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BEFORE THE WASHINGTON STATE
UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND TRANSPORTATION)
COMMISSION,)
Complainant,)
vs.) Dockets UE-111048
PUGET SOUND ENERGY,) and UG-111049
INC.,) (Consolidated)
Respondent.)

PUBLIC HEARING - VOLUME II

Pages 54-102

CHAIRMAN JEFF GOLTZ

6:00 P.M.

FEBRUARY 1, 2012

Bellevue City Hall, Council Chambers
450 - 110th Avenue Northeast
Bellevue, Washington

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A P P E A R A N C E S

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COMMISSIONERS:

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JEFF GOLTZ, Chairman
PHILIP B. JONES, Commissioner
PATRICK J. OSHIE, Commissioner
1300 South Evergreen Park Drive SW
Olympia, Washington 98504
360.664.1173

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BELLEVUE, WASHINGTON; FEBRUARY 1, 2012

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6:00 P.M.

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P R O C E E D I N G S

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CHAIRMAN GOLTZ: Well, good evening. We'll

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convene this. This is a public hearing convened -- a public

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hearing of the Washington Utilities and Transportation

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Commission in a rate case involving Puget Sound Energy in

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our docket number UE-111048 and UG-111049.

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The UE stands for utilities electric, and UG

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stands for utilities gas. So this is a rate increase for

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both their electric and gas utility.

15

My name is Jeff Goltz. I'm chairman of the

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Utilities and Transportation Commission. With me on my left

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is Commissioner Pat Oshie, and on my right is my colleague,

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Commissioner Phil Jones.

19

What we have on the agenda for tonight is the

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hearing -- a public comment hearing in this rate case, and

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I'll explain the process for that in a moment. There's a

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few preliminary things I want to get to.

23

The Utilities and Transportation Commission is

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charged by statute to set the rates, approve rates for

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investor-owned utilities, such as Puget Sound Energy, for

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1 providing both their gas and their electric service.

2 The legislature tells us that the rates to be
3 charge by a utility must be fair, just, reasonable and
4 sufficient. That's the statutory term. To make those
5 determinations, we -- the legislature also has us conduct a
6 quasi-judicial proceeding; that is to say, quasi-judicial
7 means court-like.

8 So this is a court-like proceeding. It's
9 conducted with evidence on the record. We have a court
10 reporter here that will take down what everyone says
11 tonight. And in a couple of weeks -- or actually, about a
12 week and a half, we'll have a court reporter taking down
13 testimony in the formal evidentiary hearings, which will be
14 held in Olympia the week after next.

15 The -- at those hearings we will hear from the
16 company who is burdened -- who has the burden to demonstrate
17 that its rates are fair, just, reasonable and sufficient,
18 the proposed rates, and they will put on evidence of the
19 cost of their service, the amount of appropriate level of
20 earnings they can make on their investments.

21 We'll also hear evidence from a number of other
22 parties, some of whom will be here tonight, and we'll
23 introduce -- will introduce themselves in a moment. Those
24 other parties include the commission staff which serves as a
25 separate party, do not communicate with us in the context of

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1 this case.

2 We also have a separate party which is represented
3 by -- which is the Office of Public Counsel in the
4 Washington Attorney General's Office. They are also
5 represented by an assistant attorney general. And we have a
6 number of other parties as well on various low-income
7 groups, groups of customers and the like.

8 So in the case -- formal hearings, they -- parties
9 have filed -- pre-filed testimony with their various
10 information, evidence, accounting data and so forth. We
11 will hear that the week after next.

12 This -- the purpose of tonight's hearing is to get
13 a different perspective. As much as I look forward to
14 hearing from accountants in a week and a half, I very much
15 look forward to hearing from customers tonight. And also
16 week after next, we will have a hearing similar to this in
17 an evening in Thurston County.

18 I've always found these public comment hearings to
19 be very important, because we get a perspective that we
20 don't get through the formal evidentiary hearing. We hear
21 real-world impacts of proposed rates, real-world impacts of
22 existing rates.

23 And in addition to that, sometimes -- and this is
24 one of the advantages of having the hearing, public hearing,
25 before the formal evidentiary hearing -- we get some ideas

0059

1 of some lines of inquiry to ask, to pursue when the company
2 witnesses or the other witnesses come before us.

3 So we will be taking notes here. I've got my
4 laptop here and I'll be writing down some ideas for our
5 formal evidentiary hearing, which will be the week after
6 next.

7 Just a brief -- there was a handout in the front
8 from -- various handouts. Among them is a handout from
9 Mr. Simon ffitch of the Office of Public Counsel, and gives
10 a little summary of what the Office of Public Counsel is,
11 but it also gives a summary of the positions of the various
12 parties in this rate proceeding.

13 Puget Sound Energy has initially -- I emphasize
14 initially -- requested an additional 160.7 million dollars
15 in revenues or about a 8.1 increase for its electric
16 operations. They also requested an additional 31.8 million
17 in revenues or about 3 percent increase for its natural gas
18 operations.

19 For a typical residential customer using a
20 thousand kilowatt hours of electricity per month, their bill
21 would go up \$8.37 under the initial filing, and a typical
22 residential customer using 68 therms per month would
23 experience a rate increase of about \$2.84 per month.

24 A number of parties, including commission staff
25 and public counsel, opposed that increase. The commission

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1 staff recommended that PSE be allowed to collect an
2 additional 40.2 million for electric or 2.02 percent, and
3 1.5 million for its gas operations or 0.1 percent.

4 Now, after the other parties filed their responses
5 to the utility's initial request, Puget Sound Energy filed a
6 revised request. They now request 125.9 million or about
7 6.34 percent for its electric operations, and it also
8 reduced its request for an increase in gas revenues to 28.6
9 million or 2.7 percent.

10 If you are taking notes, again, these figures are
11 also in the public counsel handout. So we will be holding
12 formal hearings on that request in Olympia on February 14th
13 and continuing as necessary through February 17th.

14 So with regard to the hearings tonight, we've --
15 if you want to give a comment, give testimony, you should
16 have signed up in the sign-up sheet with -- in the back.

17 I want to introduce Mr. Roger Kouchi of the
18 commission consumer affairs staff, and if you met him as you
19 came in. He has additional sign-up sheets if you haven't
20 signed in. So we will then go -- take them in order and ask
21 people to comment.

22 Now, typically in these we've asked public
23 witnesses to limit their comments to approximately three
24 minutes. I don't know that the crowd here is so
25 overwhelming that we have to be too strict with that, but I

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1 do ask you to be respectful of each others' times, because
2 people are coming out this evening, and some people may be
3 at the bottom of the sign-up sheet may need to be somewhere
4 else at some time. So we ask you to be respectful for
5 everyone's time.

6 And also, it's perfectly acceptable if the person
7 preceding you says exactly what you wanted to say, it's
8 perfectly fine to say, "I agree with the previous speaker,"
9 and we can abbreviate it that way as well.

