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BEFORE THE WASHINGTON STATE  
UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND	)	
TRANSPORTATION COMMISSION,	)	DOCKET NO. UE-090704
	)	and UG-090705
Complainant,	)	(Consolidated)
	)	
vs.	)	Volume V
	)	Pages 235 to 270
PUGET SOUND ENERGY, INC.,	)	
	)	
Respondent.	)	
	)	

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A public hearing in the above matter was held on January 19, 2009, from 12:00 p.m to 12:45 p.m., at 1300 South Evergreen Park Drive Southwest, Room 206, Olympia, Washington, before Administrative Law Judge DENNIS MOSS and CHAIRMAN JEFFREY D. GOLTZ and Commissioner PATRICK J. OSHIE and Commissioner PHILIP B. JONES.

The parties were present as follows:  
 PUGET SOUND ENERGY, by JASON KUZMA, Attorney at Law, Perkins Coie, LLP, 10885 Northeast Fourth Street, Suite 700, Bellevue, Washington 98004, Telephone (425) 635-1416, Fax (425) 635-2416, E-Mail jkuzma@perkinscoie.com

THE COMMISSION, by ROBERT D. CEDARBAUM, Assistant Attorney General, 1400 South Evergreen Park Drive Southwest, Post Office Box 40128, Olympia, Washington 98504-0128, Telephone (360) 664-1188, Fax (360) 586-5522, E-Mail bcedarba@wutc.wa.gov.

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1                   THE PUBLIC, by SIMON J. FFITCH, Senior  
Assistant Attorney General, 800 Fifth Avenue, Suite  
2                   2000, Seattle, Washington 98104-3188, Telephone (206)  
3                   389-2055, Fax (206) 464-6451, E-Mail simonf@atg.wa.gov.

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1 P R O C E E D I N G S

2 JUDGE MOSS: Chairman Goltz.

3 CHAIRMAN GOLTZ: Good afternoon, my name is  
4 Jeff Goltz, I Chair the Utilities and Transportation  
5 Commission. With me are my fellow Commissioners Pat  
6 Oshie and Phil Jones, and presiding over the hearing  
7 that we've been having and also this public hearing is  
8 Administrative Law Judge Dennis Moss.

9 We have started today this morning on formal  
10 hearings on Puget Sound Energy's rate case, and in that  
11 context we'll hear from perhaps dozens of witnesses  
12 presented by Puget Sound Energy, by Public Counsel, by  
13 Commission Staff, and by other parties to this  
14 proceeding that Mr. Moss will describe in more detail to  
15 you in a minute.

16 But as we do with every rate case, we have an  
17 opportunity for customers, members of the public, to  
18 come and give us their perspective on such a rate  
19 increase proposal. We've already had such public  
20 hearings in Bremerton and also in Kirkland earlier in  
21 this proceeding, and now we have the third of these  
22 public hearings here in Olympia. From my perspective,  
23 and I think I can speak for my colleagues, these offer  
24 us at the Commission a very valuable insight into these  
25 proceedings. They're very different than the formal

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1 hearings that we've been having this morning and will  
2 continue on over the next several days, but it's very  
3 important that all of these issues be ground tested so  
4 to speak and we hear directly from the customers. In my  
5 experience not only is it valuable to hear from the  
6 customers, but it also gives us ideas as to what sort of  
7 questions to ask the company when the company presents  
8 its witnesses as it has this morning and it will further  
9 this afternoon and in the next few days. So thank you  
10 for taking time out of your schedules and maybe giving  
11 up a lunch hour or part of a lunch hour to come and  
12 share your information with us.

13 I'll turn it over to Judge Moss.

14 JUDGE MOSS: I have to say good afternoon now  
15 I suppose, we're just after the noon hour. That sound  
16 you hear is we have a teleconference bridge line so that  
17 even more members of the public can participate in terms  
18 of listening in to our proceedings, and we'll ask if  
19 there are comments from those folks as well at the  
20 appropriate point in time, but occasionally we'll have  
21 that interruption, that sound you just heard.

22 Again, thank you for being here. Chairman  
23 Goltz has described the process generally. The decision  
24 makers in this sort of a process are the three  
25 Commissioners. I'm here simply to help them run the

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1 hearing, develop a record upon which a decision will be  
2 based, and otherwise to facilitate the proceedings that  
3 takes some 10 or 11 months to complete. We're about  
4 three quarters of the way through that process at this  
5 point in time.

6           There are a number of people involved besides  
7 the Commissioners and me and the company. That includes  
8 our Consumer Affairs Staff who we have representatives  
9 here in the room, Ms. Gail Griffin-Wallace back there in  
10 the corner by the door who you may have greeted when you  
11 came in. Mr. Roger Kouchi is here as well from that  
12 Staff. They are able to answer your questions after our  
13 comment session this morning if you have them. We are  
14 not here to answer your questions, we are here to listen  
15 to your comments, but those Staff are available to you.

