

My name is Cindy Kisska. I live in Birch Bay. I have been a Puget Sound Energy electric customer for over 18 years. Every year PSE raises our rates. Every year the UTC holds a phone conference for one hour when we can call in. And every year the UTC ignores the public outcry to NOT give PSE permission to raise our rates AGAIN. Every year our complaints fall on deaf ears. We have one hour a year (actually ONE MINUTE!) to speak our peace and what happens? Nothing. It is business as usual. EVERY SINGLE YEAR PSE is allowed to RAISE OUR RATES.

This is an aside, but I would like to make some important suggestions to the Commissioners.....

- 1) When we attend these meetings, I for one and I'm sure I speak for many, would appreciate a TWO WAY dialogue, giving you, the Commissioners a chance to speak too. The way it is now, it feels like a wall of stone-cold silence coming from the Commissioners. This is so unnatural and it is a missed opportunity for us to hear your valuable input. (I was told by Mr. Danner that the UTC Commissioners are not allowed to speak, according to a WA statute...created by legislature. That should be changed!)
- 2) I feel it is unfair to ask us to read the documents relating to PSE rate/cases, in order for us to make a decision as to whether PSE should be allowed to raise our rates again. The amount of information we are supposed to read and comprehend is staggering. It is so complicated, it is beyond the average person to comprehend.
- 3) Since the UTC Commissioners only hold a Phone Conference ONCE A YEAR, you need to give us more time to speak. It is not fair that each of us is given only one minute to speak. This is not enough time. And it makes it very stressful that we feel that we have to talk so-o fast to be able to fit what we want to say, in such a short-time frame. Also, I feel it is very disrespectful to interrupt the person speaking, to tell them they've spoken for one minute. So many, many people were speaking very important facts about the terrible things PSE has done, and continues to do....and then they had to cut short what they were saying. That's not right either. We only have ONE MINUTE out of a whole year to speak? I'm sure we would be all be very appreciative if you create enough time for each of us to speak, so we don't have to feel so rushed! Thank you.

That being said, I recently spent 3 years researching PSE (2019, 2020, and 2021) and would like to share what I uncovered.

The points I am going to share I feel are very important to ALL PSE energy customers.

Knowing what I know, I want to start by saying, I am hard-pressed to see why PSE wants to raise our rates again.

- Especially when PSE paid out over a 3 year period (2016 to 2018) almost \$40 MILLION dollars to their top FIVE employees – in salaries, incentives, compensations and bonuses. That was 4 years ago. You can be sure the amount has gone up. PSE is supposed to be a Utility Company, not the Fortune 500 Company they've become!
- PSE belongs to a group of 5 Utility Companies called "Investor-Owned Utilities" ("IOU's" for short) that service electric and gas customers across the state of WA. And I quote: "They are monopoly franchises" and "THEY EXIST TO MAKE A PROFIT FOR THEIR SHAREHOLDERS."
- These Investor-Owned Utilities, including PSE, paid out a total of \$395.3 MILLION dollars in DIVIDENDS in 2019.
- That's how wealthy they are.

The Utility and Transportation Commission (UTC) states, “It is the Commission’s responsibility to ensure service to customers at reasonable rates, while allowing the company (PSE in this case) an opportunity to earn a FAIR return.” (meaning for their shareholders) WHAT IS A FAIR RETURN when:

- PSE pays its CEOs MILLIONS of dollars EVERY YEAR in bonuses, etc.
- Takes in over \$100 MILLION EVERY MONTH – just from their residential electric customers alone
- Took in \$3.4 BILLION in Energy Revenue two years ago (in 2019)
- And paid out \$64.2 MILLION in DIVIDENDS (in 2019) to FIVE FOREIGN countries’ pension funds.
- I would call this MORE than a “FAIR” RETURN.

The UTC treats PSE as if it is two separate companies – one that services its shareholders, and one that services its customers. The company is ONE Company, NOT two.

Let’s examine the facts: Truth is facts. What are the PSE facts? Simply put, PSE takes in BILLIONS of dollars every year and gives away MILLIONS of dollars in profits to its shareholders and CEOs every year, while STILL being allowed to raise our electric rates every single year.

The profits PSE makes, should be funneled down to its customers FIRST to lower our electric rates, NOT funneled upward FIRST TO PAY their ALREADY wealthy shareholders. The UTC’s first and most important priority and concern is to protect the customers FIRST, because we are the one’s struggling to pay our ever rising PSE bills, while still being able to afford to stay warm in the winter and put food on our tables. These are OUR FACTS.