10 Also, if you -- if you wish, it is possible to
11 file written comments with us. You can go through our web
12 site, you can just send a letter in, and include the docket
13 number, which again is 111048 and 111049. And then it will
14 get into the file, and we read all of those -- all of those
15 written comments. You need to get the comments in by
16 February 17th for them to be -- for them to be considered.

17 Again, this is a formal proceeding, so we have a
18 court reporter taking down what you have to say. And so
19 please speak clearly and slow enough so that court reporter
20 can get your words. Normally I'm the one that talks the
21 fastest of anybody in the group, and I have to be conscious
22 of that. It's very easy to start to go very, very quickly.

23 Now, the other thing is this is not a
24 question-and-answer session, formal question-and-answer
25 session. We're sitting as decision makers in this case, so

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1 we ask you not to get up and ask us a question about the
2 case, about Puget Sound Energy, about storm damage or
3 whatever else you wanted to ask about.

4 But it is -- we do have people here from the
5 various parties, from the utility, from our consumer
6 involvement staff, Mr. Kouchi in the back, as I mentioned.
7 We also have some other staff representatives here, and feel
8 free to ask them some questions after the -- after the
9 hearing tonight, and they'll be responsive. If they can't
10 be responsive to your question, they'll get your name,
11 address or e-mail and we will get back to you.

12 So again, because this is a formal proceeding, we
13 have testimony, and the testimony is under oath. So I've
14 learned that I'm authorized to administer oaths under
15 statute, so I'm going to ask everybody who wishes to or even
16 thinks they might give comments tonight to stand, raise your
17 right hand, and then I will administer the oath. If you
18 agree, just say "I do."

19 So do you solemnly swear or affirm that the
20 testimony you give in this proceeding is the truth?

21 THE WITNESSES: I do.

22 CHAIRMAN GOLTZ: Thank you. You may be seated.

23 Oh, I know. I apologize. Normally we have an
24 administrative law judge that does this, but the
25 administrative law judge is back working on this case, so

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1 I'm presiding tonight.

2 The -- what we want you to do when you give your
3 statement is to speak -- come up to the podium here, if you
4 can, and speak into the microphone and give your name,
5 indicate if you're an electric or natural gas customer of
6 Puget Sound Energy or both, and if you are representing
7 yourself or sometimes people represent a neighborhood
8 association or if they have a business or something like
9 that, and then you can -- that's for the record. But state
10 your name and spell your last name so the court reporter can
11 get that down accurately.

12 Before we start with that, I want to ask the
13 parties who are represented here by counsel, and sometimes
14 by non-lawyers, to identify themselves. And we can start
15 with commission staff, Mr. Cedarbam.

16 MR. CEDARBAM: Thank you, Commissioner. My name
17 is Robert Cedarbam. I'm an assistant attorney general. I'm
18 representing the commission staff in both the electric and
19 natural gas rate cases.

20 MS. CARSON: Good evening. My name is Sheree
21 Strom Carson. I'm an attorney with Perkins Coie, and I
22 represent Puget Sound Energy.

23 MR. FFITCH: Good evening. My name is Simon
24 ffitich, and I'm an attorney with the Office of Public
25 Counsel. Our office is the division of the Attorney

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1 General's Office that represents residential and small
2 business customers of Puget Sound Energy in this case. And
3 I will be available afterwards to talk with any customers
4 who would like to meet with me.

5 CHAIRMAN GOLTZ: Mr. Roseman.

6 MR. ROSEMAN: My name's Ron Roseman. I'm an
7 attorney, and I'm representing the Energy Project, which is
8 an organization that represents customers that are low
9 income or on fixed income, and is trying to protect their
10 interests in this.

11 CHAIRMAN GOLTZ: I don't think there's anyone else
12 here representing a party, is there? Also in addition to
13 Mr. Cedarbam representing commission staff, we have Mr. Rick
14 Applegate who is a staff member working on the case.

15 If you have questions about the staff position or
16 other questions about the Utilities and Transportation
17 Commission, please direct it to one of them. If you have
18 questions about your utility bill, contact either Ms. Carson
19 or Mr. Tom Devore of the utilities is in the back, and maybe
20 there's some other utility or PSE people here as well.

21 So with that, anything else? We'll get started.
22 So again, thank you all for coming. We really appreciate.
23 These are very valuable for us. First is Mr. Wynn Cannon.

24 MR. CANNON: Thank you, Mr. Chairman. Do I have
25 this so that everybody will be able to hear me? All right.

0065

1 Thank you very much.

2 My name is Wynton Cannon. I have both the natural
3 gas billing and also the electric billing. I live at 16443
4 Southeast 8th Street in Bellevue, and I've been here since
5 1960. Was there any other question I was supposed to
6 answer?

7 CHAIRMAN GOLTZ: No. That's C-a-n-n-o-n?

8 MR. CANNON: That's correct. I'm chairman of the
9 League of Washington Taxpayers. It is an organization that
10 is statewide in the State of Washington. We only have
11 20,000 members in our organization, and it keeps me busy
12 most of the time.

13 And I appreciate the fact that you are having this
14 meeting tonight, because I think this is how democracy
15 really works. And we have representation from above and
16 from below, and I think that it is essential that that be
17 done.

18 As you may or you may not know, PSE is requesting
19 a rate increase of one hundred and fifty-nine million point
20 seven dollars, and another increase for thirty-three million
21 point three thousand for natural gas.

22 The League of Washington Taxpayers oppose these
23 unreasonable increases and are recommending to the
24 Washington Utilities and Transportation Commission that they
25 also refuse to approve Puget Sound Energy's request in the

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1 same manner.

2 There are several reasons for our position that
3 these rate increases be denied. First of all, PSE's for
4 these increases is designed to recover costs as a quote,
5 "resulting of energy efficiency services with a 8.08 percent
6 increase in electric services per kilowatt hour."

7 Secondly, PSE also wants a 3.16 increase in
8 natural gas revenue per therm. As the price of natural gas
9 has gone down for both consumers and businesses, why does
10 PSE want a proposed 1.13 dollars per therm when it should be
11 reduced?

12 It has been proven that the therm and the natural
13 gas costs are down considerably, and once or review that we
14 had was the United States was -- had the most natural gas in
15 the world.

16 Then all of a sudden Germany and Poland and
17 England and everybody else had it, and they found out that
18 they were not something that was in short demand, but that
19 it was in short demand and the price of the therm went down
20 considerably. And it's being represented in that manner
21 today.

22 Thirdly, a study of the increases for electric
23 revenue in the past ten years happens to be 46 percent. And
24 we think that that also is something that is considered,
25 because there are two procedures that are followed for this

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1 increase.

2 Number one, they go through the procedure that we
3 are going through this evening, and also it comes about
4 because they have a negative reduction program. So far in
5 that ten years, the negative reduction of our costs have
6 been 24.6 percent. And it has been increased 46 percent per
7 se.

