

Maxine Keesling
15241 NE 153rd Street
Woodinville, WA 98072
(425)483-8523

June ²⁷~~26~~, 2011

TO: Washington Utilities and Transportation Commission
Fax: 360-705-6802

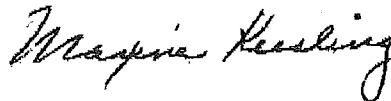
RE: Proposed increase of Puget Sound Energy's electric and natural gas rates

I am writing to oppose allowing Puget Sound Energy to increase its electric and natural gas rates.

A 10.8 percent return on common equity is too much in comparison to other investment returns.

Especially when the \$1.1 billion invested by P.S.E. in 2009 and 2010, I venture to say, was provided by various governmental units?

Sincerely,



Mountain natural gas supplies eastward has driven down the price of natural gas shipped to the Northwest. Domestic production from shale deposits as well as double digit increases in production of conventional wells in the Rockies has caused some stabilization in the current prices. However, the jury is still out on how big shale is going to be on the long term outlook of natural gas prices. Shale deposits are still more expensive to drill than conventional sources. For more information read Seattle Times August 25, 2008 article: [Natural gas prices fall as shale yields bounty.](#)

Where does Washington State's natural-gas supply come from?

About half of Washington's natural-gas supplies come from Alberta and British Columbia provinces in Canada and the other half from Rocky Mountain production sites such as Wyoming.

How are natural-gas rates determined?

The two basic components in the cost of your natural-gas service are:

- The cost of delivering the gas to your house
- The cost of the natural gas

Cost of delivery

The cost of transportation, storage and distribution of the natural gas includes maintaining pipes and meters, billing customers and allowing an opportunity for a reasonable level of profit for the company's investment in its network of distribution pipelines. The commission reviews each utility's request for higher rates.

Cost of gas

Your utility purchases its gas supply through an unregulated wholesale-commodity market, using a mix of long-term and short-term contracts with independent suppliers. The price you pay for natural gas reflects what your company actually pays for the fuel. Your utility is not entitled to make a profit on the gas-supply portion of your bill.

The commission uses a process called the [Purchased Gas Cost Adjustment \(PGA\)](#) mechanism to keep track of how much utilities spend on acquiring natural-gas supplies. The first part of the process involves the company looking forward and establishing the best projection for the price of natural gas in the upcoming year. The second part of the process looks back and calculates the difference between the previous projection and the actual price. Customers receive a credit if the PGA collected too much from customers. If not enough money is collected, a surcharge is applied to your energy bill.

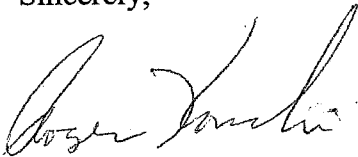
generate electricity. New pipelines have opened, making it easier to transport Canadian gas and Rocky Mountain gas to the Midwest where demand is very high. The competing factors for natural gas drive up prices. When prices rise speculators gamble on the trend of rising prices and drive prices higher. This creates both higher prices and volatile prices. When natural-gas supplies exceed demand, wholesale prices decline often quickly and dramatically.

What can be done?

- Wise and efficient use of natural gas comes first. Conservation and increasing energy efficiency is key and something that all customers can do now to help protect against short and long-term rate increases.
- Alternative energy development and research can also help ensure a cleaner energy future and alleviate the pressure on natural gas demand.
- Private investment in infrastructure would help provide better access to natural gas resources.

I hope this additional information is helpful. If you would like copies of any of the documents mentioned above, please let me know and I would be happy to send them to you.

Sincerely,



Roger Kouchi
Public Involvement Coordinator



The commission is on Facebook, are you? Become a Fan!

Stay connected, UTC Connections!

Proper: The news item tells that. In addition to the one I mentioned
but expected. The Gas Unit price has dropped from \$14.00 to \$9.00. The harder you try
the more gas you pay your corporate face. I'd tell you that you ought to be
ashamed of yourself but it's like telling a wolf he should be ashamed of
himself for killing the lamb. By the way - Golden Pledge to PSE
Exec on selling their souls?



God Bless America

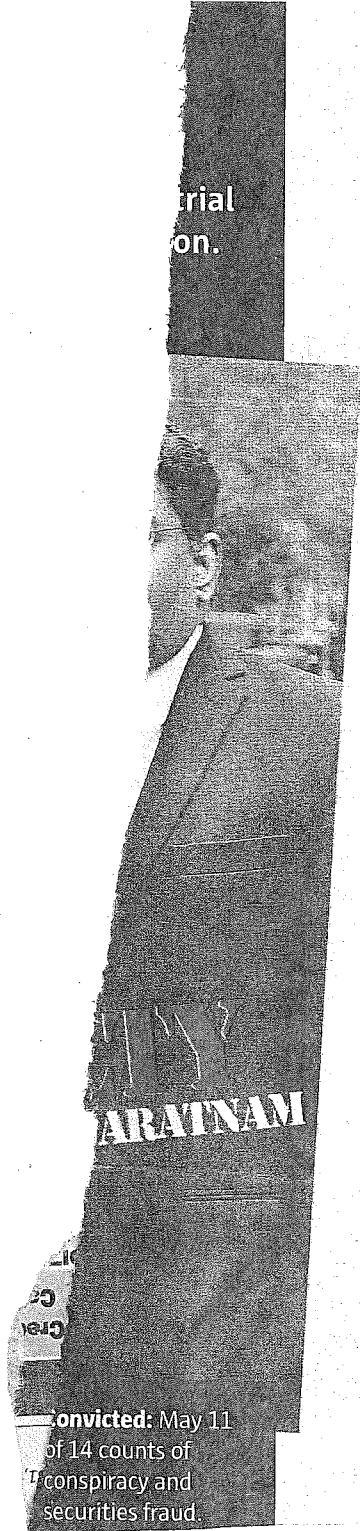
- Corporate

Sam Harrison

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Local business bits

Cold winter fuels Puget Energy's profit surge

By Rami Grunbaum, deputy business editor, and staff

The winter's bone-chilling, boot-soaking weather made most of us miserable, but it warmed accountants' hearts over at Puget Sound Energy.

The state's largest utility this past week reported a cool profit of \$103 million for the three months ended March 31, the highest since an investor group took the company private in February 2009.

Combined with the blustery and damp final quarter of 2010, it's been Puget's most profitable six months in at least three years, as nature and economics aligned to boost customer demand and trim the company's expenses.

"Rainy, windy and cold," Puget Vice President and Controller Jim Eldredge sums up, with a hint of appreciation in his voice. "And it's continuing into the second quarter. April was a cold month and May looks to be colder than normal. And the weatherman says June could be more of the same."

The average temperature was 42.1 degrees, a full 4.7 degrees colder than the "exceptionally warm" March quarter last year that yielded a loss of \$38 million, Eldredge says.

Winter is always peak time for the Bellevue-based utility, and this one created above-average demand from its 1 million electric and 750,000 natural-gas customers, who are mostly in the Puget Sound region outside Seattle.

Residential electric revenues rose 14.6 percent from the same period last year while residential gas revenue leapt 31.5 percent. That helped boost total sales to \$1.01 billion from \$878 million a year earlier.

Meanwhile, the onslaught of rain and wind reduced Puget's electricity costs: With output from its hydroelectric and wind-power plants up 55 percent, the company didn't need to run its natural-gas power plants as often, so fuel costs fell \$11 million, or nearly 20 per-

Convicted: May 11 of 14 counts of conspiracy and securities fraud.

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JUN 29 2011

WASH. UT. & TP. COMM

June 23, 2011

Dear Utility Commission and Seattle Times,

I hear the Utility companies in Washington State want a rate increase to be used for future utility expansion or upgrades? Didn't they just get an increase for the same thing earlier?

I think this is a Bate and Switch Job. I know they are giving out 16% pay raises to the linemen in Eastern WA. ;plus, staff is getting \$ 4,000 to 2,000 raises. These raises seem out of line when so many people are out of work and many of us are on fixed incomes.

Cost of living raises are not given to State Employees and teachers, plus, they have to take 8hours off a month. While retiree's get no cost of living even though they gave up 1% of there wages 35 years ago to fund cost of living raises. Maybe it is time for other people to tighten their belts?

Sincerely,
Gene Bremner
10502 S.E. 216th St.
Kent, WA. 98031

June 23, 2011

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Sincerely,
Gene Bremner
10502 S.E. 216th St.
Kent, WA. 98031

Waltraut Pettijohn
3611 I St NE Unit 227
Auburn, Wa 98002

Washington State
Utilities and Transportation Dept
PO Box 47250
Olympia, Wa 98504-7250

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JUL 22 2011

WASH. UT. & TP. COMM

Dear Sir;

On July 18th, we received a bill insert from PSE (Puget Sound Energy) informing us that they requested a rate increase for work done to increase system reliability.

It states " The rate request is based on energy system improvements made in 2009 and 2010"

My husband and I live in a 55+ community with 300+ seniors and I have to tell you, last year between March and September we had 7 power outages. When the last outage happend I demanded to speak with someone in management. I received a call back from Kim Morris 253 395-6929. She confirmed yes we had 7 outages and gave me her name and number to call if we had future outages. The reason I am telling you this is, I don't believe that the system is improved and also the increase should not be granted. As I told her since PSE was sold to a Canadian company the service has gotten worse.

I hope you check their record of "system reliability" and you will realize a rate increase is not warrented.

Sincerely


Waltraut Pettijohn

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MAR 25 2010

WASH. UT. & TP. COMM

To: WUTC & Public Counsel Office

March 21, 2010

I am a former employee of the Puget Sound Power & Light Company (PSP&L) headquartered in Bellevue, WA. I left PSP&L on very good terms. I currently provide, among other support activities, consulting work to Puget Sound Energy (PSE).

The purpose of this letter is to provide comments regarding the current rate increase that PSE has before the WUTC.

In my capacity as an employee & consultant, I have seen many 'faces' of PSE over the years. But the 'face' that PSE has shown over the past couple years, particularly since the acquisition by Macquarie, is very ugly. This is what has prompted me to write.

For several reasons I will remain anonymous. I do not want to compromise current & past employees who have provided some of the information below, nor do I want to compromise any future work activities I may have. In my role I can work as an insider & watchdog. This is what has prompted me to write.

The information below is in no particular order, just random comments on observations I and others have witnessed.

There are multitudes of examples of wasteful spending throughout PSE. I am only privy to the examples that exist in their power plants.

- (1) PSE has spent tremendous sums of money on security system upgrades at its power plants, rumored to be in the millions. This work has been piecemeal, rushed into place, ineffective in many cases; it was literally 'just throw money at it'. PSE has used security contractors with little experience in these types of contracts. Someone needs to audit these bills.
- (2) PSE has spent tremendous sums of money on video conference installation thru out the company. The rumor is that at the Sumas power plant, the bill for this video conference was nearly \$500,000 dollars. Yet in spite of all this money, this technology is almost never used. In fact, recently the CEO of PSE gave a company-wide address, and PSE spent money for long distance telephone conference access lines. Why did the video conference in these areas go unused?
- (3) PSE's acquisition of the Mint Farm power plant in Longview has come under WUTC scrutiny. On top of the hundreds of millions of dollars for the initial plant purchase, upon the acquisition PSE immediately went into a multi-million dollar overhaul of the gas turbine. It is also rumored that they are planning a multi-million dollar equipment change out on controls system within the plant because there are language & other issues with the foreign controls. Were these costs known upfront to the WUTC when the plant's purchase was approved? Did PSE's due diligence process prior to the plant purchase reveal these items?

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MAR 25 2010

CONSUMER AFFAIRS

- (4) At one of PSE's other power plants that has multiple fuel oil storage tanks, the company spent nearly \$500,000 dollars on tank inspections for tanks that I'm told have been empty for years, and that there are no plans in the future to fill with fuel. Why was this money spent?
- (5) Several years ago PSE decided not to pursue relicensing its White River power plant. When they abandoned the plant & shut it down, this created a side-effect in that this plant had the capability of providing a 'black start' power source for the system in that area. Sometime after PSE walked away from the White River plant, they realized that losing this black start capability might affect contractual obligations with the Bonneville Power Administration (BPA) & other reliability standards they might have to comply with. So they spent several millions of dollars at an auction purchasing a used diesel generator, along with new buildings, control system & other equipment upgrades installing this equipment at PSE's Frederickson power plant. Now the rumor is that PSE does not have this obligation at all. Since the installation of this equipment it has only been used a few hours a year for testing.
- (6) At PSE's newest acquisition, the Sumas power plant, apparently management has lost spending restraint. There was a lot of energy expended on the installation of a new sign for the plant when PSE purchased it. Not only was hundreds of dollars spent for the purchase of the sign, but the PSE CEO got involved because he felt that the sign the plant created was inadequate. As a result a brand new sign was purchased. There are rumors of the purchase of a \$4000 Viking brand cook top in the plant kitchen. The purchase of a \$25K tractor to mow a small piece of grass that previously was mowed twice a year with a rented tractor. Rumor has it that they purchased snow plowing equipment for this same tractor, equipment which they already possessed that was used on trucks. Rumor has it that PSE pays for monthly satellite TV service for the crew. Rumor has it that last year thousands of dollars of overtime was paid to crew members to remodel the plant kitchen. There are rumors at this plant of crew members working on personal cars with PSE equipment, while on-shift, and many other improprieties.
- (7) At the Baker River power plant, PSE has spent well over 50 million dollars on its Floating Surface Collector project. This project is totally out of control. When it was first conceived, it was estimated to cost approximately 20 million dollars. But soon construction & engineering costs got out of control. PSE fired its first engineering firm. But the project has continued to escalate in scope, budget, etc. to where the price tag is rumored to be \$60-75 million. To the best of knowledge no PSE employee was ever reprimanded for the huge cost overruns, nor has any management person lost a promotion, or has there been a restructuring of supervision of the project, or has this out-of-control project created any type of reform of PSE's spending ways.
- (8) We don't have access to the numbers, but it should be very easy for the WUTC to see that PSE has been on a tremendous hiring spree over the past few years. Now, some of these positions were necessary. But others make little operational or financial sense:
 - (a) Program Managers-A few years ago there were none, now there are dozens. To the best of our info, these positions have a pay range from \$50 – 90K a year. Why did these positions not exist in the past, but they have become necessary as of late?
 - (b) Business Analysts- A new position that PSE management has added very recently to certain power plants is a Business Analyst. PSE has owned & operated power plants for well over 50 years. Why do they now feel the need for Business Analysts? What is the

function of the Energy Resources Director, Asset Manager, Plant Manager, and Operation Supervisor positions? Shouldn't one of these existing positions perform some of the role of a Business Analyst?

- (c) Maintenance Planner-This is another recent position creation of PSE's management. They have added 3-4 of these jobs. The role of this position is to support maintenance planning for the power plants. Again, PSE has never had any one performing this role in the past. This is an organizational change that has come along with the Macquarie acquisition.

- (9) It is public knowledge that in the past few years, PSE has purchased several power plants; Encogen, Goldendale, Sumas & Mint Farm. Before PSE's purchase, all of these plants were Independent Power Producers (IPPs) which were in the business to generate power, and sell to PSE. As IPPs they have a huge financial incentive to operate their plants as efficiently, reliably & cost-effectively as possible. They managed their personnel, maintenance & equipment overhauls. In some cases these IPP plants were owned by multi-national corporations with immense operational experience. These IPPs had a large operational track record prior to PSE's acquisition of their plant. In fact, these plants had years of operational experience operating combined-cycle gas turbine power plants that PSE never had.

As IPPs they had to operate to meet contractual obligations, and operate lean. They didn't have Business Analysts on staff. They didn't have Maintenance Planner positions. They didn't need them.

Yet since they have become PSE plants, the Business Analyst & Maintenance Planner positions have been created & added to the plants.

And in addition, PSE recently has begun to hire contractor consultants to support projects that PSE, or as IPPs, had performed in-house for years. For example, at the Encogen plant, PSE hired a consultant for hundreds of thousands of dollars to support a recent overhaul. This overhaul was nothing out of the ordinary, and work that the crew/management had performed successfully before. The hiring of this contractor (rumored to be Vista Energy) was very unpopular, added little to the project, and in fact contributed to the project running over schedule as there was confusion as to who was in charge of the project.

PSE has also hired Vista energy for hundreds of thousands of dollars to write/ rewrite Standard operating procedures for the plants. When the plants were IPPs they had binders & binders of SOPs. These are the same SOPs that have been, or will be rewritten by this contractor. Some of the other plants are having procedures rewritten that PSE paid hundreds of thousands for several years ago. This was also done by a contractor. These are all procedures that if they in fact needed to be revised, could have been done in-house with existing plant personnel.

In fact, PSE created a training department just a few years ago in their Energy Resource Group which had the mandate to develop procedures. So what does this group do? Not create procedures, but hire a consultant for this project, rumored to cost over one-half million dollars!

- (10) It wasn't very long ago that PSE was a fairly flat organization from a management standpoint. I have been told that the Energy Resources Group, when it consisted of (3) gas turbine power

plants, had a management structure of a Director, and a Plant Manager. All (3) plant's union staff reported to Plant Manager, and this person reported to the Director. And this Director was also in charge of PSE's hydro-electric power plants.

Since then PSE has added several combined-cycle plants. The current management structure for PSE's gas turbine power plants has grown to a Director, an Asset Manager, and for the Encogen & Sumas plants, a Plant Manager, and at each of these plants an Operations Supervisor. These plants also have a Maintenance Planner, and the two plants share a Business Analyst. For the original (3) gas turbine power plants, PSE has a Plant Manager, and at each of these plants they have an Operations Supervisor. The (3) plants also share a Maintenance Planner, and there are rumors of them adding a Business Analyst. The WUTC should compare a PSE organizational chart for now as compared to five years ago. Oh and by the way, where a few short years ago both the Thermal & Hydro plants shared a Director, they now each have their own.

