

Mak, Chanda (ATG)

From: LaDonna Robertson <pianolady492000@yahoo.com>
Sent: Thursday, October 20, 2016 4:50 PM
To: Public Involvement (UTC)
Subject: URGENT: Supplemental Letter re: Proposed PSE LNG Plant, Docket No. 151663



UTC Commissioners:

Please find attached my letter to support my opposition toward the PSE LNG Plant in Tacoma, WA. Docket # 151663. Thank you for this opportunity.

Sincerely,
LaDonna Robertson
1709 S G Street, #113

This won't be as nice -- but my e-mail will not accept an attachment, so I will have to cut and paste.
Tacoma, WA 98405-5104
E-mail: pianolady492000@yahoo.com

1709 S G Street, Apt. 113
Tacoma, WA 98405-5104

October 20, 2016

SUBJECT: My Letter to the UTC, Docket No. 151663, PSE LNG Proposal

Dear UTC commissioners,

The following issues cover what I deem paramount in the situation of how we can protect our Puget Sound Energy Ratepayers in the City of Tacoma area in Washington State. Please read and comprehend completely for a good understanding of our group, the Redline Tacoma Forum Community of Tacoma, WA, are so profoundly opposing the proposed PSE LNG plant in our beautiful city.

We have fought long and hard to have this whole project halted and dismissed because why would any city want to have this fossil fuel monstrosity (time bomb) plopped in our front or backyard (depending where the residents live) in a densely populated and environmentally sensitive area (an active volcano on fault lines) with a daily stream of congested traffic to boot (esp. I-5 Federal Way down to Fort Lewis)?

- The proposal weakens the 'ring fencing' provisions agreed upon in the original 2008 Merger Order – provisions that were designed to protect utility customers (regulated business) from the

costs and liabilities of unregulated (for profit) business undertaken by the private equity owners of Puget Sound Energy (PSE).

- By combining unregulated business (i.e., LNG marine bunkering, truck transport) with peak shaving (liquefaction, LNG storage, vaporization) – a regulated business – the boundary between regulated and unregulated business is obscured and becomes more difficult for UTC to monitor.
- What are the checks and balances inherent in this novel corporate structure that would protect the interests of ratepayers? How could the public have any faith that they weren't essentially subsidizing Puget LNG unregulated business? Are the commissioners satisfied that UTC staff has the capacity and experience to monitor this project sufficiently to ensure that regulated and unregulated business activities aren't mixed?
- Although peak shaving is estimated to be a tiny percent of the total project (between 3.5% to 7% according to ECO Northwest's Economic Impact Analysis), Puget Sound Energy is asking ratepayers to subsidize **43%** of the total capital and operating costs. PSE has already received millions in tax breaks from WA State legislature to build the LNG plant, but now PSE seeks additional money from ratepayers – in the form of future rate increases – to subsidize nearly half of the capital and operational costs of the project.
- The need for additional peak shaving capacity has not been well-established and is not an exact science. PSE already stores 25 billion cubic feet of deliverable "working" natural gas at Jackson Prairie in Chehalis, and an additional 12.9 billion cubic feet in Clay Basin, Utah. The additional capacity offered by Puget LNG pales in comparison.
- Ratepayers should not be asked to subsidize 43% of the project's capital costs (\$134 million) in addition to 43% of annual operating expenses (\$4 million) for at most three to six inclement weather days per year, especially when LNG production operations 24/7, 365 days per year. Because these percentages are fixed, and because peak shaving is speculative rather than an exact science, ratepayers may be burdened by paying 43% of capital costs for an LNG peak shaver that is unnecessary.
- Did PSE's future projections for peak needs of natural gas consider other alternatives, such as conservation, increased gas pipeline capacity, access to Plymouth LNG storage? Does projected peak need include industrial gas consumers, such as the proposed massive methanol refinery in Kalama?
- We should be moving away from fossil fuels, not building new infrastructure to support our dependence on them. Renewables are getting cheaper and more viable all the time, and incentives support their continued development. The need for natural gas peak shaving will lessen as alternative sources of energy come on line.
- It is unclear how PSE's 1.1 million electricity customers receive any possible benefit from this project. What protects electricity customers from seeing their rates increase in order to subsidize natural gas business?
- The sole customer of Puget LNG – TOTE Maritime Alaska – stated in a press release on August 17, 2016, that they are not moving forward this year with converting their two ships to dual fuel LNG. Has the Commission verified that Puget Sound Energy has ANY other customers for their LNG plant? If demand is so high, why aren't there more maritime customers lined up two years after PSE first announced this project?
- It's unclear whether the market for LNG maritime bunkering will expand, because diesel remains cheap and there are alternative fuels and technologies being developed in order to meet tighter industry emissions regulations. PSE's project is speculative at best and it exposes PSE customers and the utility to financial risk if it doesn't succeed.
- It is patently unfair to ask citizens to comment on a proposal when they don't have access to

