

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

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

WUTC STAFF DATA REQUEST NO. 077

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In regards to PSE's legacy leasing program, please describe any and all efforts undertaken by the Company to address Company owned equipment that is beyond its useful life and that is less efficient than equipment offered today.

Response:

Puget Sound Energy ("PSE") objects to WUTC Staff Data Request No. 077 as irrelevant to the issues in this case and not reasonably calculated to lead to the discovery of admissible evidence. Without waiving this objection and subject thereto, PSE provides the following response.

These proposed Schedules, as detailed on pages 13 through 14 of the Prefiled Direct testimony of Malcolm B. McCulloch, are designed as "an improvement to PSE's existing rental programs." One of the improvements is the inclusion of fixed lease prices over specified lease terms, rather than the existing rental rates, which are neither fixed nor have a distinctive rental duration terms.

The equipment and services provided under PSE's existing rental Schedules 71, 72 and 74 are prescribed by those schedules. Those schedules do not define specific length of rental service or use the term "useful life" of equipment. The existing rental Lease Agreement solely details that the "Company agrees to be responsible for maintaining the Appliance, at Company's expense, in an efficient operating condition when notified by the Customer," but does not obligate the Company to address the equipment in any other specific fashion. Such modification would require the Company to submit revisions to Schedules 71, 72 and 74 to the Commission for approval.

Attachment A to PSE's Response to WUTC Staff Data Request No. 018, provides a record of repair and replacement activities that have been recorded in PSE's existing Customer Information System, which has been in operation since April 1, 2013, as requested by customer notification. The information prior to April 1, 2013 is not available.

That being said, in early 2015, PSE conducted a pilot communication effort to engage a small number of customers with existing water heat equipment that was 15 years or older to see if they would be interested in having their equipment maintained or replaced.

Attached as Attachment A to PSE's Response to WUTC Staff Data Request No. 077 is a copy of the communication template that was used in February 2015 to send letters by US mail to 523 customers. PSE did not keep a detailed log of the calls, but estimates that approximately 20% of these customers contacted PSE regarding the letter.

**ATTACHMENT A to PSE's Response to
WUTC STAFF Data Request No. 077**

(PSE letterhead)

(Date)

Dear _____,

Our records show that your leased water heater is more than 15 years old. If you wish to schedule maintenance or have the water heater replaced due to age, we would be happy to set up an appointment for you.

Maintenance, repairs, and replacement are covered under your lease. If you have any questions regarding your leased water heater or wish to schedule an appointment for maintenance or replacement, please call Lease Services at (800) 421-7368.

Sincerely,

PSE Lease Services

Lease Services contact information:

Phone (800) 421-7368

Fax (425) 462-3418

Email LeaseServices@pse.com

Web page <http://pse.com/accountsandservices/YourAccount/Pages/Lease-Services.aspx>