And know for a fact, that PSE, the UTC and the OAG (Attorney General’s Office) should NOT rest easy thinking they have the poor people’s backs covered, when there are 1000s and 1000s of families, including children and the elderly, in the state of Washington, who do not and cannot qualify for such programs as “LIHEAP” and the H.E.L.P.” program. This is because their income is slightly above, even by just a few dollars, over the income-level cut-off. This means there are thousands of people still shivering day and night in their cold houses and apartments in the winter, because they can not afford to turn their thermostats up any more than they already are. Tell this to PSE’s already wealthy CEOs and Shareholders. What sense does it make? NONE! And PSE should NEVER be allowed to use the fact that we use less and less electricity as one of their reasons to raise our rates. We turn down our thermostats more and more to avoid having to pay higher and higher electric bills.

How is it that PSE’s MILLIONS AND BILLIONS OF DOLLARS IN WEALTH at the top has never “trickled down” to the bottom TO TRANSLATE INTO SAVINGS FOR CUSTOMER RATES? Yet the UTC ALLOWS PSE to generate billion of dollars and GIVE AWAY millions in dividends, while still being allowed to raise our rates every single year!

PSE has become a “Profit-Churning Machine.” It has joined the ranks of what I call Corporate America – “Profits at all costs.” **We shouldn’t have to pay for an overly “top-heavy” utility company with way too much money floating around at the top.** It becomes very clear **THERE IS A CONFLICT OF INTEREST HERE.** So when you, the UTC talk about balancing the NEEDS of both the customers and the company’s shareholders....Who do you think has the greatest need? The already wealthy, becoming wealthier or we, the customers at the bottom, just trying to stay warm in the winter and struggling to feed our families.

We are told by the Attorney General’s Office that: “In the end, the Commissioners must ensure that rates are fair, just and reasonable for ALL INTERESTS involved.”

Let's examine this statement:

- This word "interests" should **NOT** be used in the same sentence when referring to Shareholders and Customers, because the meaning is completely opposite for each one.
- The Shareholder's "interests" are vastly different from the Customer's "interests" / needs.
- Customer "interests" actually refers to Customer's "Needs" – the need to stay warm in the winter and still be able to afford their PSE bills.
- While Shareholder's "interests" means how much money (profits) they can make. In other words, the already wealthy, becoming wealthier.
- Under this context, PSE being allowed to raise PSE customer's rates every year IS NEITHER FAIR, JUST, NOR REASONABLE. The wealthy don't need protection, but the poor and vulnerable do.
- The OAG's statement should be changed to read, *"The Commissioners must ensure that rates are fair, just and reasonable for the utility customers first. Then the needs of the other groups involved can be addressed."*

PSE DOESN'T FOLLOW UTC'S ORDERS:

Another fact: Why is PSE allowed to ignore the UTC's direct orders to PSE to profit-share with its customers? In 2013, the UTC ordered PSE to share its profits 50/50 with its customers. I know of at least 2 other times the UTC ordered them to profit-share with us. But somehow, PSE has found ways to get around this. They have NEVER shared their profits with us to lower our rates. They refuse to follow these orders.

How is it that PSE seems to have become more powerful than the UTC itself? PSE blatantly ignores and get away with it, over and over again, UTC's direct orders to share their profits with their customers.

When the UTC ordered PSE to share its profits 50/50 with customers, the Commission used what is called "earning tests" that required PSE to share excess profits with customers "in certain circumstances". This took place as part of a MYRP (Multi-Year Rate Plan), and PSE's earnings would have had to go above an authorized amount before credits to customers were required. (The rate plan expired in 2017.)

*So.....supposedly, PSE didn't have enough profits to share with us – according to the "earnings test" **and as a result of using the highly faulty Multi-Year Rate Plan (!).... AND I want to say..."BUT NOT BEFORE PROFITS WERE TURNED OVER BY PSE TO THEIR SHAREHOLDERS."***

PSE's CODE OF CONDUCT

*PSE has a "Code of Conduct" (It should be a "Code of Ethics" instead!) that states that all their Corporate Officers, Treasurer, etc. "...are empowered (how are they "empowered" ? That sounds ominous!) to ensure (how do they "ensure"? That also sounds ominous!) THAT ALL STAKEHOLDERS INTERESTS (meaning Shareholder's interests, meaning profits) are appropriately balanced, protected and preserved." (At what cost to the customers, the general population, the environment, and even the UTC itself – I would say "At ALL Costs" !!!!!!! PSE doesn't care WHO or WHAT they steam-roll over and destroy in the process of "protecting and preserving" their "Stakeholder's Interests". The word "Stakeholder" is appropriate....**BECAUSE EVERYTHING IS AT STAKE!** For PSE, no price is too HIGH – for everyone and everything else to have to pay – for whatever PSE wants to do and can get away with! **AND THAT IS AN UNDERSTATEMENT X MILLIONS!!***

WHO IS PROTECTING THE RIGHTS OF THE PSE CUSTOMERS AND ENSURING OUR INTERESTS/ NEEDS are “appropriately balanced, protected and preserved” ?