The non-management staff has increased very little, but yet the management staff has exploded. And these are high paying positions.

The acquisition of PSE by the Macquarie Group has been both good & bad. It has been good in that it has provided some much needed capital for new equipment & upgrades, and it has allowed PSE to increase infrastructure such as new substations. But it has also been a negative thing on that it has given PSE management a huge 'pot' of much to waste.

Internally it has brought on some cost control in that managers have to hold tighter to a budget. The word is that since Macquarie has to go out into the capital markets to borrow this money, it needs to be spent as it was budgeted. However it is this same mind-set that since this money was borrowed, it must be spent, all of it. This is true for projects that come in under budget or in the case where monies were allocated for spending categories where it is difficult to rationally spend all of the money. This has led to very wasteful spending.

PSE internally has a mind-set that capital projects are good because they can be 'rolled in to rates'.

The amount of financial analysts that PSE has scrutinizing budgets is staggering, and the amount of effort expended by employees to monitor spending is the same. But has this process reduced PSE's rates, or reduced the rate of PSE's rate increase applications?

Sadly, no, PSE continues to file for increases, pleading for more money, while at the same time adding to an already large management staff, providing poor cost containment and not providing their customers with the value that they are capable of. PSE has grown too large & ineffective in far too many areas.

Note: It is with considerable personal risk that I have provided this information to the WUTC. I would not be very happy if the things that I have described are not addressed. And since I am anonymous, there are not many ways for me to see that these things are addressed except thru the media.

If within the next month I do not read in the area newspapers, or hear on local television & radio stations stories that mention some of these issues, then I will take that as a sign that the WUTC does not take PSE's actions very seriously.

I will therefore provide copies of this same letter to these same media outlets, with the message that this information was previously provided to the WUTC.

RECEIVED

NOV 22 2011

Nov. 14, 2011

WASH. UT. & TP. COMM

To: Utility and Transportation Commission

Subject: Rate Increases - Puget Sound Energy
Case/Docket # UE-111048 - Electricity
Case/Docket # UG-111049 - Gas

I am writing this letter as my husband and myself are retired people on a fixed income - you are planning on raising rates on our utilities and we fear that this will be more than our budget can stretch. What do we give up so we can pay our bills?

In these economically bad times when money does not cover the bill and jobs are hard to find - so many people are very stressed - and you want to raise our rates on utilities that are a must have. This is a terrible time for you to do this and

our rates. Your profits have been good over last winter and will probably be good again this year, it seems you could reconsider your raise in rate plans.

Please take into consideration our concerns and our appeal to you to not raise rates on Electricity and Gas.

Sincerely,

Albert & Constance Swanson
1301 67th St. S.E. # 1C
Auburn, WA 98092

E-mail: bigalswanson@yahoo.com

RECEIVED

DEC 05 2011

July 27, 2011
2359 Rosemont Pl W
Seattle, WA 98199

Jeffrey Goltz, Chairman
WA Utilities & Transportation Commission
PO Box 47250
Olympia, WA 98504-7250

WASH. UT. & TP. COMM

Dear Commissioner Goltz:

As the enclosed correspondence indicates, we have been communicating for several months with Puget Sound Energy and the WUTC about the rates and fees we pay for natural gas. Since we began receiving service in January of this year, we have paid to date \$79.14 for \$7.53 worth of natural gas. We wanted to make certain, as Chairman, you are aware of the PSE billing practices that impact us and other low-volume gas users in this manner. And we would very much appreciate learning what your reaction is to our situation in which a nearly 1:10 ratio (use: payment) applies.

After digesting your staff member's informative 5/26/11 letter, I enjoyed an affable telephone conversation with the author, Dennis Shutler (Consumer Protection and Communication). But when I asked him if he thought we were receiving a good value on the natural gas we purchase, he stated that would be difficult to say. In other words, he declined to answer. As a former bureaucrat, I understand his opting for discretion over candor. We think we get a terribly bad value. What do you think?

We was surprised to discover, in response to our written question, that the commission collects no data on the number of consumers whose monthly natural gas consumption is less than the \$10.00 basic charge. We think such information would critically inform your most fundamental rate and fee decision-making. How can you assess the fairness of billing practices if you lack such crucial data?

We believe customers like us subsidize high volume users whose basic charges amount to a fraction of their total bills. Do you concur? We also suspect we are paying more than our proportional share to PSE profit-making. Would you agree?

Please note that Mr. Shutler's reply was somewhat selective in that he did not address the issues we raised in the third paragraph of our 5/2/11 letter, regarding conservation disincentives and penalization of low income consumers, created by the \$10.00 basic charge. Could you please comment accordingly?

Lastly, we received in a recent PSE billing packet the "2010 Service Quality Report Card," confirming achievement of all nine benchmarks. We found it odd that none of the "Key Measurements" tested customer opinion on cost, price, or value of services, which is the first thing on our list. Wouldn't that metric be high on yours, too, and how, alternatively, does the Commission systematically ascertain it?

We regret that we are unable to communicate by e-mail and we apologize for having burdened you with so many questions. Thank you for your time and attention.

Sincerely yours,

Edison K. Putman and Susan L. Corwin

Cc: PSE

Dear UTC,

January, 2nd 2012

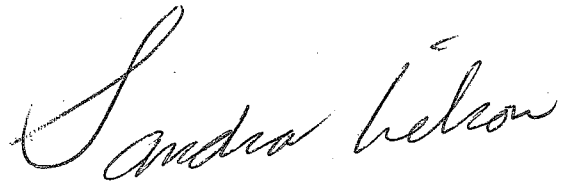
I am writing to greatly urge you to say no to P.S.E. on the requested rate increase. Like many other seniors we just cannot handle another rate increase.

Businesses must start cutting or freezing salaries at the top. Just like us they have to cut spending.

My husband and I were raised to recycle, repair, and conserve. We even buy green power. I do not see where there is any reward anymore for doing this.

Nearly every year they want more money. well, there has to be a point to say "NO".

Sincerely, Sandra Wilson



C.C., Public Counsel
A.A.G.

RECEIVED

JAN 05 2012

WASH. UT. & TP. COMM.

Ms. Alice Smelcer
Apt. E4
525 122nd Pl. NE
Bellevue, WA 98005

RECEIVED

JAN 05 2012

WASH. UT. & TP. COMM

IM

January 4th 2012 -

To whom it may concern

Dear Sir or Madam,

I just received my electricity bill and - oh - surprise! - I see that P.S.E. wants to increase the utilities rates, they just did, not so long ago! What's the matter with them? The electricity here in Bellevue is already more expensive than in Seattle, (I know, my daughter lives in Seattle and I can compare!).

So this letter is to say NO to an increase -

Sincerely,

Alice Smelcer -

It says to specify

UE - 111048

January 4, 2012

Gerald A Wik

10020 Lakeshore Blvd NE

Seattle, WA 98125

UTC

P. O. Box 47250

Olympia, WA 98504-7250

Gentlemen:

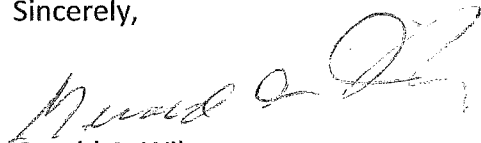
Re: Puget Sound Energy – Docket #UG-111049

I am at a loss to understand why Puget Sound Energy wants to raise the Natural Gas rates when the wholesale price has declined by I believe around 35% over the past year.

What they should have done was reduce the gas rates due to the lower price at the wholesale level. I cannot believe they are doing that? I notice they said "increased return on investor investment". My thought is when the investors who purchased Puget Sound Energy already knew what return they were getting and should not be given and increased return on investment.

Due to decrease in wholesale cost, I believe that the rate should be cut and recommend you give this your due consideration.

Sincerely,



Gerald A. Wik

RECEIVED
RECORDS MANAGEMENT
2012 JAN -5 AM 8:35
STATE OF WASHINGTON
UTILITY DIVISION
COMM. SECTION

RECEIVED

JAN 06 2012

WASH. UT. & TP. COMM

12-31-11

Dear UTCs

We are writing you to complain about yet another PSE rate increase! as a state employee having to endure a 3% paycut for 2 years - it is very frustrating to have basic need bills keep going up & up! We can't stop using electricity to save money - our house is all electric! We do use energy efficient light bulbs though! We downsized to a smaller brand new manufactured home in 1999, but our utility bills seem like they have doubled since then - our PSE bill is starting to be more like a car payment bill without the car! It is a helpless feeling to have utility bills rising monthly! My husband has been retired for 9 yrs so he's on a fixed income. - now I'm losing about a \$100.00 a month with this 3% paycut & PSE wants yet another raise!

Karen L. Olinghouse

7214 Fair Oaks Rd SE

Olympia, WA 98512-6421

P.S. We can't help feeling powerless when PSE is a monopoly & we have no other power co. to use!

★ Please, seriously consider this!
Thank you!

RECEIVED

JAN 09 2012

Jan 5, 2012

WASH. UT. & TP. COMM

Gentleman,

The rate increases proposed by Puget Sound Energy are onerous. The economy has produced a great many poor people. People who have difficulty putting a roof over their heads let alone buying heat and lights. For many people social security is their basic income, and they received a 3.5% increase this year. And now PSE wants 8%.

Based on the amount of increase, being requested, I feel management performance is poor and they are not entitled to bonuses or for that matter any increase in pay.

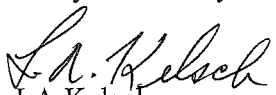
I note that the Puget Sound Energy Foundation has millions of dollars for social networking. Why aren't these funds diverted to reducing increases? The foundation declares that no foundation money comes from PSE customers. I find that hard to believe. If PSE all of a sudden ceased to exist what would happen to the foundation? Would it continue to function?

Also the increase notice talks about new customers and increased services....so that's good news. More customers mean more income. Why doesn't more income have a mitigating effect on the cost of doing business?

Then too, from tours I have taken of PSE power sources I know that they secure power based on anticipated growth needs, for some years into the future, and establish contracts for the purchase of that power. These contracts lock in future costs at negotiated prices. Are the benefits of these futures being passed on to PSE customers?

Lastly, the law of economics dictates that continuing increases has the unfortunate inevitability of loosing everything in one big collapse.

What's the trade off for the customer? Is this the last time PSE will come to the table for ...say at least 5 years? Certainly 8% will buy us 5 years?


LA Kelsch
12913 116th St Ct E
Puyallup, WA 98374

RECEIVED

Date

Scripture/Topic

JAN 12 2012

Title

Page

1/11/12

WASH. UT. & TP. COMM

Here we go again,
what else will go up -

Food, Gas, Housing Prop.

Taxes - And Now You!

I Turned my heat

down No heat at night

but, The bill is still

UP - No dirt washer

very little dryer -

Doggone - You and everyone

else wants more money

I'm on a fix income

do I get to enjoy going

or food - NO you want

The Money - ^{Life Journal} N/3 Helke

RECEIVED

JAN. 8, 2012

UTC

JAN 11 2012

P.O. Box 4725 WASH. UT. & TP. COMM

OLYMPIA, WA 98504-7250.

NORMALLY I DO NOT COMMENT ON RATE INCREASES, BUT FEEL THAT AT THIS TIME WHEN SO MANY PEOPLE ARE FEELING THE PINCH, I MUST ASK YOU TO DENY PSE'S REQUEST.

THEY SHOULD MAKE ECONOMIES IN THEIR OPERATIONS JUST AS STATE WORKERS HAVE HAD TO TAKE PAYCUTS.

CITIES AND COUNTIES HAVE HAD TO MANAGE ON LESS, AND WE FEEL THAT PSE SHOULD NOT BE ALLOWED ANOTHER RATE INCREASE.

THANKS FOR YOUR CONSIDERATION,
RUTH FELLANS

RECEIVED

JAN 17 2012

1-8-12

UTC / ~~WASH~~ UT. & TP. COMM

I ask that rate increases proposed not be granted. As a widowed, retired person, I wish that consideration would be given to retired, lower income seniors, before increases are asked.

You have no programs for payment help for this group of people. With the economy as it is, it is not right to implement increases.

Mrs. Henry Huebeart
P.O. Bx. 2098
Port Orchard, Wa.
98366

RE: Rate Increase

UE- 111048 / UG – 111049

Please give some serious consideration to lowering your suggested rate increase.

Our general area is still loaded with families with no jobs. The economy is very slowly getting better but an 8.3% or higher increase to our neighbors, friends and extended family members, that have lost jobs, is very high.

All business will be hurt because they will have to raise prices on their goods and services to maintain their profit. Some small business may have to close because their customers will need to spend any extra money they will have to pay their power bills.

All of us will experience that cost of everything going up and also understand how the circle of inflation affects all. So, again I suggest that you just lower your increase.

I thank you for everything you do for us and especially when things go wrong.

Sincerely,

Gail Hoover

Gail Hoover
2227 W. Lk. Samm Pky. N.E.
Redmond, WA 98052-6008
425-746-0975

STATE OF WASH.
UTLAND TRAIL
COMMUNITY

2012 JAN 12 AM 8:33

RECEIVED
PROGRAM MANAGER

Jan. 12, 2012

Dear Sirs:

The U.S. Government figure for cost of living increase is 3.6% percent. Anything beyond that increase on electric power should be considered inflationary and unreasonable.

Sincerely,

Mrs. Gayle Leedhe
7963 Woodland Rd.
Terndale, Ga. 98248

RECEIVED
JAN 13 2012
WASH. UT. & TP. COMM

January 11, 2012

Utilities and Transportation Commission
P.O. Box 47250
Olympia, WA 98504-7250

RECEIVED
REGIONS MANAGEMENT
2012 JAN 13 AM 9:34
STATE OF WASH
UTILITY AND TRANSP
COMMISSION

RE: UG-111049 (Natural Gas)

This request for a proposed rate increase is another round of unrealistic demands filled with irrelevant arguments:

1. I quote the PSE flyer (3993 12/11 Notice issued December 2011-January 2012) with my latest bill: "The bulk of the natural gas revenue request (see pie chart) would recover investments in the natural gas distribution system to increase the reliability, to serve new customers, to accommodate public infrastructure projects and costs for compliance and safety improvements. The balance of the request would recover increased cost of local taxes and depreciation expense, and increased return on investor investment." Whatever happened to charging the NEW customers the costs described above?

A. Why should existing customers pay the costs for new customer needs for infrastructure? **The new customers should be paying these additional costs not existing customers.** The UTC has allowed additional basic service charges on a regular basis and what have I got to show for it: NOTHING. Make the utility charge new customers the costs for the above and stop allowing them to spread the charges among those of use that have been paying over and over for the same "infrastructure" that we paid for long ago!

B. Is it my fault that PSE needs to recoup "costs for compliance and safety improvements?" NO, it is the risk that investors take when buying shares of the parent company!

C. "Increased return on investor investment" is not a burden of a monopoly to force upon its customers, but rather place back upon the shoulders of its investors!

D. **Depreciation expense is only a booking entry.** This is simply a "paper" depreciation which **allows them to cut their income taxes** and has little to do with actual depreciation of the assets. They are able to write off the assets far more quickly than they are used up! Again this is only a benefit to the company not the customer.

2. **PSE constantly asks us to conserve**, so I sit in my house with an average temperature below 60 F and wear more clothing, **but the utility says I am too good at conservation so I have to pay them a higher basic service charge because I do not use enough natural gas? Something is terribly wrong here! Stop allowing the rate increases...** tell PSE to get their act together and stop raising salaries and wage scales. **Others in private industry have been cutting costs through reducing wage inflation. Its time for the monopolistic utilities to do the same!**

3. On December 30, 2011 natural gas futures hit a two year low! It is time that we the customers get more of the benefit of the lower cost of natural gas that PSE *should be* taking advantage of in the open market. They should be contracting for future deliveries at these low costs for GAS now while there is a glut.

In closing I have been paying ever higher costs for “distribution and capital investments” that should be the burden of new customers not those of us that have paid for our infrastructure many times over. I am paying for wasteful wage inflation and underwriting profits for investors...where is the risk for investors? Depreciation expense is a tax accounting ploy to lower taxes for PSE and the customer should not be paying this and in fact it should be an offset for other taxes. Further rate reduction should be passed to the customers as the price of natural gas falls, and PSE should be smarter in buying forward contracts for natural gas at these low prices.

DENY THIS PROPOSAL FOR A NATURAL GAS REVENUE REQUEST.

Sincerely,



Fran DeBruler
3715 West Dravus St.
Seattle, WA 98199

CC: Public Council, Office of the Attorney General

Vote No
INCREASE

M. Kyle Nutzger
26271 SR. 20
Coupeville, WA. 98239

TO UTC
(please read)

Puget Sound Energy is requesting
an increase in my energy bill
(electric only) of 9.4%.

Their overall revenue increase (159.7 million) 8.08%

The math in their charts is incorrect.

Anyway - they need to operate
~~with~~ with what they have for a
few years until our economy improves.
They need to become more efficient

RECEIVED

JAN 25 2012

WASH. UT. & TP. COMM

I'm a senior citizen living on
Social Security. We received a
3.5% cost of living increase this
year. (\$49 dollars). I was gone
for 3 weeks in Dec. Heater set
@ 52, no hot water was used, my
refrigerator turned down, one
energy efficient bulb left on and
my bill was still \$121⁰⁰.

