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BEFORE THE WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND)Docket No. UE-011570
TRANSPORTATION COMMISSION,)Docket No. UG-011571
Complainant,)
)Volume XV
v.)Pages 1940-1956
)
PUGET SOUND ENERGY,)
Respondent.)
_____)

A public hearing in the above matter was held on June 13, 2002, at 6:35 p.m., at 1300 S. Evergreen Park Drive Southwest, Olympia, Washington, before Administrative Law Judge DENNIS J. MOSS, Chairwoman MARILYN SHOWALTER, Commissioner RICHARD HEMSTAD, and Commissioner PATRICK OSHIE.

The parties were present as follows:

THE COMMISSION, by Robert Cedarbaum, Assistant Attorney General, 1400 S. Evergreen Park Drive, S.W., P.O. Box 40128, Olympia, Washington 98504-0128.

PUBLIC COUNSEL, by Simon ffitch, Assistant Attorney General, 900 Fourth Avenue, Suite 2000, Seattle, Washington 98164.

Barbara L. Nelson, CSR
Court Reporter

1941

1

2

INDEX OF WITNESSES

3

4

WITNESS:

PAGE:

5

KAY SANCHES

1952

6

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1 JUDGE MOSS: Why don't we go on the record.

2 CHAIRWOMAN SHOWALTER: All right. Good
3 evening and welcome. We're here today to hold a
4 public hearing on the question of the proposed rate
5 increases proposed by Puget Sound Energy. I'm
6 Marilyn Showalter. I'm the Chairwoman of the
7 Commission. My colleagues to the right, Dick Hemstad
8 and Pat Oshie, are the other two Commissioners, and
9 together we make up the Commission.

10 Before we begin our public hearing tonight,
11 I want to make an announcement that is directed to
12 the parties in the case. If you're a member of the
13 public and you have come to comment tonight, this
14 announcement does not affect you.

15 The Commissioners discussed our very
16 difficult scheduling, and we have decided that we
17 will try to accomplish as much as we can, including
18 an order, if we can get to it, by July 1, but what it
19 means in the first instance is that tomorrow
20 afternoon, following our panel on the cities and
21 undergrounding, we will hear the panel on time of
22 use. Then, on Monday, starting at 9:30, we will hear
23 the panel on power cost adjustment.

24 The expectation is, for the other chapters
25 of this proposed settlement, the Commission will use

1943

1 the current record that it has and not hold any
2 panels on those subjects. If we have questions, we
3 will issue a bench request, and if we need some more,
4 we will cross that bridge when we come to it. So the
5 idea is to get through undergrounding, time of use,
6 and PCA before Monday is over.

7 And if any of you wants to communicate this
8 in any way, you're welcome. We'll probably get an
9 e-mail out tonight. But I know that it would help
10 others in their planning to know what we are doing
11 and then what we are not doing. Mr. Cedarbaum.

12 MR. CEDARBAUM: Just a clarification
13 question. And I appreciate the accommodation the
14 Commission's trying to make on that.

15 CHAIRWOMAN SHOWALTER: On that point, this
16 is a job where you always make somebody mad, and it's
17 just -- we're making some parties in another docket
18 mad.

19 MR. CEDARBAUM: My question, though, is if
20 we were to complete cities issue and time of use
21 tomorrow afternoon, would you want to start the PCA
22 or just wait until Monday?

23 CHAIRWOMAN SHOWALTER: No, I think we'll
24 wait until Monday, so the panelists know when to
25 come. And we have other matters we should be doing

1944

1 on Friday afternoon, anyway. And I think we will
2 have enough time on Monday to get through power cost
3 adjustment. So that's the announcement.

4 For those of you who are members of the
5 public and here to comment tonight, if you're here to
6 comment on anything like time of use and power cost
7 adjustments, that's just fine. This is the right
8 time for you to be there -- here.

9 This hearing is a little different than the
10 city hall type, city council type hearing. This is
11 part of a quasi-judicial proceeding. So we are
12 sitting here as judges in the case. You also can see
13 that there's a court reporter taking down every word,
14 which means that we hope that you will speak slowly
15 and clearly and maybe keep an eye on the court
16 reporter to see that you're not going so fast that
17 she can't get your words down.

