

**BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**Docket Nos. UE-151871 UG-151872  
Puget Sound Energy's  
Electric and Natural Gas Equipment Lease Service**

**SMACNA DATA REQUEST NO. 004**

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**RE: Sale of Home**

If a homeowner enters into a lease arrangement pursuant to the PSE Lease Solutions program and then subsequently sells the home prior to the expiration of the lease, what are the options for the seller? What are the options for the purchaser?

Referring to Proposed Schedule 75, Orig. Sheet No. 175-R, under "9. Option to Purchase":

- a. Is one option for the selling homeowner the option to purchase the equipment prior to that homeowner selling the house?
- b. If the homeowner does decide to purchase the equipment pursuant to Schedule 75, Lease Condition Number 9 (Option 5), please provide an example of the purchase price and how it would be calculated for an appliance with a 15 year lease term, that at time of installation cost \$500 for the appliance and cost \$500 to install. Assume (1) the sale is at the end of 5 years and (2) the sale is at the end of 10 years. Please breakout in each case the amount attributable to the "weighted average cost of capital approved by the UTC effective upon the start date of the lease." Assume also that the lease starts on January 1, 2017.

**Response:**

Puget Sound Energy ("PSE") objects to SMACNA Data Request No. 4 as outside the scope of the limited intervention granted to SMACNA as an intervenor. Without waiving the objection, and subject thereto, PSE responds as follows: If a homeowner enters into a lease agreement pursuant to Schedule 75 and then subsequently sells the home prior to the expiration of the lease, the options for the seller and purchaser of the property are detailed in section 10, "Transfer of Premises", on Sheet No. 75-S.

- a. Yes.

- b. PSE further objects to SMACNA Data Request No. 004 b. to the extent that it requests PSE to perform a hypothetical and speculative analysis, the question is unduly burdensome, and the question is vague and ambiguous and requires interpretation or assumptions to be made by PSE. Without waiving these objections, and subject thereto, PSE responds as follows:

As detailed in section 9.b. on Sheet No. 75-R of the filed tariff, “The purchase price for the Equipment under the Option (the ‘Purchase Price’) will change as each year of the lease is completed and will be calculated to ensure that through the Sale Date the Company has recovered its expenses and its weighted average cost of capital approved by the UTC effective upon the start date of the lease.”

Some of the information requested by SMACNA may be ascertained by using work papers provided by PSE—specifically, the pricing worksheet titled “UE-151871 and UG-151872 PSE Lease Pricing Worksheet (HC).xlsx” provided on February 21, 2016. The pricing worksheet is marked Highly Confidential.