Please don't approve the increase,
or drop it to 1/2 of what they

George W. Mauer
1430 NW 191st St
Shoreline, WA 98177

RECEIVED

JAN 45 2012

Washington Utilities and Transportation Commission
1300 S. Evergreen Park Dr. S. W.
Olympia, WA 98504-7250

WASH. UT. & TP COMM

1-21-2012

Dear Sirs:

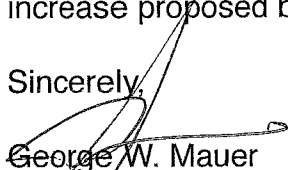
This is to register my opposition to the proposed rate increase by Puget Sound Energy of 3.5 percent to its natural gas customers.

Wall Street Journal 1/7/12: "Natural-Gas Supplies Bulge, Pressuring Prices". "Prices fell below \$3 a million BTU on Dec 30 for the first time in more than two years".

Each of you must know that the natural gas supply market it as an all time high and its costs to distributors at a all time low. The future projections of supply are significantly trending up. Clearly there is no market evidence in support of this company's rate increase whatsoever, that is there is no factual market evidence that can rationalize any increase in the current rate charged Washington State residents. Any rate increase authorized by the Commission under these market circumstances would likely be financially burdening customers with ineffective management. Frankly given the market supply scenarios the Commission should be considering a rate reduction.

Please advise of any Commission staff support for this company's rate increase. I would also like to know how I can testify before the commission in opposition to any rate increase proposed by Puget Sound Energy.

Sincerely,


George W. Mauer
206-593-0160

In response to the 30 Dec
City Brief:

PSE Rate Hike

The Canadian investors are wanting more profit to cover their losses. \$2.05 is not a whole lot but it adds especially in these times and for fixed incomes. I could see in better times. Also they do this every year keep with the budget. Their being like every other big company.

Then I read in their PSE English letter that say lower bills and

In response to the 30 Dec
City Brief:

PSE Rate Hike

UE-111049

The Canadian investors are wanting more profit to cover their losses. \$2.05 is not a whole lot but it adds especially in these times and for fixed incomes. I could see in better times. Also they do this every year keep with the budget. Their being like every other big company.

Then I read in their PSE English letter that say lower bills and

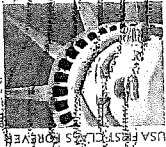
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JAN 24 2012

WASH. UT. & TP. COMM

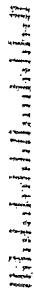


Ms. Donna J. Murray
P.O. Box 655
Wattsburg, WA 99361-0655



Commission
RECEIVED
JAN 25 2012
WASH. UT. & TP. COMM

P.O. Box 47250
Olympia, Wa. 98504



PACIFICORP
97208

I'm not impressed with
the choices you make (with my money)
to support.

I'd like to help people who
really need it but I can't. you
keep sucking more money out of
my pocket ~~do~~ you can buy
about what you do.

Donna J. Murray.

15 JAN 2012

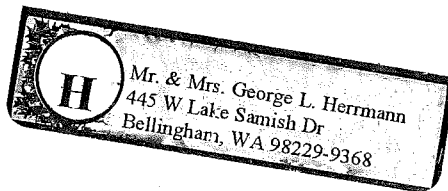
DEAR SIR,

We just found out
Puget Power wants to
raise our bill by roughly
8%. They had a raise a
few months ago.

Our income has NOT
gone up at all.

WE ARE AGAINST RAISING
the rates of Puget Sound
ENERGY.

Thank you,



RECEIVED

JAN 20 2012

WASH. UT. & TP. COMM



STATE OF WASHINGTON

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

1300 S. Evergreen Park Dr. S.W., P.O. Box 47250 • Olympia, Washington 98504-7250
(360) 664-1160 • TTY (360) 586-8203

1/22/12

Hi Roger! My last name
is PUTMAN not NAM.
PSE has it correct

Is this perversity or bureaucracy run amok?
Both? OK, because I know you know my/
our issues have nothing to do with the correct
rate case. Is there any chance you, Jeff,
& I could get together to discuss why a
group of natural gas users must pay \$10.00
for a few cents worth of product, monthly?
Let's meet! Please call me - (206) 402-4235 Ed
Thank You

Ed Putnam
2359 Rosemont Place West
Seattle Washington 98199

December 30, 2011

Docket Number: 111049

Dear Interested Person:

Thank you for interest in the Puget Sound Energy (PSE) general rate case proceeding. The purpose of this letter is to provide you with an update regarding the case. For those of you who contacted us recently, your name has been added to the commission's interested persons list and your comments are part of the record.

State law requires rates to be fair and reasonable for customers, yet high enough to allow the company a chance to recover reasonable operating expenses and earn a reasonable return on investment. The commission may set service standards, and take action against a company that fails to meet those standards. However, it cannot deny rates that are needed to cover company costs. Rates are based on each company's specific needs. Rates for one company may be higher or lower than rates for another company.

On December 7, staff members of the Washington Utilities and Transportation Commission (commission) filed testimony recommending that PSE be allowed to raise electric rates by only \$39 million a year and \$1.5 million for natural gas rates. This is significantly less than the \$152 million and \$30 million, respectively, the utility originally requested last June. The three-member commission, which is not bound by the staff recommendation, will make a final decision on the utility's rate-hike request next spring. The proposed increase is slated to take effect May 2012. Enclosed is a copy of the commission's press release which provides additional details.

You may comment to state regulators on the proposed increase at two scheduled public hearings. The first meeting is scheduled at 6:00 p.m. Wednesday, February 1, at Bellevue City Hall, 450 110th Avenue NE, Bellevue; and 6:00 p.m. Wednesday, February 15, at commission headquarters, 1300 S. Evergreen Park Drive SW, Olympia.



STATE OF WASHINGTON

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

1300 S. Evergreen Park Dr. S.W., P.O. Box 47250 • Olympia, Washington 98504-7250
(360) 664-1160 • TTY (360) 586-8203

Editor's note: This news release reflects the position of energy staff of the Washington Utilities and Transportation Commission (UTC) and NOT the views of the three-member commission. It discusses a staff recommendation that the commissioners have not yet reviewed. Any positions taken or comments offered by the commission staff regarding this proceeding should be attributed clearly to staff members and NOT to the UTC.

Dec. 7, 2011

Media contact: (360) 664-1116 or media@utc.wa.gov

Docket Number: UE-111048 and UG-111049

State utility staff recommended deep cuts in Puget Sound Energy's rate increase request *Public invited to comment at February hearings*

OLYMPIA, Wash. – State regulatory staff are proposing to give only a fraction of the revenues Puget Sound Energy (PSE) is seeking in its latest electric and natural gas rate increase request.

In testimony filed today, staff members of the Washington Utilities and Transportation Commission (UTC) are recommending PSE be allowed to raise electric rates by only \$39 million a year and \$1.5 million for natural gas rates, significantly less than the \$152 million and \$30 million, respectively, the utility originally requested last June.

The three-member UTC, which is not bound by the staff recommendation, will make a final decision on the utility's rate-hike request next spring. The proposed increase is slated to take effect May 2012.

Under the staff proposal, a PSE average residential electric customer using 1,000 kilowatt hours-per-month would see their electric bill increase by \$2.05, for a bill total of \$98.84. The typical natural-gas customer using 68 therms a month would pay \$0.13 more, for a revised bill of \$81.72.

On June 13, PSE filed a general rate case with the UTC requesting an annual \$182 million overall rate increase for both electricity and natural gas service. Commission staff is recommending a \$40 million overall rate hike for both services.

Among the major differences between the company's request and the UTC staff's recommendation are reductions for PSE's development of the Lower Snake River Wind Project,

July 27, 2011
2359 Rosemont Pl W
Seattle, WA 98199

Jeffrey Goltz, Chairman
WA Utilities & Transportation Commission
PO Box 47250
Olympia, WA 98504-7250

Dear Commissioner Goltz:

As the enclosed correspondence i
Sound Energy and the WUTC abou
service in January of this year, we
to make certain, as Chairman, you
volume gas users in this manner.
our situation in which a nearly 1:1

After digesting your staff member
conversation with the author, Der
asked him if he thought we were
would be difficult to say. In other
his opting for discretion over candor. We think we get a terribly bad value. What do you think?

We was surprised to discover, in response to our written question, that the commission collects no data on the number of consumers whose monthly natural gas consumption is less than the \$10.00 basic charge. We think such information would critically inform your most fundamental rate and fee decision-making. How can you assess the fairness of billing practices if you lack such crucial data?

We believe customers like us subsidize high volume users whose basic charges amount to a fraction of their total bills. Do you concur? We also suspect we are paying more than our proportional share to PSE profit-making. Would you agree?

Please note that Mr. Shutler's reply was somewhat selective in that he did not address the issues we raised in the third paragraph of our 5/2/11 letter, regarding conservation disincentives and penalization of low income consumers, created by the \$10.00 basic charge. Could you please comment accordingly?

Lastly, we received in a recent PSE billing packet the "2010 Service Quality Report Card," confirming achievement of all nine benchmarks. We found it odd that none of the "Key Measurements" tested customer opinion on cost, price, or value of services, which is the first thing on our list. Wouldn't that metric be high on yours, too, and how, alternatively, does the Commission systematically ascertain it?

We regret that we are unable to communicate by e-mail and we apologize for having burdened you with so many questions. Thank you for your time and attention.

Sincerely yours,

Edison K. Putman and Susan L. Corwin

Cc: PSE

So Roger, 1/22/12
it's almost a half year -
any chance Mr. Goltz might
be able to start finding time
to consider whether he should
think about drafting a preliminary
reply to my letter, our letter?
Hey, did you ever find the
original + investigate why there
was no record of receipt?
(thanks) Ed

ral months with Puget
e we began receiving
ural gas. We wanted
ct us and other low-
nat your reaction is to

le telephone
cation). But when I
chase, he stated that
bureaucrat, I understand

1-13-2012

To: UTC Box 47250, Oly WA 98504

Docket # UE-111190

From: Rhonda Ozuna 110 So 57th St, Yakima WA 98901

Reg: Pacific Power Electric Co proposed rate increase.

PROPOSED
RISK MANAGEMENT
2012 JAN 20 PM 1:47
STATE OF WASH
UTIL AND TRAFFIC
COMMISSION

I am against the rate increase that is to go into effect no later than June 2012.

Pacific Power electric bills are much higher than Chelan Co PUD and City of Seattle. Pacific Power is holding its customers hostage because we have no other choice for our electricity. They are involved in a big monopoly system which is harmful to customers. My Dec 2011 bill declares I used 868 less KWH and my Jan 2012 bill declares I used 396 less KWH per one year ago but my bill is \$60.00 higher. I feel I am doing my best to decrease my bill but with past rate increases it is a no win situation.

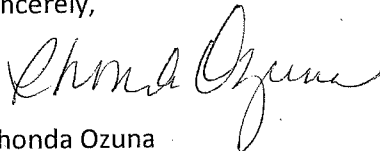
If this rate increase is approved small businesses will close and more homes will go into foreclosure. The county I live in has cold winter so most businesses even if small can be looking at \$1000.00 per mo in Pacific Power Bills.

Pacific Power put up several wind machines which I believe they now want their customers to pay for. I do not believe they needed to put all those machines up at one time.

Now is not the time for a rate increase with the economic mess. The notice sent out for Pacific Power for effects on residential customers is not correct according to current bills being received by current customers.

PLEASE STOP THIS RATE INCREASE.

Sincerely,



Rhonda Ozuna

RECEIVED

JAN 23 2012

Dear M.T.C. WASH. UT. & TP COMM 1-16-12
why is it, that each year P.S.E.
gets rate increase, working people
don't get wage increase on there
pay check! each year! I'm on social
security I didn't get rate increase
for 3 years in my 70's, of 99°

I say no rate increase ~~ad~~ on
old customer and working people

1. new electric infrastructure
2. increase administrative cost
general transmission line
3. new substate, transmission line
Equipment rentals
4. service new customers, invent
ments, road projects

let new customers pay P.S.E.
all of it, where ever they are!
maybe of out state, & Pias on P.S.E.
if they are

I would like for you to stop
P.S.E. customers basic service
charge

each time P.S.E. ask for rate
increase, I'm on P.S.E. electric
and I pay each month ⁹ 7.25
no more, stop them!

I'm on Cascade natural gas
service line, for many years
I been paying each month on ⁹ 4.00
each month for basic service
charge!

there is no reason for P.S.E.
to keep jacking up each year
basic service charge! each time
they get a rate increase
eyes for clamon mad!
of 1⁰ and only one of 99⁰

Thank you
Alex Pazkowski

STATE OF WASH.
UTIL. AND TRANS.
COMMISSION
2012 JAN 23 AM 8:04

RECEIVED
RECORDS MANAGEMENT

January 14, 2012

Public Counsel
Assistant Attorney General
800 - 5th Ave Suite 2000
Seattle, WA 98104 - 3188

RECEIVED

JAN 20 2012

WASH. UT. & TP. COMM

Re: PSE Rate Increase

Dear Sir or Madam -

I am shocked at the continual request by PSE for rate increases!! Will it never stop!!

I have never understood how and why PSE was given the approval to purchase Washington Natural Gas this has given them complete control of the energy services provided to the public without any competition.

As far as I'm concerned the Government is not able to act as a watchdog in these situations and the only way to protect the public is through competition.

I hope & pray that you are not fooled by the sharp accountants employed by PSE who must lay awake at night trying to figure out how they can squeeze the last dollar out of their customers.

I would appreciate knowing how many Rate increases they have requested over the last decade & how much it has been. Can you provide this information to the public (customers) and also your specific input concerning the various requests that PSE has mentioned in their request.

Yours
R.A. Cuff 5366-127th Ave NE Kirkland WA

26811 Downing Avenue
Kent, WA 98032

January 18, 2012

Washington Utilities & Transportation Commission
P.O. Box 47250
Olympia, WA 98504-7250

RECEIVED
JAN 20 2012

Dear UTC:

WASH. UT. & TP. COMM

We are writing to request that you deny PSE's recent request for rate increases in both electricity and natural gas as PSE refuses to allow customers to be able to analyze the impact of their proposals in their monthly bills, and the facts do not support their need for increases. In fact, decreased natural gas prices in the market because of surplus inventories point toward justification for rate decreases in both gas and electricity.

Please consider our position points:

- We have requested, in writing, better information from PSE to analyze their proposals, but none has been forthcoming. This lack of transparency on their part causes us to conclude that their numbers understate the rate of increase.
- Future rate change notices must be required to be more specific and relevant to the average homeowner's needs for usable information. I am an accountant and am unable to make sense of the rate proposal information PSE circulated with their last bills. They cannot continue to operate this way.
- Rate increases in our severely depressed economy must be rare and thoroughly substantiated. This proposed action is completely out of line for our dire circumstances and limited ability to pay. Almost everyone is retrenching; PSE is oblivious to the current situation.
- The enclosed article that appeared on page A9 of the January 12, 2012 Seattle Times outlines how natural gas supplies are in great surplus due to the mild winter nationwide and natural gas prices are down about 34% from 2011, and are currently at 2002 levels. Average heating bills this year per household should be down \$700 and should continue much lower well into the future.
- Electricity rates should also drop, particularly for electricity generated by using natural gas.
- This action by PSE confirms the fears we've all had ever since investors were permitted to take over ownership of this "Public Utility." Unjustified rate increases are being demanded to maximize their profits and justify this purchase. We're quite sure you're familiar with a similar situation that occurred in Oregon a few years ago when other foreign investors attempted unjustified rate increases that were fortunately denied by the authorities. Now your time has come to do the same.

Natural-gas prices slide; consumers should get break

BY CHRIS KAHN
The Associated Press

NEW YORK — Natural gas is cheaper this winter than it's been in a long time.

Prices have dropped by more than 10 percent in the past week, including a plunge of almost 6 percent Wednesday, as mild temperatures cut into heating demand and a production boom pumps up supplies.

Homeowners should eventually benefit from lower heating and electric bills.

"There's just too much gas out there, and there's no evidence that people are shutting in gas production yet to compensate," said Ron Denhardt, an analyst with Strategic Energy & Economic Research.

Natural-gas demand usually soars in the winter, but the winter of 2012 has yet to pack punch, with average temperatures well above normal. In the Northeast, there have been only four warmer Decembers in the last 117 years, according to the National Weather Service.

Long-range forecasts show above-average temperatures over the next few weeks.

Natural-gas supplies were already above the five-year average at the start of the year, and that's expected to continue.

Cheapest since 2002

So far in January, natural gas is about 34 percent lower than a year ago. It hasn't been this cheap at this time of year since 2002.

Cheaper gas prices should lower average heating bills this winter to about \$700 per household, according to Mark Wolfe, executive director of the National Energy Assistance Director's Association. That's a 3 percent drop from last year and the fourth consecutive year of declines.

By comparison, heating-oil bills are up 8 percent.

"If you are using natural

for some consumers.

In other energy trading, oil prices dropped Wednesday, as weak U.S. energy demand pushed petroleum supplies sharply higher.

Benchmark crude fell by \$1.37 to finish at \$100.87 per barrel in New York.

The Energy Information Administration's weekly report on petroleum supplies showed gasoline demand fell by 4.8 percent last week from a year ago, while demand for all petroleum products dropped by 6.5 percent.

As consumers and businesses cut back, producers put more into storage than analysts expected.

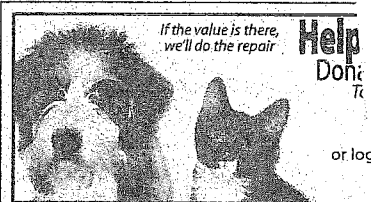
Oil prices began falling after Germany said its economy contracted in the final three months of 2011. That raised concerns about the rest of Europe.

At the pump, U.S. gasoline prices were unchanged at a national average of \$3.37 per gallon for regular, according to AAA, Wright Express and Oil Price Information Service.

Nationally, a gallon of regular is about 10 cents higher than a month ago and 28 cents more than a year ago.

