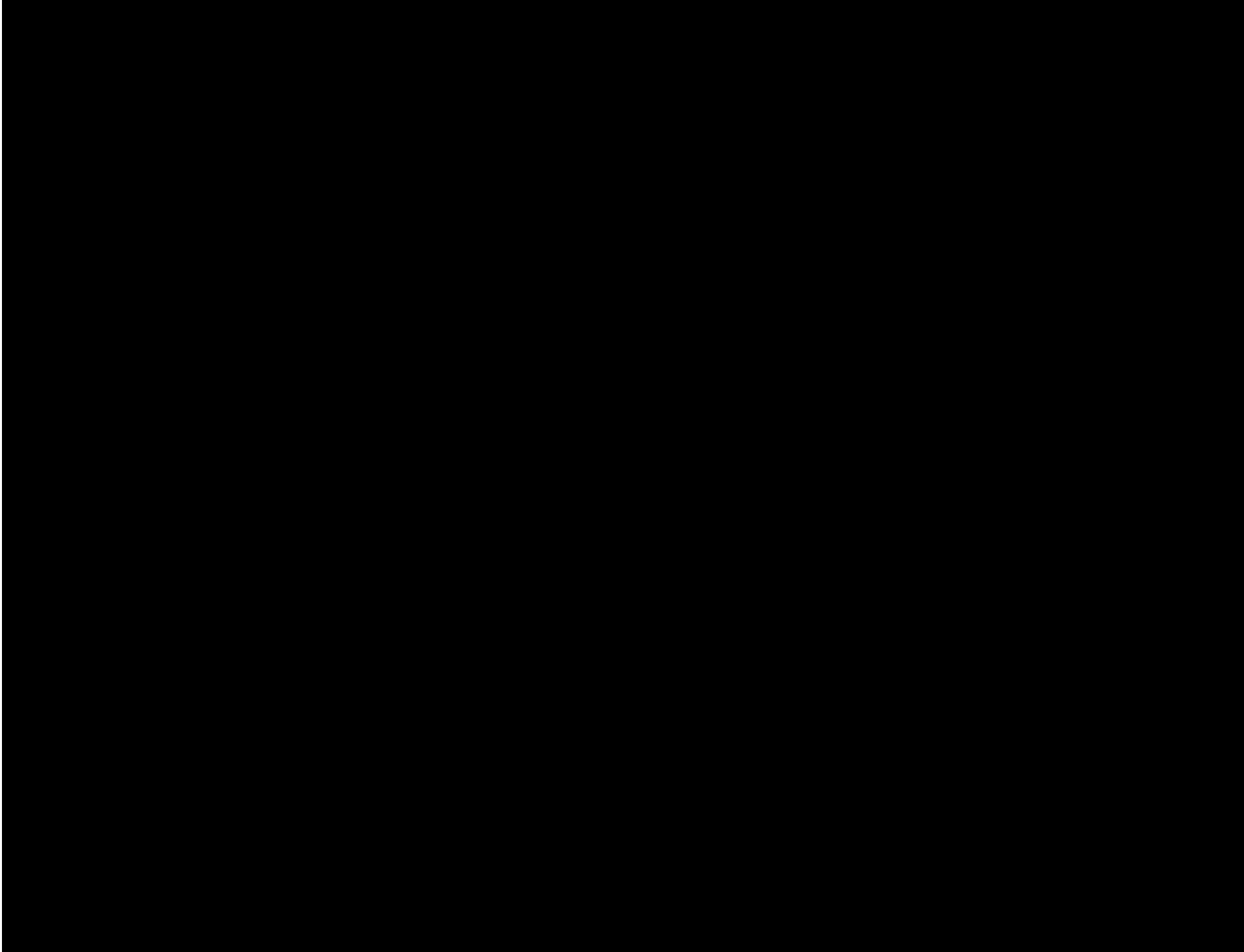
Attachment	Customer Number
Attachment A	Customer 1
Attachment B	Customer 2
Attachment C	Customer 3

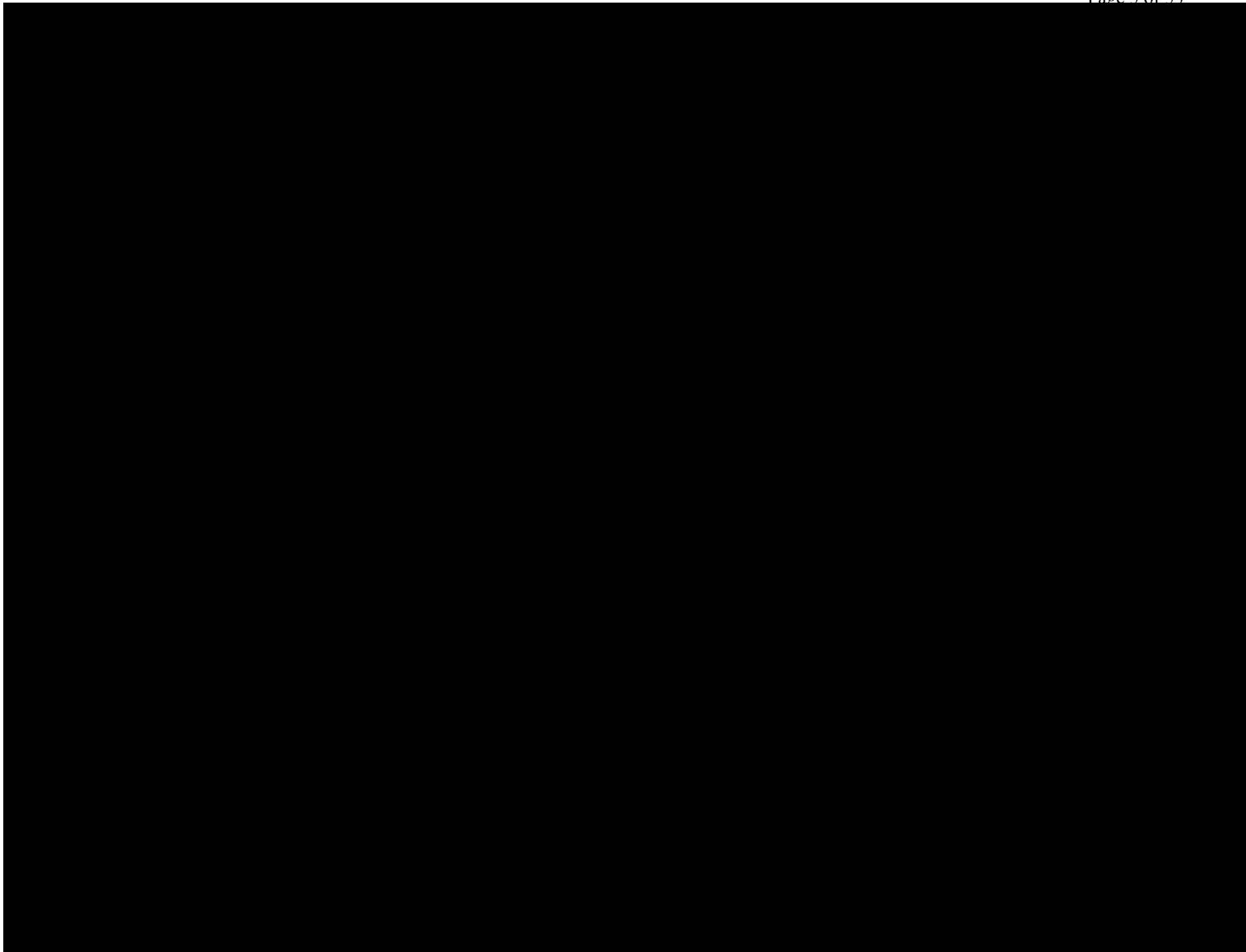
Attachment D	Customer 4
Attachment E	Customer 5
Attachment F	Customer 6
Attachment G	Customer 7
Attachment H	Customer 8
Attachment I	Customer 9
Attachment J	Customer 10, 11, 12, 13, & 14

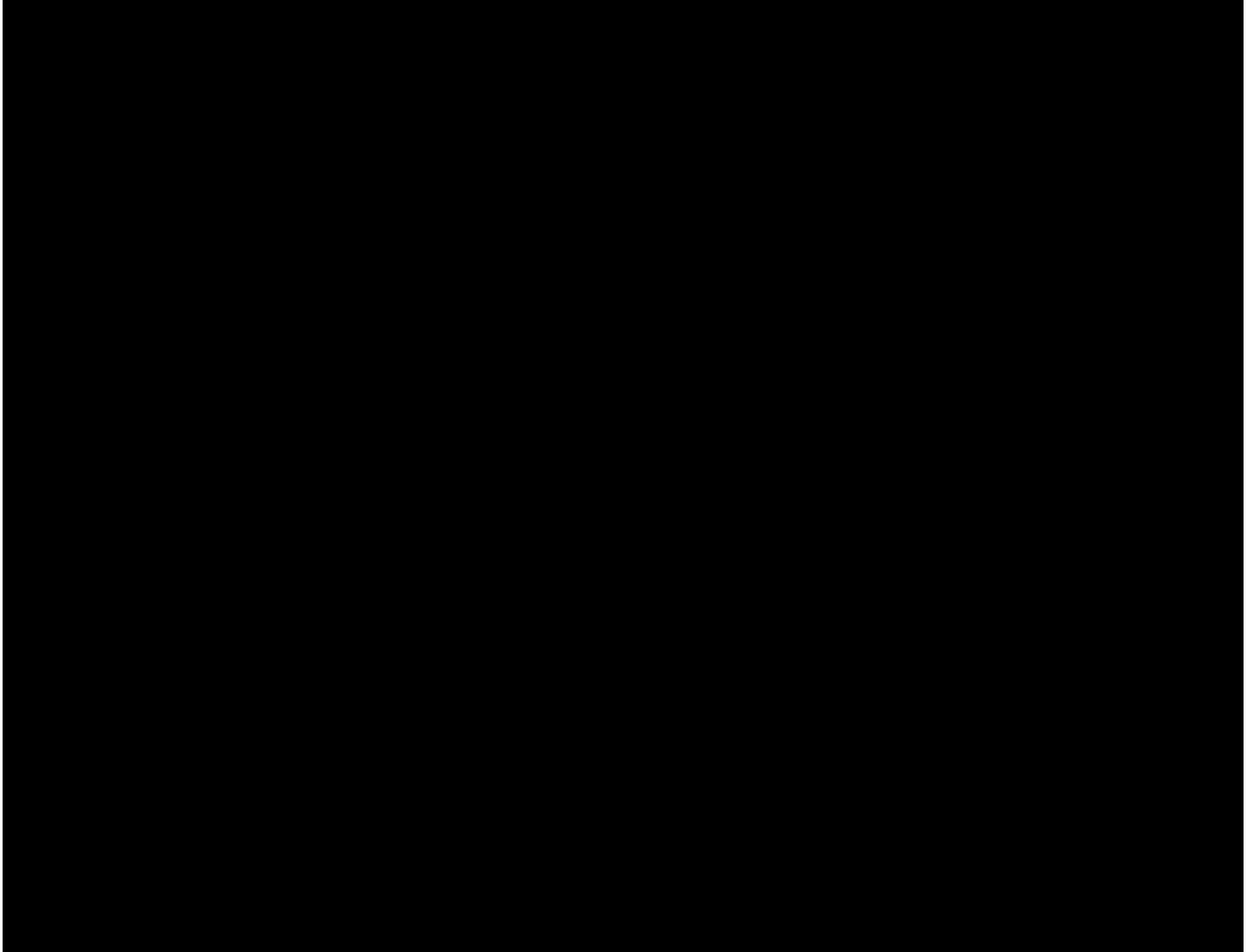
Shaded information is designated as CONFIDENTIAL per Protective Order in Dockets UE-240004 and UG-240005 as marked in PSE's First Revised Response to AWEC Data Request No. 063 Attachments A – J

