

**EXH. WFD-4
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

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

WILLIAM F. DONAHUE

ON BEHALF OF PUGET SOUND ENERGY

MAY 25, 2023

Application of Rule 6 to Transport Service under RS 87T for Puget LNG

PLNG Volume Assumptions-Most Conservative (Delay for Tote and Full Commitment by 2027)

starting:		Gallons	Dth/yr	Dth/d	Therm per year
4/1/2021	Potelco	650,000	55,640	152	556,400
4/1/2021	Other via truck	100,000	8,560	23	85,600
4/1/2022	Tote 1st ship	20,600,000	1,763,360	4,831	17,633,600
4/1/2023	Tote 2nd ship	20,600,000	1,763,360	4,831	17,633,600
7/1/2024	New #1	20,250,000	1,733,400	4,749	17,334,000
7/1/2026	New #2	20,250,000	1,733,400	4,749	17,334,000
		<u>82,450,000</u>	<u>7,057,720</u>	<u>19,336</u>	<u>70,577,200</u>

	Gallons	Dth	Dth/d	Total Therms	Rule 6 Credit	Rule 6 Allowance	Allocated CapEx
2021	750,000	64,200	176	642,000	0.41	\$ 263,220	\$ 19,016,819
2022	16,200,000	1,386,720	3,799	13,867,200	0.41	\$ 5,685,552	\$ 19,016,819
2023	36,800,000	3,150,080	8,630	31,500,800	0.41	\$ 12,915,328	\$ 19,016,819
2024	52,075,000	4,457,620	12,213	44,576,200	0.41	\$ 18,276,242	\$ 19,016,819
2025	62,200,000	5,324,320	14,587	53,243,200	0.41	\$ 21,829,712	\$ 19,016,819
2026	72,325,000	6,191,020	16,962	61,910,200	0.41	\$ 25,383,182	\$ 19,016,819
2027	82,450,000	7,057,720	19,336	70,577,200	0.41	\$ 28,936,652	\$ 19,016,819
2028	82,450,000	7,057,720	19,336	70,577,200	0.41	\$ 28,936,652	\$ 19,016,819
2029	82,450,000	7,057,720	19,336	70,577,200	0.41	\$ 28,936,652	\$ 19,016,819
2030	82,450,000	7,057,720	19,336	70,577,200	0.41	\$ 28,936,652	\$ 19,016,819

	Total Therms	Ave. Therms/Yr	Rule 6 Credit	Rule 6 Allowance	Allocated CapEx
First 5 yrs	143,829,400	28,765,880	0.41	\$ 11,794,011	\$ 19,016,819
First 6 yrs	205,739,600	34,289,933	0.41	\$ 14,058,873	\$ 19,016,819
First 7 yrs	276,316,800	39,473,829	0.41	\$ 16,184,270	\$ 19,016,819
First 8 yrs	346,894,000	43,361,750	0.41	\$ 17,778,318	\$ 19,016,819
First 9 yrs	417,471,200	46,385,689	0.41	\$ 19,018,132	\$ 19,016,819
First 10 yrs	488,048,400	48,804,840	0.41	\$ 20,009,984	\$ 19,016,819

PLNG volumes times the Rule 6 credit are greater than the Allocated Capital Costs (\$19.02M) to provide the service by year 5 (and all years thereafter) and on average over the ten year contract term. **Therefore, no CIAC is required.**

Revisit with Volumes included in Rate Case

	Gallons	Dth	Dth/d	Total Therms	Rule 6 Credit	Rule 6 Allowance	Allocated CapEx
2021	-	-	-	-	0.41	\$ -	\$ 19,016,819
2022	15,276,779	1,307,692	3,583	13,076,923	0.41	\$ 5,361,538	\$ 19,016,819
2023	36,744,147	3,145,299	8,617	31,452,990	0.41	\$ 12,895,726	\$ 19,016,819
2024	51,995,961	4,450,854	12,194	44,508,543	0.41	\$ 18,248,503	\$ 19,016,819
2025	62,105,599	5,316,239	14,565	53,162,393	0.41	\$ 21,796,581	\$ 19,016,819
2026	72,215,233	6,181,624	16,936	61,816,239	0.41	\$ 25,344,658	\$ 19,016,819
2027	82,324,862	7,047,008	19,307	70,470,082	0.41	\$ 28,892,734	\$ 19,016,819
2028	82,324,862	7,047,008	19,307	70,470,082	0.41	\$ 28,892,734	\$ 19,016,819
2029	82,324,862	7,047,008	19,307	70,470,082	0.41	\$ 28,892,734	\$ 19,016,819
2030	82,324,862	7,047,008	19,307	70,470,082	0.41	\$ 28,892,734	\$ 19,016,819

	Total Therms	Ave. Therms/Yr	Rule 6 Credit	Rule 6 Allowance	Allocated CapEx
First 5 yrs	142,200,849	28,440,170	0.41	\$ 11,660,470	\$ 19,016,819
First 6 yrs	204,017,088	34,002,848	0.41	\$ 13,941,168	\$ 19,016,819
First 7 yrs	274,487,170	39,212,453	0.41	\$ 16,077,106	\$ 19,016,819
First 8 yrs	344,957,252	43,119,657	0.41	\$ 17,679,059	\$ 19,016,819
First 9 yrs	415,427,334	46,158,593	0.41	\$ 18,925,023	\$ 19,016,819
First 10 yrs	485,897,416	48,589,742	0.41	\$ 19,921,794	\$ 19,016,819

PLNG volumes times the Rule 6 credit are greater than the Allocated Capital Costs (\$19.02M) to provide the service by year 5 (and all years thereafter) and on average over the ten year contract term. **Therefore, no CIAC is required.**