16           The company has Mr. Tom DeBoer is present  
17 here in the back of the room. I will call him sort of  
18 the point man for the company on this part of the  
19 process. If you have questions for the company that you  
20 would like to ask, you can go to him first, and he may  
21 direct you somewhere else, or he may answer your  
22 questions himself. Of course we do have other company  
23 representatives who participate in the evidentiary phase  
24 of the proceeding, and they're probably out having lunch  
25 right now since we tired them out this morning with a

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1 lot of questions.

2           The Commission's Regulatory Staff is  
3 represented in these proceedings. The Commission's  
4 Regulatory Staff is a party to the proceedings just as  
5 the company and just as any number of customer groups  
6 and public interest groups or parties. The  
7 Commissioners have no contact with the Regulatory Staff  
8 outside of the hearing room in so far as this process is  
9 concerned, and Mr. Cedarbaum is here representing the  
10 Commission's Regulatory Staff. Sitting next to him is  
11 Mr. Simon ffitch. Mr. ffitch is also a member of the  
12 State Attorney's General's Office, however he represents  
13 the Office of the Section of Public Counsel. The Public  
14 Counsel's general responsibility is to represent the  
15 residential and small business consumers. So while we  
16 have our Regulatory Staff representing what we call the  
17 public interests, which is a very broad interest, we  
18 have Mr. ffitch's office, the Public Counsel office,  
19 representing the consumers directly.

20           And we have a number of other parties  
21 participating including as I said customer groups and  
22 various public interest groups.

23           Just to give you a brief overview of the  
24 case, Puget Sound Energy's request in this case  
25 originally was for an additional \$148 Million a year

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1 from electric customers and about \$30 Million a year  
2 from natural gas customers. Those figures today as we  
3 go into our evidentiary hearing starting today, the  
4 company is asking for \$113 Million instead of \$148  
5 Million on the electric side, and I believe it's about  
6 \$28 Million on the gas side, so pretty close to the  
7 original request of around \$30 Million. On November the  
8 17th in 2009, the Commission's Regulatory Staff, the  
9 Public Counsel, and other parties filed their own  
10 testimonies, their response testimonies as we call it,  
11 and they recommended much smaller increases or in the  
12 case of Public Counsel even a decrease in revenue  
13 collections from the company. The company, who gets the  
14 last word in terms of filing testimony, and they did  
15 file their rebuttal testimony as we call it on December  
16 17th. We mentioned we're in the midst of our  
17 evidentiary hearings now, and this is the third of our  
18 public comment hearings. Once the record is fully  
19 developed, once we have all the evidence and all the  
20 public comments, the Commissioners will receive briefs  
21 from the parties arguing their respective positions on  
22 the issues and will make its decisions, and those will  
23 be announced in an order that will be out no later than  
24 April the 8th, which is what we call the suspension date  
25 for a proceeding of this type, and that's set by



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1 statute.

2           In terms of how we're going to take comments,  
3 momentarily I'm going to ask all of you who wish to give  
4 comments today to rise and be sworn. I will call you up  
5 one at a time based on the sign-up sheets that you  
6 hopefully got your name on when you came in. If not,  
7 you can go to the back now and sign up and they'll hand  
8 that up to me. But I will call you one at a time. I  
9 will ask you a few preliminary questions in terms of  
10 your name, where you live, and whether you're a customer  
11 and so forth. That will take just a moment, and then  
12 I'll give you 3 minutes to make your comments, which we  
13 have learned over the course of doing these many, many  
14 times is a sufficient time for members of the public but  
15 also to make sure that we have enough time for everyone  
16 to give their testimony and for us to hear that.

17           Again, save your questions for our Consumer  
18 Affairs Staff in the back who may direct you elsewhere  
19 or tell you how you can get more information, to  
20 Mr. DeBoer for the company. Public Counsel will be here  
21 also after our comment session, and he can perhaps  
22 answer questions for you as well, so that would be the  
23 way to proceed on that.

24           And with that, we'll take our written  
25 comments, and then I'll just notify you now that we will

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1 accept further written comments in this proceeding until  
2 January 25th, so if you don't want to testify today or  
3 if you want to testify and then offer additional written  
4 comments, you can do that by the 25th. And you can do  
5 that by submitting your comments electronically by  
6 E-mail, but please note that they are in connection with  
7 this proceeding which is Docket UE-090704 and UG-090705,  
8 and if you have questions about that, you can ask  
9 Ms. Gail Griffin-Wallace and Mr. Roger Kouchi in the  
10 back of the room.

11 All right, with that let me ask that all of  
12 you who wish to make a comment today, if you will please  
13 rise at this time and raise your right hand.

14 (The witnesses were sworn.)