In the Seattle-Bellevue-Everett region, AAA reports the current price for regular gas is \$3.52, down a nickel from last month, but up 30 cents from last year.

(over)



January 13, 2012

UTC-P.O. Box 47250

Olympia, WA 98504-7250

Re: UE-111048 & UG-111049

This is in regard to the proposed rate increase.

This increase as you acknowledge would be increased to recover increased costs due to investments in new electric infrastructure including the new Lower Snake River Wind Project.

The fact is, wind power at this time provides only about 4% for power energy- This is really futile for all of our energy.

This whole direction is for the benefit of investors- then it is mentioned these investments are to accommodate road projects??? We have other taxes for this---Need explanation as to why we are obligated for higher rates on this one !!!

Then regards to natural gas - put your energy insights on the Keystone Project rather than bilting the common customer.

Personally, our energy bills are out of sight- but PSE seems to give their energy to investors rather than the poor customer.

WE ARE AGAINST THIS RATE INCREASE

Sincerely,

Garry & Carol Bryan, 34844 8th PI SW, Federal Way, WA 98023

b. Conservation Savings Adjustment. The Proposal summary mentions lower electrical generation costs, resulting in a total revenue increase of \$159.7 million. It seems like PSE is making money here. The total of original costs of the Conservation Savings Adjustment (costs otherwise that would otherwise be unrecovered) are not given anywhere. We are just given the amount for increased revenue. What specific costs qualify to be recouped under this category and where and how is this program losing revenue?

Thank you for reviewing my comments.

Sincerely,

Cathy Cleveland

Cathy Cleveland
4961 Morgan Drive
Blaine, WA 98230
(H) (360) 371-9056
(W) (360) 650-3380
no cell phone or e-mail

I'm not sure what happened to my printer today, but I don't have time to fix it. I was planning on sending a copy of this addressed to the Assistant Attorney General who should be representing the public on this issue especially

Docket Number: UE-111048 (electric)
Cathy Cleveland

RECEIVED
JAN 20 2012
WASH. UT. & TP. COMM

January 15, 2012

Utilities and Transportation Commission
P.O. Box 47250
Olympia, WA 98504-7250

Re: Puget Sound Energy's Proposed Rate Increase
Docket Number: UE-111048 (electric)

Commissioners:

I do not believe that the reasons given the proposed electrical rate increase justify a rate increase.

1. The Washington State Growth Management was enacted in an effort to prevent ^{URBAN} urban sprawl and to have growth pay for itself and not put that burden upon the citizens who reside in the area. One of the reasons given by Puget Sound Energy (PSE) for this increase is "to serve new customers" and "for new delivery facilities such as substations and transmission lines". So, the cost of expanding Puget Sound Energy's services (business) is being placed on the current customers. This is WRONG! The future customers should pay for the expansion of electrical services if that is something they want, or the developers of the new area should pay for the electrical service and then pass that cost on to the consumers who purchase housing in the newly developed area. The current customers should **not** have to pay for a company to expand their business, even if they are a "public" utility company. That may be the way "it has always been done", but that doesn't make it right and it certainly isn't equitable.
2. Two reasons for the increase are not clearly explained; i.e., do not make sense.
 - a. Increased return on investor investments. Why is PSE given away returns for *increased* investments? I do not know of any investments that pay so you get your investment back at a rate that even keeps up with inflation, not CDs, not bonds, etc. What kind of investments does PSE have with an increase rate of return, and to whom were they given: kickbacks for companies in the energy business? I would like to see a full report. Since PSE is a public utility, are all the investor's names and the amounts of their investments available to the public?

Docket Number: UE-111048 (electric)

Cathy Cleveland

Page 1 of 2 pages

Richard A. Klauber
3219 40th Ave. West
Seattle, WA 98199
January 17, 2012

RECEIVED
JAN 23 2012
WASH. UT. & TP. COMM

Utilities and Transportation Commission
P.O. Box 47250
Olympia, WA 98504-7250

RE: UG-111049 (Natural Gas)

This request for a proposed rate increase is another round of unrealistic demands filled with irrelevant arguments:

1. I quote the PSE flyer (3993 12/11 Notice issued December 2011-January 2012) with my latest bill: "The bulk of the natural gas revenue request (see pie chart) would recover investments in the natural gas distribution system to increase the reliability, to serve new customers, to accommodate public infrastructure projects and costs for compliance and safety improvements. The balance of the request would recover increased cost of local taxes and depreciation expense, and increased return on investor investment." Whatever happened to charging the NEW customers the costs described above?

A. Why should existing customers pay the costs for new customer needs for infrastructure? **The new customers should be paying these additional costs not existing customers.** The UTC has allowed additional basic service charges on a regular basis and what have I got to show for it: NOTHING. Make the utility charge new customers the costs for the above and stop allowing them to spread the charges among those of use that have been paying over and over for the same "infrastructure" that we paid for long ago!

B. Is it my fault that PSE needs to recoup "costs for compliance and safety improvements?" NO, it is the risk that investors take when buying shares of the parent company!

C. "Increased return on investor investment" is not a burden of a monopoly to force upon its customers, but rather place back upon the shoulders of its investors!

D. **Depreciation expense is only a booking entry.** This is simply a "paper" depreciation which **allows them to cut their income taxes** and has little to do with actual depreciation of the assets. They are able to write off the assets far more quickly than they are used up! Again this is only a benefit to the company not the customer.

2. PSE constantly asks us to conserve, so I sit in my house with an average temperature below 60 F and wear more clothing, but **the utility says I am too good at conservation so I have to pay them a higher basic service charge** because I do not use enough natural gas? **Something is terribly wrong here! Stop allowing the rate increases...**tell PSE to get their act together and stop raising salaries and wage scales.

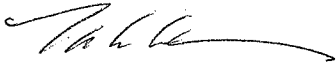
Others in private industry have been cutting costs through reducing wage inflation. **Its time for the monopolistic utilities to do the same!**

3. Today, January 17, **natural gas futures hit their lowest point since March, 2002.** It is time that we the customers get more of the benefit of the lower cost of natural gas that PSE *should be* taking advantage of in the open market. **PSE should be contracting for future deliveries at these low costs for GAS now while there is a glut. Customers should not be paying for the mismanagement of the Utility.**

In closing I have been paying ever higher costs for “distribution and capital investments” that should be the burden of new customers not those of us that have paid for our infrastructure many times over. I am paying for wasteful wage inflation and underwriting profits for investors...where is the risk for investors? Depreciation expense is a tax accounting ploy to lower taxes for PSE and the customer should not be paying this and in fact it should be an offset for other taxes. Further rate reduction should be passed to the customers as the price of natural gas falls, and PSE should be smarter in buying forward contracts for natural gas at these low prices. If natural gas is the cheapest it has been since March, 2002 why is the customer having to pay so much more?

DENY THIS PROPOSAL FOR A NATURAL GAS REVENUE REQUEST.

Sincerely,



Richard A. Klauber

CC: Public Council, Office of the Attorney General

RECEIVED

JAN 30 2012

WASH. UT. & TP. COMM

Whom It May Con

Thanks for all

the privilege (u

rate payers) of a

opinion. Please, p

not raise gas & e

rates at this time

is the economy fl

(& the increase in

nowhere near needs

as a fixed income

I can barely man

age bill at present

take into consid
10

RECEIVED

APR 20 1961

AMERICAN STRAIT COMPANY

the current struggling
situation of a great
number of your customers,
and do not do this!

Sincerely,

Nancy Kabush

RECEIVED
PROPERTY MANAGEMENT

2012 JAN 30 AM 8:12

1-27-12

Puget Sound Energy

UTC

Docket # UE-111048 Electric

Docket # UB-111049 Gas

STATE OF WASH.
UTIL. AND TRANS.
COMMISSION

I find the requests for increases in both the gas and electric rates to be untimely and unnecessary! A major economic recession/depression, with the majority of the "hard working" people barely able to meet their financial obligations, is not the time to hit people with a rate increase! What about the people on fixed incomes?

You, like everybody else, need to live within your means. If you can't expand, operate or invest with the money you already receive, then perhaps you should re-structure your budget and not lay the burden on people who already shoulder the brunt of mismanagement! If wind energy is too expensive to process, then scrap it! It is not efficient and is unreliable. The same with solar power - too expensive!

It would be prudent to address this issue of rate increases, at a time when the states' working citizens can recover from the strain of the economy. Now, is not the time!

Bottom line: NO INCREASES in Electric or Gas Rates!

Sincerely,

Lesi Keniston

Puget Sound Energy customer

Lesi Keniston

P.O. Box 982

Enumclaw, WA 98022

RECEIVED
PROJECT MANAGER

January 27, 2012

2012 JAN 30 AM 8:12

UTC-P.O. Box 47250
Olympia, WA 98504-7250

STATE OF WASH
UTIL. AND TRANS.
COMMISSION

RE: UE-111048 and UG-111049

To Whom It May Concern:

I am writing to object to the proposed rate increases to electric and gas rates filed on June 13, 2011. These requests keep happening and I find that they are always playing the same "song and dance" needing more and more money for improvements to infrastructure and administrative costs. I THOUGHT we had already addressed those issues in the last (I can't even remember how many) rate increases. I can't believe they need more money again for the same reasons so soon.

I think I understand from the information we received in our bill that the latest rate request includes a recovery cost to the Utility for our conservation efforts. They already charge us every month for their conservation program, then they want to punish us for conserving and not allowing them to make as much money off of us. HOW GREEDY IS THAT?

I never thought that PSE should have been allowed to operate under anything but a PUBLIC UTILITY and not the FOR PROFIT utility it is currently. I hope that the push lately to change them to a PUD gets the votes it needs to proceed. I hope we can count on your investigations into the possibility of this happening soon.

I am angered that in such tough economic times all PSE can think of is profits and making sure their investors receive large reliable returns on their investments. I only wish our retirement portfolio had such a guarantee.

Please deny this rate increase. It is not necessary and looks to me like it is nothing but pure greed. If we are supposedly paying for improvements to infrastructure, why are so many trees falling into power lines leaving customers in the cold, dark for days on end? They, obviously, aren't doing their tree work!

Sincerely,

Barbara Smith

Barbara Smith
2016 Meixner St. N.E.
Olympia, WA 98506

UTC
P.O. Box 47250
Olympia, WA. 98504-7250
January 27, 2012

RE: Docket UE - 111048

Dear Washington Utilities & Transportation Commission,

We are opposed to the proposed 8.08% rate increase. Puget Sound Energy says the increase is needed, in part, to "cover their costs that would otherwise go unrecovered by PSE as a result of energy efficiency services provided by PSE", which includes: Contractor referrals; Up to \$1,700 in rebates for qualifying weatherization upgrades; A \$1,200 rebate for upgrading to a ductless heat pump; FREE home print assessments and FREE compact florescent light bulbs.

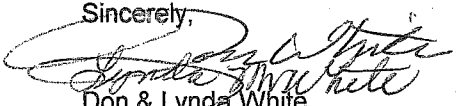
First of all, nothing is "FREE" as PSE is asking us to pay higher rates to cover their "FREE" services. We call that false advertising. They are also asking us to pay for their rebates and contractor referalls. Apparently weatherization upgrades and heat pump upgrades are not cost effective without giving rebates. PSE wants to charge those of us who are already energy efficient or financially unable to upgrade even with rebates to pay those who already probably can afford to upgrade even without the rebates. This puts a strain on ratepayers who cannot afford the upgrades even with the rebates which will usually be low income or middle income ratepayers. We feel that such "FREE" programs or rebates would better be financed through State or Federal revenues, not through electric rates. We hope you will agree.

We have no problem with funds needed for Generation, Distribution, Transmission or other Capital Investments as long as they are financed with Loans, Stocks or Bonds and are based on actual need. Long - Term Loans or Bonds need to be serviced through rates and Stockholders should recieve a fair dividend on their stock. In todays market for CD's even long-term CD's are paying 3% or less. Stock receiving 5% or more is at a premium. We hope the UTC keeps PSE's stock return near a 5% level during our current national financial situation.

It appears that the \$159.7 million rate request uncludes \$25.3 million in dividends to stockholders. This would be a 15.8%return (annually) on added investment. We feel this is usury. It also appears that the \$159.7 million rate request includes the \$7.4 million in conservation savings. If the \$7.4 million is savings, then the rate request should be \$14.8 million less, not more ($191.4 + 62.7 - 101.8 - 7.4 = 144.9$). If the \$144.9 million figure is included the \$25.3 million in return to investors, this would increase the annual return to 17.5% which is even more usury.

We hope that the UTC will study each capital investment request closely and determine whether the investment is actually needed or not. We live on a fixed income which is getting less and less each year, We are required to cut back on expenditures each year. We feel that PSE needs to cut back on their investments and live within their existing income also. If we have a vote on the proposed rate increase, we vote NO!

Sincerely,


Don & Lynda White
4011 Humphrey Hill Road
Sedro Woolley, WA. 98284
(360) 724-4831

cc: Public Counsel, Assistant Attorney General
cc: PSE

STATE OF WASHINGTON
UTILITY AND TRANSPORTATION
COMMISSION

2012 JAN 30 AM 8:13

RECEIVED
PROGRAMS AND SERVICES
JAN 30 2012

Jan 27, 2012

To whom it may concern

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JAN 30 2012

Not only do I agree with the enclosed article, I will make some observations of my own.

WASH. UT. & TP. COMM

Customer service is bad & slow.

My December electric bill was 425⁰⁰ for 1 month. I am almost 77 years old and on a fixed income. I cannot afford to pay this kind of a bill -

They sent me a flyer & helping to pay utility bill

Net income - 1361 a month

almost the poverty level

What about old people between this level and 3000 a month, paying more for everything and what an insult 50⁰⁰ if out of power for 120 hrs - I lost 200⁰⁰ worth of food after 90 hrs without power.

PSE has a monopoly & they seem more interested in making money for stockholders than for helping vulnerable people.

also they had ample warning of storms but were still unprepared. Is there a different choice - a competitive company

Sincerely
Louis T Miller

Mr. Louis Miller
4805 Cushman Rd. NE Spc 45
Olympia, WA 98506

Doug Facey: 253-597-8271
doug.facey@thehnews Tribune
com
blog: thehnews Tribune.com/preps
Twitter: @DougFaceyINT

The park's forest management plan helped prevent further damage, Ellis said. The park has been removing trees thought most likely to come down in powerful storms - from around the buildings, park entrance and animal exhibits.

"The plan really paid off in terms of preventing a lot of trees from coming down on our main buildings," Ellis said. "We didn't have as much serious damage as we used to years ago."

Stacey Mulick: 253-597-8268
stacey.mulick@thehnews Tribune.com

submarine will be delayed by two years.

Panetta has repeatedly stated that he will preserve funding for special operations forces, cyberwarfare and reconnaissance systems, and the budget makes good on that promise.

Panetta did not say how much military pay raises would be limited, although any slowdown in compensation after a decade of war - is still in Afghanistan - is certain to trigger a political battle on Capitol Hill.

However, the limit in pay raises will not start until 2015, when all U.S. troops are scheduled to be home from the war - unless an agreement is reached with the government in Afghanistan for a sustained presence.

But Pentagon officials made clear that military

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JAN 30 2012

WASH. UT. & TP COMM

January 17, 2012

Near Washington Utilities and
Transportation Commission,

On June 1995, my family and I moved into the home where I still reside now. My natural gas bill back then was as reasonable as \$4.00 a month. My hot water tank is gas, everything else is electric.

By late 2001, my sons had grown and moved out. The gas rates kept steadily climbing. I was now paying way more for hot water than when my sons were home! They would sometimes take two showers a day and then there was laundry galore. No matter how I have tried to conserve, nothing helps. Here's the real kicker... in June 2010, I went 9 days without hot water while I waited for my landlady's son to finally put in a new hot water tank. I was thinking my bill would definitely go down for that period of time. It did not!

27

I am disabled now and have a meager fixed income to live on. Budget Sound Energy should offer a low-income discount for those of us like me, who only have Social Security, etc. Why don't they? How is it alright for a public utility to charge late fees?! Just one more expense I cannot keep up with!

I have heard on the news that other parts of our country are lowering natural gas rates. Also, I'd like to add I never used to need Energy Assistance for help with the gas bill. I'm just one little old lady. I don't use that much hot water! The news coming in is that Energy Assistance funding will go down in the next year.

Please stop the rate increases! People like me can't keep up. Is anybody going to help? Please stop the madness! We are suffering!

3)

Thank you for your attention
to this. Yes, I would appreciate
a written response.

Sincerely yours,
Mrs. Kathleen Spear
Rocket # USA-111049
Account # 1028838009

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JAN 30 2012

WASH. UT. & TP. COMM

Jan 2012

To Whom It May Concern:

Here goes... most likely a waste of a stamp!

I am 72 yrs, work retail 30 hrs. a week, get a very small Soc. Sec. check... and you wish to raise electric rates again!!

Mercy... how are we supposed to make ends meet??

I do not travel never been over the sea, can't afford the gas air fare, etc.

Sometimes I seriously do live paycheck to paycheck, don't smoke, don't drink. Have compassion for Heaven's sake!!

Sincerely, Jerry O'Neill
an unhappy C.D. customer!!

Washington Utilities
1300 S. Evergreen Park Drive SW
P.O. Box 47250
Olympia WA 98504-7250

1/27/12

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JAN 30 2012

WASH. UT. & TP COMM

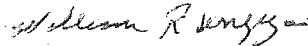
Dear Mr. Kouchi

Your response to my email motivated further input. I investigated the price history of natural gas and the price forecast. All of the charts, both history and forecast indicate that the priced to the consumer should be going down not up. Please review attachment. Your letter indicates that the Washington Utilities Commission while cutting what appears to be a very inflated rate increase request still recommended and increase. The data included indicates that the rate of natural gas to the residential consumer should be decreasing not increasing. My recommendation is that a though investigation be conducted. The economy and lack of expansion would underwrite a reduction of 10 to 20%. During the price spikes the rates has always gone up but they don't seem to follow the downward cost of gas spiral.

