

**EXH. RBB-10  
DOCKETS UE-22\_\_\_/UG-22\_\_\_  
2022 PSE GENERAL RATE CASE  
WITNESS: ROQUE B. BAMBA**

**BEFORE THE  
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION,**

**Complainant,**

**v.**

**PUGET SOUND ENERGY,**

**Respondent.**

**Docket UE-22\_\_\_  
Docket UG-22\_\_\_**

**NINTH EXHIBIT (NONCONFIDENTIAL) TO THE  
PREFILED DIRECT TESTIMONY OF**

**ROQUE B. BAMBA**

**ON BEHALF OF PUGET SOUND ENERGY**

**JANUARY 31, 2022**



### MID PHASE CHANGE REQUEST

#### Current Phase: Execution - Request #1

Project Manager uses this form to request change approval to scope, schedule or budget in between CSA gates. Required for funding increases that exceed project/program budget within a fiscal year or a return of funding due to scope or schedule changes within a given fiscal year.

<b>Project/Program Title:</b> Whatcom Electric Reliability (BHM-SED #4 115 kV Reconductor)		<b>Superior Order Number:</b> WO# 111012321	
<b>Date:</b> 09/25/18		<b>Project Manager:</b> Hector Gonzalez	
<b>Project Scope:</b>		<ul style="list-style-type: none"> <li>- Replace approximately 24 linear miles of 4/0 Cu transmission conductor with 1272 ACSR transmission conductor, and also replace and upgrade distribution infrastructure/underbuild along the route. This project has been split into 6 separate phases for construction (Phase A, B, C, D, E, and WSDOT crossings).</li> <li>- Phase A: approximately 4 miles in Skagit County, anticipated to be completed in 2017 but carried over into 2018</li> <li>- Phase B: approximately 7.5 miles in Skagit County, construction currently on hold due to control zone remediation, anticipated to be completed in 2018.</li> <li>- Phase C: approximately 6 miles in Skagit and Whatcom County, pre-construction in 2018, construction scheduled for 2019.</li> <li>- Phase D: approximately 6 miles in Whatcom County/Bellingham, pre-construction in 2019, construction scheduled for 2020.</li> <li>- Phase E: approximately .5 miles in Skagit County, construction scheduled for 2021</li> <li>- WSDOT Crossings: 5 WSDOT crossings on the Sedro Woolley #4 115 kV line, pre-construction in 2018, construction scheduled for 2019.</li> </ul>	

#### Request / Benefit / Need:

Requesting an additional \$4,700,000 in 2018 capital funding in order to complete the execution phase of the remaining Phase B construction (including additional Control Zone remediation), Phase C & WSDOT crossings pre-construction activities (includes engineering, permitting, easement acquisition, vegetation management, and civil work which cannot occur between October and April due to permit restrictions) in order to be construction ready in the first quarter of 2019, and Phase A construction costs that carried over into 2018.

#### Additional Funding Request for 2018:

\$4,700,000 Capital Funding Request includes:

- \$2,800,000 – Phase A Carryover from 2017 - Phase A was started later than anticipated in 2017 due to a permitting delay. Construction was pushed into the winter months and was also impacted by storm response and daily outage requirements set forth by the load office which increased the duration of the project.
- \$1,350,000 – Phase B
- \$550,000 – Phase C & WSDOT Crossings Pre-construction Activities

\$300,000 OMRC was approved for 2018 budget. Phase A OMRC carried over into 2018, so an additional \$75,000 will be required to cover both Phase A and B OMRC for this year.

The project lifetime capital budget will also increase by \$3.4 million due to increased construction costs, higher material costs and an increase in base contingency (percentage increase due to the higher direct costs).

#### Net Increase of \$3.4 million to Project Lifetime Capital Budget:

- \$2.25 million – Increased construction costs:
  - \$1.5 million – Due to funding priorities, this project was deferred multiple years (2011-2015). The

<p>Budget Committee requested that this project be phased over 5 years to spread the capital dollars, and funding was approved for 2017 construction. This resulted in higher construction costs due to phasing the construction, inflation and increased overhead rates.</p> <ul style="list-style-type: none"> <li>○ \$500K – Additional control zone mitigation required by Skagit County on Phase B.</li> <li>○ \$200K – Additional vegetation mitigation along the corridor due to site conditions.</li> <li>○ \$50k – Added survey scope for Phase C to confirm if additional easements are required to construct per design.</li> </ul> <ul style="list-style-type: none"> <li>● \$320k – Additional material costs due to added scope/equipment to accommodate project-related outages (added line regulators)</li> <li>● \$160k – Increased base contingency - percentage increase due to higher direct costs</li> <li>● \$700k – Increased overheads - percentage increase due to higher direct costs</li> </ul>
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#### Reevaluation of Alternatives:

The alternatives listed below, found in the Project Implementation Plan dated 6/26/18, have been reviewed and reevaluated.

Alternative 1: Do nothing/leave line in place as is.

Alternative 2: Maintain existing line, only replace bad order poles and keep Corrective Action Plan (Over current scheme which opens the line at Sedro Woolley sub to prevent it from overloading).

Alternative 3: Construct a new 115 kV line between Sedro Woolley and Bellingham substations in a new transmission corridor, and adding a new line bay at each substation.

