



STATE OF WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION
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August 1, 2017

NOTICE OF EX PARTE COMMUNICATION
(Written Rebuttal Statements due by August 9, 2017)

RE: *Washington Utilities and Transportation Commission v. Puget Sound Energy*, Dockets
UE-170033 and UG-170034

TO ALL PARTIES:

On January 13, 2017, Puget Sound Energy (PSE) filed with the Washington Utilities and Transportation Commission (Commission) revisions to its currently effective Tariff WN U-60, Tariff G, Electric Service, and its currently effective Tariff WN U-2, Natural Gas. The effect of these filings would be to increase rates and charges for electric service and decrease rates and charges for natural gas service provided to customers in the state of Washington. The Commission suspended the as-filed tariffs and set the matters for hearing in Order 01 on January 19, 2017, under consolidated dockets UE-170033 and UG-170034.

On July 31, 2017, the Commission held a public comment hearing in Bellevue presided over by Chairman David W. Danner, Commissioner Ann E. Rendahl, and Commissioner Jay M. Balasbas.

Before the public comment hearing was held, Mr. Russell Borgmann, who is not a party to the proceeding, sent an email to Commission Senior Policy Advisor Steven Johnson that offered personal comment upon the proceedings and provided information regarding the evidence under discussion. The email referenced docket UE-160918, but addressed the issues in this current rate case. A copy of Mr. Borgmann's email message is attached to this notice and will be included in the public comment record in this proceeding.

THE COMMISSION GIVES NOTICE That pursuant to WAC 480-07-310(4), any party in this docket may file a written rebuttal statement concerning the matters in the email sent to Steven Johnson. Any such statement must be filed by August 9, 2017.

DENNIS J. MOSS
Administrative Law Judge

From: Russell Borgmann [<mailto:rborgmann@hotmail.com>]
Sent: Monday, July 31, 2017 7:25 AM
To: Johnson, Steven (UTC) <sjohnson@utc.wa.gov>
Cc: Russell Borgmann <rborgmann@hotmail.com>
Subject: WUTC Public Comments in Bellevue, 6pm 7/31/17, Docket UE-160918

Comments to the WUTC Regarding Docket No. UE-160918

Mr. Johnson
Senior Commission Policy Advisor, WUTC

The Honorable Mr. Johnson,

The question before the WUTC is approval of another rate increase on behalf of PSE. PSE says they need to increase rates – again. However the WUTC has recently recommended that PSE should LOWER its rates.[i] Is PSE’s recent request to increase rates – AGAIN – another ploy to plump up profits of an investor owned utility, when foreign investors (Macquarie) are seeking to sell their 42% stake in PSE?[ii]

Commissioners of the WUTC, we ask that you protect ratepayers against an investor owned utility that does not appear to have its customer’s best interests at heart. PSE says that they must increase costs. Yet, their 10Q financial filings, in the face of robust economic growth and population growth, show that electricity demand is flat to DECLINING. PSE’s own 10Q financial filings state that conclusion: **“PSE also expects energy usage by both residential electric and natural gas customers to continue a long-term trend of slow decline primarily due to continued energy efficiency improvements.”**[iii] This has been the trend year-over-year for many years now. We collectively are using less electricity via more efficient building techniques and materials, energy efficient appliances, conservation, and local micro generation. Bonneville Power Administration has already accepted the impact of these changes, and decided to CANCEL its I-5 Reinforcement Project.[iv] BPA stated that evolving energy markets and technology, like batteries, played a major role in the decision to cancel that project. It’s time for PSE to re-evaluate its business model. This is a NOT a question of growing the business, as Macquarie, PSE’s owners, has claimed.[v] This is a question of PSE learning how to manage and control its OPERATING costs. It’s time for PSE to learn how to operate more efficiently. (Example: PSE’s CEO earns TEN TIMES more than Seattle City Light’s CEO. Kimberly Harris’ salary is more than \$3 Million annually vs. Larry Weis’ \$340,000 annual salary). Please protect PSE ratepayers. Please do NOT approve another rate increase. Send a message to PSE that they need to learn how to operate more efficiently in the headwinds of an evolving energy landscape that finds decentralized electricity generation as the new norm of the future. Seek ways to encourage PSE to embrace a new business model that promotes ADDING renewable energy resources to the grid, while retiring dirty, polluting coal generating resources, like Colstrip. Seek ways to encourage and promote the use of battery technologies that smooth peak load demands. Southern California, New York, Hawaii, Australia, the UK, and many other regions have found a way to make that happen.[vi]

In Washington, a region that touts world-class technology and entrepreneurialism as well as a profound love of the environment, we should – and must – LEAD the nation in promoting safer, more reliable, environmentally friendly, sustainable energy resources that are fairly priced. Raising rates for an investor owned utility that owns one of the worst polluting plants west of the Mississippi is a step the wrong direction. Send a clear message to PSE that they must operate more efficiently while seeking ways to provide reliable, environmentally friendly sources of electricity. Please protect ratepayers.

Thank you.

Russell Borgmann
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Bellevue WA 98005

[i] <http://www.seattletimes.com/seattle-news/eastside/state-agency-staff-wants-puget-sound-energy-to-lower-its-rates/>

[ii] <https://www.reuters.com/article/us-puget-energy-m-a-idUSKBN1AA2OB>

[iii] <http://www.sec.gov/Archives/edgar/data/81100/000108539214000021/pe-2014630x10q.htm#sECEFE0B0BBD3EE26F216FC9CD7981795> (pg 37, under heading **Customer Demand**)

[iv] BPA: http://www.oregonlive.com/business/index.ssf/2017/05/bpa_nixes_costly_and_controver.html

[v] **“Combining work forces and eliminating redundancies is not the story. Our interest is to grow the business,”** said Christopher Leslie, Macquarie hedge fund CEO and PSE Board Director. <http://www.mi-reporter.com/news/35017809.html#>
<http://www.pbs.org/wgbh/pages/frontline/shows/blackout/regulation/timeline.html>

[vi] Con Edison – Five Smart Energy Technologies: <https://paidpost.nytimes.com/conedison/5-smart-energy-technologies.html>

Tesla’s Battery Farm Prevents Rolling Blackouts in Southern California: <https://www.nytimes.com/2017/01/30/business/energy-environment/battery-storage-tesla-california.html>

Tesla’s Battery Farm Under Construction in Australia: <https://www.reuters.com/article/us-australia-power-tesla-idUSKBN19S0EV>
UK Modernizes Grid with Batteries to Save \$52 Billion: <https://www.bloomberg.com/news/articles/2017-07-24/u-k-opens-power-grid-to-batteries-in-step-to-save-52-billion>

Hawaii Buys Advanced Battery from UniEnergy Technologies: <http://www.renewableenergyworld.com/articles/2017/06/consortium-supports-flow-battery-installation-in-hawaii-for-research.html>