



STATE OF WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION

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November 13, 2023

NOTICE OF BENCH REQUESTS
(Due by Monday, November 27, 2023, at 5 p.m.)

RE: *Washington Utilities and Transportation Commission v. Puget Sound Energy*, Docket UG-230393

TO PUGET SOUND ENERGY (PSE OR COMPANY):

BENCH REQUEST NO. 1:

William F. Donahue testifies that the Company has exclusive rights to send “boil-off gas” into the four-mile distribution pipeline when liquefaction is not occurring. Donahue, Exh. WFD-5T at 6:18-7:1. Donahue testifies that the volume of boil-off gas is far less than the maximum peak shaving volume, but this is a cost-causer that Staff and Public Counsel ignore. *Id.* at 7:2-4.

1. Please provide daily measurements of boil-off gas delivered from the Tacoma LNG Facility into the gas distribution system for the use of PSE’s core gas customers for the most recent twelve months available.
2. Please describe how the average daily amount of boil-off gas delivered from the Tacoma LNG Facility to PSE’s core gas customers during this same time period compares to the Facility’s maximum peak shaving volume.

BENCH REQUEST NO. 2

William F. Donahue testifies that the Company has exclusive rights to send natural gas and “boil-off gas” into the four-mile distribution pipeline when liquefaction is not occurring. Donahue, Exh. WFD-5T at 6:18-7:1.

1. Does the Company agree that its Affiliated Interest Filing in Docket UG-210111, on February 18, 2021 (Affiliated Interest Filing), establishes the exclusive rights discussed by Donahue immediately above?
2. Please identify the specific provisions in the Affiliated Interest Filing, which establish these contractual rights.

3. Please provide any agreements or incorporating documents, in addition to the Affiliated Interest Filing, which establish these contractual rights.

BENCH REQUEST NO. 3

Susan E. Free testifies that PSE's legal costs included responses to two amicus briefs. Free, Exh. SEF-4Tr at 19:8-11.

Please identify the two amicus briefs referenced in Free's testimony, cited immediately above.

BENCH REQUEST NO. 4

Referring to Free, Exhibit SEF-3, Susan E. Free provides a calculation of the Company's total revenue requirement at page 1. Line 19 of this page is titled "Net deferral rate base" which represents the sum of lines 13-18, which includes "Depreciation deferral balances" and "O&M deferral balances," among other related offsetting balances. This "Net deferral rate base" is then included in "Total rate base" on line 21, which is multiplied by the "Approved Rate of Return" on line 23, to arrive at a total "Return on rate base" of \$17.1 million, as shown on line 26. This "Return on rate base" is then added to other items affecting net operating income in lines 29-32, and totaled on line 33, which is then grossed up to arrive at the total revenue requirement of \$47.6 million, shown on line 36.

1. Please confirm whether the Company requests a rate of return on deferred O&M expenses and depreciation expenses, which are described as O&M deferral balances and depreciation deferral balances in Free, Exh. SEF-3.
2. If the Company requests a return on deferred O&M and depreciation expenses, please explain why the Company should be granted a return on its deferred O&M expenses and depreciation expenses at the Company's currently authorized rate of return.
3. If the company does not request a return on deferred O&M and depreciation expenses, please submit a revised Exhibit SEF-3 that clearly demonstrates that PSE is not seeking a return on these deferred expenses.

BENCH REQUEST NO. 5

Referring to Free, Exh. SEF-3, pages 8-9 in column (A) "Monthly Activity", Susan E. Free provides monthly deferral amounts associated with PSE's proposed return deferral. In the associated excel workbook, these amounts are hardcoded.

1. Please explain how the Company calculates these monthly deferred return amounts.
2. Please provide supporting workpapers to support the monthly deferred return amounts described above, including at a minimum, the associated rate base amounts and rate of return applied. If the associated rate base amounts include capitalized costs other than utility plant investment, please separate these out by cost category.

TO COMMISSION STAFF (STAFF):

BENCH REQUEST NO. 6

Betty A. Erdahl testifies that Staff proposes “a decrease of at least \$8.8 million...to the four-mile distribution pipeline costs collected from PSE customers.” Erdahl, Exh. BAE-1T at 2:15-17.

1. Please clarify, does this represent a rate base amount or revenue requirement amount?
2. If this references a rate base amount, please explain the effect of Staff’s proposal on the Company’s annual revenue requirement and provide any necessary workpapers to support this calculation.

BENCH REQUEST NO. 7

Betty A. Erdahl notes that the Company requests “the return on rate base, depreciation expense, and O&M costs associated with the regulated portion of the Tacoma LNG Facility” as well as certain regulatory assets. Erdahl, Exh. BAE-1CT at 8:13-15. Erdahl testifies that Staff contests PSE’s recovery of the portion of the deferred return on Tacoma LNG rate base “recorded between February 1, 2022 (the date the facility was placed in service) and January 11, 2023.” *Id.* at 9:14-16. Erdahl notes that the Commission “rarely allows a utility to book expenses into a deferral . . .” *Id.* at 9:21-22. Erdahl submits, however, that Staff does not contest the portion of the deferral balance that PSE accumulated between January 2023 and the date the Tacoma LNG tracker rates went into effect. *Id.* at 12:6-8.

1. Presuming that the Company requests a return on deferred O&M and/or depreciation expenses as noted by Erdahl, please clarify whether Staff contests PSE’s request for a return on deferred O&M and/or depreciation expenses incurred after January 11, 2023.
2. If Staff contests the Company’s request for return on deferred O&M and/or depreciation expenses incurred after January 11, 2023, please explain the amount of any proposed adjustment to disallow the return on these expenses and provide an updated Exhibit BAE-2 reflecting the adjustment(s).

Please respond to these Bench Requests no later than Monday, November 27, 2023, by 5 p.m., by electronic filing with the Commission’s Records Center. Please provide courtesy email copies to all parties and the presiding administrative law judge. If you have any questions concerning these requests, please contact Administrative Law Division Director Michael Howard at 360-664-1139 or via email at michael.howard@utc.wa.gov, or Administrative Law Judge James E. Brown II at 360-664-1163 or via email at james.brown@utc.wa.gov.

/s/ Michael Howard
MICHAEL HOWARD
Director, Administrative Law Division

cc: All Parties