

**BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**Docket UG-200112  
Puget Sound Energy  
Discontinuance of PSE's Water Heater Rental Service**

**BENCH REQUEST NO. 001**

**"CONFIDENTIAL" Table of Contents**

<b>DR NO.</b>	<b>"CONFIDENTIAL" Material</b>
<b>001</b>	Shaded information is designated as HIGHLY CONFIDENTIAL per Protective Order in Docket UG-200112 as marked in Attachment C to Puget Sound Energy's Response to Bench Request No. 001.

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**BENCH REQUEST NO. 001:**

- A) Pursuant to WAC 480-143-150, the Commission may require a sworn statement from a company proposing to acquire property from a public service company. Accordingly, please provide a sworn statement from Grand HVAC Leasing USA LLC (GHL) showing that GHL commits to the following representations:
  - a. GHL will not increase the monthly rental price for customers of the Water Heater Rental Service for a 24-month period of time.<sup>1</sup>
  - b. GHL will maintain a 4.9% cap on any annual price increase of the monthly rental price for customers of the Water Heater Rental Service after the 24-month period.<sup>2</sup>
  - c. GHL commits to the minimum service standards as maintained by PSE.<sup>3</sup>
- B) Please provide data showing the length of current customers' participation in both the Residential and Commercial Water Heater Rental Service.
- C) Please provide demographics, such as low-income or fixed income status, if known, for current customers of the Residential Water Heater Rental Service.
- D) Please provide any Better Business Bureau ratings and other customer service and satisfaction metrics, if available, for GHL.
- E) Please provide copies of any customer notifications of the proposed sale of the Water Heater Rental Service, other than the May 18, 2020, letter that is already part of the record.
- F) Please provide the formal bid and supporting documentation submitted by Grand HVAC Leasing for the Water Heater Service.
- G) Please provide the monthly rental prices for customers of the Residential and Commercial Water Heater Rental Service from January 2010 forward.

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<sup>1</sup> *E.g.*, Settlement Agreement, App. B (Draft Comparison Matrix of GHL/PSE Water Heater Rental Services).

<sup>2</sup> *Id.*

<sup>3</sup> Asset Purchase Agreement Schedule 6.4, PSE/GHL Transition Plan, p. 6

**Response:**

- A) Please see Attachment A to Puget Sound Energy’s (“PSE”) Response to Bench Request No. 001 which is a sworn statement from Grand HVAC Leasing USA LLC (“GHL”).
- B) Please see Table 1 below for the length of participation of PSE’s current customers in both the Residential and Commercial Water Heater Rental Service as of June 30, 2020. Current customers that started participation in the Residential or Commercial Water Heater Rental Service prior to April 1, 2013, are categorized as 7+ years. The length of customer participation information prior to 2013 is not available due to an upgrade to PSE’s customer information system (SAP).

Table 1 – Length of Current Customer Participation (Residential and Commercial) as of June 30, 2020

<b>Length of Customer Participation</b>	<b>% Residential Customers</b>	<b>% Commercial Customers</b>
7+ Years	80%	75%
6 Years	2%	2%
5 Years	2%	3%
4 Years	2%	3%
3 Years	3%	4%
2 Years	4%	4%
1 Year	4%	4%
Less Than 1 Year	4%	5%

- C) PSE has 263 low-income customers participating in the Residential Water Heater Rental Service (customers that either benefit from bill assistance programs or low-income weatherization) as of June 30, 2020. PSE does not have demographics on the number of customers who are in the Water Heater Rental Service and are on a fixed income.
- D) PSE is not aware of a Better Business Bureau (“BBB”) rating or customer service or satisfaction metrics specifically for GHL. GHL’s business model partners with local contractors, utilities, and manufacturers for service to its leasing customers. GHL has an Authorized Dealer network that has detailed processes and standards outlined in Attachment B to PSE’s Response to Bench Request No. 001, which is the PSE/GHL Transition Plan, updated July 10, 2020. In addition, to ensure seamless customer service and transition, GHL recently partnered with

PSE's current service provider for the Water Heater Rental Service, FAST Water Heater ("FAST"). FAST has an A+ rating with the BBB. Retaining FAST will help GHIL deliver the same great service to customers that they received under the PSE rental program.

- E) PSE informed customers on May 18, 2020 of the Application for Commission approval to sell the Water Heater Rental Service in accordance with the rules for a required notification of a public hearing. PSE was waiting to provide customers further information about the sale and customer transition options upon Commission approval of the Application. Please see Attachment B to PSE's Response to Bench Request No. 001 which is the PSE/GHL Transition Plan, updated on July 10, 2020. The updated PSE/GHL Transition Plan includes the changes to the initial communication letters and comparison matrix agreed to in the Settlement Agreement, an adjusted communication timeline due to the timing of this proceeding, and other minor process updates. Please refer to Figure 1 in the PSE/GHL Transition Plan for the proposed timeline of each customer communication including the outbound call agreed to in the Settlement Agreement, and to Appendix B through H in the PSE/GHL Transition Plan for the draft customer communications about the sale and customer options.
- F) Please refer to Attachment C to PSE's Response to Bench Request No. 001 for the GHIL Letter of Intent ("LOI"), Management Overview, and GHIL's submitted mark up to PSE's form Asset Purchase Agreement ("APA") which included a Customer Conversion plan. The LOI was the formal bid. PSE requested that GHIL provide a mark up to PSE's form APA which began the negotiation of terms to reach agreement shown in the final APA, filed with the Application.
- G) Please see Attachment D to PSE's Response to Bench Request No. 001 for all Schedule 71 and Schedule 72 rental prices from January 2010 to present.

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