Again I say if the utility need a rate increase it can only be for 3 reasons, gross inefficiency in management, extra ordinary increase in employees pay, or an increase in the number of employees.

Sincerely

William Rumpza
1326 Olsen Ave.
Buckley Wa. 98321





2012 Natural Gas Price Forecast: Why to Avoid the "Widow Maker"

January 16, 2012

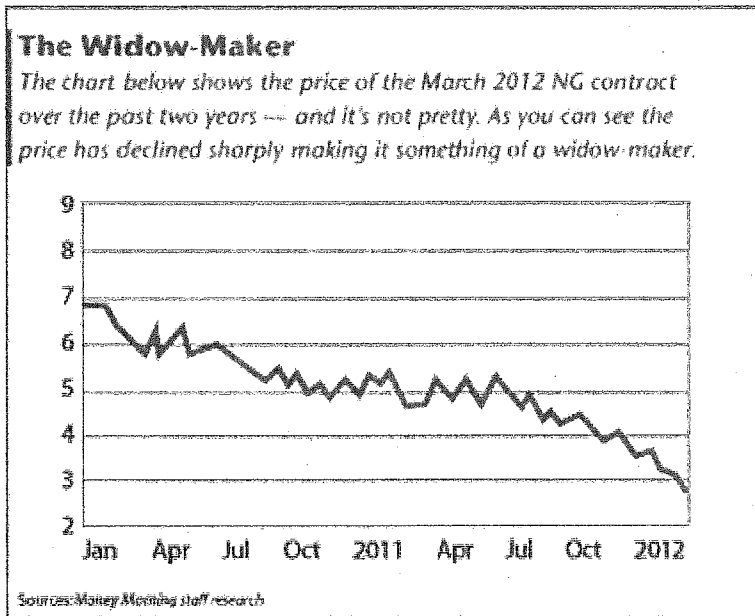
BY JACK BARNES, Global Macro Trends Specialist, Money Morning

I've been watching natural gas for years now and find myself shaking my head lately.

The cost to buy the "clean energy" is collapsing as crude oil, a product that needs refining, stays above \$100 per barrel.

In fact, this chart for natural gas is what I call a Widow Maker.

Take a look:



Close

2012 NG contract over the past two years - **and it's not pretty.**

As you can see, it shows the price of the March

Why Natural Gas Prices Will Continue to Drop

The last time I wrote about natural gas for Buy, Sell or Hold was November 2010.

At the time, natural gas was about to start its most seasonally bullish period of the year. I recommended a multi-month trade with an exit by the end of the March 2011 contract.

However, this year is completely different. Natural gas has collapsed in price instead of climbing during the peak winter cold months.

While it's been a warmer than normal winter across the United States, especially in the Snow Belt, this price drop has more to do with U.S. production rising on a year-over-year basis than it does the weather.

Why Gold Will Beat the Market Manipulators



Find out why gold is the one investment Wall Street manipulators can't touch in **this free report.**

Enter Email Address Here:



Certified: 28-Jan

Cancel at any time | How it works

Ordinarily, the ratio of gas to oil on a BTU basis is 6:1. Today, with natural gas selling for \$2.65 or so and crude over \$100, though, the same ratio is currently 37:1 - not even close to the historical benchmark.

The next chart explains why natural gas pricing is going down and will stay down longer than most people expect.

Close

Currently, the number of natural gas rigs is still climbing in the Eagle Ford area, while remaining level in the Bakken and Marcellus shale formations.

Why this matters is simple: These rig counts will have an impact on U.S. natural gas prices far into the future.

Here's why.

Eagle Ford shale wells, while called "gas," have a "wet sweet" production profile. In other words, they also produce natural gas liquids.

These liquids are super sweet (that is, they are very low in sulfur) and make a great blending stock with heavy sour oil, allowing producers to take two products derived at sub-spot crude oil prices and blend them into a West Texas Intermediate (WTI) equivalent.

Again, these wells are being drilled for their crude oil-like liquids rather than their gas, at close to \$100 a barrel for crude versus about \$2.65 for natural gas.

NATURAL GAS

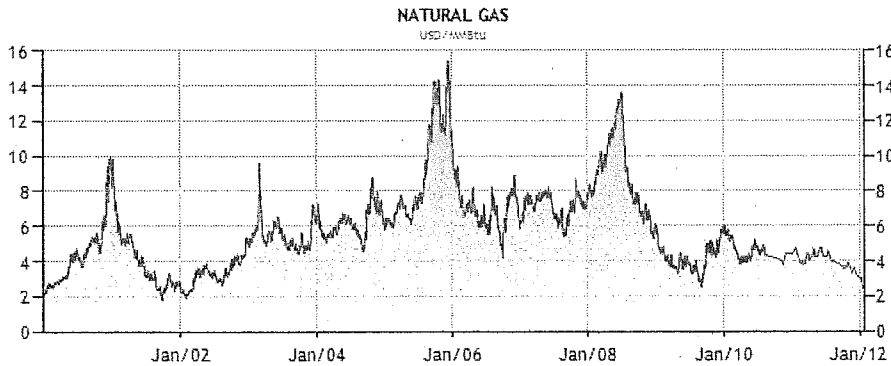
Natural Gas futures contracts declined 2 dollars or 39.46 percent during the last 12 months. From 1990 until 2012 Natural Gas futures prices averaged 4.09 dollars reaching an historical high of 15.38 dollars in December of 2005 and a record low of 1.05 dollars in January of 1992. This page includes: Natural Gas historical data chart and news. Natural gas accounts for almost a quarter of United States energy consumption, and the NYMEX Division natural gas futures contract is widely used as a national benchmark price. The futures contract trades in units of 10,000 million British thermal units (mmBtu). The price is based on delivery at the Henry Hub in Louisiana, the nexus of 16 intra- and interstate natural gas pipeline systems that draw supplies from the region's prolific gas deposits. The pipelines serve markets throughout the U.S. East Coast, the Gulf Coast, the Midwest, and up to the Canadian border.

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January 2000 to January 2012 EXPORT HISTORICAL DATA COMPARE INDICATORS RANK COUNTRIES



SOURCE: WWW.TRADINGECONOMICS.COM | NYMEX

COMMODITIES

- Aluminum
- Brent Crude Oil
- Cocoa
- Coffee
- Copper
- Corn
- Cotton
- Crude Oil
- Ethanol
- Gasoline
- Gold
- Heating Oil
- Natural Gas
- Platinum
- Rice
- Silver
- Soybeans
- Sugar
- Wheat

Pick Country



Global Economic News

U.S. Fed Said No Rate Hikes Until at Least Late 2014

Published: 1/25/2012 5:50:33 PM By: TradingEconomics.com, Fed

The U.S. Federal Reserve on Wednesday said it will not raise interest rates until at least late 2014, even later than investors expected, in an effort to support a sluggish economic recovery.

UK GDP Contracts 0.2% in Q4

Published: 1/25/2012 5:05:00 PM By: TradingEconomics.com, ONS

UK GDP for the fourth quarter of 2011 dropped by 0.2%, a worse than expected figure that will heighten fears of a double-dip recession.

Japan Exports Fall in December

Published: 1/25/2012 9:40:45 AM By: TradingEconomics.com, Ministry of Finance Japan

Japan's exports fell for the third consecutive month in December, capping the first annual trade deficit in 31 years, figures underscoring the toll slower global growth and March's earthquake have taken on the economy.

Australia's Inflation Rate Eases Further in Q4

Published: 1/25/2012 9:32:03 AM By: TradingEconomics.com, ABS

The CPI rose 3.1% through the year to the December quarter 2011, compared with a rise of 3.5% through the year to the September quarter 2011.

Bank of Canada Keeps Monetary Policy Unchanged

Published: 1/24/2012 9:05:05 PM By: TradingEconomics.com, Bank of Japan

At the Monetary Policy Meeting held on January 24, the Policy Board of the Bank of Japan decided, by a unanimous vote to encourage the uncollateralized overnight call rate to remain at around 0 to 0.1 percent.

WORLD MARKETS

- Exchange Rates
- Stock Market Indexes
- Government Bonds
- Commodity Futures

COUNTRY LISTS

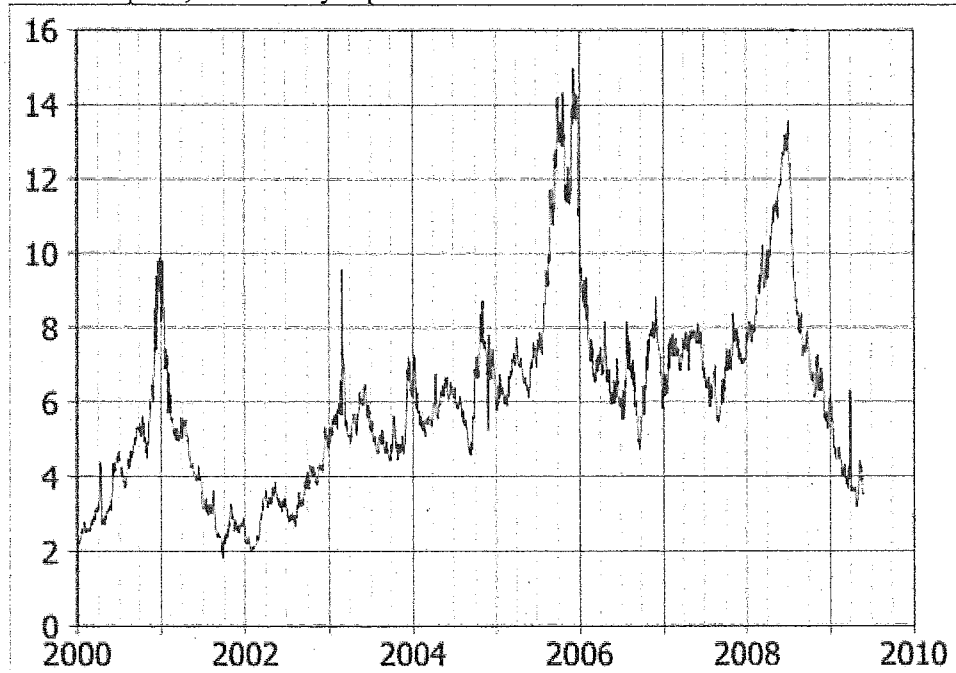
- GDP Growth Rates
- GDP Billions/USD
- Interest Rates
- Inflation Rates
- Unemployment Rates
- Government Budget
- Debt to GDP
- Current Account
- Population

MORE

- Economic Calendar
- WorldBank Data
- WorldBank Rankings
- World Heatmap

File:Henry hub NG prices.svg

From Wikipedia, the free encyclopedia



No higher resolution available.

Henry_hub_NG_prices.svg (SVG file, nominally 621 × 435 pixels, file size: 65 KB)

This image rendered as PNG in other sizes: 200px, 500px, 1000px, 2000px.



This is a file from the Wikimedia Commons. Information from its **description page** **there** is shown below.

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Summary

Description **English:** Y-axis: Dollars per cubic meter natural gas at Henry hub

X-axis: year

Data from the New Mexico Institute of Mining and Technology. Prices are nominal (not adjusted for inflation).

<http://octane.nmt.edu/gotech/Marketplace/Prices.aspx>

Date

4 June 2009

Source

Own work

Author

Theanphibian

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http://en.wikipedia.org/wiki/File:Henry_hub_NG_prices.svg

1/26/2012

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U.S. markets closed



1/26/2012 5:39 PM ET | By Jim Jubak



Why not drill for natural gas?

For all the talk of energy independence and with oil prices ready to spike higher, natural gas production is being cut. Here's why, and what it means for energy investors.

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TICKERS IN THIS ARTICLE

It is the best of industries; it is the worst of industries.



And I think the energy position in your portfolio ought to reflect that U.S. oil stocks and natural-gas stocks are headed in opposite directions. The underlying fundamentals of liquid hydrocarbons are so different from those of gaseous hydrocarbons in the U.S. market that the odds are that 2012 will bring higher share prices for U.S.-oriented oil producers and stagnant prices for U.S. natural-gas producers.

Unfortunately for bottom fishers, I think the trends that have put natural gas in an energy deep freeze are set to last for a while.

This has repercussions that extend well beyond the stocks of oil and gas producers, because the conditions in these two energy sub-industries will have a huge effect on drilling-and-service companies and on chemical producers.

A tale of 2 directions

Here are two deals from Monday, Jan. 23, that sum it all up.

Chesapeake Energy (CHK -6.33%, news) announced that it would cut the number of rigs drilling for natural gas to 24 by the second quarter of 2012. That would be a 50% drop from the current rig count and a 67% decrease from the average rig count in 2011.



Jim Jubak

But Chesapeake isn't cutting only its exploration and development activity. It's also going to cut natural-gas production by approximately 500 million cubic feet per day. That's a decrease of 8% from the company's current natural-gas output and equals about 9% of total U.S. natural-gas production. If prices don't rebound from current levels of \$2.61 per thousand cubic feet at the Henry Hub for natural gas, the company is prepared to take another 500 million cubic feet a day out of production.

Contrast that with this story out of Apache (APA -1.92%, news) on the same day. Apache will pay \$2.85 billion to buy Cordillera Energy Partners, a company with oil and natural-gas reserves in Oklahoma and Texas. Oil and natural-gas liquids make up 53% of Cordillera's production. In the deal, Apache will acquire 254,000 net acres of drilling rights and proven reserves of 71.5 million barrels of oil and natural-gas equivalents and an additional 234.5 million barrels of probable or possible reserves.

Why did Apache buy at a time when Chesapeake is shutting production? Here's the simple math, according to Apache: The value of production of a dry-gas well (one without liquids) is about \$3 per thousand cubic feet. A natural-gas well with liquids would yield products worth roughly \$7 per thousand cubic feet.

View more MSN videos Go to CNBC



ConocoPhillips cool to gas, too

RE: PSE JAN 25 2016
RATE INCREASE; RECEIVED

Dear Sir's JAN 30 2012

STOP CORPORATE GREED!

STOP CORPORATE GREED!

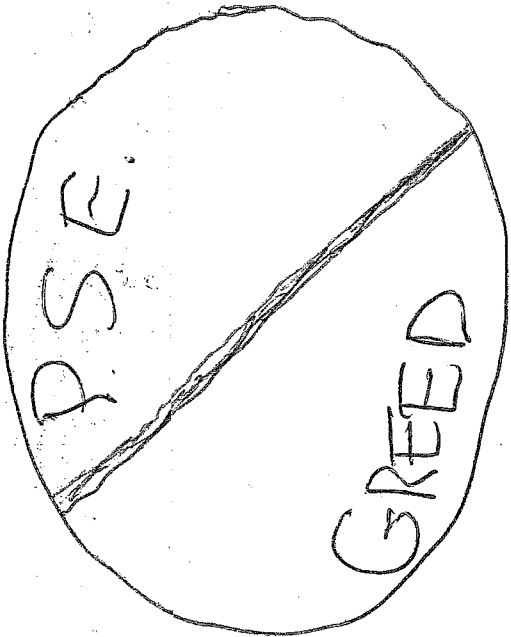
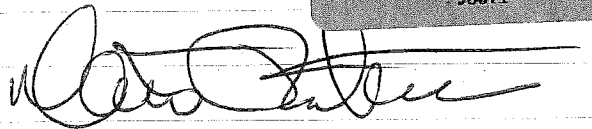
STOP CORPORATE GREED!

WASH. UT & TP/COMM
Please DENY
RATE INCREASE AT
THIS TIME WHEN
THE ECONOMY ALREADY
IS IN SCHAMBLES

When Seniors are
on a fixed income
IT IS NO FEASIBLE
TO GET BY.

JUST SAY - NO
PSE RATE
INCREASE!

David & Dorothy Petersen
P.O. Box 1026
Puyallup, WA
98371



RE: PSE RATE INCREASE, JAN 25 2012 RECEIVED

Dear Sir's JAN 30 2012

GREED

PLEASE DENY WASH. UT & TP/COMM RATE INCREASE AT THIS TIME WHEN THE ECONOMY ALREADY IS IN SCHMOKES

CORPORATE

WHEN SENIORS ARE ON A FIXED INCOME IT IS NOT FEASIBLE TO GET BY.

JUST SAY - NO
PSE RATE

INCREASE

STOP

David & Dorothy Petersen
P.O. Box 1026
Puyallup, WA
98371

1/26/12

Jean Son
and Mary Ann and my
mother (Rita Ann) are on a
fixed income. we don't want
our electric rates to go up
Sincerely
Mary Ann

RECEIVED

JAN 30 2012

WASH. UT. & TP. COMM

RECEIVED

JAN 30 2012

AMASH, UT & TR COMM
PERFECT COMM

Everything is
going up & sucking the bottom
hard - If you want the
know about the marketing paper
& the money paper - the bottom
has been down for 75 years
now we have to support the
country - no wonder all the
demos are their home - now
know the reason alone - now
up all things the world know
are hit - take them away - will
the bottom is open - well
that will have happen - well
will stop is - this country
is going to fall in
a hard tablet -

Mr. Baginski
2130 11th Ave. SE
Puyallup, WA 98372



RECEIVED

FEB 01 2012

1/4/12

WASH. UT. & TR. COMM

UTC

The increase in
the electric bill is
outrageous!

The economy is
all messed up now!

The middle class are
paying for the rich to
get richer & losing
money every day.