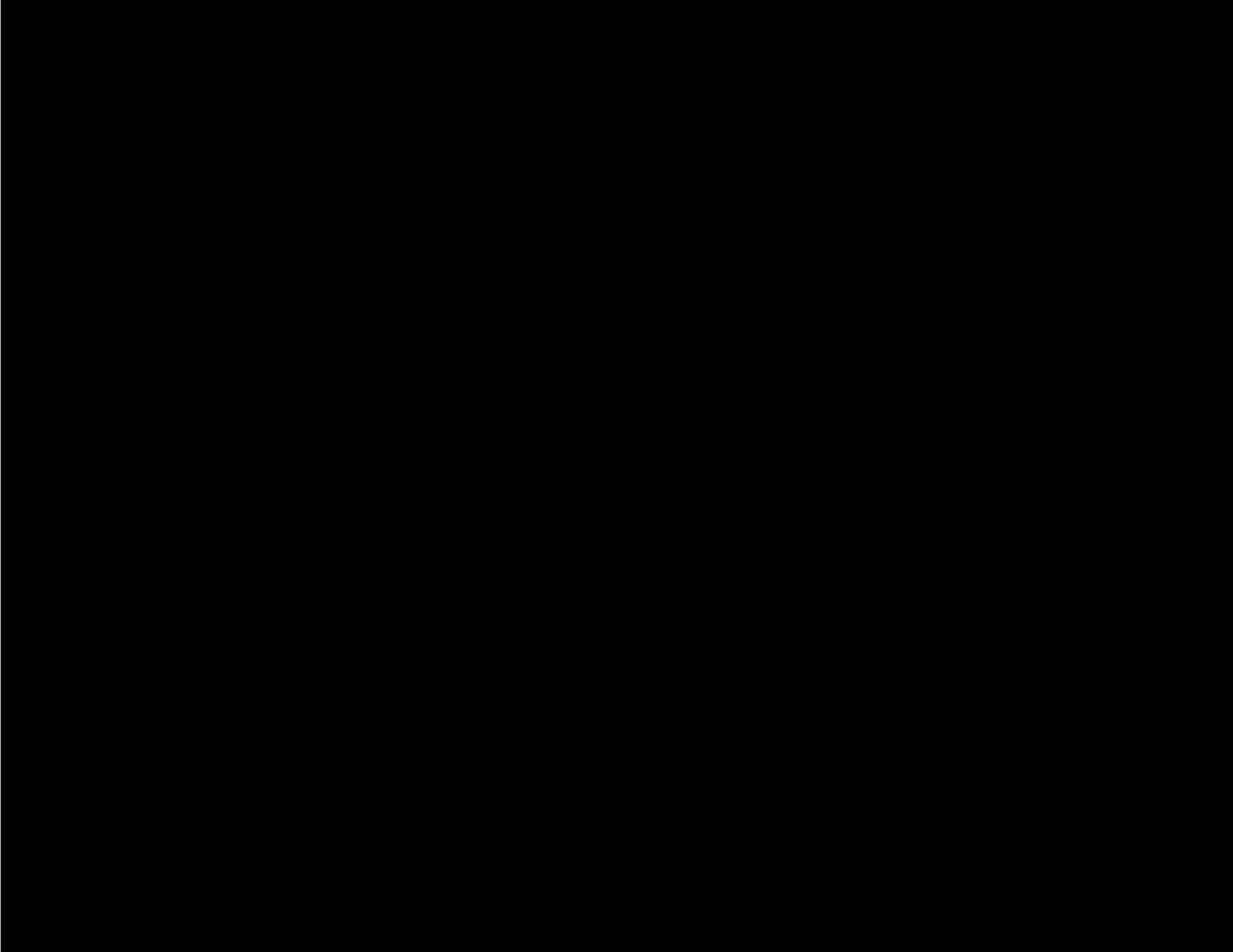
Shaded Information is Designated as Confidential per Protective Order in Dockets UE-240004 and UG-240005