8 Next, costs due to investments and new
9 infrastructure, including the new Lower Snake River wind
10 project, administrative costs, general administrative costs,
11 also, general transmission and distribution expenses.

12 There are other expenses, but I have a sense of
13 humor, because this is a request for increased return on
14 investor procedures. And if I understand that correctly,
15 that happens to be the shareholders.

16 The bulk of the natural gas would recover
17 investments, reliability to serve new customers and cover
18 costs for compliance and safety improvements. And then
19 there are a couple of other things.

20 I've talked to a considerable number of people
21 about this meeting. Appreciate the fact that we are here
22 and are able to state our positions. But I find that it has
23 a difference in most cases of people who had a higher use of
24 electricity and natural gas than what is reported in the
25 procedure.

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1 And it points out in the procedure that the cost
2 is considerably less. Most of the people are saying, "Oh, I
3 use and pay -- just paid the bill, and it was \$274 or two
4 hundred and fifty dollars."

5 Well, I happen to be less than that, because I am
6 a warm-hearted person, and we have at our house a hundred
7 and seventy-nine dollar billing for the month of January.
8 And we find that everybody else is higher than we are, so
9 we're looking at what we're doing wrong or what we're doing
10 right.

11 Then the other thing that I have is the
12 deductions, should there be any deductions? We don't think
13 so. We think that they should be as they are, and because
14 we are living in a -- in a recession time, we have a lot to
15 think about in what we are spending our money for. I'm only
16 84 years of age, and as a result I find that it is something
17 that we can control better at that age than I did at 14.

18 I appreciate this very much that you are here and
19 that you are listening to us. And I appreciate the fact
20 that it is something that is important, because we are
21 spending our money when we are having a recession. We are
22 spending our money at the federal level, state level and at
23 the city level where all of these organizations are now
24 finding themselves in financial problems. Thank you very
25 much.

0069

1 CHAIRMAN GOLTZ: Thank you, Mr. Cannon. Thank
2 you, Mr. Cannon. Next on the list is Mr. Aaron Robins.

3 MR. ROBINS: Good evening. Thank you for your
4 time. My name is Aaron Robins. I live in Redmond. I'm a
5 Puget Sound Energy customer for both electricity and gas.
6 And I'd like to address a couple of issues that have already
7 come up during written testimony earlier in the rate case.
8 And I'd like to really encourage the commission to deal with
9 these in the upcoming hearings.

10 The first is the coal strip plant. It's been
11 suggested that the commission require Puget Sound Energy to
12 undergo a thorough economic analysis of the coal strip
13 plant. And I'd like to really encourage you to do that.

14 That plant has a lot of environmental and
15 regulatory liabilities, and the existing IRP doesn't really
16 address those. And I really don't want to see another IRP
17 that treats that as a business-as-usual case, when we know
18 that that's increasingly becoming an albatross in Puget
19 Sound Energy's portfolio.

20 And so before they are allowed cost recovery on
21 further investments in that operation, I think it's really
22 important that we get a lot of transparency around what's
23 going to need to be done with that plant moving forward, and
24 we have a reasonable assessment and a realistic assessment
25 of what its liabilities really are.

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1 The other issue I'd like to address is the staff
2 report has suggested that Puget Sound Energy should not get
3 cost recovery on the Lower Snake River project. I gathered
4 a lot of signatures for 937, and I can tell you I'm thrilled
5 that Puget Sound Energy is aggressively investing in
6 renewable energy at this point.

7 And I'd really like to see the commission set a
8 positive precedent that other investor-owned utilities
9 should move forward with early and aggressive investment in
10 renewable energy.

11 I think the idea that they should be delaying,
12 that they should be using loopholes, that they should be
13 buying unbundled RACs and other risky measures, that they
14 should make their investments in the second compliance
15 period and then sort of reverse bank those credits, that all
16 creates a lot of unnecessary risk, and it sort of violates
17 the spirit of 937, even if it doesn't violate the letter of
18 the law.

19 And so I don't think Puget Sound Energy should be
20 punished for making those early investments. I think they
21 should be rewarded for making those early investments. And
22 I think our other investor-owned utilities should be
23 encouraged to do the same.

24 The other issue I want to address is the idea that
25 making those early investments somehow costs more. The

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1 commission has already made it clear that we understand that
2 there's a limited supply of ideal locations for wind power,
3 and Washington renewable energy at the utilities scale
4 essentially means wind power.

5 And so those early investments ensures that we're
6 putting our money in the premium locations. And so it's a
7 little boggling to me to assume that those costs are going
8 to go down moving forward, and that waiting five years from
9 now we're going to get cheaper wind power than what's
10 available currently.

11 So I think there are a few different reasons why
12 we really ought to be rewarding PSE and allowing that cost
13 recovery rather than punishing PSE for not manipulating the
14 books and playing games with 937.

15 I think that's it. And I want to thank you for
16 your time. And I hope you will address these issues in the
17 upcoming hearings. Thanks.

18 CHAIRMAN GOLTZ: Thank you, Mr. Robinson. It's a
19 pleasure to see someone who's actually following what we do.
20 For the court reporter, his last name is R-o-b-i-n-s.

21 MR. ROBINS: Yes, thank you.

22 CHAIRMAN GOLTZ: Next is Mr. Gene Bremner.

23 MR. BREMNER: Hello. My name's Eugene Bremner. I
24 live at 10502 Southeast 216th Street in Kent, Washington.
25 And yes, I get my power and my electricity from Puget Sound.

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1 The thing that brought my statement about is over
2 in Eastern Washington the PUD districts give their employees
3 a 16 percent raise. And I thought that was a little bit
4 high, and I don't know what Puget Sound's given their
5 employees, but I think that ought to be considered when a
6 lot of us are on fixed incomes. We don't get any raises.

7 And I hear people say to tighten your belt and
8 tighten your belt, but like one fellow just brought up,
9 these numbers here are low. They're probably for apartment
10 owners that have walls on all four sides of them.

11 My energy bill at this rate will go up \$17.25 a
12 month, if they go through with the eight percent. So I'd
13 like the wage deal considered to see if that's added into
14 here.

15 And I have no problems paying a surcharge for this
16 damage we just had here last week, if it's a one-time charge
17 and getting back -- money back from there.

18 But investments on earning, fair. If you look
19 down to the stock market, all of them are damn near zero
20 lately. And at the local bank they offer you three
21 hundredths of a percent on your savings, so you don't get
22 very much money to cover inflation. That's my problem.

23 Thank you.

24 CHAIRMAN GOLTZ: Thank you, Mr. Bremner. Next is
25 Ms. Lisa Clark.

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1 MS. CLARK: Good evening. My name is Lisa Clark,
2 C-l-a-r-k, and I'm from Oak Harbor. I originally came here
3 because I am a director of an agency that serves low-income
4 households, and I wasn't aware that this was -- it was for
5 personal use.