Soon we the people
will go on an uprising

Customer SUSAN L CORWIN
 Co-Customers: EDISON K PUTMAN



STATEMENT SUMMARY AS OF JAN 26, 2012

Account No. [REDACTED]

Balance as of last billing	\$14.33
Thank you for your payment(s)	\$14.33CR
Balance Forward	\$0.00
Current Charges	\$13.09
CURRENT TOTAL AS OF JAN 26, 2012	\$13.09

Statement Due Date Feb 15, 2012 **AMOUNT DUE THIS STATEMENT** \$13.09

Your bill this month includes an adjustment to the Merger Credit.

Gas Detail:

Rate/Dates	Meter Number	Pres Read	Prev Read	Pres Date	Prev Date	CCF	BTU Factor	Therms (Usage)	Price per Therm	Code	Amount
23G	[REDACTED]	00041	00039	01/24	12/22	2 @	1.0805	2.16		ACTL	
12/24/11 12/31/11											\$2.42
											\$2.20
											\$3.34
											\$0.01
											\$0.00
											\$2.20
											\$3.17
											\$7.58
											\$1.62
											\$1.07
											\$0.04
											\$0.01CR
											\$0.62
											\$9.92
											\$13.09

Current Gas Charges
 On January 01, 2012, a change to your bill became effective. Your usage charges for the periods before and after this date were calculated separately and are shown in separate sections, since these periods were billed differently.

Copies of the rate schedules are available upon request.

A late fee of 1% will apply to overdue charges, if any. Please see the reverse side for details on late payment charges.

A 3.852% state utility tax is included in gas rates charged.

Gas Cost = \$1.41
 Bill = \$13.09

For information, emergencies, to report an outage or for changes to your account, please call 1-888-225-5773.

When paying in person, please present both portions. When mailing remittance, please mail to Puget Sound Energy, BOT-01H, P.O. Box 91269, Bellevue, WA 98009-9269

Please detach here ↑ and return this portion with your payment [REDACTED]



Current Bill Due Date
 Feb 15, 2012

Total Amount Due
 \$13.09

Yes, I want to give \$ _____ to the Warm Home Fund.

Co-Customers: EDISON K PUTMAN

023105 1 AV 350 POPOXU **C038

SUSAN L CORWIN
 [REDACTED]
 SEATTLE WA 98199-3733

Puget Sound Energy
 BOT-01H
 P.O. Box 91269
 Bellevue, WA 98009-9269

045621

RECEIVED

1/27/12

JAN 30 2012

Washington Utilities
1300 S. Evergreen Park Drive SW
P.O. Box 47250
Olympia WA 98504-7250

WASH. UT. & TP. COMM

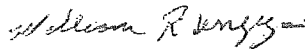
Dear Mr. Kouchi

Your response to my email motivated further input. I investigated the price history of natural gas and the price forecast. All of the charts, both history and forecast indicate that the priced to the consumer should be going down not up. Please review attachment. Your letter indicates that the Washington Utilities Commission while cutting what appears to be a very inflated rate increase request still recommended and increase. The data included indicates that the rate of natural gas to the residential consumer should be decreasing not increasing. My recommendation is that a though investigation be conducted. The economy and lack of expansion would underwrite a reduction of 10 to 20%. During the price spikes the rates has always gone up but they don't seem to follow the downward cost of gas spiral.

Again I say if the utility need a rate increase it can only be for 3 reasons, gross inefficiency in management, extra ordinary increase in employees pay, or an increase in the number of employees.

Sincerely

William Rumpza
1326 Olsen Ave.
Buckley Wa. 98321





2012 Natural Gas Price Forecast: Why to Avoid the "Widow Maker"

January 16, 2012

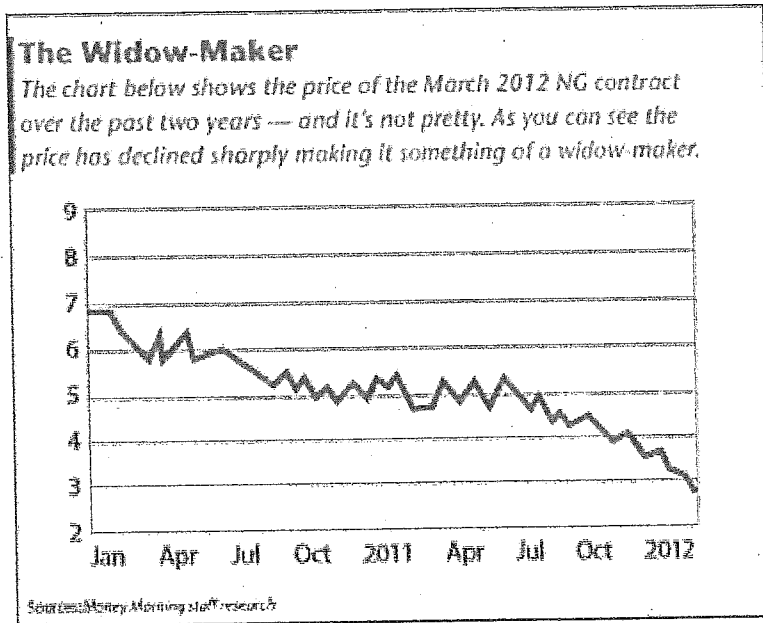
BY JACK BARNES, Global Macro Trends Specialist, Money Morning

I've been watching natural gas for years now and find myself shaking my head lately.

The cost to buy the "clean energy" is collapsing as crude oil, a product that needs refining, stays above \$100 per barrel.

In fact, this chart for natural gas is what I call a Widow Maker.

Take a look:



Close

As you can see, it shows the price of the March

2012 NG contract over the past two years - **and it's not pretty.**

Why Natural Gas Prices Will Continue to Drop

The last time I wrote about natural gas for Buy, Sell or Hold was November 2010.

At the time, natural gas was about to start its most seasonally bullish period of the year. I recommended a multi-month trade with an exit by the end of the March 2011 contract.

However, this year is completely different. Natural gas has collapsed in price instead of climbing during the peak winter cold months.

While it's been a warmer than normal winter across the United States, especially in the Snow Belt, this price drop has more to do with U.S. production rising on a year-over-year basis than it does the weather.

Why Gold Will Beat the Market Manipulators



Find out why gold is the one investment Wall Street manipulators can't touch in **this free report.**

Enter Email Address Here:



Certified: 26-Jan

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Ordinarily, the ratio of gas to oil on a BTU basis is 6:1. Today, with natural gas selling for \$2.65 or so and crude over \$100, though, the same ratio is currently 37:1 - not even close to the historical benchmark.

The next chart explains why natural gas pricing is going down and will stay down longer than most people expect.

Close

Currently, the number of natural gas rigs is still climbing in the Eagle Ford area, while remaining level in the Bakken and Marcellus shale formations.

Why this matters is simple: These rig counts will have an impact on U.S. natural gas prices far into the future.

Here's why.

Eagle Ford shale wells, while called "gas," have a "wet sweet" production profile. In other words, they also produce natural gas liquids.

These liquids are super sweet (that is, they are very low in sulfur) and make a great blending stock with heavy sour oil, allowing producers to take two products derived at sub-spot crude oil prices and blend them into a West Texas Intermediate (WTI) equivalent.

Again, these wells are being drilled for their crude oil-like liquids rather than their gas, at close to \$100 a barrel for crude versus about \$2.65 for natural gas.

NATURAL GAS

Natural Gas futures contracts declined 2 dollars or 39.46 percent during the last 12 months. From 1990 until 2012 Natural Gas futures prices averaged 4.09 dollars reaching an historical high of 15.38 dollars in December of 2005 and a record low of 1.05 dollars in January of 1992. This page includes: Natural Gas historical data chart and news. Natural gas accounts for almost a quarter of United States energy consumption, and the NYMEX Division natural gas futures contract is widely used as a national benchmark price. The futures contract trades in units of 10,000 million British thermal units (mmbtu). The price is based on delivery at the Henry Hub in Louisiana, the nexus of 16 intra- and interstate natural gas pipeline systems that draw supplies from the region's prolific gas deposits. The pipelines serve markets throughout the U.S. East Coast, the Gulf Coast, the Midwest, and up to the Canadian border.

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- Platinum
- Rice
- Silver
- Soybeans
- Sugar
- Wheat

Date Selection

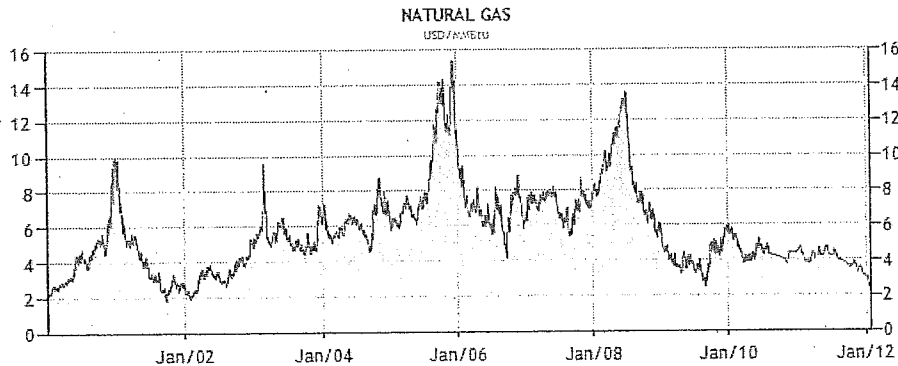
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Global Economic News

[U.S. Fed Said No Rate Hikes Until at Least Late 2014](#)

Published: 1/25/2012 5:50:33 PM By: TradingEconomics.com, Fed

The U.S. Federal Reserve on Wednesday said it will not raise interest rates until at least late 2014, even later than investors expected, in an effort to support a sluggish economic recovery.

[UK GDP Contracts 0.2% in Q4](#)

Published: 1/25/2012 5:05:00 PM By: TradingEconomics.com, ONS

UK GDP for the fourth quarter of 2011 dropped by 0.2%, a worse than expected figure that will heighten fears of a double-dip recession.

[Japan Exports Fall in December](#)

Published: 1/25/2012 9:40:45 AM By: TradingEconomics.com, Ministry of Finance Japan

Japan's exports fell for the third consecutive month in December, capping the first annual trade deficit in 31 years, figures underscoring the toll slower global growth and March's earthquake have taken on the economy.

[Australia's Inflation Rate Eases Further in Q4](#)

Published: 1/25/2012 9:32:03 AM By: TradingEconomics.com, ABS

The CPI rose 3.1% through the year to the December quarter 2011, compared with a rise of 3.5% through the year to the September quarter 2011.

[Bank of Canada Keeps Monetary Policy Unchanged](#)

Published: 1/24/2012 9:05:05 PM By: TradingEconomics.com, Bank of Japan

At the Monetary Policy Meeting held on January 24, the Policy Board of the Bank of Japan decided, by a unanimous vote to encourage the uncollateralized overnight call rate to remain at around 0 to 0.1 percent.

WORLD MARKETS

- Exchange Rates
- Stock Market Indexes
- Government Bonds
- Commodity Futures

COUNTRY LISTS

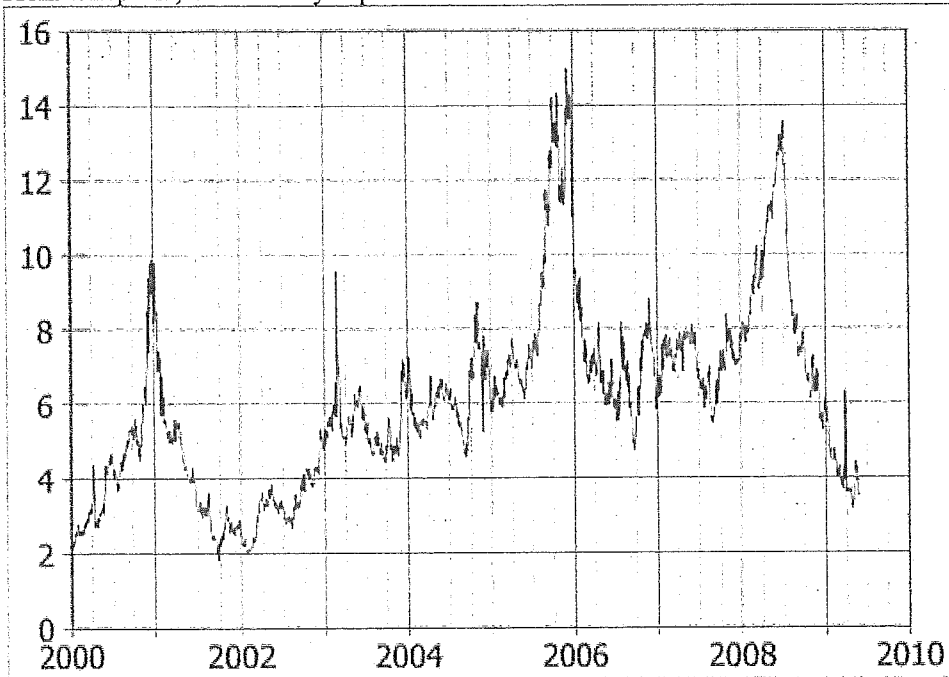
- GDP Growth Rates
- GDP Billions/USD
- Interest Rates
- Inflation Rates
- Unemployment Rates
- Government Budget
- Debt to GDP
- Current Account
- Population

MORE

- Economic Calendar
- WorldBank Data
- WorldBank Rankings
- World Heatmap

File:Henry hub NG prices.svg

From Wikipedia, the free encyclopedia



No higher resolution available.

Henry_hub_NG_prices.svg (SVG file, nominally 621 × 435 pixels, file size: 65 KB)

This image rendered as PNG in other sizes: 200px, 500px, 1000px, 2000px.



This is a file from the Wikimedia Commons. Information from its **description page** **there** is shown below.

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Summary

Description **English:** Y-axis: Dollars per cubic meter natural gas at Henry hub

X-axis: year

Data from the New Mexico Institute of Mining and Technology. Prices are nominal (not adjusted for inflation).

<http://octane.nmt.edu/gotech/Marketplace/Prices.aspx>

Date

4 June 2009

Source

Own work

Author

Theanphibian

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http://en.wikipedia.org/wiki/File:Henry_hub_NG_prices.svg

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E*TRADE: Free Apple Gift Card U.S. markets closed



1/26/2012 5:39 PM ET | By Jim Jubak



Why not drill for natural gas?

For all the talk of energy independence and with oil prices ready to spike higher, natural gas production is being cut. Here's why, and what it means for energy investors.

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TICKERS IN THIS ARTICLE

It is the best of industries; it is the worst of industries.

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And I think the energy position in your portfolio ought to reflect that U.S. oil stocks and natural-gas stocks are headed in opposite directions. The underlying fundamentals of liquid hydrocarbons are so different from those of gaseous hydrocarbons in the U.S. market that the odds are that 2012 will bring higher share prices for U.S.-oriented oil producers and stagnant prices for U.S. natural-gas producers.

Unfortunately for bottom fishers, I think the trends that have put natural gas in an energy deep freeze are set to last for a while.

This has repercussions that extend well beyond the stocks of oil and gas producers, because the conditions in these two energy sub-industries will have a huge effect on drilling-and-service companies and on chemical producers.

A tale of 2 directions

Here are two deals from Monday, Jan. 23, that sum it all up.

Chesapeake Energy (CHK -6.33%, news) announced that it would cut the number of rigs drilling for natural gas to 24 by the second quarter of 2012. That would be a 50% drop from the current rig count and a 67% decrease from the average rig count in 2011.



Jim Jubak

But Chesapeake isn't cutting only its exploration and development activity. It's also going to cut natural-gas production by approximately 500 million cubic feet per day. That's a decrease of 8% from the company's current natural-gas output and equals about 9% of total U.S. natural-gas production. If prices don't rebound from current levels of \$2.61 per thousand cubic feet at the Henry Hub for natural gas, the company is prepared to take another 500 million cubic feet a day out of production.

Contrast that with this story out of Apache (APA -1.92%, news) on the same day. Apache will pay \$2.85 billion to buy Cordillera Energy Partners, a company with oil and natural-gas reserves in Oklahoma and Texas. Oil and natural-gas liquids make up 53% of Cordillera's production. In the deal, Apache will acquire 254,000 net acres of drilling rights and proven reserves of 71.5 million barrels of oil and natural-gas equivalents and an additional 234.5 million barrels of probable or possible reserves.

Why did Apache buy at a time when Chesapeake is shutting production? Here's the simple math, according to Apache: The value of production of a dry-gas well (one without liquids) is about \$3 per thousand cubic feet. A natural-gas well with liquids would yield products worth roughly \$7 per thousand cubic feet.

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ConocoPhillips cool to gas, too

RECEIVED

FEB 03 2012

Herbert K. Hulse
9818 2nd St. SE Unit 3
Lake Stevens, WA. 98258

WASH. UT. & TP. COMM

RECEIVED

February 1, 2012 FEB 03 2012

UTC
P.O. Box 47250
Olympia, WA 98504-7250

WASH. UT. & TP. COMM

Enclosed is an article from the Seattle Times regarding the declining prices of natural gas as a result of the "gushers" of gas being produced. One might think that the consumers would see a decline in their heating bills if they had gas heating. But apparently this won't occur in Washington State since Puget Sound Energy continuously proposes increases in rates and the UTC approves them.

Can't you take a little firmer stand with these people? Are these increases, which seem to occur constantly, really justified? Do you check executive salaries? A few years back they were somewhat of a scandal. Why does "residential" have a proposed 3.5% increase while some of the other categories have less? The people that are really in trouble in this downturn are the working class people (residential) Perhaps they could get a little break for a change.

Please take a very hard look at the proposal for a rate hike.

Yours truly,



Herbert K. Hulse

< Natural gas

FROM A10

PRICES TUMBLE AS PRODUCTION CONTINUES TO SURGE

No sign of market bottom

clays Capital.

