

From: [Roberts, Andrew \(UTC\)](#) on behalf of [Public Involvement \(UTC\)](#)
To: [UTC DL Records Center](#)
Subject: FW: Comment: RE: UE-151871 and UG-151872- PSE Appliance Leasing
Date: Tuesday, July 26, 2016 3:29:14 PM
Attachments: [image005.emz](#)
[image004.wmz](#)
[image005.png](#)

Hello,

Can you please add this to docket UE-151871?

Thank you,

Andrew

From: iba [mailto:iba@isomedia.com]
Sent: Thursday, July 21, 2016 4:02 PM
To: Public Involvement (UTC)
Subject: Comment: RE: UE-151871 and UG-151872- PSE Appliance Leasing

July 21, 2016

Utilities and Transportation Commission
P.O Box 47250
Olympia, WA 98504-7250

RE: UE-151871 and UG-151872- PSE Appliance Leasing

Dear Commissioners:

On behalf of Independent Business Association and its 2139 utility ratepayer small businesses, including 100+ HVAC contactors. IBA strongly opposes Puget Sound Energy's proposed appliance leasing program as we did in 1992 when Washington Natural Gas (WNG) attempted and failed to fairly implement a residential appliance marketing program that the Commission ultimately ended due to its unfair use of WNG's rate-base resources and its unfair rate-base subsidies.

I, through IBA, have represented small business in Washington State for over four decades. IBA has appeared before the UTC numerous times in the past and we have watched evolving technologies, evolving markets, and a lot of change. One thing has remained consistent- competitive free markets remain the best provider of technological improvement, implementation, lower prices, and more consumer options. Monopolies have historically failed to deliver on all these fronts, including the

utility industry.

One just has to look at the evolution of telecom since the break-up of the Bell System. Could you imagine Pacific Northwest Bell coming to the Commission and requesting regulatory cover to expand into selling personal computers, tablets, software, computer game systems, computer peripherals, etc. as a regulated monopoly in order to diversify the company? That is the equivalent of what Puget Sound Energy is currently requesting of the Commission.

When one strips away the spurious arguments and vague statistics purporting to show a market gap or an overabundance of aging inefficient HVAC appliances, it all comes down to this, PSE is facing significant challenges in its core business of energy production and distribution. Now, Puget Sound Energy proposes to enter into a competitive, free-market, unfairly, using utility regulations as a cover for their activities. And PSE wants to diversify by extending its monopoly power into robust, competitive free markets- with using the advantages of a monopoly regulated utility that none of its competitors have, and do this with the Commission's blessing. It's like mixing oil and water; when mixed, they both lose their beneficial characteristics; they always separate back into oil and water; they are totally different and they do not mix.

As the WUTC website states in part, *“For most of our state's history, private utilities and carriers providing public services usually have been monopolies. If they had been left unregulated, without the restraints of the free-market system, they would have had unchecked power over the state's most essential services.”* The PSE proposal now before the Commission greatly departs from that long and successful Commission history.

Puget Sound Energy wants to compete unfairly by freeing itself of the antitrust laws that free market businesses must observe for the protection of both consumers and the competitive marketplace.. Puget Sound Energy wants to compete unfairly by freeing itself of the consumer protection laws by which free market participants must abide. Puget Sound Energy wants to turn the public service laws on their head, and have the Commission continue its monopoly status and allow it to compete unfairly using its huge monopoly power to compete unfairly with small businesses in the free market in the markets it enters.

This current case sets the precedent for all that follows. PSE's entry into the HVAC market is the camel's nose into the proverbial tent - Puget Sound Energy has already identified a significant list of additional markets – that's the head and shoulders. The foreign investors who own Puget Sound Energy do not care about our local communities, our local businesses, their employees or their families. They want profits- and the fallout is not their problem or concern.

Please reject the PSE proposals to enter into the HVAC sales marketplace as any test to see if it might work will devastate hundreds of small businesses now in the HVAC industry and their thousands of employees they employ, and provide little to no benefit to PSE customers. The risks greatly outweigh any illusionary benefits that have been conjured up by PSE.

The Commission needs to reject this proposal and the sooner the better. Then the Commission needs to undertake rule-making with all stakeholders on these underlying and foundational issues before ever starting down this road again.

Thank you,

A handwritten signature in black ink, appearing to be the initials 'JG' or similar, written in a cursive style.

Gary Smith
Executive Director
Independent Business Association
425-453-8621