18 Because this is a quasi-judicial hearing,
19 I'm going to turn the proceeding over now to Dennis
20 Moss, an Administrative Law Judge, to my left, who is
21 the presiding Administrative Law Judge in this
22 proceeding, and he can explain just a little bit more
23 of the process and how to make your comments.

24 JUDGE MOSS: Thank you. Good evening,
25 everyone. My name is Dennis Moss. I'm an

1945

1 Administrative Law Judge with the Commission, and we
2 are convened this evening for the purpose of
3 receiving public comment in the case styled
4 Washington Utilities and Transportation Commission
5 against Puget Sound Energy, Docket Numbers UE-011570
6 and UG-011571.

7 This is what's called a general rate
8 proceeding, which means that the company has made a
9 rate filing seeking to adjust its electric and gas
10 rates. The Commission is the state administrative
11 agency responsible for regulating the rates of
12 various public utilities, including Puget Sound
13 Energy, and the Commission's essential responsibility
14 is to balance the needs of the company's residential,
15 commercial, industrial, and other customers for
16 reliable service at reasonable rates with the
17 company's need to remain financially viable so that
18 it can provide such service on a continuing basis.

19 As Chairwoman Showalter mentioned, rates
20 are set by means of a formal hearing process. The
21 process is often called quasi-judicial. The
22 Commissioners sit as judges and they are the final
23 decision-makers. I assist them by maintaining an
24 orderly process and by enforcing the rules of conduct
25 in the hearing room and by helping to ensure that the

1946

1 Commissioners have all the information they need to
2 make the best possible decisions.

3 The information we gather becomes part of a
4 formal record for decision, and that record is
5 developed both during the course of evidentiary
6 proceedings, such as we have been holding in Olympia
7 this week with respect to a comprehensive settlement
8 stipulation that was filed by many of the parties in
9 this proceeding on June 6th.

10 Many of the interests, PSE's customers are
11 represented in the case. PSE, of course, is a party
12 in the case. The Commission Staff is also a party,
13 represented here by Mr. Cedarbaum tonight of the
14 State Attorney General's office. The Commission
15 Staff, in that capacity, is just like any other
16 party. The only access they have to the
17 Commissioners and to me is here in the hearing room,
18 to present evidence and argument through the formal
19 hearing process.

20 The Washington State Office of Attorney
21 General Office of Public Counsel also participates as
22 a party, represented here tonight by Mr. ffitch, who
23 is going to assist you momentarily in presenting your
24 public comments. There are many other parties in
25 this proceeding. I think 31 is the number, and they

1947

1 represent the full range of interests. There are
2 customer interest groups, there are consumer interest
3 groups, low-income interest groups, industrial
4 customers, commercial customers, and of course the
5 Public Counsel represents the residential and small
6 commercial customers.

7 Please understand that the Commissioners
8 are here tonight to listen to you. Your time at the
9 podium is the opportunity for you to make a statement
10 to tell the Commissioners why you support, oppose, or
11 are indifferent to PSE's rate request and the
12 settlement stipulation.

13 We are not here tonight to engage in a
14 dialogue with you or to answer questions. You're
15 here to speak and we're here to listen. The
16 Commission Staff and some company representatives are
17 available here tonight and they, along with Mr.
18 ffitch, will be there for you if you have any
19 questions. I'll point out, particularly, we have --
20 well, I've mentioned Mr. ffitch, and we have in the
21 back of the room Ms. Penny Hansen, if you'll raise
22 your hand. And Ms. Hansen is with our public affairs
23 staff, and she can assist you with your presentation
24 tonight. If you have any written comments you want
25 to submit, she'll take those, and if you wish to file

1948

1 written comments later, she can tell you how to do
2 that.

3 We are moving along in this process and
4 would ask that any written comments be filed no later
5 than the close of business next Tuesday, June 18th.
6 It is important that we hear every word you say, so I
7 ask that you try to speak clearly and distinctly
8 here, using the microphone. Speak slowly and
9 carefully, so the court reporter can transcribe your
10 comments.

11 We typically limit witnesses in these
12 proceedings to five minutes, based on our experience
13 that people can say quite a lot in five minutes.
14 Given the small number that we have tonight, we can
15 be a little bit flexible if you have comments that
16 extend slightly beyond that, but we do ask you to
17 keep your comments within reasonable limits.