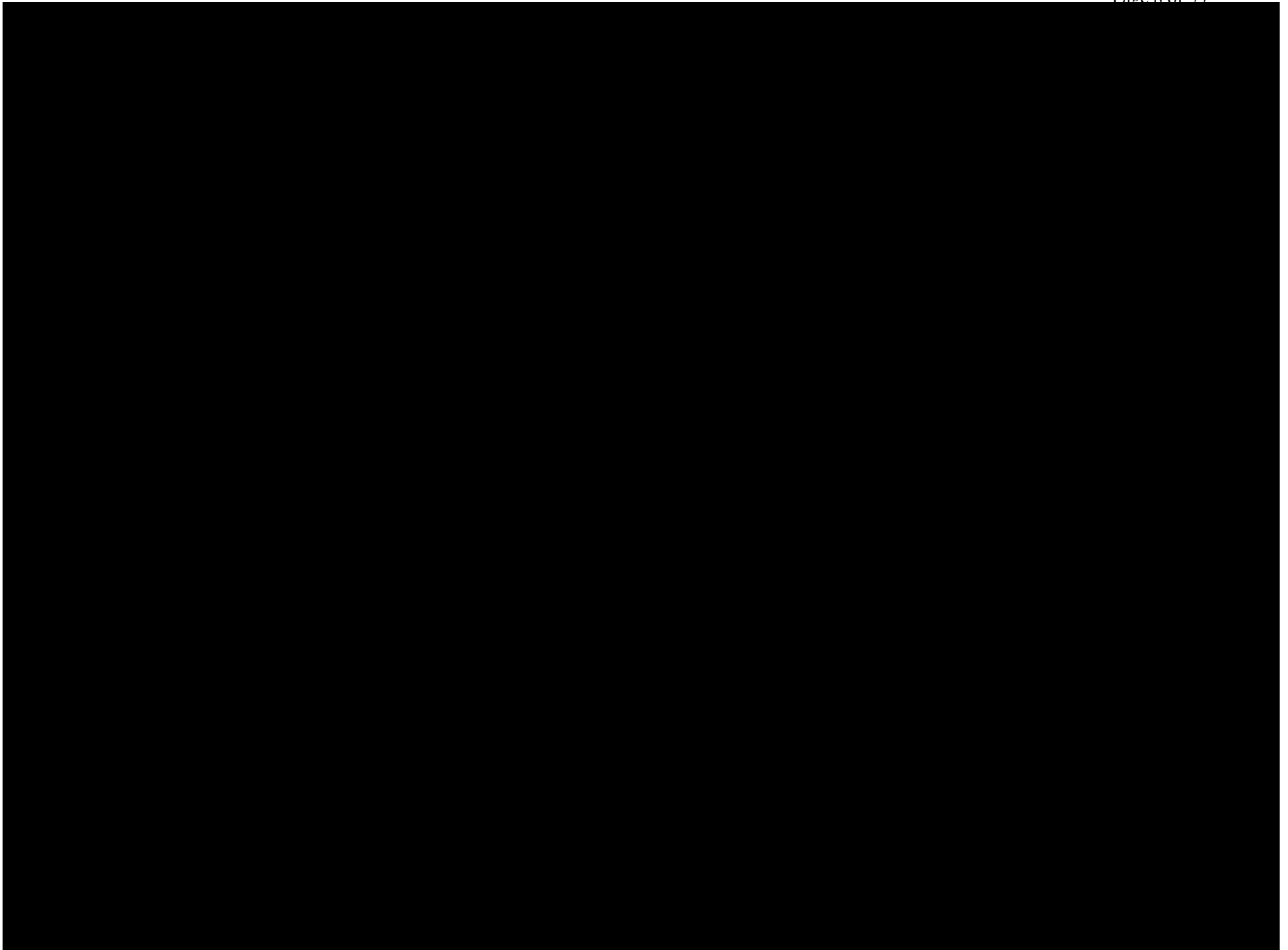






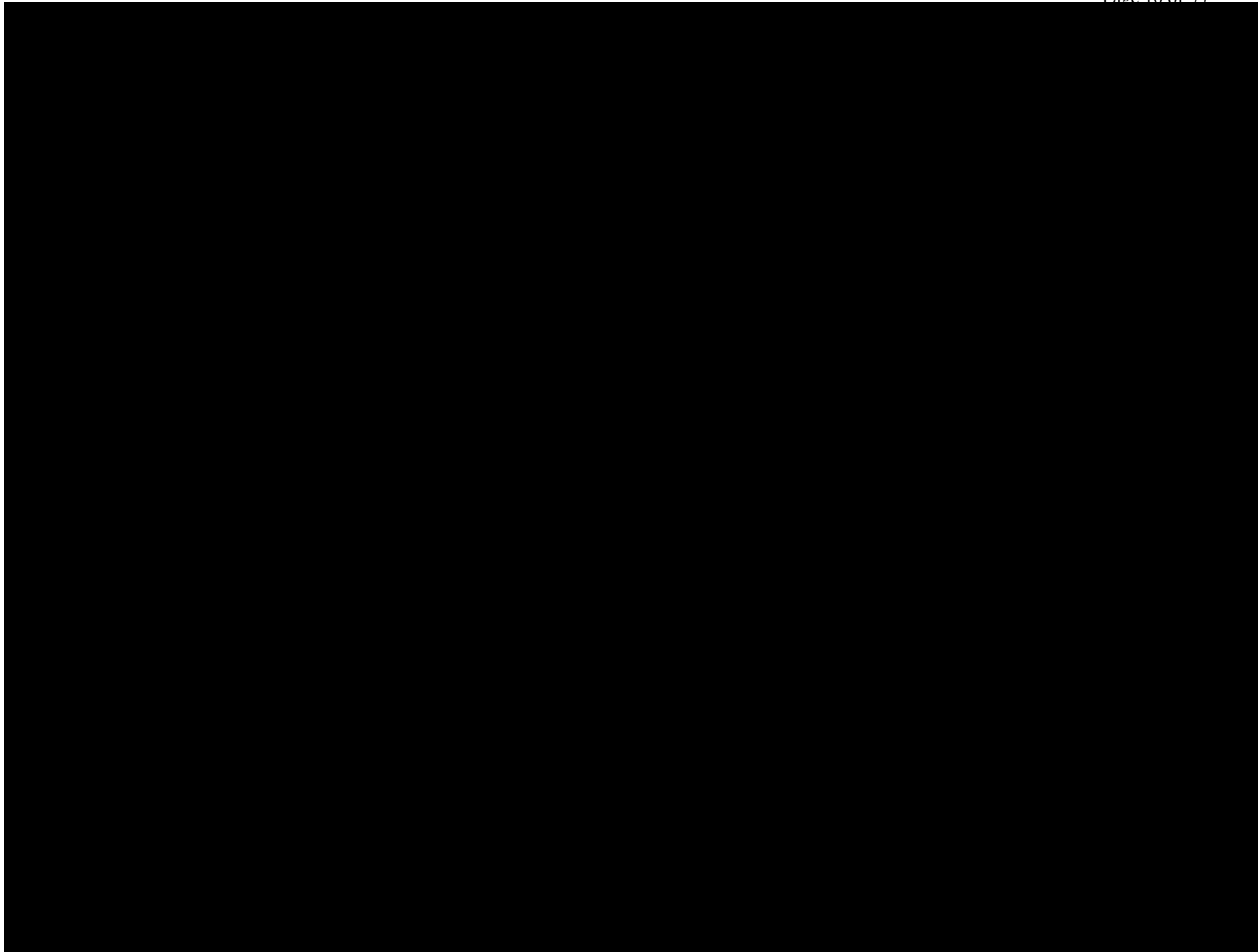


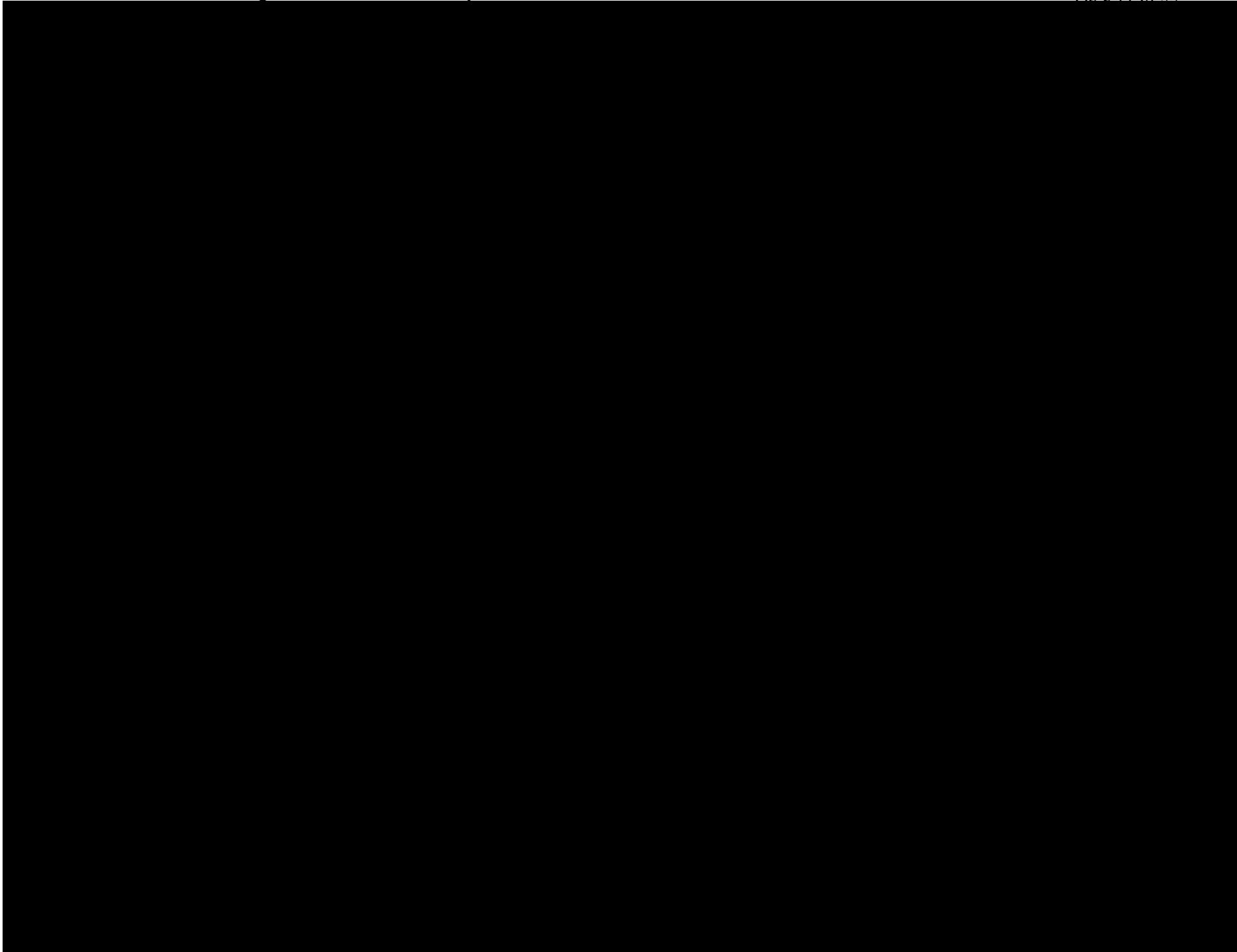


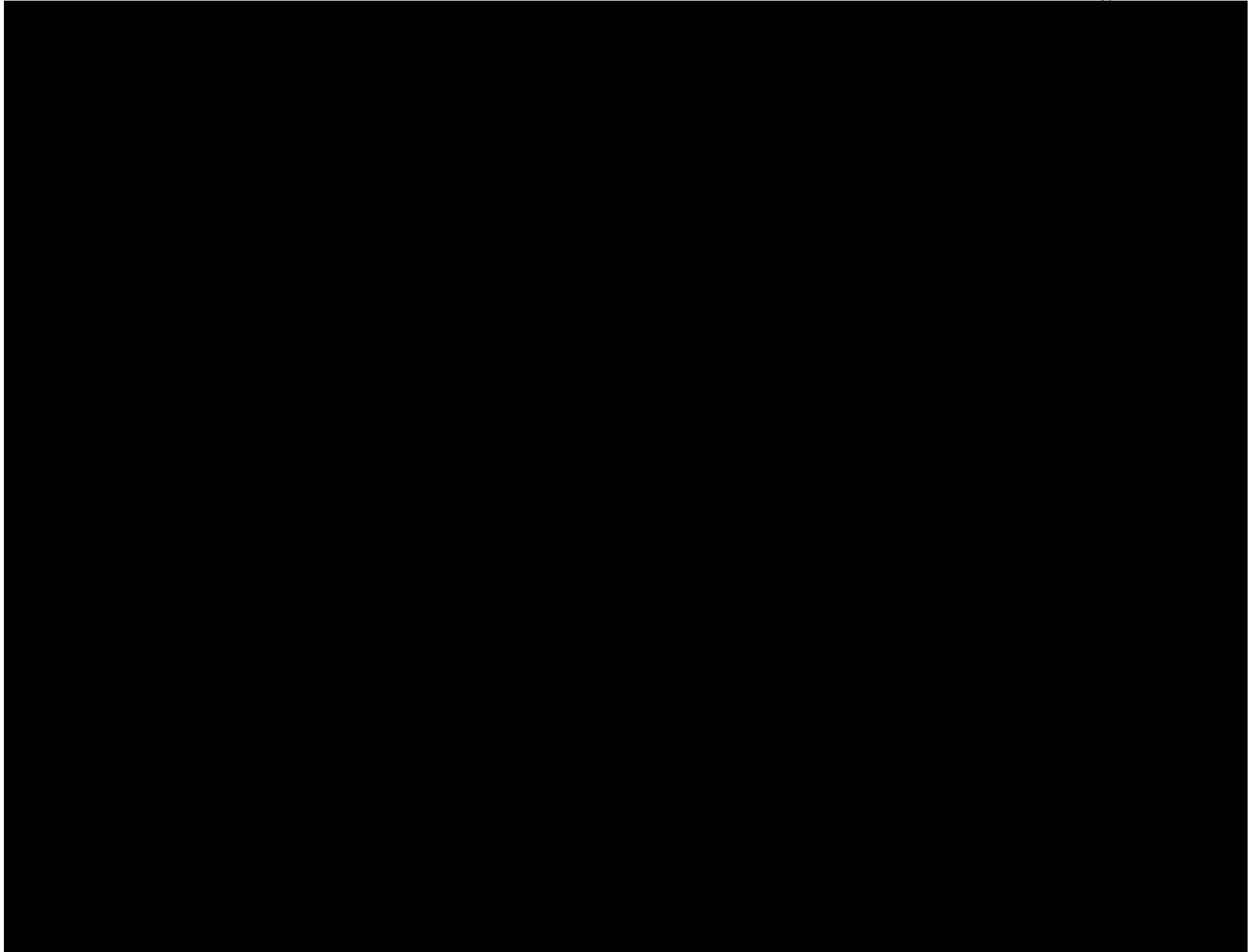


Shaded Information is Designated as Confidential per Protective Order in Dockets UE-240004 and UG-240005









BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

**Dockets UE-240004 & UG-240005
Puget Sound Energy
2024 General Rate Case**

AWEC DATA REQUEST NO. 071:

RE: Cost of Service Study

Please refer to Exhibit JDT-8T at 7:7-13 and 9:21-22. Given PSE's conclusion that direct allocation of mains serving Schedule 87 and 87T is not permissible under WAC Chapter 480-85, why does PSE find direct assignment permissible for Schedule 88T but not Schedules 87 or 87T?

Response:

Puget Sound Energy ("PSE") objects to AWEC Data Request No. 071 as it mischaracterizes the testimony of John D. Taylor. Exhibit JDT-8T at 7:7-13 discusses Washington Administrative Code ("WAC") rules concerning the exclusion of some customer classes from the allocation of smaller diameter mains, but it does not address direct allocation of mains serving Schedule 87 and 87T. Furthermore, Exhibit JDT-8T at 9:21-22 addresses the direct assignment of mains costs to Schedule 87 and Schedule 87T, noting that AWEC witness Kaufman's analysis may initially seem reasonable but requires further review of the system layout and load flow data prior to making a definitive conclusion. It does not conclude that direct allocation of mains to Schedule 87 and 87T is impermissible under WAC Chapter 480-85. Therefore, the question regarding why PSE finds direct assignment permissible for Schedule 88T but not for Schedules 87 or 87T is not aligned with PSE's stated position.

Notwithstanding this objection, and subject thereto, PSE responds as follows:

PSE finds direct assignment permissible for Schedule 88T because this customer is served by dedicated infrastructure. The related costs can be easily identified and directly assigned, which complies with WAC 480-85-060, allowing direct assignment where a customer is served by specific dedicated facilities.

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

**Dockets UE-240004 & UG-240005
Puget Sound Energy
2024 General Rate Case**

AWEC DATA REQUEST NO. 072:

RE: Cost of Service Study

Please refer to Exhibit JDT-8T at 10:2-4:

- a. Please define “looped pipelines.”
- b. Please provide a diagram of all looped pipelines that have the ability to serve Schedules 87, 87T, and 88T customers. Please provide such data separately by customer.
- c. Please provide the length and pipe diameter of all looped pipelines that have the ability to serve Schedule 87, 87T, and 88T customers.

Does PSE’s direct assignment of distribution mains to Schedule 88T include all looped pipelines that may have the ability to serve Schedule 88T customers? If yes, please identify where these pipelines appear in the calculation of the directly assigned mains for Schedule 88T. If no, why not?

Response:

- a) Looped pipelines in Local Gas Distribution Utilities refers to a configuration where multiple parallel pipelines are arranged in a manner that allows gas to flow in multiple directions, thus the reference to a loop. This arrangement enhances the reliability and flexibility of the gas distribution network by providing alternative pathways for gas flow. If one section of the pipeline needs maintenance or experiences a failure, the gas can still be delivered through another route within the loop. Looped systems are typically developed over time in response to the needs of multiple customers and their impact on the pipeline system. While desirable, looped pipelines are not always feasible or necessary. However, where looped pipelines exist, they provide a high level of reliability and flexibility, ensuring gas delivery continuity even if one segment of the pipeline requires maintenance or experiences an outage.
- b) As described in response to AWEC Data Request 72(a), looped pipelines is a term used to indicate a pipeline system configuration that provides reliability and

flexibility and not as a term for a specific designated length of pipe as it is a system attribute. With that said, Puget Sound Energy (PSE) has not specifically analyzed which looped pipelines have the ability to serve Schedule 87, 87T, and 88T customers. However, the pipeline diagrams included in attachments 2 through 11 provided in response to AWEC Data Request 73 show that the Schedule 87T customers are integrated within PSE's broader distribution system. Please refer to PSE's response to AWEC's DR 71.

- c) Objection: PSE objects to AWEC's Data Request 72(c) as overly broad, unduly burdensome and expensive, and not reasonably calculated to lead to discovery of admissible evidence. The request seeks information that would require PSE to perform load flow studies which involve complex calculations and extensive modeling, that would require at minimum, multiple weeks to complete. The complexity of the analysis is due to several factors, including, but not limited to:
- Customer usage patterns, which can vary significantly depending on the time of day, day of the week, and season;
 - Temperature fluctuations, which can impact the flow of gas through the system;
 - Holiday and non-holiday usage patterns, which can also impact demand;
 - Summer and winter usage patterns, which can vary significantly due to changes in temperature and customer behavior;
 - Adjustments made to ensure the performance of all gate stations, which can impact the flow of gas through the system;
 - Planned outages due to construction and third-party damage, which can also impact the flow of gas through the system;
 - Some Schedule 87 and 87T customers are located far from upstream pipeline gate stations, which means that natural gas is likely to flow through multiple pipes to reach these customers, rather than a single path which adds to the complexity of this request, as the usage on each individual pipe would need to be analyzed.

Moreover, according to WAC 480-85-060, which governs the allocation of distribution mains, distribution mains are to be directly assigned to a single customer class "where practical."

- d) The direct assignment of mains for Schedule 88T is based on specific dedicated facilities. The Four-Mile 16-inch segment, litigated in Docket UG-230393, is an example of this, and the costs associated with this segment are currently recovered through Schedule 141D Distribution Pipeline Provisional Recovery Adjustment.

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

**Dockets UE-240004 & UG-240005
Puget Sound Energy
2024 General Rate Case**

AWEC DATA REQUEST NO. 073:

REQUESTED BY:

RE: Cost of Service Study

Please refer to Exhibit JDT-8T at 10:7-12.

- a. Please confirm that the referenced customer maps are the maps provided by the Company in response to AWEC Data Request 63, which requests “a scaled diagram of all 4 inch or larger pipe connected to the customer to a citygate.”
- b. Please explain the difference between a citygate and a gate station or border station.
- c. Please provide a customer map for each Schedule 87, 87T, and 88T customer that include a gate station or boarder station.

Please provide the length of pipe, by pipe diameter and material, for the direct path between the customers and gate station or border station in the diagrams provided in response to part d of this request.

Response:

- a) Yes, the referenced customer maps provided in response to AWEC Data Request 63 include scaled diagrams showing pipes 4 inches or larger connected to the customer’s citygate.
- b) Puget Sound Energy (PSE) uses the terms border station and gate station to refer to stations that are connected to the interstate pipeline, NW Pipeline. As explained in Witness Taylor’s rebuttal testimony, Exh. JDT-8T at 11:14-18, PSE uses the terms as described below.

Town Border Station – Transfer of custody point from NW Pipeline lateral but different from Gate Station in the sense that metering takes place upstream of this type of station.

Gate Station – Transfer of custody point from NW Pipeline where metering also occurs.

AWEC used the term citygate in its data request No. 063. PSE understood AWEC to be referring to a location where the distribution system connects to an interstate pipeline.

- c) For Schedule 87 and 87T customers, please refer to PSE's revised response to AWEC data request No. 063 submitted on September 20, 2024, which includes Town Border Station and Gate Station for each customer map. For the Schedule 88T customer, please refer to PSE's response to AWEC data request No. 062 for the customers' map that includes a gate station.
- d) For support of the figures presented in Exhibit JDT-14C please see confidential Attachment A to AWEC Data Request 073 in an excel file titled "240004-05 PSE Resp AWEC DR 073_Attach A (C).xlsx" for the summary of the maps analysis. Each line diagram with the measurements are provided in Attachment 2 through Attachment 11 to AWEC DR 73. As noted in Exhibit JDT-8T a more comprehensive analysis is required to determine the 'material' as requested in this data request.

