

**EXH. WFD-3
DOCKET UG-230393
WITNESS: WILLIAM F. DONAHUE**

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

PUGET SOUND ENERGY,

Respondent.

Docket UG-230393

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

WILLIAM F. DONAHUE

ON BEHALF OF PUGET SOUND ENERGY

MAY 25, 2023

Allocation of Cap-Ex for Distribution Upgrade Projects related to providing service to/from Tacoma LNG

Note: Dist. Upgrades were never included in the CapEx Allocation of Tac.LNG plant costs by function discussed in the prior Settlement. It was always intended that Dist. Upgrade costs would be part of the gas system and recovered through sales or transportation service.

To Tacoma LNG = 21,400 Dth/day or .89M scfh - Impacts on Upgrades 1,2 and 3
From Tacoma LNG = 66,000 Dth/day or 2.75M scfh - Impacts on Upgrade 1 only.

Project	CapEx (\$Million)	In-Service Date	Allocation %			CapEx Allocated			
			Non LNG PSE Dist	LNG for PSE Dist	PSE Dist for PLNG	Non LNG PSE Dist	LNG for PSE Dist	PSE Dist for PLNG	Total
Upgrade 1									
4 mile 16" line (est. attributed as follows:)									
50% of 85% cost for permits, trench & 12" pipe (21,400 to plant)	\$ 11.65	Oct.2017	0.0%	10.0%	90.0%	\$ -	\$ 1.16	\$ 10.48	
50% of 85% cost for permits, trench & 12" pipe (21,400 from plant)	\$ 11.65	Oct.2017	0.0%	100.0%	0.0%	\$ -	\$ 11.65	\$ -	
15% for upgrade to 16" (66,000 less 21,400 from plant)	\$ 4.11	Oct.2017	0.0%	100.0%	0.0%	\$ -	\$ 4.11	\$ -	
<i>-estimates by Gas Sys Planning - may be capable of other minor volumes, but unplanned, so 100% attributed to plant)</i>	\$ 27.40					\$ -	\$ 16.92	\$ 10.48	\$ 27.40
						0.0%	61.8%	38.3%	
						PSE=	61.8%		
Upgrade 3									
upgrade Frederickson Meter Station									
2.356 Mscfh to 6.0 Mscfh (delta 3.644 Mscfh)									
Tacoma LNG = 21,400Dth/day = .892 Mscfh or 24.48% of total allocate per liquefaction %	\$ 4.10	Sept.2017	75.52%	2.45%	22.03%	\$ 3.10	\$ 0.10	\$ 0.90	\$ 4.10
<i>-intentionally up-sized to accomodate other growth -previous and future (75.5%) unrelated to Tac.LNG</i>						75.5%	2.4%	22.0%	
						PSE=	78.0%		
2019 Rate Case Total	\$ 31.50					\$ 3.10	\$ 17.02	\$ 11.38	\$ 31.50
						9.8%	54.0%	36.1%	
						PSE=	63.9%		
Upgrade 2 (exact final costs not yet determined- estimate from 9/11/2020)									
1 mile 12" line + GoldenGiven LS									
allocate per liquefaction %									
<i>-as planned - upsized for system load growth (39.8%) unrelated to Tac.LNG (See File: Golden Givens PipeCost Sharing (40 yr average))</i>	\$ 12.80	in process	39.84%	6.02%	54.14%	\$ 5.10	\$ 0.77	\$ 6.93	\$ 12.80
						39.8%	6.0%	54.1%	
						PSE=	45.9%		
Total Upgrades 1-3	\$ 44.30					\$ 8.20	\$ 17.79	\$ 18.31	\$ 44.30
PSE-Tacoma LNG-PSE Meter Station- 3 meters (exact final costs not yet determined- estimate from 9/11/2020)									
deliver 21,400 (allocate per liquefaction %)	\$ 0.70	in process	0.0%	10.0%	90.0%	\$ -	\$ 0.07	\$ 0.63	\$ 0.70
receive 66,000 (allocate per vaporization %)	\$ 1.06	in process	0.0%	100.0%	0.0%	\$ -	\$ 1.06	\$ -	\$ 1.06
Boil Off gas (allocate per tank capacity %)	\$ 0.36	in process	0.0%	78.8%	21.3%	\$ -	\$ 0.28	\$ 0.08	\$ 0.36
Total Meter Station (to/from Plant)	\$ 2.11					\$ -	\$ 1.41	\$ 0.70	\$ 2.11
<i>-solely for Tacoma LNG plant</i>						0.0%	66.7%	33.3%	
						PSE=	66.7%		
Total Upgrades 1- 3, plus Plant Meter Station	\$ 46.41				Total Costs	\$ 8.20	\$ 19.20	\$ 19.02	\$ 46.41
All owned & operated as part of PSE Distribution System					Total Costs	17.7%	41.4%	41.0%	
						PSE=	59.0%		

only portion of Projects identified for specific exclusion from RS 87T rates in Settlement

Note: Because PLNG will have transportation service and pay a RS 87T rate, the allocated total of \$19.02 M should be considered the "main extension cost" for service to PLNG and compared to RS 87T margin allowance under Rule 6 to determine if a CIAC is required or not. This is how PSE would determine service costs to any other new RS 87T customer.