18 Once we've concluded our hearings,
19 including tonight's session and received any further
20 written comments, we will close the record. The
21 Commissioners then will spend additional time
22 studying the record and they will make their decision
23 about whether to approve the settlement stipulation
24 as submitted, approve the settlement stipulation with
25 modifications and/or conditions, or reject the

1949

1 settlement stipulation.

2 With all that said, then we're ready to
3 begin. I'll turn the floor over to Mr. ffitch. He
4 may have a few remarks. And I will then swear you
5 all in, all of you who wish to speak this evening,
6 swear you all in at once, and we will proceed to have
7 the comments.

8 MR. FFITCH: Thank you, Your Honor. As the
9 Judge indicated, my name is Simon ffitch, I'm an
10 Assistant Attorney General, and I'm with the Public
11 Counsel Section, representing residential and small
12 business customers.

13 The Commission is considering at this time
14 a settlement jointly entered into between all the
15 parties to the case, which includes the Public
16 Counsel office, representatives of large business
17 customers, conservation groups, low income groups,
18 and the Commission Staff, as well as Puget Sound
19 Energy. They're all supporting adoption of this
20 settlement.

21 And there is a handout at the back of the
22 room, which I would encourage you to pick up. You
23 probably could even take some extra copies home with
24 you, if you'd like. I think there's plenty going
25 around. That really walks you through the specific

1950

1 details of the settlement that's being proposed.

2 I won't take a whole lot of time to walk
3 through that now. I'll just say that it contains a
4 lower rate increase than was originally proposed. It
5 adopts a low income program of a kind that the
6 company did not have previously. It adopts a new
7 conservation program, which is double in size to what
8 the company was previously adopting. And it makes
9 some adjustments in the time of use program. It, we
10 think, improves the kind of notice to customers about
11 their rights to opt out of the program and also make
12 some adjustments with regard to the cost
13 effectiveness of the program. It -- let's see if
14 there's any other highlights to touch on here. Oh,
15 yes, the company's agreed to a continuous service
16 quality index program, which -- under which the
17 company agrees to meet certain targets. There's a
18 list of ten targets which they agree to meet, and if
19 they fail to meet those, there's a certain penalty --
20 financial penalties that they would pay. This is a
21 program that's been in place for five years, and part
22 of this settlement is they've agreed to continue that
23 program.

24 So there are details in this handout at the
25 back and I'd be happy to talk with you further.

1951

1 There's plenty of additional details beyond this
2 single sheet of paper to be had. If you'd like to
3 ask me on specific topics, I can get you copies of
4 the agreements, the testimony of the parties, and
5 just answer any questions that you have. And I'm
6 sure other representatives can do the same thing
7 here, or are willing to do the same thing, as well.

8 So having said that, I will start calling
9 witnesses when the Judge is ready.

10 JUDGE MOSS: All right. Let me ask that
11 anyone who wishes to make a comment tonight, if you
12 would at this time please stand up and raise your
13 right hand, and I'll swear you in.

14 Whereupon,

15 KAY SANCHES,
16 having been first duly sworn by Judge Moss, testified
17 as follows:

18 JUDGE MOSS: Thank you. Mr. ffitch.

19 MR. FFITCH: Thank you, Your Honor. The
20 first witness is Kay Sanches. And Ms. Sanches, if
21 you could step forward to the microphone. Good
22 evening. Could you state your name and spell your
23 last name for the court reporter, please?

24 MS. SANCHES: My name is Kay Sanches,
25 S-a-n-c-h-e-s.

1952

1 MR. FFITCH: And where do you reside?

2 MS. SANCHES: I live in Des Moines,
3 Washington.

4 MR. FFITCH: And are you a residential
5 customer of Puget Sound Energy?

6 MS. SANCHES: Yes, I am.

7 MR. FFITCH: Are you a business customer,
8 as well, or just a residential customer?

9 MS. SANCHES: No, just a residential
10 customer.

11 MR. FFITCH: And are you speaking on your
12 own behalf tonight or are you representing a group or
13 organization?

14 MS. SANCHES: I'm representing an
15 organization of about 1,500 low and moderate income
16 families in South King County.