Puget Sound Energy
2024 General Rate Case
PSE's Response to AWEC Data Request No. 073
Calculation of Distribution Main Replacement Costs serving 87/87T

Customer #	Distribution Mains in Feet		
	4"	6"	8"
1	12,279	-	2,379
2	3,486	-	32,222
4	-	-	55,303
5	-	-	8,644
7	1,495	1,262	514
6	-	-	8,738
8	18,057	-	-
3	-	-	-
9	-	31,185	5,012
10-14	-	20,975	6,096
Total Feet	35,317	53,421	118,907
Cost per Foot	\$ 106	\$ 178	\$ 364
4" - 8" Replacement Cost	\$ 3,743,584	\$ 9,509,016	\$ 43,282,282
Total 4" - 8" Replacement Cost			\$ 56,534,881
12" - 20" Replacement Cost			\$ 27,441,911
Total Replacement Cost			<u>\$ 83,976,792</u>
AWEC Calculated Replacement Cost			\$ 43,107,733
Difference			<u>\$ 40,869,059</u>

Puget Sound Energy
2024 General Rate Case
PSE's Response to AWEC Data Request No. 073
Calculation of Distribution Main Replacement Costs serving 87/877

0

Ft per Mile

Customer #	Measurement in Inches			Scale (in. per mile)	Calculated Miles			Calculated Feet of Pipe			
	4"	6"	8"		4"	6"	8"	4"	6"	8"	
1	9		2	3.8	2	-	0	12,279	-	2,379	
2	1	-	12	2.0	1	-	-	3,486	-	32,222	
4			12	1.2	-	-	10	-	-	55,303	
5			2	1.3	-	-	2	-	-	8,644	
7	0	0	0	1.1	0	0	0	1,495	1,262	514	
6			2	1.1	-	-	2	-	-	8,738	
8	6			1.7	3	-	-	18,057	-	-	
3				0.6	-	-	-	-	-	-	
9		5	1	1	-	6	1	-	31,185	5,012	
10-14		3	1	1	-	4	1	-	20,975	6,096	
10-14				1	-	-	-	-	-	-	
Total	16	8	32					35,317	53,421	116,907	
								Cost	\$ 3,743,584	\$ 9,509,016	\$ 43,282,282
								Total Costs for 12 - 20"		\$ 27,441,911	
								Total Cost	\$ 83,976,792		

Size	Replacement Cost per Foot
4"	\$ 106
6"	\$ 178
8"	\$ 364
12"	\$ 558
16"	\$ 742
20"	\$ 614

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

**Dockets UE-240004 & UG-240005
Puget Sound Energy
2024 General Rate Case**

AWEC DATA REQUEST NO. 075:

REQUESTED BY:

RE: Cost of Service Study

Please refer to Exhibit JDT-8T at 12:3-23.

- a. Please confirm that a portion of the pipe directly assigned to Schedules 87 and 87T in Exhibit JDT-14 also serve other schedules. If not confirmed, why not?
- b. Please provide the analysis described in this referenced testimony and in Exhibit JDT-14 for Schedule 88T customers.
- c. If PSE declines to provide such analysis, please explain why PSE has not performed such analysis for Schedule 88T.

Response:

Puget Sound Energy (“PSE”) objects to AWEC Data Request No. 075 to the extent it requests information that is publicly available or obtainable from some other source that is more convenient, less burdensome, or less expensive. Notwithstanding these objections, PSE responds as follows:

- a. Yes. The values associated with mains in Exhibit JDT-14 include mains that also serve customers on other rate schedules.
- b. Puget Sound Energy (PSE) objects to this request as it is not reasonably calculated to lead to the discovery of admissible information since the referenced testimony does not refer to Schedule 88T. Subject to and without waiving its objection, PSE responds as follows: For Schedule 88T, the direct assignment of infrastructure is based on specific dedicated facilities, as described in Exhibit JDT-8T at pages 14 and 15. In addition, the Four-Mile 16-inch segment, currently recovered under Schedule 141D Distribution Pipeline Provisional Recovery Adjustment, was litigated in Docket UG-230393, and a similar analysis for Schedule 88T was not required.

- c. As noted in part b, the costs assigned to Schedule 88T were analyzed differently due to its unique service arrangement that relies on dedicated infrastructure.

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

**Dockets UE-240004 & UG-240005
Puget Sound Energy
2024 General Rate Case**

AWEC DATA REQUEST NO. 076

“CONFIDENTIAL” Table of Contents

	“CONFIDENTIAL” Material
Data Request No. 076	Shaded information is designated as CONFIDENTIAL per Protective Order in Dockets UE-240004 and UG-240005 as marked in Puget Sound Energy’s Response to AWEC Data Request No. 076 Attachments A-I

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

**Dockets UE-240004 & UG-240005
Puget Sound Energy
2024 General Rate Case**

AWEC DATA REQUEST NO. 076:

RE: Cost of Service Study

Please refer to the revised responses to AWEC Data Request 63.

- a. In these diagrams, does large diameter pipe overlay or obscure smaller diameter pipe?
- b. If the response to part a is yes, please provide these diagrams with 12-inch and larger pipe excluded from the diagram.
- c. Please provide a pressure map for each area in the referenced diagrams using under-design day peak loads. Please use assumptions and models from PSE's 2023 Gas IRP, or more recent assumptions and models if available.
- d. Please identify the path that PSE used in these figures when calculating lengths for Exh. JDT-14.

Response:

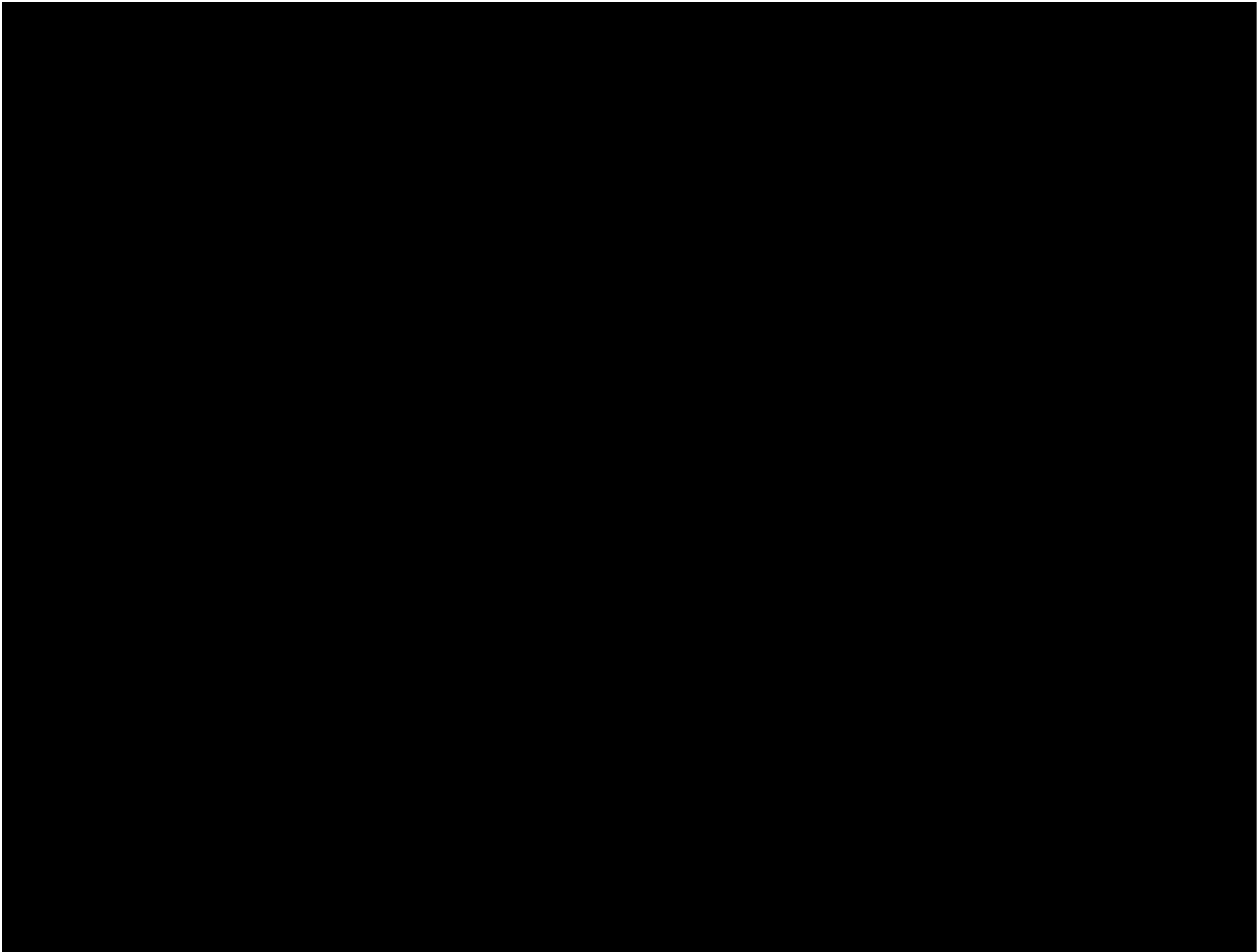
- a. Yes, larger diameter pipeline overlay or obscure smaller diameter pipeline.
- b. See Attachments A through I to Puget Sound Energy's ("PSE") Response to AWEC Data Request No. 076 that removes 12-inch and greater diameter pipeline from the overlay. However, you still can have larger diameter pipeline overlay or obscure smaller diameter pipeline, such as 6-inch or 8-inch obscuring 4-inch. Please note that the customer 1 diagram isn't included since the diagram for this customer provided in PSE's Revised Response to AWEC Data Request No. 063 didn't include any pipe larger than 8-inch.
- c. Please see PSE's Response to AWEC Data Request No. 072 part c regarding the complexity of providing a pressure map for each area under design day peak loads and what is required.

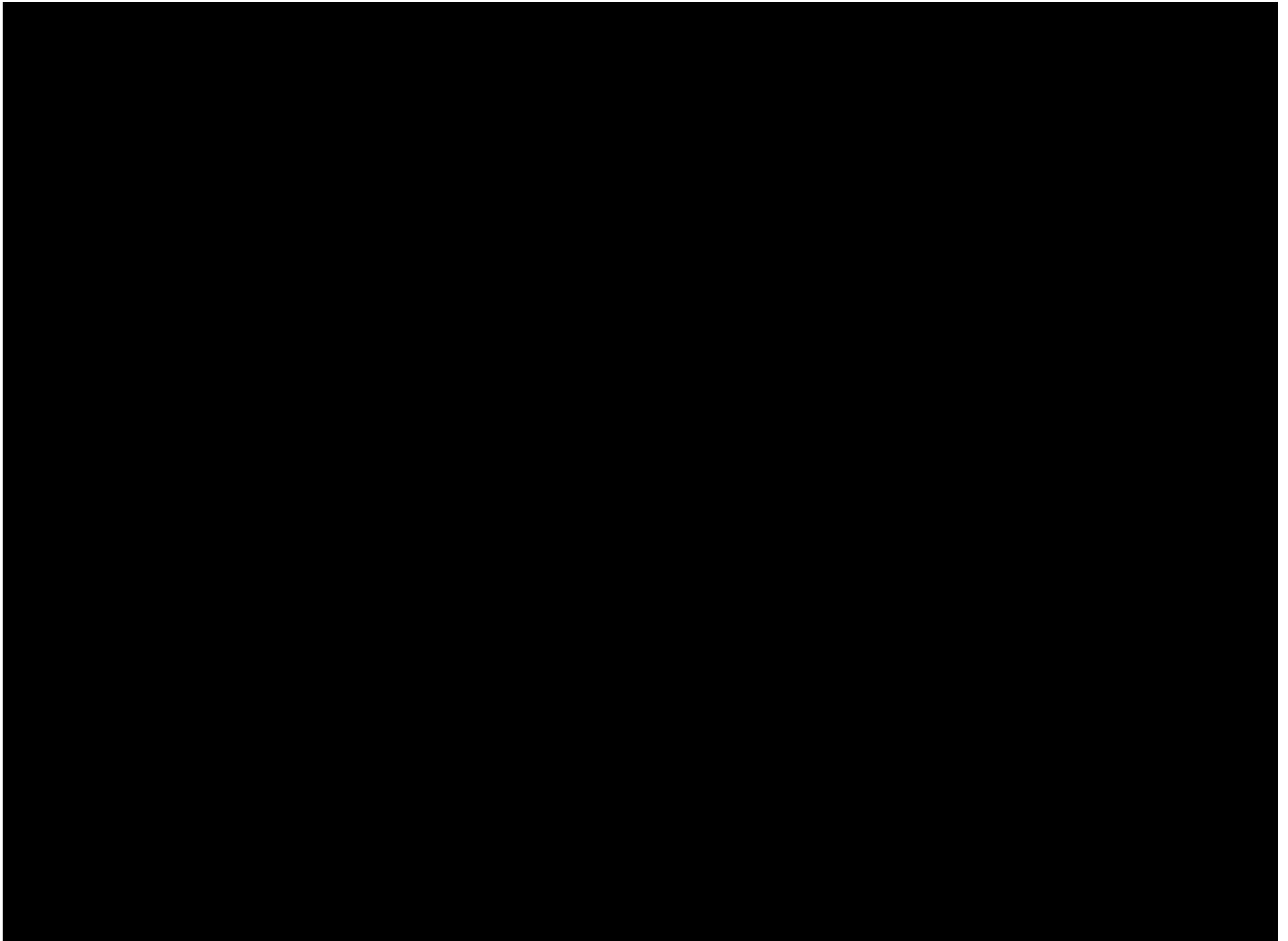
d. Please see PSE's Response to AWEC Data Request No. 073 part d.