15 JUDGE MOSS: Thank you, please be seated.

16 I will just call you in the order your names  
17 appear on my sign-up sheets.

18 All right, let's start with Karen Ballard,  
19 come forward. Ms. Ballard, you can take a seat up here,  
20 and there's a microphone. I will ask you to pull that  
21 microphone up close to you and speak directly into it,  
22 if you would please, either one of the microphones.

23

24

25

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1 Whereupon,

2 KAREN E. BALLARD,

3 having been first duly sworn, was called as a witness

4 herein and was examined and testified as follows:

5

6 BY JUDGE MOSS:

7 Q. All right, let me ask you a couple of  
8 questions, Ms. Ballard, would you please state your name  
9 and spell your last name for the record, please.

10 A. Last name first?

11 Q. No, you can just state your name.

12 A. Karen E. Ballard, B-A-L-L-A-R-D.

13 Q. And where do you live, Ms. Ballard?

14 A. I live in Rochester, Washington.

15 Q. And are you a customer of Puget Sound Energy?

16 A. Yes, I am.

17 Q. Gas or electric or both?

18 A. Electric.

19 Q. Electric customer, all right. Are you  
20 appearing for yourself or for others?

21 A. I am appearing for myself, but I'm also here  
22 for the people that can't make it, the working poor, the  
23 people on disability, and students, anybody that is on  
24 fixed or very limited income.

25 Q. All right, thank you very much. Go ahead

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1 with your statement, please.

2           A.     Like I said, I myself, I am a retired State  
3 employee. I live on a very fixed income. And because  
4 of my income, I can not afford personally more increases  
5 in my electric. I got a bill this month that I just  
6 paid off with the help of my oldest son that had  
7 doubled. Now I tend to pay \$25 to \$50 more on my  
8 electric bill so I always have a little bit of a  
9 balance. Without that extra payment, it would have been  
10 \$300. I am single. I do not run TV. My electric heat  
11 is down to \$55. And I've got enough clothes that I  
12 don't wash until I get a full load, which is about every  
13 two weeks. And I'm sure that I'm not the only one in  
14 this situation. There's a lot of people in my  
15 situation. I have friends that are on Social Security  
16 Disability that have Section 8 housing. They get  
17 subsidy for their housing, but they do not get subsidy  
18 for their electric bill. Their electric bill doubled  
19 this last month. They have to pay that out of pocket.  
20 And it's really becoming a burden because the  
21 electricity keeps going up, unfortunately our income  
22 doesn't, and it's making it very difficult.

23                   JUDGE MOSS: Thank you, Ms. Ballard,  
24 appreciate your comments.

25                   Mr. Douglas Rauh, I don't know if I

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1 pronounced that correctly.

2

3 Whereupon,

4 DOUGLAS A. RAUH,

5 having been first duly sworn, was called as a witness

6 herein and was examined and testified as follows:

7

8 BY JUDGE MOSS:

9 Q. You're going to correct me if I'm wrong  
10 because I'm going to give you an opportunity as my first  
11 question you to is, would you please state your name and  
12 spell your last name for the record.

13 A. Douglas A. Rauh, R-A-U-H.

14 Q. I did misread it a little bit.

15 Mr. Rauh, where do you live?

16 A. 12266 Kenneth Place, Bainbridge Island,  
17 Washington.

18 Q. Are you a customer of Puget Sound Energy?

19 A. Yes.

20 Q. Gas, electric, or both?

21 A. Electric only.

22 Q. And are you representing yourself today?

23 A. Yes.

24 Q. Yourself, all right, go ahead with your  
25 statement, please.

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1           A.     I believe that Puget Sound Energy could keep  
2 the electric generation and distribution expenses lower  
3 through more conservation efforts, specifically by  
4 providing the retail electric customers with realtime  
5 usage information delivered through the Internet and  
6 time of day pricing of electricity. I would also like  
7 to see the 10.15% shareholder profit margin lowered due  
8 to the general lowering of all profit margins due to the  
9 current economic slowdown that has occurred worldwide.

10                 I am very displeased with Puget Sound Energy  
11 selling the renewable energy credits to California the  
12 day the Macquarie Investment Bank and Canadian Pension  
13 Funds acquired ownership of PSE in 2009. All related  
14 expenses should not be charged to the Washington Puget  
15 Sound Energy rate payers. The Washington Utilities and  
16 Transportation Commission should count any revenue  
17 received from California as if it came from the  
18 Washington rate payers. It was the Washington rate  
19 payers who paid for building that green energy resource.

20                 The money being spent on wind power would be  
21 better spent on natural gas and electric generation.  
22 Now that natural gas is below \$6 per million British  
23 thermal units, even T-Bone Pickins has stopped his West  
24 Texas wind farm due to the sharp fall in natural gas  
25 prices.