17 MR. FFITCH: And what's the name of the
18 organization?

19 MS. SANCHES: Acorn.

20 MR. FFITCH: You may go ahead and make your
21 statement. Thank you.

22 MS. SANCHES: Okay. As we understand, we
23 pretty much like what is going on with this. We
24 would also ask PSE not to put a revenue cap on their
25 low income program that they are proposing, as there

1953

1 are about 300,000 low income families that live in
2 our area, most of which, 1,500 -- 1,500 -- 100,000 of
3 those people will not be able to get any type of
4 services or any type of assistance.

5 We also would like to see them do an
6 outreach with translators for the multiple languages
7 that we have. I, right off the top of my head, know
8 of at least five within a one-block area.

9 And we would also like to see that the time
10 of day plan -- have them explain it more in lay
11 language to their customers, and not in -- I don't
12 know how -- somehow or another, get it so as that the
13 people understand exactly, yes, if you don't like
14 this, you can opt out. This is how you opt out.
15 Maybe this is a better plan, maybe this is a better
16 plan. Give them some choices.

17 I think that's just about it. I do have a
18 little thing for you guys.

19 JUDGE MOSS: All right. If you'd furnish
20 that to Ms. Hansen at the rear of the room, but let
21 me ask first, are there any questions from the bench
22 for Ms. Sanches? Mr. ffitch, anything further?

23 MR. FFITCH: I just had one or two. You
24 mentioned multiple languages?

25 MS. SANCHES: Yes.

1954

1 MR. FFITCH: Can you just list the ones
2 that you're familiar with?

3 MS. SANCHES: Ukrainian, Somali, Hispanic
4 and Lao.

5 MR. FFITCH: Okay. And the other thing I
6 was going to point out, we can talk about this a
7 little bit later, too, is that you may be aware that
8 one of the provisions in the low income agreement is
9 for a working group with Puget Sound Energy to
10 consider low income issues and low income programs in
11 a general way, which is something they've agreed to
12 do. It might be a forum for some of the issues
13 you're talking about to be addressed in the future,
14 but they have agreed to set that up, so I just wanted
15 you to be aware of that.

16 Also, as part of the low income program,
17 they've agreed to some efforts to publicize the
18 program in other languages, as well, so --

19 MS. SANCHES: Okay, great. That will help
20 out. Is there a way of getting somebody that's on
21 the low and moderate income as a committee member to
22 point out some of the issues that they live with?

23 MR. FFITCH: I think that's quite likely,
24 and we can -- why don't we --

25 MS. SANCHES: There's something that can be

1955

1 tossed about.

2 MR. FFITCH: -- have a conversation about
3 that. After we're done with the public testimony
4 part, we can have a chat about that, so --

5 MS. SANCHES: Okay. Thank you.

6 MR. FFITCH: If you have a written
7 statement you'd like to submit, you can give that to
8 me and we'll make that part of the record.

9 JUDGE MOSS: Thank you very much, Ms.
10 Sanches. We appreciate your testimony.

11 MS. SANCHES: Thank you.

12 JUDGE MOSS: Mr. ffitch, do you have any
13 other witnesses to call?

14 MR. FFITCH: Your Honor, no one else has
15 signed up. I don't believe -- is there anyone else
16 in the hearing room who'd like to testify at the
17 public hearing?

18 JUDGE MOSS: As to the written comments,
19 Mr. ffitch, since we have left the record open to
20 receive additional written comments through Tuesday,
21 perhaps we could receive a single exhibit at that
22 time, rather than doing that this evening. Will that
23 be convenient for you?

24 MR. FFITCH: That will be fine, Your Honor.
25 I have begun to assemble that exhibit. With the

1956

1 assistance of the Commission's public affairs staff,
2 I already have some portions of that exhibit. We
3 just need to add anything that we've received in our
4 office. So we should be able to submit that by
5 Tuesday as one exhibit.

6 JUDGE MOSS: Counsel, is there any further
7 business? Anything further from the bench? All
8 right, then. We'll be in recess. Thank you all very
9 much for appearing this evening and appreciate your
10 being here. The record's closed.

11 (Proceedings adjourned at 6:54 p.m.)

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