

**EXH. DJL-3 (Apx. N)
DOCKETS UE-240004/UG-240005
2024 PSE GENERAL RATE CASE
WITNESS: DAVID J. LANDERS**

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

PUGET SOUND ENERGY,

Respondent.

**Docket UE-240004
Docket UG-240005**

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

DAVID J. LANDERS

ON BEHALF OF PUGET SOUND ENERGY

FEBRUARY 15, 2024

NO RECORD FACILITY REMEDIATION

ENERGY TYPE: GAS

1. SHORT DESCRIPTION

The No Record Facility Remediation Program mitigates the integrity risks from service lines that cannot be found in the field but no retirement record exists.

2. BACKGROUND

No Record Facilities (NRFs) are services that are shown as active in the mapping system, but the aboveground portion of the service cannot be found in the field. If the aboveground portion of the service is not able to be located during leak surveys and patrols then the facility is mapped “NR” to indicate that no record exists for the cut and cap.

NRFs were predominately identified through the SKIP Program starting in 2016 where a field inspection was “skipped” when no aboveground piping could be found. The remaining NRFs were identified through the Deactivated Gas Line Inspection Program (DGLI). Through SKIP and DGLI inspections, many NRFs were investigated and found to be live idle risers that were either difficult to locate or intentionally bent over and buried.

3. STATEMENT OF NEED

NRF’s are services in which the aboveground portion cannot be located in the field, so leak surveys cannot be accurately performed. The services may have been improperly deactivated and in unknown condition which poses an elevated risk of Outside Force Damage and Corrosion adjacent to the building.

3.1. NEED DRIVERS

- **Safety:** The main driver for the No Record Facility Remediation Program is to c
- **Environmental:** A secondary driver for the No Record Facility Remediation Program is to reduce future methane emissions resulting from these services.

3.2. EQUITY

PSE evaluates equity in the planning process with consideration of the four core tenets of energy justice: Recognition Justice, Procedural Justice, Distributional Justice, and Restorative Justice in various steps of the process.

As specific studies are performed and projects proposed to further a business plan, planners review system, customers, and now equity data to recognize the specific customer burdens, whether there are highly impacted or vulnerable customers that are or

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will be affected by addressing the specific business need. Planners must prioritize where to focus their study each year, thus the full understanding of the historic and ongoing inequities for the business plan is extrapolated at this time and will mature over time with greater tools and data.

PSE is building process and tools to enable procedural inclusion in defining the need and solutions through engagement with specific communities and community based organizations, increasing understanding of local needs and consequences to inform specific study development as well as options to address need. Maturity in where and how this occurs will increase over the next several years. Business plans will be updated as informed by this collective engagement to reflect broader equity benefits and burdens as engagement increases over time.

As specific projects are proposed, PSE investment decision optimization tool captures equity benefits. An optimized portfolio of projects across many business plans ensures the distribution of benefits and burdens are spread across all segments of the community and aim to ensure that marginalized and vulnerable communities do not receive an inordinate share of burdens or are denied access to benefits. As an initial step, PSE leverages Customer Benefit Indicators (“CBI”) and information established as part of the 2021 Clean Energy Implementation Plan (“CEIP”) to identify an equity framework to evaluate system projects. The CBI approach was developed through an iterative process that was coordinated with the Equity Advisory Group. These CBI span the core tenets of energy justice and provide a framework to evaluate the comparative equity benefit of each solution alternative considered. Refer to Table 1 for a brief description of the CBIs that address equity and the applicable benefits for the No Record Facilities program. PSE will continue to adjust and refine equity consideration in projects when necessary as the process continues to mature.

Projects will be evaluated on each CBI category and a total equity benefit score will be provided.

Table 1: Equity Applicable Benefits

Customer Benefit Indicator	Description	Program Applicable Benefit
Customer Energy Savings	Solutions that lead customers to use less energy, which leads to less energy that must be purchased and potentially a reduction in planned system upgrades.	No
Greenhouse Gas Emissions	Solutions that lead to a reduction of greenhouse gas emissions, either directly or indirectly	Yes
Enables Cleaner Energy	Solutions that either directly integrate DER on the system or enable the grid to more readily accommodate future DER.	No
Air Quality	Solutions that either directly eliminate the source of a common pollutant or reduce the risk that could cause a	No

