

**Purpose Use EE as illustrative why transfer of Sale needs further scrutiny.**

**My name is Warren Halverson. My address is 13701 NE 32<sup>nd</sup> Pl in Bellevue**

**Washington. I am a 40 year resident of Bridle Trails. I am a retired**

**telecommunications executive. I am currently President of our HOA; Board member**

**of CENSE and community representative on PSE's Technical Advisory Committee for**

**their Integrated Resource Plan. I am here today representing myself, a ratepayer.**

**After reviewing Docket U-180680 and all other related documents, I am here today to**

**request you take Adjudicative steps and actions to ensure that this transfer does “no**

**harm”; poses no risk to rate payers; and does demonstrate “public benefit”. Simply**

**put, this is what ratepayers expect of the Commission and, so far, has not been**

**substantiated within the documents provided by the Macquarie company or the**

**consortium.**

**When PSE was taken private, the Macquarie company and Mr. Leslie said they would**

**not be involved in the day-to-day operations of the business. They would monitor**

**business plans. That is reasonable. What he doesn't say is the Board of Directors of a**

**company – in this a privately, foreign owned company has great influence on the**

**direction of a company. I would argue it is more than influence. It is the power and authority to use these assets as they deem appropriate. What he didn't say is the**

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Board will be comprised of 12 Directors – 6 representing foreign hedge and pension funds plus 3 more investment groups. And, today, Macquire who does have energy industry expertise is leaving and will be replaced by dominant Canadian Pension Funds. The major interest of these pension funds is cash flow. 9.8% rate of return on investment from Washington ratepayers to foreign Canadian interests. Many Board members hold positions of other boards in their community and certainly have interest in pursuing such local interests, like building dams, selling electricity to the USA. I do believe that this type of a board and their orientation require regulatory questions, not unlike competition in the marketplace or stockholders of a public company.

It is a concentration of power by powerful people who have a very limited focus or visibility into our communities, moreso into Canadian interests, no offense to our Canadian friends.

I would further argue that the Board along with appointment of their president does create and re enforce a culture and set of values for every employee in this organization. One example of a value is transparency and a project is Energize Eastside. As a community leader and an advisor on PSE's Integrated Resource Plan for several years, we have found a lack of transparency, that is open communication, fully discussing issues and answering questions with facts. When attempts have been

made to escalate these issues to executives or owners of the company, they to o have been denied. In 2012 Energize Eastside estimated cost was . To date some estimates are. This highly questionable project will cost rate payers hundreds of millions of dollars it has been reported the cost so far

Yet, through the community processes, city processes and in fact Integrated Resource Planning processes wherein the commission has petitioned PSE to answer questions in specificity it hasn't happened. Only a cover your behind Chapter 8 Transmission Planning was added late last year with no analysis or review by the Advisory Group and no IRP plan to do any more this year. Why are load forecasts continually inflated When load forecasts are so far off year over year

As a rate payer why aren't new technologies beinf pursued.

As a rate payer whay am I paying for a 19<sup>th</sup> century 230kv line

As a rate payer – amember of the technical advirsory group -- why aren't load flow studies done; why does peak modeling have a 40 year timeframe and why aren't projects like EE sized in relation to current forecasts.

As a rate payer, why environmental destruction

As a rate payer, why do I have to agree to the risk of

**. I wonder what the actual sale price is for each share? How much money was made?**

**What the company is telling their buyers the future revenue streams look like?**

**Although ill thought, not needed Energize Eastside, is this part of their commitment.**

**As a business person, it is common practice to thoroughly verify (adjudicate)**

**commitments met have been met; to assess PSE's performance since 2012 and to take**

**into full account those safeguards going forward. PSE is a privately owned company,**

**not a public company. This you must take into account as an added regulatory**

**responsibility.**

**I thank you for protecting the ratepayer and insuring electrical reliability at least cost**

Just yesterday, a neighbor shared with me that PSE met with this single parent woman in her house to discuss removal of trees and providing a selection that she could make as a result of EE. Unbeknownst to her was a permit has not been filed for in Bellevue North, nor have there been any public hearings. Yet, she was being asked subtly sold (bullied) to select replacement trees before proper regulatory reviewal.

If one could agree that a Board has this power and authority, what does it look like. It looks very much like the make up of a Board. Today the Board ADD. The Boards of public companies do not have this concentration of common .... The Boards of public companies are required to have public stockholder meetings in an open manner, to the extent to amend By laws. Fortune magazine ran an article about the time of your decision Private companies don't.

Equally important in this particular case is the fact that PSE is an infra structure company – critical to our country. Yet, this board is dominated by pension fund leaders from foreign countries, while I am sure are good people, must be totally conflicted (compromised) when it comes to making those often hard decisions pitting a Canadian pension recipient versus a Washington ratepayer. Might that be part of the issue with building Energize Eastside, updating a 115kv line with basically the same 19<sup>th</sup> century technology; based upon unverifiable load flow studies and forecasts of 2.4% projected growth which now are .6%; with environmental impacts that PSE discounts with such statements as two trees will replace everyone removed; and that place this atop two huge pipelines. This may seem like unrelated detail and certainly acceptable to a Board of Directors whose real concern is 9.8% or Cash Flow.

I might add that it is easy to discard these types of concerns when it is not in your backyard .... A board member from Canada versus local board members. The Macuire Company is a hedge fund, looking for rate of return, cash. Yet at least these board members and their organizations provided technical capabilities in electrical infra structure, lost to the new owners

You are the “invisible hand” with the authority and responsibility to protect the ratepayer. As a ratepayer and as a business executive it is simple, fulfill this obligation with a thorough analysis and review to ensure that there is no harm; there is public benefit with no additional risk to us.

**hope that this can be discussed in much greater detail and certainly not in rate cases that are after the fact. For this transfer for Energize Eastside that would do great harm with unparalleled risks to rate payers going forward -- be a great injustice to your ratepayers**