6 I am a PSE customer. I -- we have electric only,
7 so I thought maybe I could couch this in my own personal
8 experience, and it also mimics and mirrors something that's
9 happening within the agency that I work for.

10 I have a husband who worked for a company here in
11 Washington for 28 years, and two and a half years ago eight
12 hundred and ten people lost their job on the same day. He's
13 58 years old and has not been able to find employment since.

14 It has reduced our income by 60 percent, and
15 that's what I'm seeing within the client base that I serve,
16 which are low-income clients.

17 If there is an eight percent increase, those that
18 are paying \$400 a month for utilities, because they're
19 living in cheap trailers where they pay \$300 a month in
20 rent, because that's what works for them, then their bill
21 will not go up \$2. It will be 18, \$20.

22 We serve the -- about 60 percent of our client
23 base are senior citizens, and when they heard I was coming,
24 they were really excited and wanted their story told, also.
25 Most of our seniors live on fixed incomes. The average is

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1 \$694 a month. And a large percentage of what they're paying
2 is for their utilities.

3 We opened our federal program, LIHEAP, recently.
4 As I walked out the door this morning to come here, I
5 checked with my receptionist. I have five hundred and
6 forty-nine people on a waiting list to have energy
7 assistance. So the impact at the federal level of cuts is
8 impacting many of our clients, many of the people in my
9 community, many of my neighbors, our friends.

10 And we'd just like you to consider those families
11 and people as you make your decision on this. It is a
12 recession. It is -- things haven't changed, and the need
13 that I've seen in the last year -- and I've been doing this
14 15 years -- is unprecedented. So I'd just like you to keep
15 that in mind as you go forth with this.

16 CHAIRMAN GOLTZ: So if I can ask you a question.

17 MS. CLARK: Sure.

18 CHAIRMAN GOLTZ: What number did you say were on a
19 waiting list? This is for LIHEAP funds?

20 MS. CLARK: It's for LIHEAP funds, but we do have
21 the PSE help, so if we do not receive the fundings, they
22 will be pushed over to that, but it will impact that. This
23 morning it was five hundred and forty-nine.

24 CHAIRMAN GOLTZ: And --

25 MS. CLARK: In Island County, in a very small

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1 county.

2 CHAIRMAN GOLTZ: And so does -- what's the name of
3 your agency?

4 MS. CLARK: Opportunity Council.

5 CHAIRMAN GOLTZ: And are you the low-income agency
6 for all of Island County, then?

7 MS. CLARK: Yes.

8 CHAIRMAN GOLTZ: And so could you -- do you have a
9 knowledge or do you have a good estimate of say a year ago
10 or two years ago at this time how many would have been on
11 that waiting list.

12 MS. CLARK: We didn't have a waiting list two
13 years ago, because of federal dollars that came through.

14 CHAIRMAN GOLTZ: So what's the -- did you have --
15 do you know what the overall percentage by amount decrease
16 has been of federal dollars?

17 MS. CLARK: We're anticipating about 25 percent.

18 CHAIRMAN GOLTZ: 25 percent decrease over last
19 year?

20 MS. CLARK: Uh-huh, yep. And Island County
21 itself, because of the census figures, is going to have
22 another six percent reduction on top of that.

23 CHAIRMAN GOLTZ: What do you mean by that?

24 MS. CLARK: The census figures show that we have
25 really high income, but low -- but Oak --

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1 CHAIRMAN GOLTZ: High average income.

2 MS. CLARK: High average income, but -- so they
3 say we deserve six percent less, so it will be even more
4 impact after a year that we saw unprecedented mean.

5 CHAIRMAN GOLTZ: High average, low median.

6 MS. CLARK: Yeah. It's like, "Okay."

7 CHAIRMAN GOLTZ: Okay. Thank you, Ms. Clark.

8 MS. CLARK: Thank you.

9 COMMISSIONER JONES: If I could.

10 MS. CLARK: Sure.

11 COMMISSIONER JONES: Just a question. You said
12 the average income of your clients was about how much?

13 MS. CLARK: Those that are on fixed income are
14 seniors. It's about 694. We did it -- it's social
15 security. And it can range -- I've seen them as low as 300.

16 COMMISSIONER JONES: And then what percentage of
17 that income would go to quote, "utilities"?

18 MS. CLARK: What we're seeing would be hundred and
19 fifty, \$200.

20 COMMISSIONER JONES: For just electric?

21 MS. CLARK: Just electric. Has to deal where
22 they're living and what they're able to afford, where
23 they've able to afford to live.

24 COMMISSIONER JONES: Thanks.

25 MS. CLARK: You're welcome.

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1 CHAIRMAN GOLTZ: Thank you, Ms. Clark, for coming
2 all the way down.

3 MS. CLARK: Thank you.

4 CHAIRMAN GOLTZ: Mr. Paul Guthrie.

5 MR. GUTHRIE: Thank you, Mr. Chairman. My name is
6 Paul Guthrie, G-u-t-h-r-i-e. I'm a gas customer and live in
7 Snohomish County. I've lived on the same block since 1959,
8 so I've seen a lot of changes.

9 I agree with a lot of what was said already here
10 tonight. And so to make a long story short, I'll just focus
11 on the main reason why I came. At the beginning of the
12 meeting you stated that UTC, one of the responsibilities is
13 to ensure a fair, just and reasonable rates, which I agree
14 and I think everybody agrees.

15 However, I'm having a hard time, and I'm hoping
16 somebody can let me know why Puget Sound Energy insists on
17 having a \$5 fee for paying bills online. And they're very
18 relentless about this.

19 They say if you go paperless, they'll allow you to
20 pay your bills online. But I'm a senior citizen. I want
21 that piece of mail as a reminder to pay my bill, so I don't
22 want to go paperless.

23 But I do enjoy paying online, but they're the only
24 business that I pay to that costs \$5, a \$5 fee. None of the
25 other utilities have that, and none of the other businesses

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1 I deal with have that. So that was kind of my main concern.
2 And that's all.

3 CHAIRMAN GOLTZ: Thank you very much, Mr. Guthrie.

4 MR. GUTHRIE: Thank you.

5 CHAIRMAN GOLTZ: Mr. Chris Stearns.

6 MR. STEARNS: Good evening, Mr. Commissioners.

7 It's rare that you get to see a PUD commissioner in front of
8 you, and they all don't cherish the notion of it.

9 But I'm just a water utility commissioner. I live
10 at 2910 36th Avenue Northwest in Olympia, Washington, and of
11 course I represent Thurston County. I am PUD commissioner
12 for Thurston County.

13 I'm not speaking -- I'm only speaking for myself,
14 not for my fellow commissioners nor for the position of my
15 PUD, which at this time is a water utility and it operates
16 in five counties, some under public power, some under PSE's
17 areas of coverage, including Pierce and Thurston.

