

Technical Workshop  
Electric and Natural Gas Cost of Service Rulemaking  
Dockets UE-170002 and UG-170003

December 3, 2018, 9:30 am  
Room 206, Richard Hemstad Building  
1300 S Evergreen Park Drive SW  
Olympia, Washington

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**9:30 am – Introductions**

**9:35 am – Update on Draft Rules**

*Elizabeth O'Connell*

**9:40 am – New Costs and Benefits: Why Old Cost Allocation Methods do not Work for a Modern Electric Grid**

*Jim Lazar, Regulatory Assistance Project*

**10:10 am – Common Questions**

*Elizabeth O'Connell*

Topics for Discussion

1. Is a common framework for allocating common (joint) expenses acceptable? What reasons would justify differences in common costs amongst regulated utilities in Washington?
2. Is a common framework for allocating administrative and general expenses acceptable? What reasons would justify differences in A&G allocations amongst regulated utilities in Washington?
3. How much effort should be expended to develop special studies or other records to identify direct costs for individual customers or customer classes?
4. Do barriers exist for the parties to collect information necessary to perform cost studies? If so, what can the Commission do to assist in their removal?
5. What specific circumstances justify differences between companies in demand allocations? What criteria should be used to evaluate the need for differences?

**11:00 am – Break**

**11:10 am – Electricity Related Topics**

*Elizabeth O'Connell*

Topics for Discussion

6. Each regulated utility in Washington utilizes a different method for determining demand allocations. What are the reasons for & against a uniform method?
7. For what reasons should the peak-credit methodology continue to be considered to determine certain allocators?
8. How should transmission assets be allocated? What justifies differences between regulated utilities in Washington for transmission allocations?

**12:15 pm – Lunch**

**1:30 pm – Gas Related Topics**

*Elizabeth O'Connell*

Topics for Discussion

9. What is the appropriate balance of demand and throughput in developing allocation factors?
10. What justifies differences between the regulated utilities in Washington when allocating the costs of mains?
11. For what reasons should design day continue to be considered to determine certain allocators?

**2:50 pm – Wrap Up**