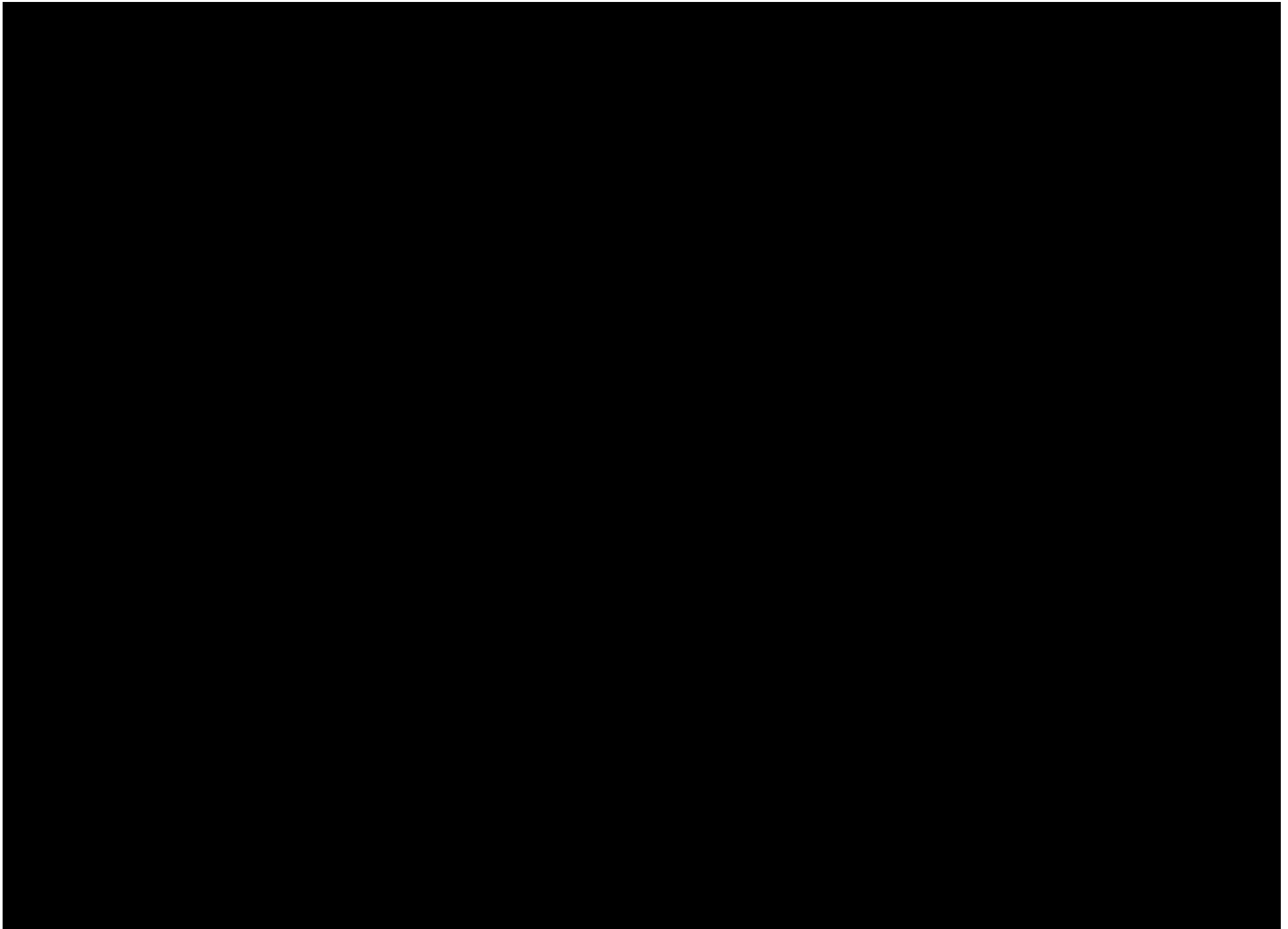
Shaded information is designated as CONFIDENTIAL per Protective Order in Dockets UE-240004 and UG-240005 as marked in PSE's Response to AWEC Data Request No. 076 Attachments A – I.

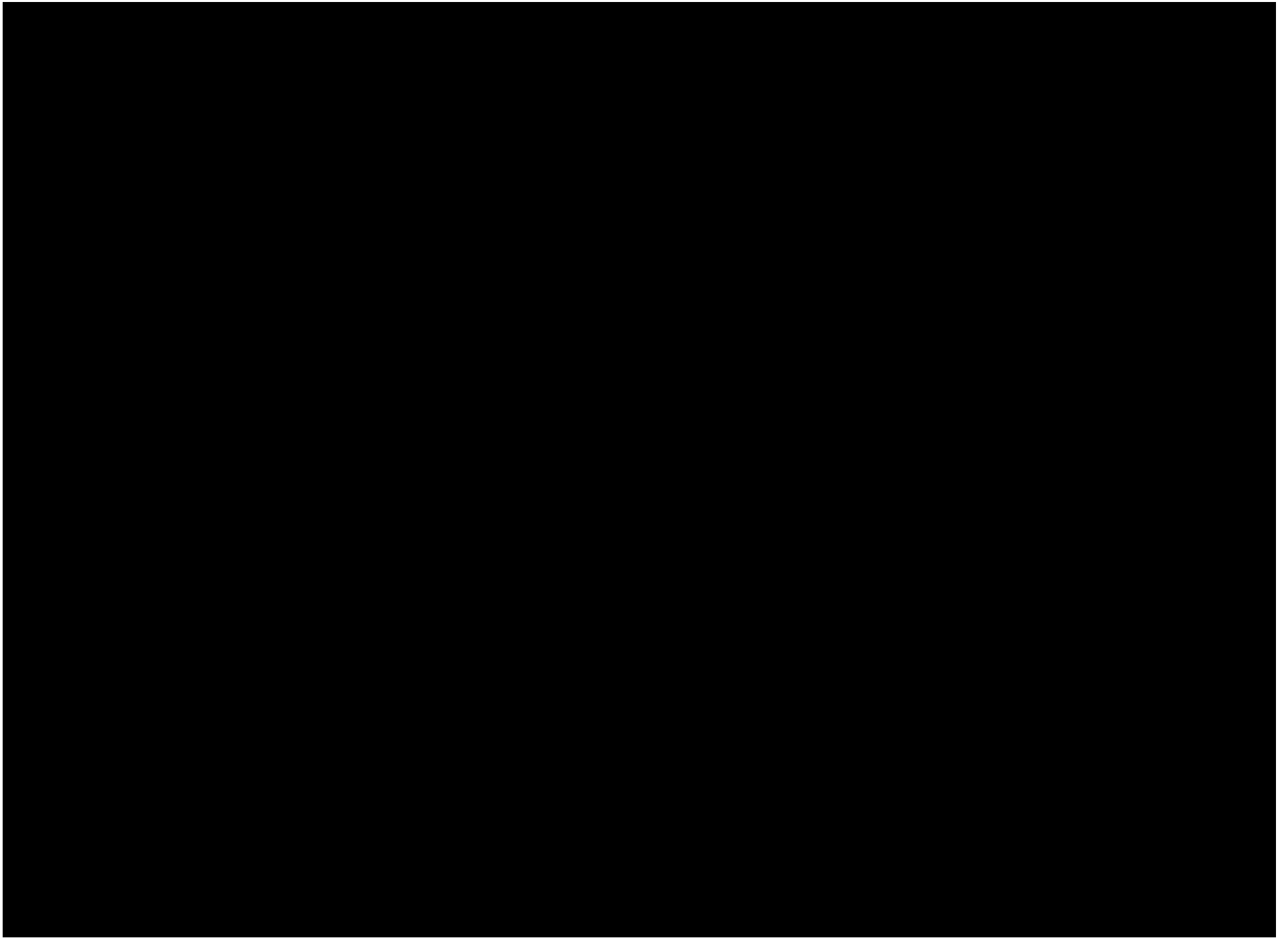
**ATTACHMENTS A-I to PSE's Response
to
AWEC Data Request No. 076**

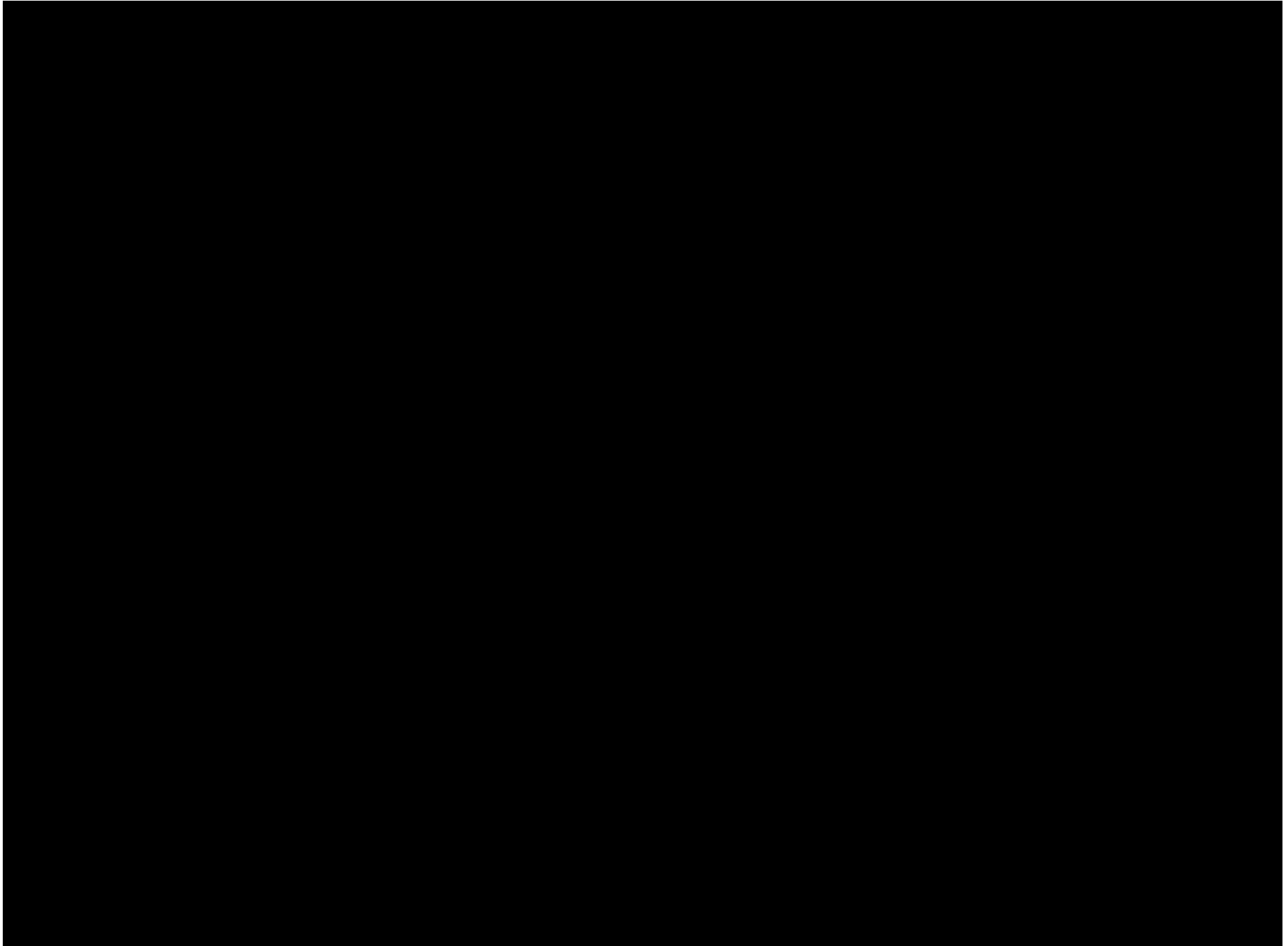
Shaded Information is Designated as CONFIDENTIAL per Protective Order in Dockets UE-240004 and UG-24005