18 I'm concerned about the utility in a general
19 framework, about electric reliability. I've had several
20 rural customers, because generally urban customers get power
21 back sooner -- although not all of them, I might add.

22 But basically when people have power outages where
23 their water systems are dependent on electricity, that means
24 they also lose their water. And in our county, that has
25 been for seven to ten days or longer.

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1 And this has been a repeated abuse of the utility
2 in the sense that they've repeatedly had -- we've had
3 serious storms in the past. It's our nature, as is north of
4 Seattle, to get serious storms.

5 But it is always resulted in lines being down for
6 a significant length of time. And this time I bothered to
7 realize what the publics are doing around the county, which
8 has about 200,000 customers in their surrounding counties,
9 which we operate in.

10 And service was largely restored within three
11 days. So there is a discrepancy here, and I'm concerned
12 about it. Obviously the reliability factor is not really
13 being held into full account.

14 Maintenance of the grid is part of this problem.
15 There are no crews to clear trees during the regular times
16 of the year. The publics are doing this. Why isn't PSE? I
17 don't know. They don't care, I guess. I don't know.

18 But and about rates, of course that's why we're
19 here tonight. I realize it doesn't include the current
20 damages, as you mentioned earlier before we started this
21 hearing, but I just wanted to make some comments.

22 I am a customer, obviously, of the gas utility,
23 too. Our own utility doesn't use natural gas, for the most
24 part. But there are some comments I'd like to make about
25 that subject, both gas and electric.

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1 In terms of the gas, PSE is now owned by a
2 consortium that includes Canadian interests. They both --
3 both the current owners hold resources in Canada and control
4 the pipelines that deliver those resources to the Northwest.

5 It's a good operation. I'm not complaining about
6 it. I think it benefits us to use resources that are close
7 to our area. But nonetheless, I think you should look very
8 carefully into how much export taxes the Canadian government
9 is putting on gas. As far as I know, it could be upwards of
10 17 percent.

11 And gas that's sourced in the U.S. doesn't have
12 that export tax, because it's not coming across a national
13 boundary. So I wonder about the mix and whether the mix is
14 well advised at this time, and if it's biased by the
15 company's own ownership of that resource. It's a concern to
16 me.

17 The other thing -- and this is stuff that came up
18 in the hearing about the merger three years ago, so you're
19 aware of it, I hope. Costs of wind power, I've been
20 listening to my other PUDs discuss this subject. I attend
21 their meetings. And even though I'm not an electric
22 utility, I still know what they're thinking.

23 And a lot of wind resources have been abandoned
24 recently. In many ways partnerships dropped out. Radar
25 Ridge is no longer an existing proposal. There are several

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1 others that are lacking partners right now.

2 PSE, if it really wanted to help things out and
3 buy cheaper wind power, could partner with some of these
4 abandoned partnerships.

5 The reason that they've been abandoned is that
6 California has extended in its regulatory authority
7 requiring renewables to be produced inside of the State of
8 California, and this has greatly diminished the market to
9 export renewable energy credits down there.

10 And so there are projects here that have been
11 abandoned even close to Seattle that, you know, like over in
12 Kittitas County, that PSE could plug into at a cheaper cost
13 than expanding whatever it's been doing lately in the
14 southeast part of the state.

15 And I think it should consider those costs, try to
16 be more conservative about how it spends its money, and
17 better take care of its lines. Thank you for your time.

18 CHAIRMAN GOLTZ: Thank you very much, Mr. Stearns.
19 Thank you for driving up. Ms. Ellen Kerr.

20 MS. KERR: Good evening. Ellen Kerr, 4255 134th
21 Avenue Northeast, Bellevue, Washington. Both utility -- or
22 excuse me. Electric and gas service.

23 Thanks for the opportunity to conduct this hearing
24 tonight. I agree, Mr. Chairman, that it's very valuable for
25 the state to be able to hear from the electric and gas

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1 customers of PSE. Hopefully those comments will be and
2 feedback will be incorporated into this particular rate
3 case.

4 We in our community have been working on -- this
5 gentleman talked about reliability in Thurston County. We
6 as well have been working on reliability in the city of
7 Bellevue for many, many years.

8 Our circuit in particular has had devastating
9 problems in terms of numerous power outages through as long
10 as we've lived there, which has been about 18 years. And
11 PSE has made some changes and some responses, and -- but
12 they're typically slow to come to that party.

13 And so over time we just actually have completed,
14 the city of Bellevue in working with them, have completed an
15 electrical reliability study that we hired, the city did, an
16 outside consultant, et cetera. Not to go too much into
17 that. But there's some actually very good recommendations
18 that the study -- is a result of that study.

19 And collaborations, one point I'd like to make
20 that has to do with just overall value of what we're getting
21 for our investment, which, you know, I'd like to echo
22 everybody's concerns here, obviously.

23 We have a down economy, and people are stretched
24 for dollars. And that's an important consideration, I
25 think, when PSE is asking for more money. Where's the value

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1 in what they're asking for. And so for us this business of
2 value, what are we really getting, is important.

3 So the study is important, because there are
4 recommendations as far as working, the state and city and
5 certainly would want to make a suggestion of more
6 collaboration between the cities and the state to understand
7 really what's happening with the customer at that level, not
8 just these hearings but, you know, perhaps some coalitions
9 or that sort of thing would be helpful to work more together
10 to hear really from the bottom up.

11 But getting back to the value issue. You know,
12 certainly -- and again, echoing what folks have said. You
13 know, 7.59 percent, you know, that's current as far as the
14 rate of return in this down economy is -- I think we'd all
15 love to be seeing that for -- for a rate of return.

16 So perhaps as a recommendation for the commission
17 to consider, you know, what the economy is right now and
18 make something that's fair and reasonable based on that, not
19 just what the ask is.

20 We certainly support the downsizing that -- that
21 you folks have recommended, both from staff and from the
22 commission as far as what the ask is from PSE, so we
23 certainly would support your recommendations at this point.
24 And if it's possible to downsize those even further, if that
25 makes sense to define what fair and reasonable really means,

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1 we certainly would understand that.

2 It's also our understanding that PSE had a rate
3 increase on both the gas and electric side in 2010. So I'm
4 not sure if there's any guidelines about how often the
5 company is entitled to come back to ask, but to also, as a
6 suggestion for the commission, to look at these increases
7 and/or if there's -- I know they decrease gas on occasion as
8 well, in the aggregate, not just as a single year, but look
9 at over time to define this business of what's fair and
10 reasonable. So that's it.

11 CHAIRMAN GOLTZ: Thank you very much.

12 MS. KERR: Thanks.

13 CHAIRMAN GOLTZ: Next Mr -- I'm going to mess up
14 the last name. Joe --

15 MR. IOPPOLO: Ioppolo.

16 CHAIRMAN GOLTZ: Ioppolo.

17 MR. IOPPOLO: Joseph Ioppolo on the Ripley Lane in
18 Renton, Washington. I just use electric only at my house.
19 And I'm just going to echo what she said. It was an
20 excellent point, I think.