PSE has financially re-structured itself over the years, to the point where the OAG and the UTC stand by **and watch all the structures and safety nets, that used to be in place to protect PSE customers, being burnt to the ground.**

It seems PSE has built itself a “House of Cards” built on a foundation of sand...An ever increasing mountain of loop-hole after loop-hole to want to protect anything and EVERYTHING IT WANTS TO DO...AND NO ONE HAS THE COURAGE TO STAND UP TO THEM.

- If PSE has re-structured itself, with so many financial loop-holes, ***that profits to shareholders come first, instead of saving to its customers....***then this deranged arrangement need to be taken up by the Attorney General’s Office and these loop-holes closed.
- The AG needs to step up and **stop PSE in its tracks** and MAKE THEM TOW THE LINE by ensuring **that UTC’s orders are followed**, and **that PSE shares their profits with their customers FIRST, to ensure they lower our rates.** **Let PSE use their millions and billions of dollars in profits to LOWER our rates.**

When I talk about an “Ethical Assessment” of PSE, THIS IS KEY: Why is PSE ALLOWED by the UTC and the Attorney General, Bob Ferguson, to give away millions of dollars to already very wealthy shareholders, while people in Washington State are shivering in their houses, trying to keep warm, because they can’t afford to pay a higher electric bill? What sense does it make? **NONE!**

PSE’s MORAL OBLIGATIONS AND FINANCIAL OBLIGATIONS SHOULD BE ONE AND THE SAME. RIGHT NOW, THERE IS A HUGE CAVERN BETWEEN THEM.

PSE should NOT be allowed to use a MYRP (Multi-Year Rate Plan). Instead they should be held to account EVERY SINGLE YEAR, so they are forced to be completely transparent.

Right now it is a known fact that that PSE has not been transparent about their finances. On July 28 of this year, the Public Council Unit of the UTC became involved in two court cases against PSE. The testimony in court **revealed that PSE has lied and been dishonest, many times manipulating and misrepresenting their financial facts to try and get more money.** SHOCKING that this is our Utility company and WHO YOU, the Commissioners have to deal with! It’s impossible to find the **honest truth** when dealing with PSE. And we, the customers bear the cruelty of their dishonesty.

So the question remains: How is it that LEGALLY, PSE can generate Billion of dollars in revenue, and give away Hundreds and Hundreds of Millions of dollars in profits, but none of these profits “trickle down” to become savings to lower our customer rates? This is the question of the utmost importance that needs to be addressed and clearly answered. And of this moment, it still has not been answered. Thank you. Cindy Kisska, Birch Bay, Sept. 28, 2022.

One last thought:

MILLIONS OF DOLLARS OF PSE PROFITS ARE BEING FUNNELED OUT OF WASHINGTON STATE AND THE U.S. EVERY YEAR. \$64.2 MILLION DOLLARS IN 2019 went to five Foreign Countries’ Pension Funds. That’s a HECK OF A LOT OF MONEY that could be well spent in our Local Communities:

- **The first priority is for PSE to LOWER the costs of our energy bills.**

- Then how about investing in SUSTAINABLE, RENEWABLE ENERGY SOURCESlike SOLAR POWER.
- How about projects that help clean up our environment....protect our ecological natural resources....such as the vital salmon runs necessary for our food chain.
- How about helping to fund our schools. The fact is most of our schools are severely lacking in enough Student Counselors....the Blaine Middle School has ONLY ONE COUNSELOR FOR OVER 400 STUDENTS, and the High School has TWO COUNSELORS FOR ABOUT 650 STUDENTS. **The NEED for more School Counselors IS ENORMOUS. The highest number of calls to the National Suicide Help Line (about 65% to 70%) are students between the ages of 11 and 15 years old, wanting to end their lives because they are so-o stressed out by school, itself. And about 30% of the calls are due to bad situations at home** (drug-addict or alcoholic parents, some form of child abuse, etc.) If you ask the schools why they don't hire more Counselors, they'll tell you they'd have to let a teacher go, because that is all their budget will allow.
- Filling the needs of how this money could be well spent in the state of Washington, are vast and endless.