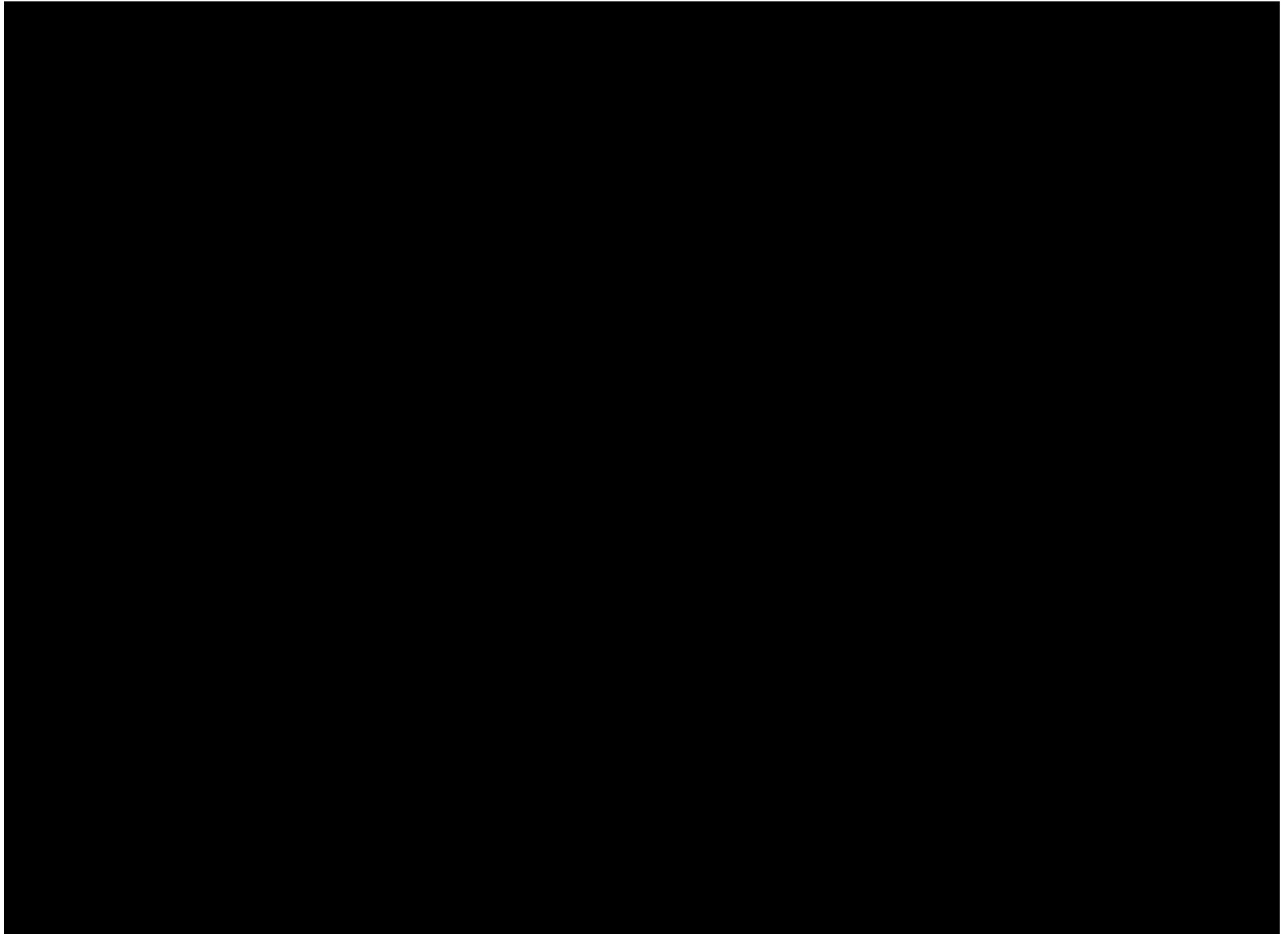


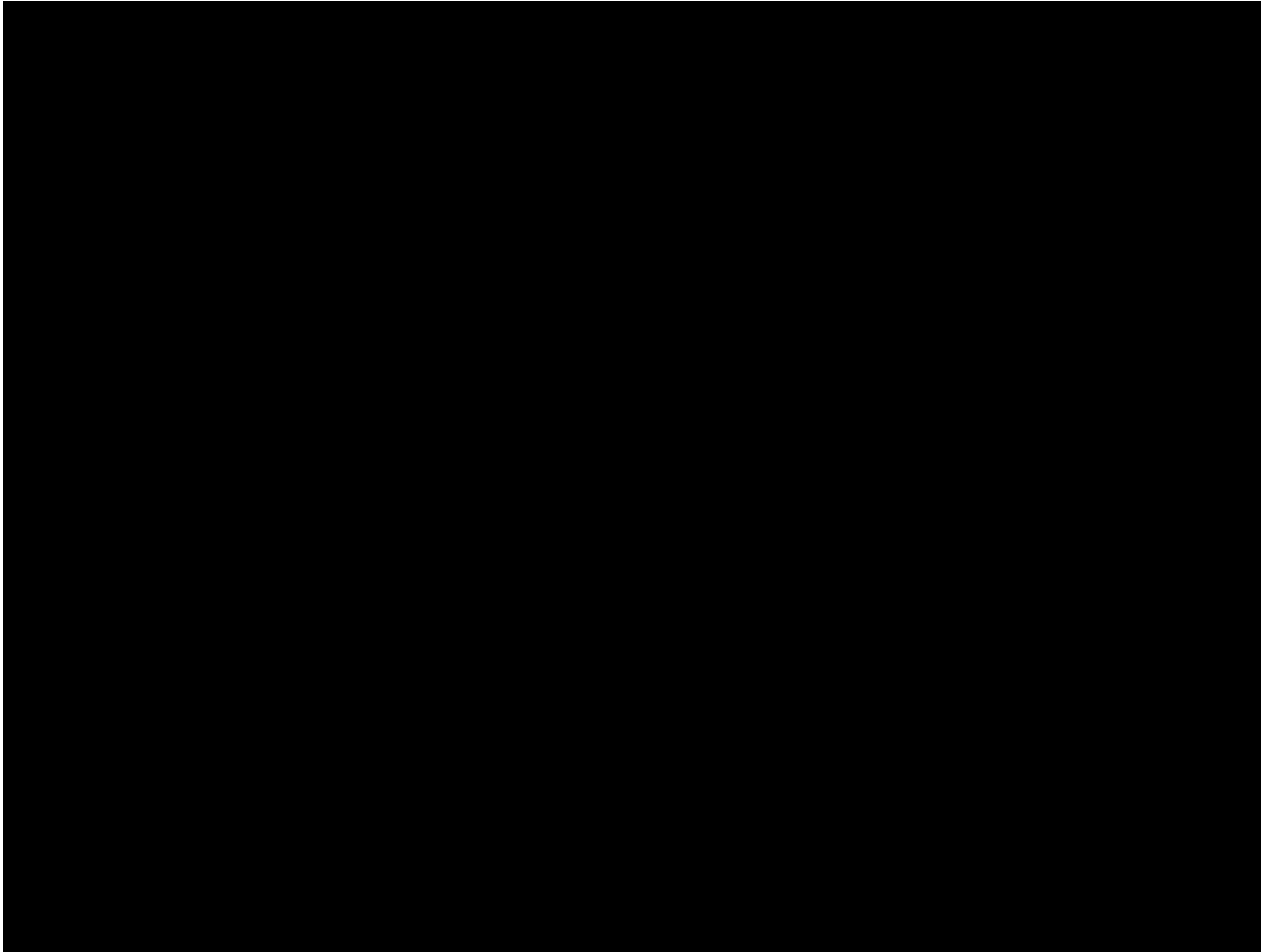


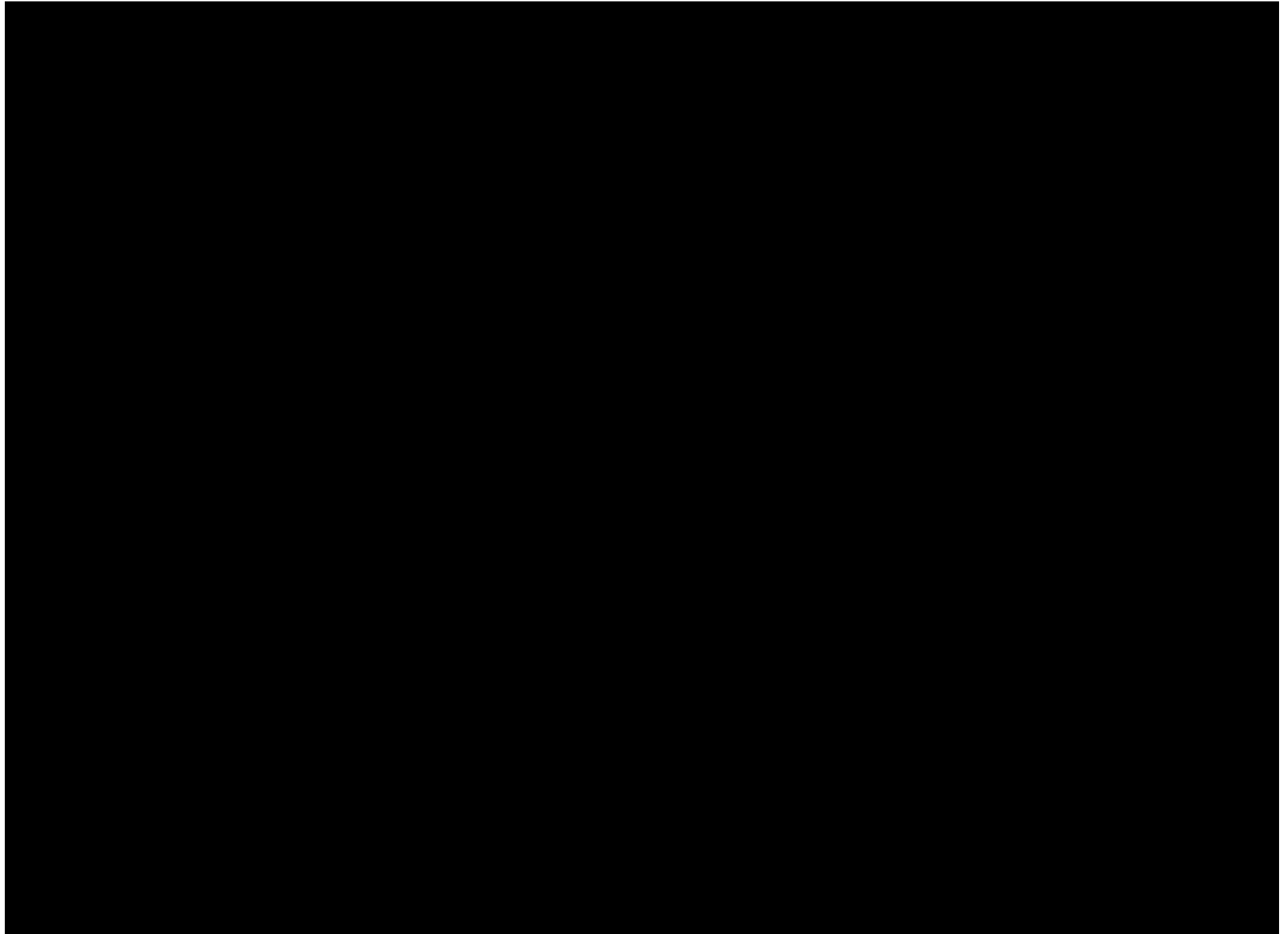


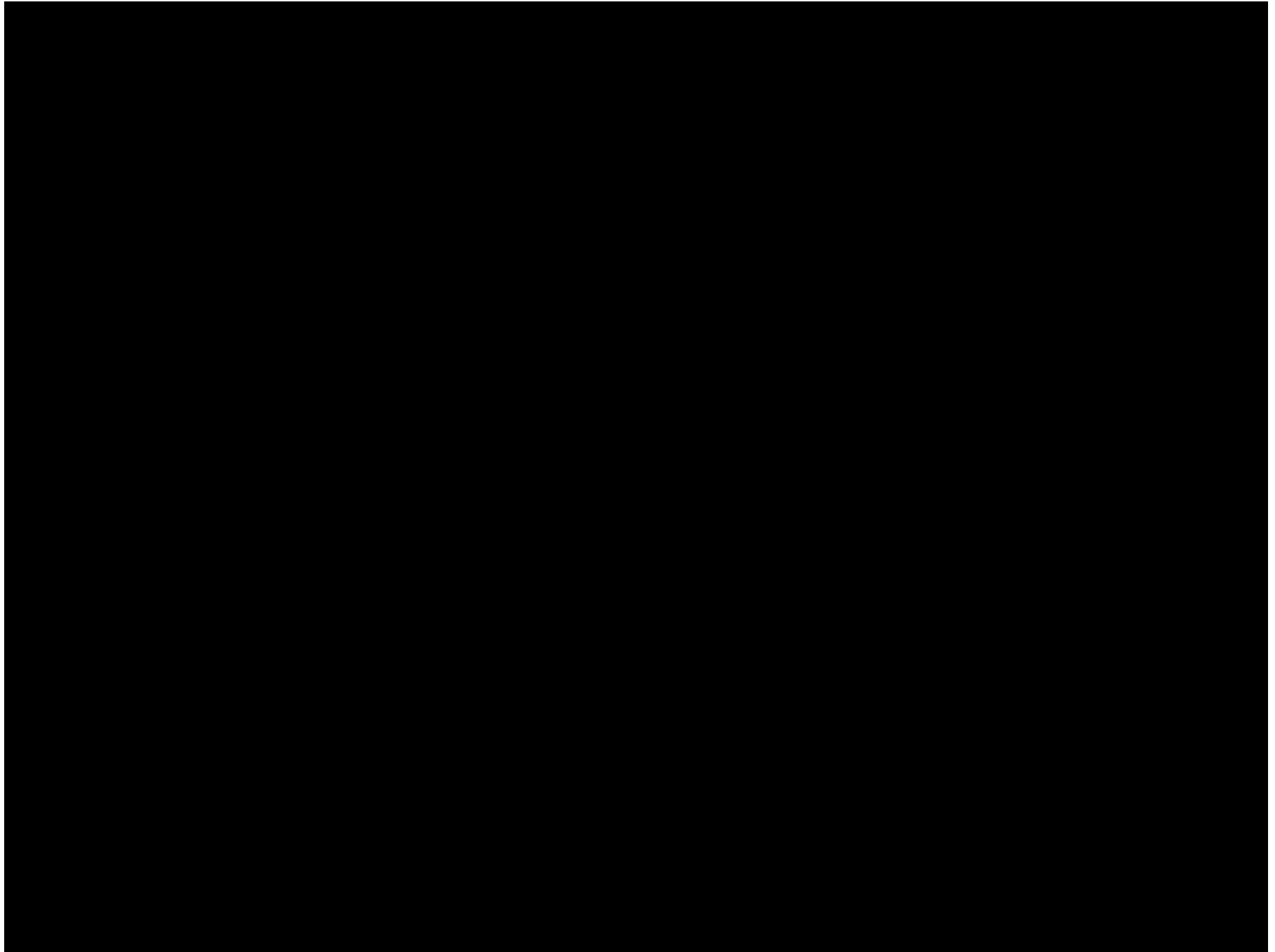












BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

**Dockets UE-240004 & UG-240005
Puget Sound Energy
2024 General Rate Case**

AWEC DATA REQUEST NO. 078:

RE: Cost of Service Study

Please refer to 240004-05 PSE Resp AWEC DR 063_Attach B_Rev_01 (C).pdf, 240004-05 PSE Resp AWEC DR 063_Attach D_Rev_01 (C).pdf, and Exhibit JDT-14:

- a. Does PSE's estimate of Customer 2 and 4 in Exhibit JDT-14 include pipe that serves both Customers?
- b. If yes, for the shared pipe, does PSE count each foot of pipe twice in Exhibit JDT-14, or does PSE allocate the pipe between each customer?

Response:

Puget Sound Energy ("PSE") objects to AWEC Data Request No. 078 to the extent it requests information that is publicly available or obtainable from some other source that is more convenient, less burdensome, or less expensive. Notwithstanding these objections, and subject thereto, PSE responds as follows:

- a. Please see PSE's Response to AWEC Data Request No. 073 part d.
- b. Please see PSE's Response to AWEC Data Request No. 073 part d.

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

**Dockets UE-240004 & UG-240005
Puget Sound Energy
2024 General Rate Case**

AWEC DATA REQUEST NO. 080:

RE: Cost of Service Study

Please refer to 240004-05 PSE Resp AWEC DR 062_Attach A (C).pdf:

- a. Is the 8-inch pipe connecting the Golden Givens Limiting Station and the PLNG plant included in the direct assignment of mains to PLNG? If no, why not? If yes, please indicate where this pipe is included in PSE's workpapers.
- b. Is the 16-inch pipe connecting the southern terminus of Upgrade 1 to the North Tacoma Gate Station included in the direct assignment of mains to PLNG? If no, why not? If yes, please indicate where this pipe is included in PSE's workpapers.
- c. Is the 20-inch pipe connecting the southern terminus of Upgrade 1 to the North Tacoma Gate Station included in the direct assignment of mains to PLNG? If no, why not? If yes, please indicate where this pipe is included in PSE's workpapers.
- d. Is the 8-inch pipe connecting the Upgrade 1 to the 12-inch pipe located in the north east quadrant of the diagram included in the direct assignment of mains to PLNG? If no, why not? If yes, please indicate where this pipe is included in PSE's workpapers.
- e. Is the 12-inch pipe in the northeast quadrant of the diagram included in the direct assignment of mains to PLNG? If no, why not? If yes, please indicate where this pipe is included in PSE's workpapers.
- f. Please refer to Exhibit JDT-8T at 11:6-13. Please confirm that the Golden Givens Limit Station does not connect to NW Pipeline. If confirmed, please provide a diagram of the pipe connecting the Golden Givens Limit Station to the NW Pipeline in a similar format as 240004-05 PSE Resp AWEC DR 062_Attach A (C).pdf.
- g. If part f above is confirmed, is the cost of the pipe connecting the Golden Givens Limit Station to the NW Pipeline included in the direct assignment of mains to PLNG? If no, why not? If yes, please indicate where this pipe is included in PSE's workpapers.

- h. Please provide the replacement cost for the pipe identified in parts a through g above.

Response:

PSE objects to AWEC data request No. 080 to the extent it refers to direct assignment to “PLNG” and the “PLNG Facility.” Subject to and without waiving its objection, PSE responds as follows: As appropriate, PSE has used the correct terminology in the responses below.

- a. No, the 8-inch pipe connecting the Golden Givens Limiting Station and the Tacoma LNG plant is not included in the direct assignment of mains to Schedule 88T. This is because the direct assignment of mains to Schedule 88T and the Special Contract class is based on the use of mains during peak demand periods. Since Schedule 88T does not have peak demand requirements, and is a fully interruptible schedule, plus during peak events it would supply gas from the Tacoma LNG facility, unlike other customers who would be pulling gas from the system; thus, no portion of the pipe's peak capacity is allocated to Schedule 88T.
- b. Similarly to the response above in part a, the 16-inch pipe connecting the southern terminus of Upgrade 1 to the North Tacoma Gate Station is not assigned to Schedule 88T, as this pipe is part of the broader distribution system that serves multiple customers.
- c. The 20-inch pipe from the southern terminus of Upgrade 1 to the North Tacoma Gate Station is not directly assigned to Schedule 88T for the same reason as in parts a and b—Schedule 88T's lack of peak demand requirements excludes it from these allocations.
