

**EXHIBIT NO. ___(HSY-1T)
DOCKET NO. UG-151663
WITNESS: HAROLD "SKIP" YORK**

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

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**

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**PREFILED DIRECT TESTIMONY (NONCONFIDENTIAL) OF
HAROLD "SKIP" YORK, Ph.D.
ON BEHALF OF PUGET SOUND ENERGY, INC.**

**AUGUST 11, 2015
REVISED SEPTEMBER 23, 2015**

1 natural gas prices. The first study was conducted in March 2014, and the second
2 study is an update to the March 2014 report.

3 II. THE WOOD MACKENZIE REPORTS

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

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

10 More recently, PSE retained Wood Mackenzie to reconsider the findings of the
11 2014 Wood Mackenzie Report, in light of the decline in oil prices in the second
12 half of 2014, which changed the outlook of the expected price differential
13 between natural gas and oil, especially in the short term. Wood Mackenzie
14 provided a second report entitled “Natural Gas, ULSD and Fuel Oil Dynamics
15 Update” to PSE in January 2015 (the “2015 Wood Mackenzie Report Update”).
16 Please see Exhibit No. ____ (HSY-4HC) for a copy of the 2015 Wood Mackenzie
17 Report Update.

18 III. CONCLUSION

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

20 A. Yes.