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	common pollutant to increase, such as enabling Electric Vehicle or DER adoption	
Resilience	Solutions that address major event outages or harden critical facilities to prevent catastrophic events from creating long duration outages.	No
Cost Reduction	Solutions that identify least cost alternatives and therefore reduce costs for all customers	No
Clean Energy Jobs	Solutions that increase clean energy jobs by furthering clean energy technology application, as described in the CEIP	No
Home Comfort	Solutions that deploy residential energy efficiency in either a targeted solution area or by leveraging load reduction from system wide energy efficiency installations	No

The program attempts to annually address the risk of no record facilities and is programmatically optimized based on total benefit value to cost. Specific program projects are identified based total benefit to cost with named communities receiving additional scored benefit based on vulnerable population designation and highly impacted community characteristics, ensuring investments are distributed appropriately to named communities.

Business plans in isolation do not address restorative justice, but continued planning process improvements which include considerations of data, tools, and documentation as well as operational practices will help to restore equity over time.

4. PLAN DETAIL

4.1. PLAN SIZE/POPULATION

The No Record Facilities plan consists of a population of 3,000 services. Additional services may be incorporated into the plan as they are field identified through the SKIP program. At the completion of the PRP master plan population there will need to be an evaluation of the remaining population based on total number of new reports.

4.2. PROPOSED COMPLETION DATE

The current target is to remediate the population of 3,000 NRFs by 2028.

4.3. SUMMARY OF PLAN BENEFITS

- **Safety:** The No Record Facilities plan mitigates the risk of service that may be improperly deactivated and cannot be leak surveyed. Remediation of the original

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population of 3,000 services is expected to reduce risk by 24 risk points¹, out of 482 total distribution system risk points as of year-end 2022.

- **Stakeholder Relationships:** The plan improves our public perception from stakeholder groups such as UTC, cities, and customers through efforts to identify and remediate No Record Facilities.

4.4 PRIMARY IDOT CATEGORIES

PSE’s employs an Investment Decision Optimization Tool (iDOT) to evaluate benefits of projects and optimize the annual portfolios for construction. The top primary iDOT Categories this plan addresses are:

- Health and Safety
- Stakeholders

Table 2 – iDOT Benefit

2025 Forecast Cost (\$)²	2025 iDOT Benefit (\$)	2025 Benefit / Cost Ratio
\$500,000 (CAP)	\$7,495,644	14.99
\$1,500,000 (O&M)	\$1,500,000	1

O&M programs cannot be calculated in iDOT. For O&M Benefit/ Cost Ratio it is assumed every dollar spent gives a benefit of the same amount.

4.5. ESTIMATED COSTS

The programmatic costs to complete the No Record Facilities plan from 2024 until 2028 is approximately \$15 million. This is based on remediating the original population of 3,000 services at an accelerated rate.

5. ALTERNATIVES

5.1. SOLUTION ALTERNATIVES

Proactive Remediation: The selected alternative is to remediate NRFs as part of a planned approach prior to leaks occurring.

Reactive Remediation: The alternative not selected would be to wait until NRFs are discovered by leaking, and then remediate. This could lead to hazardous leaks occurring adjacent to the building wall.

¹ The plan benefit of risk reduction is quantified by using DIMP risk points. Through DIMP, plans are scored based on the probability of a failure or leak occurring and the consequence resulting from a failure or leak

² Includes Capital and O&M

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5.2. FUNDING ALTERNATIVES

No Action: Without a plan in place, PSE would face the risk of leaks or inadvertent damage occurring to NRFs adjacent to the building wall.

Increased Funding: With increased funding, NRFs can be remediated at a quicker rate. In order to fully realize the benefits of increased funding there would need to be additional field resources dedicated to the No Record Facilities plan.

Decreased Funding: Reducing the current funding levels would result in NRFs being remediated at a slower rate, increasing chances that result in a leak due to Outside Force Damage or Corrosion.

5. PLAN DOCUMENT HISTORY

Date	Reason(s) for Update	Summary of Significant Change(s)	Modified By
9/7/2023	Initial program document and 2024 MYRP update	New document created	Parker Indorf

6. SUPPORTING DOCUMENTATION

Document Name
DIMP SUMMARY OF ADDITIONAL AND ACCELERATED ACTIONS
PIPELINE REPLACEMENT PROGRAM PLAN
CONTINUING SURVEILLANCE ANNUAL REPORT
DIMP RISK GRAPHIC