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1                   I would like to ask the Washington Utilities  
2 Commission to monitor the Washington House Bill 2590.  
3 This bill would allow Puget Sound Energy to charge each  
4 rate payer \$1.90 per month. If House Bill 2590 passes  
5 this session, I would like Washington Utilities and  
6 Transportation Commission to consider lowering the Puget  
7 Sound Energy electric rate payers by the amount of \$1.90  
8 per month.

9                   Please think about those rate payers that are  
10 living on fixed income or that lost their jobs in the  
11 down economy before granting any rate increases to Puget  
12 Sound Energy. Thank you.

13                   JUDGE MOSS: Thank you, Mr. Rauh.

14                   Angela Minker.

15

16 Whereupon,

17                   ANGELA MINKER,

18 having been first duly sworn, was called as a witness  
19 herein and was examined and testified as follows:

20

21 BY JUDGE MOSS:

22                   Q. Ms. Minker, would you please state your name  
23 and spell your last name for the record.

24                   A. My name is Angela Minker, M-I-N-K-E-R.

25                   Q. Thank you. And where do you live,

0250

1 Ms. Minker?

2 A. I live in Rainier, Washington.

3 Q. And are you a customer of Puget Sound Energy?

4 A. I am an electric customer of Puget Sound.

5 Q. Thank you. Are you here representing

6 yourself or others?

7 A. Myself.

8 Q. All right, please go ahead with your

9 comments.

10 A. I came today to ask you to postpone the  
11 request for Puget Sound Energy rate increase in view of  
12 the economic situation that we are currently  
13 experiencing. As a senior on a limited income, the  
14 increase would make it more difficult to pay for the  
15 increases. As a home owner in Thurston County, over the  
16 past two years our property taxes have increased 23.3%.  
17 Puget Sound Energy has increased 8.5%. This year our  
18 water bill is increasing 10%. Gasoline prices are  
19 almost \$3 a gallon now. And our food prices are  
20 escalating. You don't notice that as much because  
21 you're getting less for the same amount of money. The  
22 one thing that's not going up is our income. Social  
23 Security did not get any raise this year and probably  
24 won't next year, something about a big computer in the  
25 sky that's going to keep track of everybody is what I



0251

1 understand.

2 Thank you very much for this opportunity to  
3 speak to you today. And my husband is not here, but he  
4 and I do live and have lived for 35 years in Rainier,  
5 and I made a copy of this so that you can have it.

6 JUDGE MOSS: All right, Ms. Minker, you can  
7 hand that up to me, and we'll get that into the record.

8 MS. MINKER: Thank you.

9 JUDGE MOSS: Thank you for your comments  
10 today.

11 Our next speaker will be Wallace Blake.  
12 Mr. Blake doesn't care to speak, all right, yes. And I  
13 did have a question mark by your name, I'm sorry, I  
14 didn't notice that.

15 How about Ms. Sharon Blake? Also not wishing  
16 to speak today, okay, that's just fine.

17 Then that brings us to Lee Wood. Don't care  
18 to speak today, okay, that's fine.

19 All right, Bob Jacobs, no, yes, Bob Jacobs  
20 does wish to speak today. I looked in the wrong column  
21 when I saw a no there.

22

23 Whereupon,

24

BOB JACOBS,

25 having been first duly sworn, was called as a witness

0252

1 herein and was examined and testified as follows:

2

3 BY JUDGE MOSS:

4 Q. Mr. Jacobs, if you would please state your  
5 name and spell your last name for the record.

6 A. Bob Jacobs, J-A-C-O-B-S.

7 Q. All right. And what community do you live  
8 in, Mr. Jacobs?

9 A. Olympia.

10 Q. And you're a customer of PSE?

11 A. Yes, for both gas and electric.

12 Q. Thank you. And are you here representing  
13 yourself or others today?

14 A. For myself and my family.

15 Q. All right, very good, we appreciate having  
16 your comments.

17 A. I would like to speak in opposition to the  
18 electric rate increase that's been proposed for two  
19 reasons. The first reason is because these rates  
20 include subsidies for population growth and development.  
21 I and friends of mine have been told over the years that  
22 these run anywhere from 30% to 50% of the electric bill.  
23 I have consulted with a consulting utilities economist,  
24 and he says it's more than like 7%. In either case,  
25 it's too much, it should be zero. Just as the school

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1 districts can charge impact fees for school buildings to  
2 serve population growth and development, just as cities  
3 and counties can charge impact fees for streets and  
4 parks and fire facilities to serve population growth and  
5 development, power companies should charge developers  
6 fees to provide additional electric generation,  
7 transmission, and distribution facilities. I note that  
8 included in this rate increase justification is new  
9 generation, new plants. If the developers were paying  
10 their own way, I suspect that this would result in a  
11 decrease in rates, not an increase. And by the way, in  
12 this testimony I'm assuming that such subsidies to  
13 developers are not included in the gas rates. If they  
14 are, I'm opposed to those too.

