**EXHIBIT NO. \_\_\_(HSY-1T)**

**DOCKET NO. UG-15\_\_\_\_**

**WITNESS:  HAROLD “SKIP” YORK**

**BEFORE THE**

**WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

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| **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 DIECT 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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**PUGET SOUND ENERGY INC.**

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

# I. INTRODUCTION

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

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

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

A. Yes, I have. It is Exhibit No. \_\_\_(HSY-2).

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

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

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

A. My testimony introduces two studies of the projected price spreads of ultra-low-sulfur diesel (“ULSD”) and intermediate fuel oil 380 (“IFO-380”) to Sumas natural gas prices. The first study was conducted in March 2014, and the second study is an update to the March 2014 report.

# II. THE WOOD MACKENZIE REPORTS

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

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

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

# III. CONCLUSION

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

A. Yes.

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WAC 480-07-160**

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