

**EXHIBIT NO. ___(HSY-1T)
DOCKET NO. UG-15____
WITNESS: HAROLD “SKIP” YORK**

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Petition of

PUGET SOUND ENERGY, INC.

**for (i) Approval of a Special Contract for
Liquefied Natural Gas Fuel Service with
Totem Ocean Trailer Express, Inc. and
(ii) a Declaratory Order Approving the
Methodology for Allocating Costs
Between Regulated and Non-regulated
Liquefied Natural Gas Services**

DOCKET NO. UG-15____

**PREFILED DIRECT TESTIMONY (NONCONFIDENTIAL) OF
HAROLD “SKIP” YORK, Ph.D.
ON BEHALF OF PUGET SOUND ENERGY, INC.**

AUGUST 11, 2015

PUGET SOUND ENERGY, INC.

**PREFILED DIRECT TESTIMONY (NONCONFIDENTIAL) OF
HAROLD “SKIP” YORK Ph.D.**

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1 **PUGET SOUND ENERGY INC.**

2 **PREFILED DIRECT TESTIMONY OF**
3 **HAROLD “SKIP” YORK**

4 **I. INTRODUCTION**

5 **Q. Please state your name, business address, and occupation.**

6 A. My name is Harold “Skip” York, Ph.D. My business address is 5847 San Felipe,
7 Suite 1000, Houston, Texas. I am Vice President – Integrated Energy at Wood
8 Mackenzie.

9 **Q. Have you prepared an exhibit describing your education, relevant**
10 **employment experience, and other professional qualifications?**

11 A. Yes, I have. It is Exhibit No. ____ (HSY-2).

12 **Q. What are some of your duties as Vice President – Integrated Energy?**

13 A. I am responsible for cross-segment integration of petroleum market and
14 infrastructure issues for North America. With over 20 years of worldwide
15 experience across the energy value chain, I have deep expertise in petroleum
16 economics and price-setting mechanism including non-fungible crudes across a
17 number of markets, natural gas liquids, and leveraging technologies for
18 competitive advantage.

19 **Q. Please summarize the purpose of your prefiled direct testimony.**

20 A. My testimony introduces two studies of the projected price spreads of ultra-low-
21 sulfur diesel (“ULSD”) and intermediate fuel oil 380 (“IFO-380”) to Sumas

1 natural gas prices. The first study was conducted in March 2014, and the second
2 study is an update to the March 2014 report.

3 **II. THE WOOD MACKENZIE REPORTS**

4 **Q. Please describe the reports prepared for PSE by Wood Mackenzie.**

5 A. In 2014, PSE retained Wood Mackenzie to undertake a study of the projected
6 price spreads of ULSD and IFO-380 to Sumas natural gas prices. Wood
7 Mackenzie provided a report entitled “Natural Gas, ULSD and Fuel Oil Dynamics
8 Study” to PSE in March 2014 (the “2014 Wood Mackenzie Report”). Please see
9 Exhibit No. ____ (HSY-3HC) for a copy of the 2014 Wood Mackenzie Report.

10 More recently, PSE retained Wood Mackenzie to reconsider the findings of the
11 2014 Wood Mackenzie Report, in light of the decline in oil prices in the second
12 half of 2014, which changed the outlook of the expected price differential
13 between natural gas and oil, especially in the short term. Wood Mackenzie
14 provided a second report entitled “Natural Gas, ULSD and Fuel Oil Dynamics
15 Update” to PSE in January 2015 (the “2015 Wood Mackenzie Report Update”).
16 Please see Exhibit No. ____ (HSY-4HC) for a copy of the 2015 Wood Mackenzie
17 Report Update.

18 **III. CONCLUSION**

19 **Q. Does this conclude your prefiled direct testimony?**

20 A. Yes.