15           The second reason I'm opposed to these  
16 increases in electric rates is the rate of return which  
17 is requested at an increase. It seems inappropriate at  
18 a time when everyone's rates are lower, lots lower, to  
19 suggest an increase in these rates for the utility. 5  
20 years CD's now stand at 3%. I checked with the finance  
21 director of the City of Olympia who invests in treasury  
22 securities in the millions of dollars, all they can get  
23 is 3%. PSE is a risk free investment. It's a monopoly  
24 providing a necessary service. Why such a high rate of  
25 return? Seems to me that the rates ought to be reduced,

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1 not increased. And of course this would apply to gas as  
2 well as electric.

3 Finally, I would like to introduce into your  
4 record an editorial from the Seattle Times recently  
5 which I will hand up, and in conclusion I want to remind  
6 you how much the public relies on the Staff, on Public  
7 Counsel, and on the Commission to do the right thing and  
8 protect the public. Please, I know you take this very  
9 seriously, but I ask you to take it very seriously.  
10 This is a monopoly in control of a necessary service.  
11 We have no alternatives. We count entirely on you to do  
12 the right thing.

13 Thank you.

14 JUDGE MOSS: All right, thank you,  
15 Mr. Jacobs, and I will take that from you. I will see  
16 to it that's made part of the record.

17 Next is Lon Freeman.

18 MR. FREEMAN: No comment.

19 JUDGE MOSS: Okay, Mr. Freeman.

20 Casey Cockran? No, I think it does say no.  
21 All right, I need to start reading the entire list,  
22 sorry.

23 John Baer.

24 MR. BAER: Good afternoon, sir.

25 JUDGE MOSS: Good afternoon.

0255

1 Whereupon,

2 JOHN BAER,

3 having been first duly sworn, was called as a witness

4 herein and was examined and testified as follows:

5

6 BY JUDGE MOSS:

7 Q. Were you here to be sworn?

8 A. I'm sorry?

9 Q. Were you here when I swore the witnesses in?

10 A. Yes, sir.

11 Q. Oh, you were, okay, I wasn't sure I saw you.

12 Would you please state your name and spell  
13 your last name for the record.

14 A. My name is John Baer, B-A-E-R.

15 Q. And where do you live, Mr. Baer?

16 A. I live at Offut Lake in Tenino.

17 Q. All right. And are you a customer of PSE?

18 A. Yes, I am, electric.

19 Q. All right. And are you here representing  
20 yourself or others?

21 A. I'm representing myself, but it does reflect  
22 all of my neighbors.

23 Q. Sure, all right, go ahead please with your  
24 comments.

25 A. We received the notice for the hearing, and

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1 on the chart they're asking for a certain -- a current  
2 rate.

3 Q. Mr. Jacobs, I'm sorry to interrupt, could you  
4 speak directly into the microphone.

5 A. Oh, I'm sorry.

6 We've received the notice for these hearings,  
7 and it's given us a basic current rate, so I brought my  
8 last electric bill here, and I'm already paying higher  
9 than the basic rate. And on the proposed new rates are  
10 just a little bit higher than what I'm already paying  
11 already, so I'm seeing -- why am I paying more than  
12 somebody else? If you change these rates, am I going to  
13 get some kind of a rebate of any kind, because I'm  
14 already paying higher than somebody else for the same  
15 electricity? And I don't have an answer for it, and the  
16 ladies when I call in they don't have an answer either.

17 JUDGE MOSS: All right, as I indicated to  
18 you, Mr. Baer, we have Public Counsel present and  
19 Mr. DeBoer is here from the company and our consumer  
20 affairs people, so you may want to put that question to  
21 them after we're finished this morning.

22 MR. BAER: I wasn't sure if I should present  
23 it here or there.

24 JUDGE MOSS: That's fine. If you would ask  
25 them afterwards, they might be able to give you some

0257

1 ideas.

2 MR. BAER: Thank you, sir.

3 JUDGE MOSS: All right, thank you for your  
4 comments.

5 And the next person who indicates an interest  
6 in speaking is Monica Hoover.

7

8 Whereupon,

9 MONICA HOOVER,

10 having been first duly sworn, was called as a witness  
11 herein and was examined and testified as follows:

12

13 BY JUDGE MOSS:

14 Q. Ms. Hoover, would you please state your name  
15 for the record and spell your last name.

16 A. My name is Monica Hoover, my last name is  
17 H-O-O-V-E-R.

18 Q. Thank you. And where do you live?

19 A. I live in Olympia, Washington.

20 Q. Are you a customer of Puget Sound Energy?

21 A. I am an electric customer of Puget Sound  
22 Energy.

23 Q. Are you here today representing yourself or  
24 others?

25 A. Yes, I am, myself.

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1 Q. All right, very good. Go ahead with your  
2 comments, please.