Companies will probably cut plans for drilling rather than shut wells already in operation, said Michael

Zenker, an analyst at the bank.

"We don't believe there is a short-term floor for prices," said Zenker, ranked

casters by Bloomberg.

Hedge funds turned bearish on U.S. natural gas

last week for the first time in eight weeks as a surplus

and warmer-than-normal weather pushed the price

of the heating fuel to the lowest level in more than

two years, according to the Commodity Futures Trad-

ing Commission.

Goldman Sachs, Deutsche Bank and Bank of

America have cut their 2012 natural-gas price forecasts this year, citing

growing output and storage. Bank of America re-

ground at high pressure to extract the fuel from the

rock.

Companies are also drilling longer wells with more

toring equipment that allows them to pinpoint where

to fracture the rock, Bickerton said Jan. 13. They can

return to existing drilling sites later and place multiple

wells in the same area, he said.

"It is fair to say the market has underestimated the extent of the technology shock

in the production of shale gas," he said. "It looks like

we're going to see inexpensive gas for a long, long

time."

Producers may not reduce output by a "meaningful

amount this year even if prices slip below \$2 per million Btu, according to Bar-

partment.

"Producers are pumping gas at one-fifth or one-tenth of the cost of the first well

they drilled a few years ago," Bickerton said. "It's hard to

see a rally at any point in 2012."

Rising output has contributed to surplus inventories

over the five-year average, said Jason Schenker, the

president of Prestige Economics, an energy-advisory

company in Austin, Texas. Schenker was third among

gas-price forecasters ranked by Bloomberg for the eighth

quarters ended Dec. 3

"It would not surprise me to see gas prices below

Schenker said. "If supply continues to outstrip demand in a massive way

throughout the year, it will be hard to find a bottom for the market."



February 2, 2012

State of Washington
Washington Utilities and Transportation Commission
1300 S. Evergreen Park Dr. S.W.
P.O. Box 47250
Olympia, WA 98504-7250

RECEIVED

FEB 03 2012

RE: Proposed Puget Sound Energy Request for a Future Rate Increase

WASH. UT. & TP. COMM

Dear Sir/Mame:

I am writing you to express my strongly opposition to any increase request by PSE to this commission. If able, I would personally attend your hearing to express my opposition to this request for a rate increase.

Your letter to me states that by law, PSE is automatically granted a rate increase and you cannot deny that. Why? I cannot automatically receive a wage increase at my job each year. When I asked for a 50 cent raise to help offset the costs of driving 80 miles one way to work I was told no, live within your means. PSE should also do this.

PSE is requesting an 8% rate increase. What is this request for a rate increase for? This is an absorbent amount. Any rate increase granted by this commission should be the minimal amount allowed. I feel it is the same reasons each time they request a rate increase. How many times do we have to pay for the same things? I pay a great amount each month, ongoing, for the rental of the outdoor lights and light poles. This is additional income for PSE.

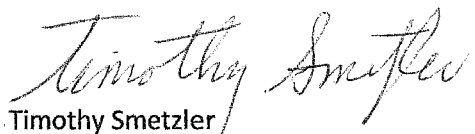
Everything has gone up, gas, food, clothing, etc. Yet personal wages have not. Any increase will be an extreme hardship for me, many elderly citizens who must choose between heating their homes, food, and paying for their medicine they need to survive. These people cannot go and ask for a guaranteed rate increase, just for the asking. Do you know how it feels to be bone chilling cold early in the morning or late at night when you have no heat and as a result, getting sick or having a cold and the costs of being sick? Well I do, and have gone through this winter, due to lack of money to afford heat in this old mobile home.

I feel held hostage by you and PSE and go through this every year. Who grants such a "blank check" to PSE? Do you require documentation and specific reasons for any increase? Is PSE held accountable and all actions, income, expenditures closely scrutinized by your agency? Does your commission really have the consumer's interests foremost in mind? Will you listen to public and written comments by consumers like me, when considering the amount of this rate increase? I certainly hope so.

I will give credit to PSE for their excellent service and personnel. They work very hard, as shown in the recent wind and snow storm.

Before you grant any rate increase I hope you will be certain it is warranted, not redundant, and specific criteria, future goals, etc will be met for any future rate increases.

Thank you for considering this letter as public comment.



Timothy Smetzler
8124 James Road SW
Rochester, WA 98579

UE-111048

DEAR SIR,

In the beginning, I don't think it is necessary to receive a raise nine or ten times to keep your business afloat. You are going the route of the politicians (Just give me more money)

And that's why John Q public is so mad, nobody wants to accept the responsibility. Years ago when the unions were going bananas with their new raises people started saying where is this going to end. You know where and that's why it has to be stopped before it gets out of hand, be reasonable we'll all live longer!

We're all in the same boat!

MR. LARRY DIECKMAN

AGAINS

2012 FEB -2 AM 9:03

NAME OF THE
BILL AND TITLE
COMMISSION

NEW rate proposal.

You may also comment through the "Public Comment" feature at the commission's website, at utc.wa.gov.

Washington Utilities and Transportation Commission
1300 S. Evergreen Park Drive SW
P.O. Box 47250, Olympia, WA 98504-7250
E-mail: comments@utc.wa.gov
Telephone: 1-888-333-WUTC (9882)

RECORDED
2012 FEB -6 AM 8:27
STATE OF WASH
UTIL AND TRAN
COMMISSION

A copy of the company's filing can be viewed at the commission website (www.utc.wa.gov) or by public records request by calling 360-664-1166.

If you are experiencing service-related problems, you should first contact PSE. If the company does not respond to your inquiry or complaint to your satisfaction, you may contact our consumer complaint representatives at 1-888-333-WUTC (9882).

I hope this information is helpful to you. Please feel free to contact me if you have any questions. Thank you for contacting the commission with your comments about this proceeding.

Sincerely,

Roger Kouchi
Public Involvement Coordinator

Thank you
Kendra Seitchfield

I understand making a profit which is what (2) and at what expense (1) that it hurts people now and in the future. They shundred thousand dollar money in pocket to a person with only \$12,000 a year. And then going 4 1/2 days or so, no sure, I wake up in the dark. \$50⁰⁰ is not much and the glow chart who was out the least. They are getting to try to cover all the peopl from ~~Past~~ Paulbo to Roy at least, so why the meeting in Bellevue. Them too. — Profit yes, but they can hold the line for another year.

RECEIVED

FEB 07 2012

WASH. UT. & TP COMM

2/6/12

Dear UTC board;

I don't really think that you have the rate payers best interest at heart. Here is why, you almost always grant PSE their increases without consideration of how it hurts us financially. Tacoma rates are 5.92 cents per kWh and Seattle's are 6.75 per kWh while PSE is 9.69 per kWh. The national average is 10.18 per kWh. It seems like you are helping them to get par with the national rates. If anything the rates should be rolled back to equal Seattle + Tacoma. Nat Gas is at historic lows and our rates should reflect that. Your board is anything but non-biased. Our electrical rates seem to be paying for the massive investment in Wind power and other "Green" boondoggles. Wind power kills hundreds of valuable Raptors every year and should be halted at once. Clean coal, Gas and hydro are the way to go. It seems you want the rates to go up so the state can collect more tax revenue! And by the way PSE has not made major infrastructure investments in years in the neighborhood. Transformers, lines above + below ground should have been replaced years ago. Foreign companies buy our companies and then rip off the customers just like PSE is doing. The money goes to their people at the home country.

James H. Kern

PS Send only one reply.

2-5-2012

Subject Docket # UE 111048

USC

PO Box 47250

Olympia, WA 98504-7250

RECEIVED

FEB 03 2012

WASH. UT. & TP. COMM

Dear Sir:

I want to express my displeasure with the increase of electricity price being requested by Puget Sound Energy. Based on my current billing of just over 1900 kWh per month, the new rate will increase my bill more than 5%.

Puget Energy increased my bill in January and now they want this increase. I understand that they need to pay for their wind power costs and their natural gas turbine costs, but I feel the amount of the increase requested is excessive in these difficult times.

Respectfully,
L.M. VanderGriff
18426 South Western Rd
Mount Vernon, WA 98274

To: Wash State Utilities & Transportation Comm.
Subject: Rate increase
Date 2/10/12
Greetings:

RECEIVED

FEB 13 2012

WASH. UT. & TP. COMM

I voice my objection to the automatic "poorly timed" rate increase that P.S.E. feels is their mode of operation to prove to their shareholders how well they manage their company - If they would eliminate some of their P.R. advertising & become a company, one would recommend to a friend they would be ahead in the game -
Back way back in 1948, we built a home on the GI Bill - We had a choice of P.S.E. or Tacoma city light at Brown Pt. Wash. all the neighbors said "Don't go with P.S.E. as they always have outages!!" of course we went with Tacoma city light -

In today's TNT. is a very good letter which I enclose - which explains more of the details of the Rate increase -

There is a another pain - P.S.E. taking over the local Gas Co. but that would need another page -
a late Univ President said "anything worth saying can be said in one page" with that advise I will close

Sincerely

Mrs Barbara Severin Devick
2402 N Washington St.

Tacoma Wa 98406

RECEIVED
FEB 13 2012
WASH. UT. & TP. COMM

February 10, 2012

UTC
P.O. Box 47250
Olympia, WA 98504-7250

RE: Comment on PSE rate increase for natural gas (UG-111049)

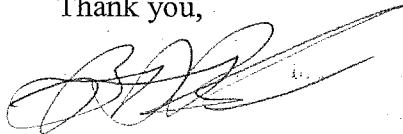
Dear Utilities and Transportation Commission:

This letter is to voice my disapproval of a 3.16% rate for natural gas as proposed by Puget Sound Energy (PSE). Though I understand infrastructure costs are part of maintenance and upkeep of the system, the price of natural gas itself on the open market has got to be the major factor in the natural gas bills the consumer must pay to PSE.

Enclosed is a graph of natural gas futures contracts for the past 10 years. As you can see, natural gas is at a near low for the past ten years. As the article states, **natural gas futures contracts declined 1 dollars or 30.57 percent during the last 12 months.**

There is no reason for PSE to be asking for consumer increases in gas rates given this fact. I oppose any rate increase in natural gas, and in fact, would expect a decrease in our rates given the economic state of natural gas on the open market at this time.

Thank you,



Brian D. Brooks
PSE customer # 572-738-000-7

NATURAL GAS

Natural Gas futures contracts declined 1 dollars or 30.57 percent during the last 12 months. From 1990 until 2012 Natural Gas futures prices averaged 4.09 dollars reaching an historical high of 15.38 dollars in December of 2005 and a record low of 1.05 dollars in January of 1992. This page includes: Natural Gas historical data chart and news. Natural gas accounts for almost a quarter of United States energy consumption, and the NYMEX Division natural gas futures contract is widely used as a national benchmark price. The futures contract trades in units of 10,000 million British thermal units (mmBtu). The price is based on delivery at the Henry Hub in Louisiana, the nexus of 16 intra- and interstate natural gas pipeline systems that draw supplies from the region's prolific gas deposits. The pipelines serve markets throughout the U.S. East Coast, the Gulf Coast, the Midwest, and up to the Canadian border.

Gas Futures Trading Natural Gas as a Commodity. Free Research, Tools & Guides From RJO. www.rjofutures.com

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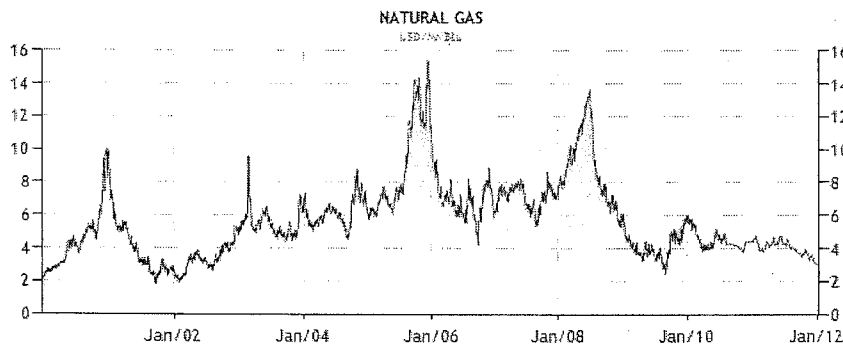
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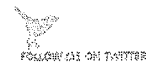
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Global Economic News

New Zealand Exports Rises in November

Published: 1/9/2012 6:00:30 PM By: TradingEconomics.com, Statistics New Zealand

In the November 2011 month compared with the November 2010 month, the value of exported goods increased \$251 million (6.8 percent) to \$3.9 billion. The trend for export values remains at record-high levels.

Australia's Trade Surplus Narrows in November

Published: 1/6/2012 4:16:39 PM By: TradingEconomics.com, Australian Bureau of Statistics

In seasonally adjusted terms, the balance on goods and services was a surplus of \$1,380m in November 2011, a fall of \$38m on the surplus in October 2011.

Canada's Unemployment Rate Up to 7.5% in December

Published: 1/6/2012 2:06:59 PM By: TradingEconomics.com, Statistics Canada

Following two months of declines, employment rose slightly in December, up 18,000. The unemployment rate edged up to 7.5% as more people participated in the labour market. Over the past 12 months, employment growth totalled 1.2% (+199,000), with nearly all of the gains in the first half of the year.

Unemployment Rate Falls to 8.5 percent

Published: 1/6/2012 1:49:00 PM By: U.S. Bureau of Labor Statistics

Nonfarm payroll employment rose by 200,000 in December, and the unemployment rate, at 8.5 percent, continued to trend down, the U.S. Bureau of Labor Statistics reported. Job gains occurred in transportation and warehousing, retail trade, manufacturing, health care, and mining.

Euro Area Unemployment Rate at 10.3%

Published: 1/6/2012 12:02:02 PM By: TradingEconomics.com, Eurostat

The euro area (EA17) seasonally-adjusted unemployment rate was 10.3% in November 2011, unchanged compared with October. It was 10.0% in November 2010.

WORLD MARKETS

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Japan Annual Inflation Rate Down 0.5% in November

Published: 12/30/2011 7:03:10 PM By: TradingEconomics.com, Ministry of Internal Affairs and Communications

The consumer price index for Japan in November 2011 was 99.4(2010=100), down 0.6% from the previous month, and down 0.5% over the year.

Japan's Unemployment Rate Unchanged in November

Published: 12/30/2011 7:00:49 PM By: TradingEconomics.com, Ministry of Internal Affairs and Communications

Japan's seasonally adjusted unemployment rate in November was unchanged at 4.5 percent from the previous month, signaling that the pace of recovery in labor market conditions is moderating.

UK GDP Revised Up in Q3

Published: 12/22/2011 1:48:58 PM By: TradingEconomics.com, UK Office for National Statistics

The UK economy bounced back between July and September with stronger than expected growth of 0.6% after it ground to a halt in the second quarter, the Office for National Statistics said on December 22.

U.S. GDP Revised Down to 1.8% in Q3

Published: 12/22/2011 1:36:38 PM By: TradingEconomics.com, US Bureau of Economic Analysis

U.S. real gross domestic product increased at an annual rate of 1.8 percent in the third quarter of 2011 (that is, from the second quarter to the third quarter), according to the "third" estimate released by the Bureau of Economic Analysis. In the second quarter, real GDP increased 1.3 percent.

New Zealand GDP Up 0.8% in Q3

Published: 12/22/2011 1:05:40 PM By: TradingEconomics.com, Statistics New Zealand

New Zealand Gross domestic product was up 0.8 percent in the September 2011 quarter, following a 0.1 percent increase in the June 2011 quarter. The increase in the latest quarter is the fourth consecutive quarter of growth following a decline of 0.1 percent in the September 2010 quarter.

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Feb. 10, 2012

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FEB 13 2012

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WASH. UT. & TP. COMM

Box 47250

Olympia, WA 98504

Again Puget Sound Energy is requesting another 8% raise on home electric & 3% on gas rates, am requesting the Commission reject this as they raised rates 4 times in ~~the~~ 2010 & 3 times as so in 2011 & this is only 2 months into 2012. Most Seniors or average citizens do not get raises 4-5 times a year as PSE does.

Please Please reject this latest request. Thank You.

Loretta Huston

19264 - Occidental Ave. So.

Olympia, WA 98504

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P.O. Box 47250

FEB 15 2012

Olympia, Wa 98504-7250

WASH. UT. & TP. COMM

Dear Sir/Madam

I cannot believe PSE are raising the rates again. Plus it is impossible to read your letter and figure out just how much the new rate increase will cost me.

Every one of my utilities have gone up. I'm 80 years old, retired and on a fixed income. It is to the point that I will no longer be able to keep heat in my house now will I be able to have a balanced meal. How do you justify this?

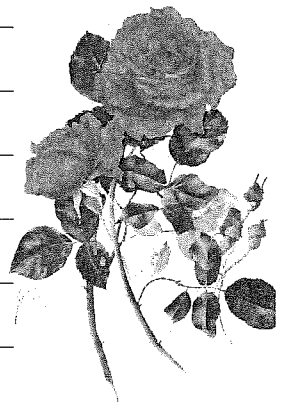
What do I do now?

Do Not allow this increase to go through

Margaret Hammond

18340 S. Westview

Mount Vernon, Wa 98274



This is in response to your rate increase proposal.

I think PSE should be looking at the state budget / legislature mess as your guideline for rate increases. The state economy is in dire straits, people. We either have less, or in my case, more.