- d. No, the 8-inch pipe in the northeast quadrant is not directly assigned to Schedule 88T for the same reasons outlined above.
- e. No, the 12-inch pipe in the northeast quadrant is not directly assigned to Schedule 88T for the same reasons outlined above.
- f. The Golden Givens Limit Station does not directly connect to NW Pipeline. Please see Figure 1 on page 6 of the Direct Testimony of PSE's witness Duane A. Henderson, Exhibit DAH-1T in PSE's 2019 general rate case in Dockets UE-190259 and UG-190530 for a detailed distribution system diagram near the Golden Givens Limit Station which includes the pipe connecting it to NW Pipeline.
- g. No, the pipe connecting the Golden Givens Limit Station to the NW Pipeline is not directly assigned to Schedule 88T for the same reasons outlined above.

- h. See Attachment A for the replacement cost of the pipe identified in parts a through g above.

**ATTACHMENT A to PSE's Response to
AWEC Data Request No. 080**

111101172	45233.5 Existing	16 STW	HP	Bare	Direct Bury	109137862	35.000152	\$	741.66	\$	25,958
111101173	20455.5 Existing	16 STW	HP	Bare	Direct Bury	56-124	11.992957	\$	741.66	\$	8,895
111101174	45233.5 Existing	16 STW	HP	Bare	HDD = Horizontal Directional Drill	109137862	528.973814	\$	741.66	\$	392,319
111101180	45233.5 Existing	16 STW	HP	Bare	Direct Bury	109137862	35.000352	\$	741.66	\$	25,958
111101181	45233.5 Existing	16 STW	HP	Bare	Direct Bury	109137862	3.087697	\$	741.66	\$	2,290
111101185	20455.5 Existing	16 STW	HP	Bare	Direct Bury	56-124	12.025411	\$	741.66	\$	8,919
111167452	20455.5 Existing	16 STW	HP	Bare	Direct Bury	56-124	544.227633	\$	741.66	\$	403,633
Total Replacement Cost											<u>\$ 27,610,179</u>

Puget Sound Energy
2024 Gas General Rate Case (Dockets UE-240004 & UG-240005)
Account 376, Costs by Size and Type (2023\$), as of June 30, 2023
Test Year Ended June 30, 2023

Group	Size	Costs by Type		Size	Unit Cost
		2023 \$	Total Quantity		
a	1.125 PE	\$ 4,390,049	80,580		\$ 54.48
a	1.25 PE	\$ 284,969,613	11,044,474		\$ 25.80
b	2 PE	\$ 1,340,468,091	28,589,095		\$ 46.89
b	3 PE	\$ 4,290,657	62,856		\$ 68.26
c	4 PE	\$ 490,404,819	6,223,279		\$ 78.80
c	6 PE	\$ 427,491,263	2,945,579		\$ 145.13
c	8 PE	\$ 220,338,250	1,004,974		\$ 219.25
a	.75-1.75 ST	\$ 5,615	29	0.75	\$ 193.61
a	1.25 ST	\$ 520,265,510	13,055,334	1.25	\$ 39.85
b	2 ST	\$ 225,352,776	3,505,918	2.00	\$ 64.28
b	3 ST	\$ 1,254,631	12,173	3.00	\$ 103.07
c	4 ST	\$ 294,038,331	2,784,666	4.00	\$ 105.59
c	6 ST	\$ 333,500,473	1,870,166	6.00	\$ 178.33
c	8 ST	\$ 292,310,531	802,910	8.00	\$ 364.06
c	12 ST	\$ 420,651,289	753,575	12.00	\$ 558.21
c	16 ST	\$ 616,808,678	831,658	16.00	\$ 741.66
c	20 ST	\$ 24,089,141	39,242	20.00	\$ 613.86
	Total	\$ 5,500,629,717	73,606,508		

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

**Dockets UE-240004 & UG-240005
Puget Sound Energy
2024 General Rate Case**

AWEC DATA REQUEST NO. 081:

RE: Cost of Service Study

Please refer to Exhibit LDK-1T at 33. Does PSE agree that if a COSS indicates that a schedule has a parity ratio of 1, and the Commission finds that a rate increase is warranted, it is fair to increase the schedules rate by the average rate increase? If no, why not?

Response:

If a cost of service study shows that a customer class has a parity ratio of 1, it would typically be equitable to apply the average system rate increase to that class. However, additional factors—such as the cost allocation methodology and any other regulatory considerations or WAC rules—must be evaluated before determining the appropriateness of applying an average system increase. For a more detailed discussion of rate design principles that can impact proposals for rate class increases please see the direct testimony of John D. Taylor Exhibit-JDT-1T at pages 25 and 26.

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

**Dockets UE-240004 & UG-240005
Puget Sound Energy
2024 General Rate Case**

AWEC DATA REQUEST NO. 083:

RE: Cost of Service Study

Please refer to Exhibit JDT-11 (Rate Des Sum) cells I52-I57. Please explain why a 21 percent rate decrease is warranted for Schedule 88T in 2026.

Response:

For Schedule 88T, the revenue proposed in Rate Year 1 is a 300 percent increase that takes them to parity. For Rate Year 2, the reason for a slight decrease, even though the revenues are identical is due to an increase in forecasted volumes from 39,295,144 therms to 51,695,658 therms, a 32 percent increase, resulting in a lower volumetric rate while maintaining revenue neutrality for the class.