3 A. I am speaking in opposition to the rate  
4 increase and thank you for this opportunity to comment.  
5 As we watch the continued unraveling of our economy and  
6 continued job loss, it is galling to me that you are  
7 considering a rate of return at or near double digit  
8 levels for such a secure investment. My mom is 87 years  
9 old, my dad will be 90 this year. People like them on  
10 fixed incomes can not afford these rate increases. I  
11 agree with Mr. Jacobs' comments, this is a monopoly on  
12 an essential service. We have no other options. Please  
13 reject this increase.

14 JUDGE MOSS: All right, thank you very much  
15 for your comments.

16 I have one more person who signed up here and  
17 indicated an interest in speaking, but I can not make  
18 out a signature, so let me just ask if there is another  
19 person present who wishes to speak today if they would  
20 come forward at this time.

21 Yes, sir, come forward.

22

23 Whereupon,

24 FRANK SHAW,

25 having been first duly sworn, was called as a witness



0259

1 herein and was examined and testified as follows:

2

3 BY JUDGE MOSS:

4 Q. Would you please state your name for the  
5 record and spell your last name.

6 A. Frank Shaw, S-H-A-W.

7 Q. All right, thank you, Mr. Shaw. Now that you  
8 say your name, I can make it out, I appreciate that.

9 A. I wanted to be a doctor, but it didn't work  
10 out.

11 Q. I see.

12 Where do you live, Mr. Shaw?

13 A. I'm from Ellensburg.

14 Q. All right. And are you a customer of PSE?

15 A. Unfortunately I am an electric customer of  
16 Puget Sound Energy.

17 Q. All right. And are you speaking today on  
18 your own behalf or on behalf of others?

19 A. On my own behalf.

20 Q. All right. Please go ahead with your  
21 comments.

22 A. I see you don't have a map of their coverage  
23 zone here. I have multiple things that bother me about  
24 Puget Sound Energy. Their rate increase, I would  
25 disagree with any rate increase that they're going to

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1 ask for. Kittitas County, where Ellensburg is centered,  
2 is treated as the bastard child of Puget Sound Energy's  
3 system. We no longer have any linemen that are paid for  
4 or employed by PSE. If we have power outages or other  
5 issues in my community, we have Patelco who is  
6 contracted by them to come and take care of us. On an  
7 interesting note in that respect, I had a power line  
8 struck from my transformer box 14 feet, that's 1 and a  
9 4, 14 feet, \$714. I had the trench, I had the pipe, and  
10 I had the wire. Does that sound reasonable? I don't  
11 think so.

12 My dishwasher and refrigerator went out. I  
13 went down to the office as I had heard there was some  
14 rebate programs. I picked up this energy cost guide  
15 that was given me by the employee there in the  
16 Ellensburg office. Reading the back of this form, and  
17 let's see they wanted a publication, it's 1236.3\05.4M,  
18 and it says very clearly on the back of this, Energy  
19 Star qualified dishwasher rate, a \$20 rebate is  
20 available for Energy Star qualified dishwashers. My  
21 Energy Star guide from the dishwasher that I purchased.  
22 Sorry, I didn't bring the one for the refrigerator. But  
23 participating in their 800 phone number, and you call,  
24 they give you somebody else who comes collects the  
25 refrigerators, but they don't collect the dishwashers.

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1 I didn't know why. Well, the company that picked this  
2 up was two weeks late, we had a little problem with  
3 that.

4           Then trying to find who was in charge of the  
5 dishwasher program. If you folks would like to see the  
6 back of this pamphlet, I would be happy to share it with  
7 you. Once I brought this up to the company, all these  
8 pamphlets were pulled from the Ellensburg office, so  
9 this is the only one I know of. The acting manager,  
10 since we don't have a real manager in the Ellensburg  
11 area, they either laid them off or promoted them to some  
12 other position, but the acting gentleman within about 10  
13 minutes was able to find me the person in charge of the  
14 dishwasher program. Oh, I'm sorry, he says, it's only  
15 for new construction. I read this thing cover to cover  
16 many times, it says nothing about new construction for  
17 dishwasher rebate program. I'm here for \$20 bucks.

18           I drove from Ellensburg. That's on the  
19 either side of the Cascade Mountains for those who don't  
20 know where it is because Puget Power's folks don't seem  
21 to understand or know. When I call the 1-800 number,  
22 they don't even know there's a Thorp station. That is  
23 where their repair facility is and those folks come out  
24 of. Oh, no, we don't have one there. Oh, no, we don't  
25 have a dishwasher program. Oh, no, we don't have a

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1 refrigerator rebate program.