I'm still unemployed and my wife's pay is \$7500 less now than it was in 2008, thanks to our benevolent legislature and governor. The school levy just passed, again. Now our property taxes will go up, again. A

can of Campbell's Chunky soup just went from \$1.65 to \$1.96, overnight. Restaurants and fleur derving stores are still going out of business here in

daily (when things are good, people eat out more and upgrade their cars, we are down to one very small car, a scooter and a bicycle. We stopped eating out and shopping at Costco. I am home unemployed. People have less, so they are spending less, hence the sales tax revenue is less and the legislature had

us in a perpetual downward spiral and with no solution insight. Only when more people are working will things change / improve. People don't have the money to spend more. I am at home every day. I turn the heat down to 63°F. to save gas and electricity and wear more clothes to stay warm, while I cook and clean, etc.

Look to Bill Gates for help. He just gave away \$650,000,000, again. He should be helping Washington state - we are a charitable case if I have ever seen one. If is hurting - he isn't, but we are. This is the first time in over 40 years of working that I have ever been unemployed - three years now.

I VOTE YOU !!



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Dallen Bounds
902 Boulevard Rd. SE
Olympia, WA 98501

February 14, 2012

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P.O. Box 47250
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docket numbers UE-111048
and UG-111049

To The Commission:

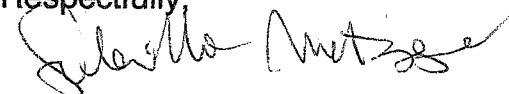
Unfortunately, I was not able to attend the Bellevue hearing on February 1st, and Olympia is too far to travel, thus the written comment. E-mail would not work, because I am including copy of a Seattle Times article from a much earlier date this past year. I saved the article, because it describes in great detail the large increase in revenues for PSE. It also predicts the request in rate increases. One of the reasons mentioned is the company's return on equity of "only" 6.5%, short of the targeted historical amount of 8%. In other words, rates are determined based on the benefit of shareholders and not those of the public.

I was able to attend the meeting when the pros and cons of the takeover by private companies was discussed. Most of the attendees were against the process, but we were told that the infusion of all that foreign capital will help PSE with capital expenditures, especially in the field of development of new green energy sources. Despite of that supposed benefit, and records profits this past year, PSE is now asking for a substantial increase in rates this year.

I am also doubtful of the dollar amounts given for the proposed increases. I don't know what a "typical" PSE customer is, but I do know that based on previous such estimates, my bill will go up significantly more than the \$8.37 and \$2.84 as indicated by PSE.

I do realize that a rate increase will probably be necessary, but I do hope that the Commission will keep it lower than requested.

Respectfully,



Gabriella Metzger
4073 173rd Place SE
Bellevue, WA 9800

Enclosures

Cold winter fuels Puget Energy's profit surge

By Rami Grunbaum, deputy business editor, and staff

The winter's bone-chilling, boot-soaking weather made most of us miserable, but it warmed accountants' hearts over at Puget Sound Energy.

The state's largest utility this past week reported a cool profit of \$103 million for the three months ended March 31, the highest since an investor group took the company private in February 2009.

Combined with the blustery and damp final quarter of 2010, it's been Puget's most profitable six months in at least three years, as nature and economics aligned to boost customer demand and trim the company's expenses.

"Rainy, windy and cold," Puget Vice President and Controller Jim Eldredge sums up, with a hint of appreciation in his voice. "And it's continuing into the second quarter. April was a cold month and May looks to be colder than normal. And the weatherman says June could be more of the same."

The average temperature was 42.1 degrees, a full 4.7 degrees colder than the "exceptionally warm" March quarter last year that yielded a loss of \$38 million, Eldredge says.

Winter is always peak time for the Bellevue-based utility, and this one created above-average demand from its 1 million electric and 750,000 natural-gas customers, who are mostly in the Puget Sound region outside Seattle.

Residential electric revenues rose 14.6 percent from the same period last year while residential gas revenue leapt 31.5 percent. That helped boost total sales to \$1.01 billion from \$878 million a year earlier.

Meanwhile, the onslaught of rain and wind reduced Puget's electricity costs: With output from its hydroelectric and wind-power plants up 55 percent, the company didn't need to run its natural-gas power plants as often, so fuel costs fell \$11 million, or nearly 20 per-

< Buzz

FROM B1

LOCAL BUSINESS BITS

Cold weather a plus for utility; microloan crisis

cent. Low wholesale market prices also made it cheaper to buy power elsewhere when needed.

Regardless, Puget plans to seek rate increases again this year for both electricity and natural gas, Eldredge says. He calls the still-undetermined amounts "fairly modest," and says they're needed to recover Puget's capital costs for a wind farm that will go online next year and pay for upgrades to its natural-gas pipelines.

The requests are sure to rekindle the recurring debate over Puget's rates and profits.

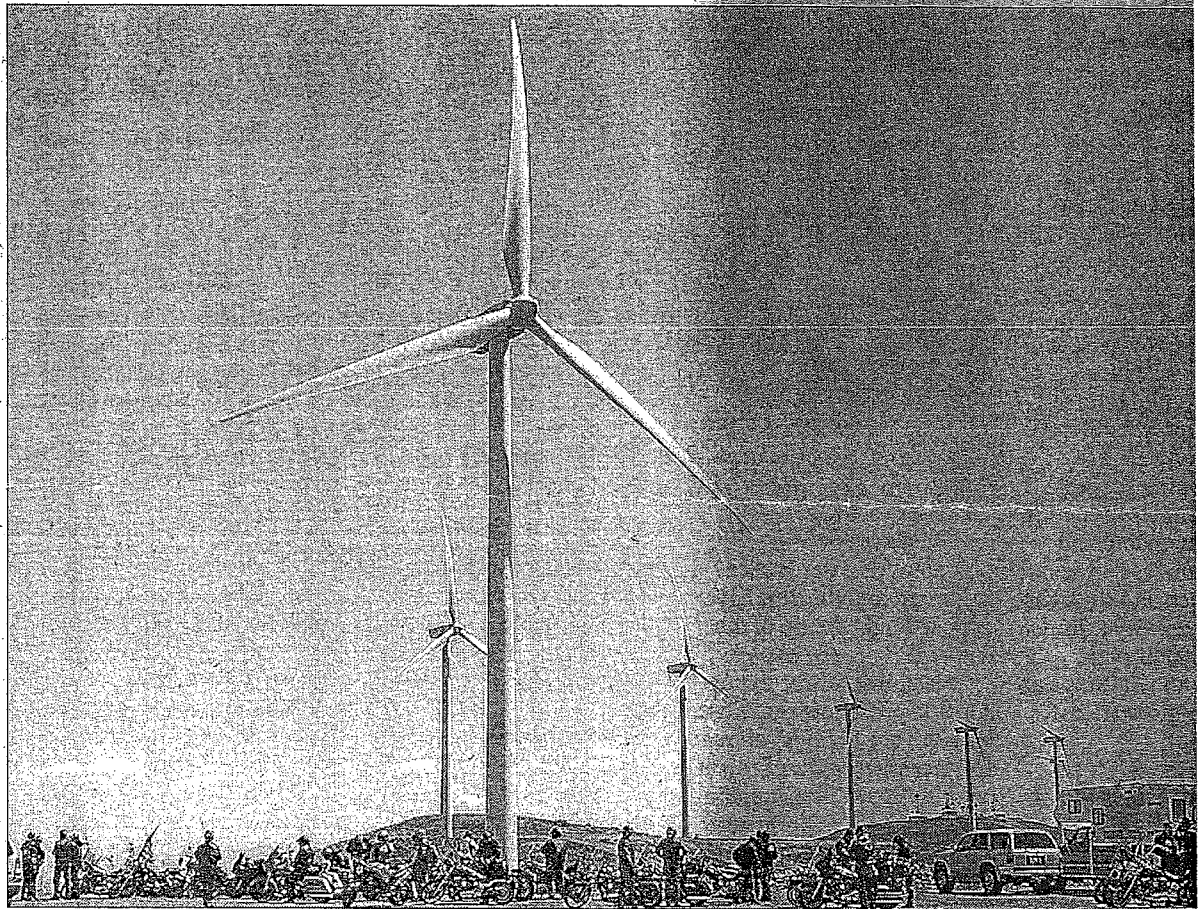
Eldredge says that even after two solidly profitable quarters, the company's return on equity for the latest 12 months is about 6.5 percent, compared with the 10.1 percent authorized by the Washington Utilities and Transportation Commission. Puget's immediate goal is to return to its historical level of about 8 percent, Eldredge says.

"This company chronically earns less than its targeted return, and the reason is our costs are increasing faster than our revenue," he says.

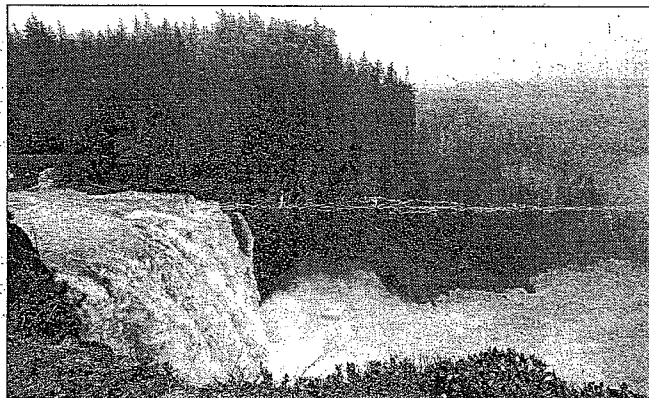
That doesn't convince Simon Ffitch, who as public counsel section chief in the Attorney General's Office represents ratepayers before the utilities commission.

"It's a pretty troubling juxtaposition," he says, questioning the need for higher rates after "a quarter of record earnings, and a very favorable situation right now for power companies with respect to costs."

"For the company to come in this year for a rate increase in the face of such an earnings report is hard to swallow for customers."



Puget will seek rate increases for electricity and natural gas partly to pay for expansion of its wind farms.



COURTNEY BLETHEN RIFFKIN / THE SEATTLE TIMES

The Snoqualmie Falls gushes during heavy rains during the winter, a bonus to Puget Sound Energy's bottom line.

2-16-2012

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PO Box 47250
OLYMPIA WA 98504

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FEB 17 2012

WASH. UT. & TP. COMM

Puget Sound Energy is gouging me with a monthly \$343 bill for a small 1/2 story home. I have complained and asked for a senior discount. They said they can't do that and for me to make renovations. I'm 90 years old & living on a low fixed income and can't afford renovations. I respectfully oppose their current rate increase request. They have had quite a few rate increases since I started paying the bills in 1974!

Thank you, Jeannette Lang

JEANNETTE LANG
19532-55 AVE N.E.
KENMORE WA 98028

Feb. 14, 2012

Utilities and Transportation Commission
P.O. Box 47250
Olympia, Wa. 98504

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FEB 16 2012

To whom it may concern:

WASH. UT. & TP. COMM

We are sending this letter in regard to the upcoming rate increase request by P.S.E. It is obvious to us and should be to the UTC that P.S.E. has far too many customers to adequately provide quality service. Each year it is allowed to take on more customers. It is only Greed on P.S.E's part. When the wind blows the power goes out. P.S.E. management seems to spend more time requesting rate increases than providing outstanding service to current customers! They are good at requesting higher rate increases and knowing they will yearly receive rubber stamped lower increases by U.T.C.

See the attached copy of a letter to the Editor of The News Tribune of which we absolutely agree with the writer's comments.

Respectfully,
Sid + Cathy Pennington

ENERGY: PSE is overpriced, unprepared

Over the last year, the price of natural gas has dropped 35 percent to \$2.40 per unit on the open market. I didn't see a 35 percent rate decrease filed by Puget Sound Energy, but it did file for another annual increase.

From its peak, natural gas has dropped dramatically, by 80 percent, over the last five years. How many rate decreases have we experienced during that same period? Should there be some correlation between the price of natural gas and utility rates?

Every year, PSE files for a 6 to 10 percent increase, knowing it will be reduced slightly and then rubber-stamped.

During the latest snowstorm, forecast a week in advance, and the frozen rain, forecast three days in advance, PSE was unprepared. Crews should have been brought in early, Tuesday evening, and positioned in the most threatened areas.

Three days into the storm, PSE was still identifying crews from other states. In the first three days, only a handful of crews, 20 reported by local media, were trying to handle 400,000 outages. That's 20,000 per crew. The entire system was overwhelmed. Additional crews started to arrive by Saturday and Sunday.

If banks are "too big to fail," then utility companies like PSE are "too big to succeed."

TOM BOYCE

Olympia

26811 Downing Avenue
Kent, WA 98032

February 18, 2012

Washington Utilities & Transportation Commission
P.O. Box 47250
Olympia, WA 98504-7250

Docket Number: 111048

Dear UTC:

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FEB 22 2012

WASH. UT. & TP. COMM

We are enclosing yet another article in the Seattle Times about the depressed level of natural gas prices due to the current surplus of supply that exists. As the article states on page A11, "It looks like we're going to see inexpensive gas for a long, long time." On page A10 they quote that "Gas production rose by a record 4.5 billion cubic feet a day in 2011, the Energy Department said in a Jan. 10 report, while demand lagged behind at 920 million."

Based on what we're reading and hearing, increases of any kind at this time for natural gas are completely unjustified. How can you possibly approve \$1.5 million dollar per year rate hike for PSE? You should be instead reducing the rate per year by a substantial amount to reflect the market.

We will appreciate an explanation from you.

Thank you.

Sincerely,



John and Adelaide Haferbecker
PSE Account No. 927-090-900-6



SPENCER PLATT / GETTY IMAGES

Trucks drive through the countryside near Springville, Pa., a region where hydraulic fracturing is used to extract natural gas from underground. Natural-gas production grew by a record 4.5 billion cubic feet a day in 2011, while demand lagged at 920 million cubic feet.

The Times
1/25/2012 P.A.10

CHRISTINE BUURMA
Bloomberg News

NEW YORK—Natural gas's worst start to a year since 2001 is the most accurate forecasters predicting further price declines surging U.S. shale production threatens to overwhelm the nation's storage facilities. Prices may drop below \$2 per million British thermal units (Btu) for the first time since 2002 amid the prospect of stockpiles exceeding storage capacity in October, according to Bank of America, Barclays Capital and Prestige Economics.

Inventories will probably end March at 2.15 trillion cubic feet, an all-time high for that time of year, Bank of America says. "If we exit the winter with such high levels of inventories, there's a real risk of gas prices coming down very sharply in the fall," said Francisco Blanch, the head of commodities research at Bank of America in New York and the

Prices continue to slip on gushers of natural gas

Rising inventories, exploding shale production and a warmer-than-normal winter (so far) are setting the stage for record stockpiles in the U.S.

most accurate forecaster of U.S. gas ranked by Bloomberg in the eight quarters ended Dec. 31. "Gas production has to come down," he said in a phone interview Jan. 13. Prices have fallen as profits from oil and gas liquids, such as ethane and butane, have subsidized natural-gas output from

shale. Ethane at the Mont Belvieu hub in Texas rose 30 percent last year, while natural-gas futures tumbled 32 percent.

Gas production grew by a record 4.5 billion cubic feet a day in 2011, the Energy Department said in a Jan. 10 report, while demand lagged behind at 920 million. Natural gas for February deliv-

ery rose 2.9 cents to \$2.554 per million Btu on Tuesday in New York. Gas, which is down 44 percent from a year ago as warmer winter weather saps demand, fell to \$2.231 on Jan. 23, the lowest price since February 2002.

Temperatures averaged 36.9 degrees Fahrenheit in New York City through Jan. 18, 4.4 degrees above normal, according to the National Weather Service.

Last month's average temperature in the Northeast was 34.1 degrees Fahrenheit, or 5.3 degrees above normal, making it the sixth-warmest December since 1885, according to the National Climatic Data Center in Asheville, N.C.

Improved technology has allowed companies to boost shale-gas yields while reducing costs, said Brison Bickerton, a managing director at Freeport Commodities. Producers use hydraulic fracturing, which involves pumping water, sand and chemicals under-

See > NATURAL GAS, A11

(see reverse side)

S LEAGUE OF WASHINGTON TAXPAYERS S

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 Peterson
 SPOKANE
 Jack Fagon
 Sue Wilson
 TRY-CITIES
 Monte Benham
 Earl Matthews

My name is Winton Cannon. I'm Chairman of The League of Washington Taxpayers, a State wide organization.

As may, or may not be aware, PSE is requesting a rate in-crease of \$159.7 MILLION DOLLARS. and another in-increase of \$33.3 million for Natural Gas.

The League of Washington Taxpayers opposed these unreasonable increases, and are recommending to the Washington Utilities and Transportation Commission that they also refuse to approve PSE's request in the same manner.

There are several reasons for our position that these rate increases be denied.

PSE'S FOR THESE INCREASES IS DESIGNED TO RECOVER COSTS AS A "quote" "RESULTING OF ENERGY EFFICIENCY SERVICES," with an 8.08 per cent increase in ELECTRIC SERVICES PER KILOWATT HOUR.

PSE ALSO WANTS A 3.16 INCREASE IN NATURAL GAS REVENUE PER THERM. AS THE PRICE OF NATURAL GAS HAS GONE DOWN FOR BOTH CONSUMERS AND BUSINESS WHY DOES PSE WANT A PROPOSED \$1.134622... WHEN IT SHOULD BE REDUCED?

A study of the increases for Electric revenue in the past ten years is 46% per cent.

The electric revenue request would also recover increased costs due to investments in new infrastructure including the new Lower Snake River Wind Project. Administrative, General administrative, General Transmission and distribution expenses.

There are other expenses, but I have a sense of humor because this is request if for "increased return on investor depreciation.

The bulk of the natural gas would recover investments in the natural gas distribution system to increase reliability, to serve new customers, and cover cost for compliance and safety improvements

Wynn Cannon
 (425) 746-2983A

League of Washington Taxpayers

Non-profit, Non-Partisan, Umbrella Organization
 15127 NE 24th Street, Suite # 380 Redmond, WA 98057
 (425) 746-2983