

**EXH. DJL-3 (Apdx. B)
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 B (NONCONFIDENTIAL) TO THE SECOND EXHIBIT TO THE
PREFILED DIRECT TESTIMONY OF**

DAVID J. LANDERS

ON BEHALF OF PUGET SOUND ENERGY

FEBRUARY 15, 2024



Gas Operations
Corporate Spending Authorization (CSA)

Date Created:	Friday, February 10, 2023
Discretionary/ Non-Discretionary:	Non-Discretionary
Multi Year Rate Plan:	Programmatic
Equity Impact:	Yes
Strategic Alignment:	Operate the Business-Safety
Estimated In-Service Date:	Sunday, December 31, 2028
Current State (Business Need):	<p>To ensure pipeline safety, PSE must respond in year to safety and maintenance concerns that emerge and cannot be put off to a future budget year. This is referred to as "corrective maintenance" as a result of failures and maintenance and inspection activities which includes direct response to leaks, plumber calls regarding cross bores, events that put compliance at risk, ensure system visibility and situational awareness, address meter issues, and prepare for manual actions to meet peak loads when infrastructure work is deferred or delayed.</p>



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Desired State (Proposed Solution):

Solutions are generally direct replacement of like kind assets including mains, services, meters, gauges, regulators, and monitoring equipment. This activity is monitored by Gas System Integrity to inform larger infrastructure needs and set priorities as needed. Specific work as follows:
Install, replace, exchange or resize AMR and AMI meters not associated with the AMI installation project.
Perform periodic meter changes as required.
Remediate non-registering industrial meters.
Remediate unmaintainable industrial meter sets.
Repair emergent hazardous leaks
Service repair or retirement due to sewer cross bores.
Replacement of services where the cost is borne by PSE.
Mitigate cathodic protection system deficiencies.



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Outcome/Results
(What are the
anticipated benefits):

Address imminent safety, compliance concerns, and customers satisfaction.

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Dependencies:	No
Dependencies comment:	None.
Escalation Included:	Yes, escalation has been included per corporate guidance.
Total Estimated Costs:	\$140,472,188

Estimated Five Year Allocation:										
Funds Type	ID	Line Item Description	Previous Years Actuals	Fiscal 2024 Requested	Fiscal 2025 Requested	Fiscal 2026 Requested	Fiscal 2027 Requested	Fiscal 2028 Requested		
Capital	W_R.10037.01.01.06	G Removal Cost Meters	\$ -	\$ 137,145	\$ 141,255	\$ 145,495	\$ 149,900	\$ 155,000		
Capital	W_R.10024.02.01.01	G NonRegistering Meters Dist	\$ -	\$ 202,950	\$ 209,040	\$ 215,310	\$ 221,800	\$ 230,000		
Capital	W_R.10024.01.01.09	G AMI Operations	\$ -	\$ 1,545,980.00	\$ 2,076,185.00	\$ 2,138,480.00	\$ 2,202,600.00	\$ 2,300,000.00		
Capital	W_R.10024.01.01.04	G AMR Operations	\$ -	\$ 1,000,000.00	\$ -	\$ -	\$ -	\$ -		
Capital	W_R.10015.04.01.09	G Gas Work Release Service	\$ -	\$ 2,550,000.00	\$ 2,620,000.00	\$ 2,700,000.00	\$ 2,780,000.00	\$ 2,800,000.00		
Capital	W_R.10015.04.01.08	G Gas Work Release Main	\$ -	\$ 318,270.00	\$ 327,818.00	\$ 337,653.00	\$ 347,800.00	\$ 358,000.00		

Incremental O&M: No

Qualitative Benefits: The primary benefit of this program is public, employee, and pipeline safety.

Quantitative Benefits	Benefit Type	Previous Years	Fiscal 2023	Fiscal 2024	Fiscal 2025	Fiscal 2026	Fiscal 2027	Fiscal 2028	Remaining Costs	Life Total

Risk Summary: Project risk is minimal as much of this work is completed upon discovery. Some of this work requires permitting which can put compliance timelines at risk specifically when addressing cathodic protection mitigation.

Benefit risk is minimal as the benefit is realized upon completion of the work.

System risk is high if work is not completed timely.



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Change Summary:

Planning Cycle	Change Summary	Last Update Date
2022 Baseline Cycle	This CSA has been migrated into the EPPM tool at go-live as part of the Phase 1 EPPM implementation effort. The projects in this CSA were previously approved for the 2023-2027 capital plan. Please refer to the original CSA document for additional information (if available.)	2/10/2023



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Approval History:

Approved By	Date Approved
Approved by Cost Center Owner: Daugherty , Kaaren	4/6/2023
Approved by Director Sponsor: Daugherty , Kaaren	4/6/2023
Approved by Executive Sponsor: Koch , Dan	4/6/2023
CSA Status changed to Approved	4/6/2023
Approved by Cost Center Owner: Lim , Thina	12/5/2023
Approved by Director Sponsor: Lim , Thina	12/5/2023
Approved by Executive Sponsor: Lim , Thina	12/5/2023
CSA Status changed to Approved	12/5/2023
Approved by Cost Center Owner: Daugherty , Kaaren	1/31/2024
Approved by Director Sponsor: Daugherty , Kaaren	1/31/2024
Approved by Executive Sponsor: Vargo , Michelle	2/1/2024
CSA Status changed to Approved	2/1/2024