all of the details and all of the documents. I am concerned that both UTC Staff as well as Public Counsel vigorously opposed PSE's proposal and stated, "There would be little prospect for success," prior to the mediations that began May 29, 2016. And yet, by September 30, 2016, all parties reached unanimous agreement even though many of UTC Staff and Public Counsel's original concerns remain valid.

- PSE continually morphs into other statements (hard to realize when there is not much transparency or disclosure until after the fact) when it comes to our Environmental Impact Statement for the impending PSE LNG plant, and now we've [Redline Tacoma Community Forum group] confronted our City of Tacoma Council meeting this very month to be granted an SEIS. This is why we fight for a Supplemental EIS. (Please see today's "Tacoma Weekly" covering our efforts for tomorrow's promulgation, 10/21/2016.)
- I have also attached a video clip of Ms. Liz Satiacum, who represents one out of 27 tribes who are vehemently opposed and rejecting the proposed PSE LNG plant because: "The Puyallup Tribe [and 27 other local Indian Tribes] continues to fight to have the plant's shoreline environmental review reopened on the grounds that the review did not properly address the impacts that construction would have on the waterway." [TacomaWeekly.com, 10/21/2016]
- Finally, because all parties signed non-disclosure agreements, and because many records from the mediation negotiations are redacted, it is impossible for the public to have full faith in this process.

I urge the Commissioners to protect nearly two million Washington State utility customers from PSE's speculative, risky business venture. Keep the original merger stipulations intact, and REJECT Puget Sound Energy's proposal.

Thank you.

Respectfully,

/s/

LaDonna Robertson

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Attachment: 2 Video and Steve Storms Letter to the UTC dated 10/20/2016

<https://www.facebook.com/wanderlustartbyroxy/videos/1204036803001791/>

Liz Satiacum's Comments to the City of Tacoma's Monthly Meeting, October 2016.

Additionally, please take into account a letter written by one of our advisors, Steve Storms, Engineer, today:

Subject: PSE LNG Proposal Docket #151663 Email to: Comments@utc.wa.gov Dear Commissioners

PSE keeps claiming the need of an LNG facility in Tacoma. They have spent thousands of dollars trying to convince the public it is in their best interest. There is one big glaring problem with all their rhetoric, there is no need by the public rate paying customers for the plant. The minuscule proportion of the production could be filled in several other ways. The need for peak-shaving is actually just an indication that the current system is undersized. PSE already has plans to grow their system because of population growth in the region. Including an incremental capacity to prevent the need for peak-shaving is as easy as increasing the size of a new pipe by one or two inches.

The obvious reason that PSE wants to include the peak-shaving capability in their new "for profit" company is to get the residential ratepayers to cover a great deal of the cost and assume a large portion of the risk. Trying to have two different companies with two different financial motives will never work. The new "for profit" company is trying to maximize returns for their owners, while the "public utility" company is mandated to protect the ratepayers. The UTC is the watchdog.

The only true way to make this cobbled scenario work is to make the new PSE "for profit" company build the proposed LNG facility with its own money. This new company could sell LNG to the current PSE company on the few days a year that extra capacity is needed. It would become immediately obvious that they would not want to continue the project without the financial contribution from the residential ratepayers. It would also become obvious that only the "for profit" company is reaping the benefits.

There is no actual need for this project. There are other simple options to manage peak-shaving demands. Continuing with their current system has proven satisfactory in the past. Gig Harbor has a peak-shaving storage tank. There are huge gas reservoirs available. There are incremental growth plans that can include this demand. Their only need is for the rate paying customers to help pay the cost for the plant in order to maximize the profits for the foreign owners. The WUTC has the responsibility to protect the public ratepayers, not to help maximize the profits for the foreign owners.



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