**EXHIBIT NO. \_\_\_(HSY-1T)**

**DOCKET NO. UG-151663**

**WITNESS:  HAROLD “SKIP” YORK**

**BEFORE THE**

**WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

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| **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** | **DOCKET NO. UG-151663** |

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

**REVISED SEPTEMBER 23, 2015**

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

# II. THE WOOD MACKENZIE REPORTS

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

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

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

# III. CONCLUSION

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

A. Yes.

**Confidential per  
WAC 480-07-160**

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