21 We have to look at a number of years, over all the
22 years, to see what the increases were in the past five to
23 ten years, and what they're asking now. My feeling is the
24 rate increase this year should be almost tied into the rate
25 of inflation.

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1 I know salaries and wages are kind of tied into
2 inflations -- inflation, rate of inflation. My salary is
3 tied into that. So I think it's reasonable to ask for an
4 increase of what the inflation rate is for the current year.

5 Also the Lower Snake River wind project, I looked
6 at my last two rate increase letters from PSE, and they
7 mentioned the wind project both times as a reason to
8 increase rates. Now, how often can you go to the well and
9 keep asking for the same rate increase or the same reasoning
10 for a rate increase? To me it doesn't make any sense.

11 I also agree with previous speaker about keeping
12 deductions as current. Renewable energy, I think that's a
13 great thing that PSE is doing, so I commend them on that.
14 And that's about it. So thank you very much.

15 CHAIRMAN GOLTZ: Thank you. And your last name is
16 I-a-p-p-i-o?

17 MR. IOPPOLO: I-o-p, as in Paul, P, as in Paul,
18 o-l-o. Thank you.

19 CHAIRMAN GOLTZ: Next Mr. Stewart Buchan.

20 MR. BUCHAN: I didn't --

21 CHAIRMAN GOLTZ: You're right. My apologies.
22 Next is Mr -- there's a question mark -- Mr. Rob Henningson.

23 MR. HENNINGSON: I'll write.

24 CHAIRMAN GOLTZ: Sorry?

25 MR. HENNINGSON: I'll write in.

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1 CHAIRMAN GOLTZ: Okay. Thank you. Next
2 indicating yes is Mr. Norm Hansen.

3 MR. HANSEN: My name is Norm Hansen, and I live at
4 385 136th Avenue Northeast in Bellevue. And I'm both a
5 electric and gas customer. We've lived in our house for 40
6 years, and I have a couple of concerns I'd like you to find
7 a way to address.

8 The last couple of years I've noticed a charge for
9 being a customer on the bill that I get. And I pay -- and
10 I'm sure everybody else does, too -- \$10 a month to be a
11 gas -- gas customer, and \$7 and a quarter a month to be a
12 electric customer.

13 So that's \$17 and a quarter a month, and perhaps
14 there should be some economies of scale. In other words,
15 maybe if you have both of these, gas and electric, maybe how
16 they do their billing and so forth, there could be a
17 discount.

18 And because not too many folks out there in the
19 business world charge you or at least let you know that they
20 have a charge for being a customer. So I think that would
21 be a good thing to look at.

22 The other thing is we're always looking for value,
23 you know. I guess I don't mind paying more if I get more
24 value. And in my case, we've lived in our home for 40
25 years, and we have the same wires, we have the same

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1 transformer. They may have replaced a pole perhaps in the
2 last 40 years.

3 And so I think some of the value needs to go into
4 modernizing some of the facilities, because not -- not very
5 many businesses can operate for 40 years and not have any
6 modernization plans.

7 As noted in Bellevue, I think about half the
8 customers don't have poles. The other half have a pole.
9 And there's no way, no economically feasible way, to get to
10 the improved distribution system of underground cable.

11 And perhaps some value could be put on that,
12 because what happens is, if you have a storm and if you have
13 underground, then you don't get the power out. And then we
14 don't have to pay for all of these crews that come in to
15 restore the power.

16 And I don't find a motive, some motivation for PSE
17 to prevent some of these power outages. They do do tree
18 trimming, but that's -- that's just a temporary thing,
19 because they have to keep doing it. There's no end date to
20 it.

21 So in terms of rate increase, I just look to the
22 commission to look at what value we're getting. And as a
23 residential customer, I have a hard time finding how eight
24 percent, how I'm going to get that much more value. Thank
25 you.

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1 CHAIRMAN GOLTZ: Thank you, Mr. Hansen. Mr. Brian
2 Grunkemeyer. Was I close on that?

3 MR. GRUNKEMEYER: Yes.

4 CHAIRMAN GOLTZ: Might want to spell that one for
5 us.

6 MR. GRUNKEMEYER: Yes. My name is Brian
7 Grunkemeyer, G-r-u-n-k-e-m-e-y-e-r. I live in Redmond, and
8 I am a Puget Sound Energy customer for gas and electricity.

9 So thank you, commissioners, for having this
10 hearing. I'm here to actually thank Puget Sound Energy for
11 a job well done. Building a wind farm like the Lower Snake
12 River thing was absolutely the right decision, and I think
13 that they should be compensated appropriately for it at
14 whatever rate you guys determine is appropriate. So --

15 CHAIRMAN GOLTZ: Thanks for the trust.

16 MR. GRUNKEMEYER: Yes. The interesting thing here
17 is that at the time this decision was made, PSE was looking
18 forward at what their future responsibilities were going to
19 be, and all of the risks out there in terms of climate
20 policy at a federal and state level, and the decision was
21 made, "Look, we have a gap in terms of new generation
22 capacity. Go build something."

23 And it turns out that, you know, building a wind
24 farm is actually a good thing, in terms of meeting their
25 future energy needs, and also keeping costs low. This was

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1 the appropriate decision.

2 I think it came down to kind of a 50/50 judgment
3 call, and they made the right decision, in my opinion. So I
4 don't see why anyone would object to compensating them for
5 their expenses that are already well-founded and
6 well-incurred.

7 I do want to point out that I937, while it does
8 set a minimum in terms of renewable energy investments, it
9 does not specify a maximum. And it would be a shame if
10 anyone in the utility industry interpreted that as a
11 maximum.

12 I think that you'll find that renewable energy is
13 also very cost-effective over some of the long-term stuff.
14 Also, PSE did buy the Goldendale natural gas plant a while
15 back. You guys compensated them for that; right? Why would
16 you not compensate them for a similar project, if they have
17 purchased as well. If you guys can come up with a good
18 answer for that, I think that would be very important.

19 I did want to mention something about
20 conservation. Of course no one likes energy rates to be
21 going higher, as you can clearly see by the majority of
22 commenters here in this room.

23 I would strongly encourage the commission to find
24 some sort of way of getting conservation measures out to
25 people that are needy. So perhaps everyone in this room who

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1 is complaining about electricity rates should get the
2 opportunity for a free energy audit and some cost-effective
3 conservation measures installed in their house, with help
4 from the utility.

5 I think that would be a socially equitable way to
6 address the inevitable -- the inevitable need to raise our
7 rates.

8 Similarly, I also think that we need to start
9 looking at more aggressively expanding our investments in
10 wind power as well from our utility. It's not just the
11 right thing for the environment, but here's actually -- this
12 is a good time to be doing those sorts of investments.