The decision to rebuild and reconductor the existing Bellingham-Sedro #4 line has been reevaluated and reconfirmed. Rebuilding this line in place is the most cost effective solution as it utilizes the established transmission corridor. Constructing the 25 mile line in a new corridor would require securing new property rights through DNR and timber land, along with obtaining rights from multiple municipalities and counties. The current scope continues to meet the capacity and reliability objectives of the project. In addition, Phase A of this project is complete and Phase B is ongoing, establishing a sunk cost investment and justification to continue with the project as currently designed and permitted.

Capital Budget	\$ + or - change	Notes
Current fiscal year capital budget	\$3,000,000	
Requested + or - change in current fiscal year capital budget	\$4,700,000	
If approved, new fiscal year capital budget total	\$7,700,000	
Net increase to project lifetime capital budget	\$3,400,000	New Lifetime Budget: \$23,000,000

OMRC Budget	\$ + or - change	Notes
Current fiscal year OMRC budget	\$300,000	
Requested + or - change in current fiscal year OMRC budget	\$75,000	
If approved, new fiscal year OMRC budget total	\$375,000	
Net increase to project lifetime OMRC budget	\$80,000	

#### Approvals: ( ) Gas Project (X) Electric Project

Manager Project Management	Roque Bamba	<i>Roque Bamba</i> 9/26/2018
Manager Electric System Planning	Jens Nedrud	
Director Project Delivery	Michael Richardson	Mike Richardson 9/28/2018

Director Planning	Catherine Koch	
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**Pagano, Tony**

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**From:** Nedrud, Jens - Transmission  
**Sent:** Wednesday, October 03, 2018 10:26 PM  
**To:** Gonzalez, Hector; Markham, Elaine  
**Cc:** Pagano, Tony; Bamba, Roque; Richardson, Mike  
**Subject:** Re: Sedro #4 Mid Phase Change Request Form

Hector,  
I'm out on parental leave as my second child came a week early. I've read this on my phone and approve.

I'll return to work on Oct 20th and can follow up with my signature. If not Elaine Markham can sign for planning while I'm out.

I've included heron this thread.

Jens Nedrud  
Manager System Planning  
Puget Sound Energy

On Sep 28, 2018, at 1:44 PM, Gonzalez, Hector <[Hector.Gonzalez@pse.com](mailto:Hector.Gonzalez@pse.com)> wrote:

Jens,

Please use the attached revised MPCR to sign off on. It has Mike's and Roque's signature.

Regards,

***Hector Gonzalez, PMP***

*Project Manager  
Major Projects  
PUGET SOUND ENERGY  
35131 SE Center Street (NEW LOCATION)  
Snoqualmie, WA 98065  
Mail stop: SQE-OTC  
c 425.463.5926  
o 425.396.3709 (NEW NUMBER)*

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**From:** Gonzalez, Hector  
**Sent:** Friday, September 28, 2018 11:27 AM  
**To:** Nedrud, Jens - Transmission  
**Cc:** Pagano, Tony; Bamba, Roque  
**Subject:** FW: Sedro #4 Mid Phase Change Request Form

Hi Jens,

I left you a voicemail earlier regarding the updated MPCR. I've attached a copy for your review and signature. We added a Reevaluation of Alternatives box in the MPCR to cover Cathy's additional questions and additional clarifications in the Request/Benefit/Need box. If you are in Bellevue today, I can swing by and collect a signature from you if you're okay with the changes and then follow up with Mike. Let me know if you have any questions.

**Pagano, Tony**

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**From:** Gonzalez, Hector  
**Sent:** Monday, October 01, 2018 12:10 PM  
**To:** Pagano, Tony; Bamba, Roque  
**Subject:** Fwd: Sedro #4 Mid Phase Change Request Form

Hey Tony,

Per our earlier conversation, I'm forwarding you the email I received from Cathy. I haven't sent her the updated mpcr since I need one more signature, do you think I'm good to go after I get Jens signature? I have Mike's and Roque's already.

Thanks!

Sent from my iPhone

Begin forwarded message:

**From:** "Koch, Cathy" <[cathy.koch@pse.com](mailto:cathy.koch@pse.com)>  
**Date:** October 1, 2018 at 8:10:42 AM PDT  
**To:** "Gonzalez, Hector" <[Hector.Gonzalez@pse.com](mailto:Hector.Gonzalez@pse.com)>  
**Subject:** RE: Sedro #4 Mid Phase Change Request Form

Thanks.

I approve.

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**From:** Gonzalez, Hector  
**Sent:** Friday, September 28, 2018 10:47 AM  
**To:** Koch, Cathy  
**Cc:** Bamba, Roque; Pagano, Tony; Richardson, Mike; Nedrud, Jens - Transmission  
**Subject:** RE: Sedro #4 Mid Phase Change Request Form

Good morning Cathy,

We've made revisions to the MPCR to incorporate information you requested below. I'll send you the updated MPCR once we have all required signatures on it.

Thanks,

***Hector Gonzalez, PMP***

*Project Manager*  
*Major Projects*  
PUGET SOUND ENERGY  
35131 SE Center Street (NEW LOCATION)  
Snoqualmie, WA 98065  
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c 425.463.5926  
o 425.396.3709 (NEW NUMBER)