2           Anything this company asks for in increases  
3 should be no, no, no. That's what they should hear from  
4 you folks. This is the second time I've been in front  
5 of this Commission in about 12 or 15 years because my  
6 side of the mountain continues to be ignored.

7           And proof of that additionally is this thing  
8 called Rock the Bulb. It comes in all your PSE bills.  
9 And it says, hey, we've got 16 places you can come  
10 exchange light bulbs. Oh, look, the closest one to me  
11 is Issaquah. That's only 82 miles one way for me to  
12 drive to exchange light bulbs. The folks in the  
13 Ellensburg office complain to their own company that  
14 they can't get these programs in Ellensburg.

15           I'm not happy that I'm saddled with this  
16 company and like these other folks who are on fixed  
17 incomes and complain about not being able to take  
18 advantage, hey, come live in my neighborhood for a week.

19           Q.     Mr. Shaw, while we appreciate your comments,  
20 you have run out of time. I would appreciate it if you  
21 could sum up quickly.

22           A.     My summation would be again this company  
23 doesn't deserve any rate increase --

24           Q.     All right.

25           A.     -- off the backs of the people. Thank you

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1 for your time.

2 JUDGE MOSS: Thank you.

3 CHAIRMAN GOLTZ: Judge Moss, if I could just  
4 maybe ask Mr. Shaw.

5 JUDGE MOSS: Sure.

6 CHAIRMAN GOLTZ: If you want to, maybe  
7 Ms. Griffin-Wallace or Mr. Kouchi, the Consumer Affairs  
8 Staff in the back, if they can make a Xerox copy of the  
9 brochure.

10 MR. SHAW: Oh, yes, I can do that.

11 CHAIRMAN GOLTZ: And they can get you the  
12 original back, and then they can, you know, process that  
13 through their consumer affairs office, that might be  
14 useful.

15 MR. SHAW: Thank you for your time,  
16 gentlemen.

17 JUDGE MOSS: Thank you very much.

18 Is there anyone else? We do have apparently  
19 someone else, thank you, Mr. Kouchi.

20 All right, we have Norman Bruce. Mr. Bruce,  
21 were you here to be sworn, and were you in fact sworn  
22 with the other witnesses?

23 MR. BRUCE: No, I wasn't.

24 JUDGE MOSS: All right, please remain  
25 standing, and raise your right hand.

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1 (Witness NORMAN BRUCE was sworn.)

2 JUDGE MOSS: Thank you, please be seated.

3 MR. BRUCE: Thank you very much.

4

5 Whereupon,

6 NORMAN BRUCE,

7 having been first duly sworn, was called as a witness

8 herein and was examined and testified as follows:

9

10 BY JUDGE MOSS:

11 Q. Mr. Bruce, I will ask you to state your name

12 and spell your last name for the record, please.

13 A. Norman Bruce, B-R-U-C-E.

14 Q. Thank you. And where do you live, Mr. Bruce?

15 A. I live in Gig Harbor.

16 Q. And are you a customer of PSE?

17 A. Yes, I am, gas customer.

18 Q. All right. And are you here representing

19 yourself or others today?

20 A. Myself.

21 Q. All right. Please go ahead with your

22 statement.

23 A. I'm here to talk about the price of gas that

24 had a violent price change in '08, but it came from --

25 it's -- which is quite unusual. It went from

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1 approximately, oh, an average of \$7 to, well, \$13, but  
2 then it dropped to \$2.50. These are per million square  
3 feet, I assume that the therm is directly proportional  
4 to the million cubic feet of gas. So anyway I'm sure  
5 that they collected their moneys when the price went up,  
6 but they certainly didn't change the price when it went  
7 down. I noticed on my gas bill it went to \$8, \$9 and  
8 change all the way to October when the price was well  
9 down around \$3, and it's been as low as \$2.75, and I'm  
10 sure that their storage is filled with \$2.75 gas. And  
11 they very generously gave us a 25% discount in October I  
12 believe, but I don't believe that covered the steep  
13 decline in gas prices. I don't know how they price  
14 their gas, but they apparently do a long-term contract  
15 with the State, and then they can hedge their -- they  
16 can do long-term forward contracts and make money on the  
17 deal. And when the gas price drops 75%, why, 25%  
18 decrease doesn't seem to cut it. There are hedges that  
19 they can do, and I believe that the State could look at  
20 a sheath of invoices that they pay for gas. There's no  
21 shortage of gas. I assume that they get some of it from  
22 Canada, and there was a station that was to import gas,  
23 and they found so much gas in Canada that they had to  
24 turn the thing around and set it up for export. And I  
25 also understand there's consideration for a -- at the

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1 southern on the river coming into Washington and Oregon  
2 to put a station to take off gas, so there's no shortage  
3 of gas. And the gas price peaked recently at \$6 very  
4 shortly at the height of the cold spell, which would  
5 indicate that there's going to be no more, gas will not  
6 increase more than \$6 per million cubic feet. So I  
7 would hope that you would make sure that you don't  
8 contract for anything more than that.