13 It turns out that construction costs should be
14 really low. Construction unemployment in this state is
15 somewhere around 30 percent. So any sort of jobs that we
16 can create by building new wind farms, even if it's a
17 temporary job, is a very useful thing for helping us through
18 this depression that we're currently in.

19 Additionally, financing costs are ridiculously
20 low. I don't know if you guys have looked at any like
21 rates, but the Treasury Department just today voted to allow
22 negative interest rates on bonds. Not positive interest
23 rates, negative interest rates.

24 I think you're going to find that now is probably
25 the best time to invest for a very long period of time. And

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1 here's the reason why. So we need to take a step back and
2 look at the macroeconomic picture.

3 I don't know about you guys, but I lost a lot of
4 money this summer, because I didn't think that congress
5 would be a bunch of idiots with the debt ceiling debate.
6 Turns out that they surprised me with exactly how inept they
7 were at actually addressing our long-term problems.

8 If they can't raise the debt ceiling, what do you
9 think they're going to do with the national debt? So I've
10 actually listened to a number of senators. Their plans --
11 they all seem to say, "Well, I don't know how to solve it.
12 But a lot of smart people looked at this, and the way we're
13 going to solve this problem is we're going to inflate our
14 way out of this debt."

15 Let's think about that. We're going to
16 essentially take the dollar and say it's going to become
17 worth a lot less. This is actually good in some ways,
18 because it turns out that a wind farm is going to be
19 inflation resistant.

20 We essentially paid financing costs on the wind
21 farm right now, and we do not have to worry about commodity
22 cost inflation over time. So if the cost of natural gas or
23 coal goes up in the future, doesn't matter. It's not going
24 to impact us. We've locked in the cost at today's rates.

25 So if, you know, as these senators are suggesting,

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1 we go through a two- to three-year period of ten percent
2 inflation each year, then the costs that we are paying are
3 essentially going to go down in real terms by a substantial
4 amount.

5 So investing more in wind farms now, before we
6 have to worry about hyperinflation, is actually a really,
7 really good long-term investment. So I would actually
8 encourage you to not just encourage this behavior with our
9 utilities, but also compensate them appropriately. Thank
10 you.

11 CHAIRMAN GOLTZ: Thank you. Mr. David Plummer.

12 MR. PLUMMER: Good evening. I'm David Plummer. I
13 reside at 14414 Northeast 14th Place in Bellevue. I am both
14 a electric and gas customer of Puget Sound Energy.

15 I urge the commission to reject PSE's cost
16 adjustment -- CSA cost adjustment. I don't think there's
17 sufficient evidence that inclusion of such costs actually
18 helps encourage PSE customers to reduce consumption,
19 sometimes called conservation.

20 In addition, as far as I can tell from testimony
21 I've looked at in the case, PSE has not shown that its
22 alleged increase in cost per customer cannot be offset by a
23 reduction in its operating costs.

24 I also believe, but I can't present any factual
25 data at this hearing, that PSE's requested rates of return

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1 on equity on debt include excessive estimates of risk
2 premium. I, therefore, urge the commission to scrutinize
3 very carefully this aspect of PSE's rate increase petitions.

4 I also urge the commission to scrutinize very
5 carefully PSE's continuing investment in wind turbine
6 generation. I don't believe the publicly available
7 information on the capital operating and ownership costs for
8 wind turbines come anywhere close to being what the actual
9 facts are.

10 I don't believe that the levelized costs for wind
11 turbine generation properly capture the true life cycle
12 costs for such machines, and leads to an unjustified level
13 of investment in this type of generation.

14 I would make the comment to the commission that,
15 regarding reliability in the city -- PSE's electric service
16 reliability in the city of Bellevue, as one of the previous
17 speakers indicated, their electric service reliability in
18 the city has proved considerably better over the last
19 several years than it has been for their electric service
20 area in total.

21 So I compliment the company for that, and I think
22 they've made good progress in helping to improve the city of
23 Bellevue's electric service reliability. Thank you.

24 CHAIRMAN GOLTZ: Thank you very much, Mr. Plummer.
25 And that's P-l-u-m-m-e-r; correct?

0094

1 MR. PLUMMER: Yes.

2 CHAIRMAN GOLTZ: Next is Barb Lowry.

3 MS. LOWRY: I'm just an individual. I've lived in
4 Bellevue for over 47 years. We've only had one power outage
5 that was really bad two years ago. My service has been very
6 good, but I do have one criticism.

7 Every month we're getting recently these notices
8 in the mail that how much power we've used, what our
9 neighbors are, and where we are. That is an unnecessary
10 expense and should be deleted. Do you agree?

11 CHAIRMAN GOLTZ: I -- I haven't learned enough
12 about that particular program yet, but I'm aware of that
13 program.

14 MS. LOWRY: That's a ridiculous expense in a time
15 of shortfall in revenues. I also want to know why for a
16 low-income or disabled people there's not a rate reduction
17 in progress like there is for the City of Seattle.

18 Why don't they do for -- there's a lot of
19 low-income and disabled people in Bellevue. Far from what
20 many people say, they all don't work at Microsoft. And they
21 need some help. So I encourage that you would look into
22 that program for the -- for that service for those who do
23 need it. Okay? And I'm just an individual.

24 CHAIRMAN GOLTZ: Thank you very much. So
25 Mr. James Eder -- Etter.

0095

1 MR. EDER: Yep. James Eder. I live in Bellevue
2 at 15422 Southeast 7th Place, 98007. I've been a natural
3 gas customer for 51 years. And through the 51 years,
4 whenever there was a increase in natural gas charges to me,
5 there was always a meeting talking about the supply of gas
6 to the company was more expensive; therefore, they're going
7 to charge me more.

8 So when I read the paper last Saturday morning
9 that there's a meeting here tonight to talk about raising
10 the rates, because they need more money for natural gas,
11 that's a complete surprise to me.

12 I'm a person who invests in natural gas suppliers,
13 and my dividends have been going down, because there's such
14 a tremendous surplus of natural gas. Today's Wall Street
15 Journal, I'd just like to read three sentences from it.

16 "Exxon says it has no intention of curtailing
17 natural gas output despite slumping prices. The oil and gas
18 giant's quarterly profit rose 1.6 percent."

19 Second item.

20 "U.S. natural gas prices declined steeply over the
21 past several years due to the boom in gas production.

22 The successful marriage of two technics, horizontal
23 drilling and hydraulic fracturing, where millions of
24 gallons of water and sand chemicals are pumped in at high
25 pressure into formations allowing companies to tap

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1 previously inaccessible oil and gas."

2 Now, I -- I'm a subscriber to an investment
3 advisory about the oil and gas industry. I am aware that
4 about three years ago a large gas field was found in the
5 gulfs of Mexico.