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

**Dockets UE-240004 & UG-240005
Puget Sound Energy
2024 General Rate Case**

AWEC DATA REQUEST NO. 085:

RE: Cost of Service Study

Please refer to JDT-10 E-Summary of Results (PSE) and Exhibit JDT-11 (Rate Spread):

- a. What year of costs are reflected in JDT-10 E-Summary of Results (PSE)?
- b. Is the target revenue for Schedule 88T in Rate Year 1 and Rate Year 2 in Exhibit JDT-11 (Rate Spread), lines 8 and 20, calculated as the difference between line 10 (row 21) of JDT-10 E-Summary of Results(PSE) and revenue at current rates in lines 4 and 16 (rows 12 and 25) of Exhibit JDT-11 (Rate Spread)? If no, please explain how the target revenue is calculated.
- c. Please confirm that PSE does not allocate the revenue delta on lines 9 and 21 of Exhibit JDT-11 (Rate Spread) to Schedule 88T.
- d. Please refer to the attachment AWEC Data Request 85 Attachment 1. Please confirm that the attachment sets all rate schedules to cost in a similar manner as PSE proposes for Schedule 88T. If not confirmed, please explain the difference, and provide a version of Exhibit JDT-11 where PSE's rate spread for Schedule 88T is applied to all schedules.
- e. Please confirm that if PSE's proposed treatment for Schedule 88T is applied to all schedules, revenues will fall short of PSE's revenue requirement in Rate Year 1 by \$125 million and in Rate Year 2 by \$150 million. If not confirmed, provide the revenue that would result in each rate year if the treatment for Schedule 88T is applied to all customers.

Response:

- a. The test year costs for the twelve-month period that ended June 30, 2023, are reflected in the Second Exhibit to the Prefiled Rebuttal Testimony of John D. Taylor, Exh. JDT-10, tab JDT-10 E-Summary of Results (PSE). This is because the underlying allocators, such as demand, remain relatively stable for the outer years. Additionally, the relationship between the type of expenses and revenues associated with PSE's proportional allocation method remains consistent. As a

result, it is not feasible to perform a customer-specific cost of service analysis for Rate Years 1 and 2, as customers' contract demand and other behaviors could change in the outer years, potentially affecting the results of the cost of service and parity ratios. However, subsequent general rate cases will capture any changes in customer behavior and restore the accuracy of the cost of service and parity ratios for those customers in the long run.

- b. Correct, the target revenue for Schedule 88T in Rate Year 1 and Rate Year 2, reflected in the Third Exhibit to the Prefiled Rebuttal Testimony of John D. Taylor, Exh. JDT-11, tab JDT-10 (Rate Spread) lines 8 and 20, is calculated as the difference between JDT-10 E-Summary of Results (PSE), line 10 (row 21), and the revenue at current rates in Exhibit JDT-11, lines 4 and 16 (rows 12 and 25).
- c. Correct, Puget Sound Energy ("PSE") does not allocate the revenue delta from Exhibit JDT-11, tab JDT-11 (Rate Spread), lines 9 and 21, to Schedule 88T, as it is proposing to move Schedule 88T to its exact cost to serve (parity ratio of 1.00).
- d. AWEC provided the attachment in AWEC Data Request No. 085, which appears to set all rate schedules to cost in a similar manner to PSE's proposal for Schedule 88T. However, without access to the underlying calculations and detailed cost of service study, it is impossible to confirm this with certainty. To confirm, the answer is both "yes" and "no". Yes, it appears that the attachment sets rate schedules to cost in a similar manner to PSE's proposal for Schedule 88T. However, no, it is worth noting that the attachment appears to utilize PSE's WAC compliance cost of service, rather than the cost of service that PSE relied upon, which had a rule exemption.
- e. Correct, if PSE's proposed treatment for Schedule 88T were applied to all schedules, it would result in a significant revenue shortfall. Specifically, it would cause revenues to fall short of PSE's revenue requirement in Rate Year 1 by \$125 million and Rate Year 2 by \$150 million. However, this approach is not justified because Schedule 88T is a unique case. Similar to a Special Contract class, the infrastructure was directly allocated to the single Schedule 88T customer, along with its proportional operating costs, has already covered all the costs to serve this customer; especially since there are not upgrades or additional plant requiring direct assignment for this customer class. In contrast, the other classes do not have the same level of cost recovery and direct assignment, and applying this treatment to all schedules would exacerbate the revenue shortfalls associated with serving these other classes.

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

**Dockets UE-240004 & UG-240005
Puget Sound Energy
2024 General Rate Case**

AWEC DATA REQUEST NO. 086:

RE: Cost of Service Study

Please also refer to Exhibit JDT-8T at 21, Table 2. Please provide all workpapers and calculations underlying this table.

Response:

See Attachment A to Puget Sound Energy's ("PSE") Response to AWEC Data Request No. 086 as part of PSE's response. The column "Total" represents the Company's proposed revenue of \$783,493,199 multiplied by the overall system increase times each class's multiple of system increase found in AWEC Table 8.

**ATTACHMENT A to PSE's Response to
AWEC Data Request No. 086**

	PSE / Staff		% of Total		Public Counsel		% of Total		Nucor		% of Total	
	RY1	RY2	RY1	RY2	RY1	RY2	RY1	RY2	RY1	RY2	RY1	RY2
Residential	524,713,931	537,674,349	67.0%	66.7%	524,136,077	537,379,088	66.9%	66.6%	525,204,592	538,259,201	67.0%	66.8%
Comm. & Indus.	198,208,289	206,177,202	25.3%	25.6%	198,199,613	205,709,071	25.3%	25.5%	198,439,235	206,454,540	25.3%	25.6%
Large Volume	33,959,553	35,104,225	4.3%	4.4%	34,480,127	35,604,126	4.4%	4.4%	33,995,979	35,147,827	4.3%	4.4%
Interruptible	14,085,787	14,470,166	1.8%	1.8%	14,085,170	14,437,312	1.8%	1.8%	13,479,310	13,807,472	1.7%	1.7%
Limited Interruptible	1,585,588	1,584,522	0.2%	0.2%	1,585,539	1,581,963	0.2%	0.2%	1,559,490	1,556,516	0.2%	0.2%
Non-Exclusive Interruptible	8,733,309	9,016,040	1.1%	1.1%	8,135,240	8,342,349	1.0%	1.0%	7,785,311	7,978,408	1.0%	1.0%
Exclusive Interruptible	516,784	516,784	0.1%	0.1%	1,181,475	1,489,380	0.2%	0.2%	1,339,325	1,339,325	0.2%	0.2%
Contracts	1,689,959	1,826,835	0.2%	0.2%	1,689,959	1,826,835	0.2%	0.2%	1,689,959	1,826,835	0.2%	0.2%
Total	783,493,199	806,370,124	100.0%	100.0%	783,493,199	806,370,124	100%	100%	783,493,199	806,370,124	100.0%	100.0%

	(1)		(2)		(3)	
	Revenues	% of Total	Revenues	% of Total	Revenues	% of Total
Residential (16,23,53)	524,714	67.0%	524,136	66.9%	525,205	67.0%
Comm. & Indus. (31,31T)	198,208	25.3%	198,200	25.3%	198,439	25.3%
Large Volume (41,41T)	33,960	4.3%	34,480	4.4%	33,996	4.3%
Interruptible (85, 85T)	14,086	1.8%	14,085	1.8%	13,479	1.7%
Limited Interruptible (86, 86T)	1,586	0.2%	1,586	0.2%	1,559	0.2%
Non-Exclusive Interruptible (87, 87T)	8,733	1.1%	8,135	1.0%	7,785	1.0%
Exclusive Interruptible (88T)	517	0.1%	1,181	0.2%	1,339	0.2%
Contracts	1,690	0.2%	1,690	0.2%	1,690	0.2%
Total	783,493	100.0%	783,493	100.0%	783,493	100.0%

- (1) - Dismukes Exhibit DED-8
- (2) - Nucor WP 240004-05-PSE-WP-JDT-5-GAS-RATE-SPREAD-DESIGN-24GRC-02-2024
- (3) - AVEC's revenue apportionment was calculated using its proposed rate spread (Table 8) to PSE's revenue requirement

	Average of All Parties	
	Revenues	% of Total
Residential (16,23,53)	526,715	67.2%
Comm. & Indus. (31,31T)	197,301	25.2%
Large Volume (41,41T)	33,700	4.3%
Interruptible (85, 85T)	13,866	1.8%
Limited Interruptible (86, 86T)	1,509	0.2%
Non-Exclusive Interruptible (87, 87T)	7,592	1.0%
Exclusive Interruptible (88T)	1,152	0.1%
Contracts	1,659	0.2%
Total	783,493	100.0%

Puget Sound Energy
 2024 Gas General Rate Case (Dockets UE-240004 & UG-240005)
 Gas Rate Spread & Design
 Rate Spread

Line No.	Description	Total	Total Check	Residential (16,23,53)	Comm. & Indus. (31,31T)	Large Volume (41,41T)	Interruptible (85, 85T)	Limited Interruptible (86, 86T)	Non-Exclusive Interruptible (87, 87T)	Exclusive Interruptible (88T)	Contracts
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
1	GCOS Parity Ratio	1.00		1.09	0.81	0.93	0.83	1.29	1.47	1.15	2.26
2	Targeted Multiple of System Increase			0.90	1.25	1.10	1.25	0.75	1.50	-	-
3	Base Deficiency Allocation - Rate Year 1										
4	Revenue at Current Rates	\$ 535,878,245	- \$	\$ 370,022,539	\$ 125,397,647	\$ 22,475,459	\$ 8,911,456	\$ 1,175,918	\$ 5,147,033	\$ 1,181,475	\$ 1,566,717
5	Base Deficiency	\$ 247,614,954									
6	Percent Increase Excluding Contracts & Sch. 88T	46.45%									
7	Targeted Percent Increase			41.80%	58.06%	51.09%	58.06%	34.83%	69.67%	0.00%	0.00%
8	Targeted Revenue Increase	\$ 247,585,382	- \$	\$ 154,672,958	\$ 72,801,966	\$ 11,482,725	\$ 5,173,714	\$ 409,621	\$ 3,585,848	\$ (664,691)	\$ 123,241
9	Delta	\$ 29,572									
10	Allocation of Delta	\$ 29,572	- \$	\$ 18,434	\$ 8,677	\$ 1,369	\$ 617	\$ 49	\$ 427		
11	Targeted Revenue Increase Incl. Delta	\$ 247,614,954	- \$	\$ 154,691,392	\$ 72,810,642	\$ 11,484,094	\$ 5,174,330	\$ 409,670	\$ 3,586,276	\$ (664,691)	\$ 123,241
12	Total Proposed Revenue	\$ 783,493,199	- \$	\$ 524,713,931	\$ 198,208,289	\$ 33,959,553	\$ 14,085,787	\$ 1,585,588	\$ 8,733,309	\$ 516,784	\$ 1,689,959
13	Percent Increase			41.81%	58.06%	51.10%	58.06%	34.84%	69.68%	-56.26%	7.87%
14	Multiple of System Increase			0.90	1.25	1.10	1.25	0.75	1.50	(1.21)	0.17
15	Base Deficiency Allocation - Rate Year 2										
16	Revenue at Current Rates	\$ 533,404,884	- \$	\$ 367,451,224	\$ 125,457,111	\$ 22,413,644	\$ 8,804,976	\$ 1,143,197	\$ 5,087,802	\$ 1,489,380	\$ 1,557,550
17	Base Deficiency	\$ 272,965,240									
18	Percent Increase Excluding Contracts & Sch. 88T	51.47%									
19	Targeted Percent Increase			46.32%	64.34%	56.61%	64.34%	38.60%	77.20%	0.00%	0.00%
20	Targeted Revenue Increase	\$ 272,941,239	- \$	\$ 170,208,196	\$ 80,713,012	\$ 12,689,468	\$ 5,664,694	\$ 441,286	\$ 3,927,894	\$ (972,596)	\$ 269,285
21	Delta	\$ 24,001									
22	Allocation of Delta	\$ 24,001	- \$	\$ 14,929	\$ 7,079	\$ 1,113	\$ 497	\$ 39	\$ 345		
23	Targeted Revenue Increase Incl. Delta	\$ 272,965,240	- \$	\$ 170,223,125	\$ 80,720,091	\$ 12,690,581	\$ 5,665,191	\$ 441,325	\$ 3,928,238	\$ (972,596)	\$ 269,285
24	Total Proposed Revenue	\$ 806,370,124	- \$	\$ 537,674,349	\$ 206,177,202	\$ 35,104,225	\$ 14,470,166	\$ 1,584,522	\$ 9,016,040	\$ 516,784	\$ 1,826,835
25	Percent Increase			46.33%	64.34%	56.62%	64.34%	38.60%	77.21%	-65.30%	17.29%
26	Multiple of System Increase			0.90	1.25	1.10	1.25	0.75	1.50	(1.27)	0.34

Note 1: Contracts rate changes are governed by the contract between PSE and company
 Note 2: PSE is proposing to set Schedule 88T rates to cost to serve indicated by cost of service study.