9 Q. Mr. Bruce, we appreciate your comments today,  
10 you have exhausted your time. If you could sum up, that  
11 would be just great.

12 A. Okay, well, I don't know exactly how it's  
13 done, but I have a chart of the price that's going, and  
14 you can look at that.

15 Q. All right, if you could hand that to our  
16 representative in the back of the room there.

17 A. All right, fine. And here are a number of  
18 things.

19 But anyway I would hope you will look at all  
20 their invoices and do your contracting accordingly,  
21 because the profits don't stay in this country any more.

22 JUDGE MOSS: All right, thank you very much.

23 MR. BRUCE: You're welcome.

24 JUDGE MOSS: And anything you want to be in  
25 the record, if you could just hand it to our



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1 representatives in the back of the room, Mr. Kouchi is  
2 standing there, and he can make a copy if you want to  
3 retain the original, thank you very much.

4 Is there anyone else present today, a member  
5 of the public, who wishes to comment?

6 MR. FREEMAN: I do.

7 JUDGE MOSS: All right, come forward, please.

8

9 Whereupon,

10 LON FREEMAN,

11 having been first duly sworn, was called as a witness  
12 herein and was examined and testified as follows:

13

14 BY JUDGE MOSS:

15 Q. And did I swear you before?

16 A. Yes, my name is Lon Freeman.

17 Q. Oh, yes, okay, very good. Please spell your  
18 last name for the record.

19 A. Last name is F-R-E-E-M-A-N, I live at 5040 -  
20 78th Avenue Northwest in Olympia.

21 Q. All right. And are you here representing  
22 yourself, Mr. Freeman?

23 A. I am representing myself, although other  
24 people have expressed similar concerns and interests.

25 Q. All right.

1           A.     The comment, it's one single comment  
2     basically, it has to do with the distribution of costs  
3     among the different rate schedules that are presented  
4     even in the public sheet that went out.  And that  
5     specifically regards residential rate schedules, which  
6     is rate schedule number 7.  And I see in the list of  
7     different schedules that that residential rate schedule  
8     for people in their homes, residential, is the largest  
9     percentage increase among all of the different rate  
10    schedules.  And in terms of a distribution cost  
11    consideration, I would think that under the current  
12    circumstances of economic constriction in particular  
13    that it is not a fair distribution of cost increase,  
14    although I do not think that there should be any cost  
15    increase.  This is just off of the top of my mind, but I  
16    think over the past few years, and I will say 3 to 4  
17    years since I've kept my own records, I think there has  
18    been a general increase of about 25% to 30% over the  
19    past 4 years or so within electric rates in particular  
20    is what I'm talking about.  So that's the gist of my  
21    comment.  I will make one specific concrete instance of  
22    what I'm talking about.  When the Intel Corporation came  
23    into the area in the Dupont plant, which is part of the  
24    Enterprise Computing Division of Intel, formerly  
25    Scalable Systems Division, they were given a special

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1 dispensation in both taxes by Governor Mike Lowry at the  
2 time and in terms of rate schedules as well. They  
3 actually managed to get their own rate schedule as a  
4 high power usage facility. And without going into great  
5 detail, at the time that they came in, 70% of that  
6 facility was supposed to be used for assembly of  
7 machines with an arrangement to be recruiting people who  
8 were poor working class people so they would have jobs  
9 and some training and security. 30% of the facility was  
10 supposed to be used for research and development. Well,  
11 after one year, the assembly division of that facility  
12 terminated, and the entire facility became an R&D  
13 facility, and it's R&D for Enterprise Computing, also  
14 formerly called Scalable Systems. And again given a  
15 special dispensation in terms of the rate schedule and  
16 taxes. I do not think that that's fair, and I think it  
17 should be examined.

18 JUDGE MOSS: Thank you very much for your  
19 comments, Mr. Freeman.

20 Is there anyone else present in the hearing  
21 room who wishes to comment today?

22 Apparently not. Let me ask if there's anyone  
23 on our teleconference bridge line who wishes to comment  
24 today?

25 Again apparently not. So with that I will

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1 turn to the Commissioners if there are any closing  
2 remarks.

3 CHAIRMAN GOLTZ: Just once again thank you  
4 all for coming, and like the other public hearings we've  
5 had both in this case and others, the comments are very  
6 thoughtful, and I even saw Mr. Ffitch taking notes, so  
7 I'm sure we've got some good ideas out of this. I  
8 really appreciate your time and thoughtfulness.

9 JUDGE MOSS: And I will add my appreciation  
10 to that expressed by Chairman Goltz, and with that, our  
11 public comment section will be closed. Thank you very  
12 much for being here.

13 (Hearing adjourned at 12:45 p.m.)

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