6 Following that there was a large find in Louisiana
7 and Texas. Following that was Pennsylvania. The one in
8 Pennsylvania's been the big problem, because it's been
9 screwing up the drinking water there, so it's pretty
10 controversial, but there's a big gas find there.

11 There's gas in North Dakota and Montana and
12 Alberta. The Norwegians have found gas in the North Sea.
13 Even in Poland they've struck gas. So all over the world
14 it's creating a problem, because it's no longer profitable
15 to have wind turbines.

16 Wind turbines are very expensive. You don't have
17 to do wind turbines anymore, because you got this cheap
18 source of energy. It doesn't make sense to convert corn
19 into ethanol, because there's a worldwide food shortage and
20 you have this gas supply available that's very cheap. So
21 the reason for raising my gas price to me is completely 100
22 percent illogical.

23 I also am very skeptical about the method of
24 convening this meeting. I read about it in the Bellevue
25 Reporter newspaper last Saturday morning. And if you look

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1 around, there aren't many people here.

2 To me that's a completely unethical subterfuge to
3 deceive people. I receive a letter from Puget Sound Energy
4 every month that gives me my bill, what's going on in
5 conservation, and a lot of data. The proper place to go to
6 find the customers would have been through official mail to
7 your homes.

8 So I regard this method, their using the Bellevue
9 Reporter, as a way to tell people to be completely
10 unaccessible -- unacceptable. Look around the audience.
11 All you see is white faces. It's well known that in
12 Bellevue 41 percent are foreign-born people. In Chinese we
13 say, "Meiyou hao." "That's no good."

14 You -- you send an English language newspaper to
15 somebody saying something's going to happen. Who's going
16 to -- who's going to know about it? We even have our
17 ballots when we vote printed in English and Chinese.

18 So the method of communication to me is a bit of
19 subterfuge. It's completely 100 percent unethical and
20 unacceptable. We expect better in Bellevue.

21 With regard to Bellevue, most of the people who
22 live here have no idea what a beautiful, wonderful place
23 this is. During the Korean War, I was in the Navy. And my
24 ship would hit Baltimore, and we tied up at Fort McHenry.

25 Based on that I married a girl in Baltimore, and I

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1 lived in Baltimore for two years. I tell you this is just
2 like paradise compared to living on the East Coast,
3 Maryland, Washington, D.C., all those -- all those places.

4 So I don't like to see this type of unethical
5 approach to convening a meeting that affects so many people.
6 I expect better in Bellevue. My neighbor wasn't aware that
7 this meeting was going on, so I'm sure that's why there's
8 damn few people here. That's enough.

9 CHAIRMAN GOLTZ: Thank you, Mr -- it was Eder or
10 Etter? I'm sorry.

11 MR. EDER: Say again.

12 CHAIRMAN GOLTZ: Your name is Mr. Etter or Eder?

13 MR. EDER: Eder.

14 CHAIRMAN GOLTZ: Eder, E-d-e-r.

15 MR. EDER: Like pumpkin eater.

16 CHAIRMAN GOLTZ: E-d-e-r for the court reporter.
17 Thank you for the information. The press release that you
18 probably -- the news article was probably generated from
19 press releases from our office. We sent out a press release
20 to remind people.

21 I'm pretty sure that there's a requirement that
22 the utility give everybody notice in their bill. We will
23 check on that, and I think the notice may have just gone out
24 some time ago may be the issue.

25 MR. EDER: I would think that there would be a

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1 legal requirement that they're not complying with for
2 convening a meeting such as this. So again, to me it's
3 completely unethical.

4 CHAIRMAN GOLTZ: We'll check on it. The press
5 release, the news reporters I think -- maybe the company
6 sent out press releases, too. I know our office did just to
7 make sure we get as many people as we can.

8 Although I tell you, we had public hearings in
9 Eastern Washington last week or a couple weeks ago at
10 Pacific Corps. and the crowds aren't as big as they used to
11 be. That might be just the way things are now. Thank you
12 very much. We will look into the notice issue.

13 MR. EDER: You're not related to Pinocchio?

14 CHAIRMAN GOLTZ: No. But thanks for the literary
15 reference anyway. So one other person that signed up is
16 Mr. Ted Rutherford.

17 MR. RUTHERFORD: I have no comment.

18 CHAIRMAN GOLTZ: Okay. Thank you. So that's --
19 unless Mr. Kouchi has another sheet, that's the last of the
20 people that have signed up, unless I've skipped somebody.
21 Sometimes in the course of these proceedings, thoughts come
22 to mind. So if there's anyone else who wishes to give a
23 comment, now is the time to do that. Yes, sir, do you want
24 to --

25 SPEAKER: Mr. Chairman, I was listening to KOMO

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1 this morning, and I heard announcement on this meeting four
2 times between 6:00 o'clock and 8:30, all very complete.

3 CHAIRMAN GOLTZ: Okay.

4 SPEAKER: Time, place and --

5 CHAIRMAN GOLTZ: Thank you.

6 SPEAKER: -- what it was for.

7 CHAIRMAN GOLTZ: Sir, do you -- if you have
8 comments, come forward. You wish to make a comment?

9 SPEAKER: I did already. I just want to say we
10 did get a notice in the mail --

11 CHAIRMAN GOLTZ: Okay.

12 SPEAKER: -- with our last bill.

13 CHAIRMAN GOLTZ: Okay. Thank you very much.

14 Okay. With that, if there's -- if there's nothing else,
15 anybody from -- anything else from my commissioners? From
16 any of the parties' representatives? Then I just wanted to
17 thank -- again, I wanted -- two thank yous.

18 One, the city of Bellevue for making this facility
19 available to us. Those of us in state government are always
20 appreciative when we can get something for nothing, so this
21 was very nice.

22 And also I want to thank all of you who did come
23 out, and those of you who have talked to your neighbors and
24 conveyed some of those sentiments as well. As I said, we
25 have been taking notes. We do take this very seriously.

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1 I have gotten some interesting -- some good ideas
2 to -- to pursue further through the hearing process. And so
3 I really, really value this meeting. Thanks -- thanks
4 again. So if there's nothing else to come before us, then
5 we'll be adjourned. Thank you.

6 (The proceedings were concluded at 07:07 PM.)

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1 C E R T I F I C A T I O N

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3 STATE OF WASHINGTON

4 COUNTY OF KING

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6 I, Kathleen Hamilton, a Certified Shorthand
7 Reporter and Notary Public in and for the State of
8 Washington, do hereby certify that the foregoing transcript
9 of the hearing on FEBRUARY 1, 2012, is true and accurate to
10 the best of my knowledge, skill and ability.

11 IN WITNESS WHEREOF, I have hereunto set my hand and
12 seal this 14TH day of FEBRUARY, 2012.

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KATHLEEN HAMILTON, RPR, CRR, CCR

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20 My commission expires:

21 APRIL 2014

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