

Mak, Chanda (ATG)

From: Martha <marthafreitag@gmail.com>
Sent: Thursday, September 8, 2022 1:01 PM
To: ATG WWW E-mail Public Counsel
Subject: Puget Sound Energy requested rate changes Dockets UE-220066 and UG-220067

[EXTERNAL]

To whom it may concern:

Please find my comments, below, related to PSE's proposed rate increases.

Thank you.

PSE's requested utility rate increases will fall disproportionately on the backs of residential consumers. This is at a time when we are already facing dramatically increased costs in food, transportation, healthcare, and other essential costs of living. Homeowners' property taxes have increased in the double-digits and most rental costs have as well. **PSE is a monopoly.** Yes, its business is regulated, but we residential customers, and small businesses, have no other option for our electricity and gas.

Residential consumers should not have to bear the burden of the proposed rate increase. (The numbers that I am referring to, below, were provided by PSE in its Notice to customers provided with my monthly bill. The numbers are not complete, as they do not include the total amounts of revenue received by PSE from each source; only the rates and percentage increases in rates have been provided to us.)

- **Residential users already pay the highest rates per therm for gas (\$1.18238 currently) and would continue to do so** with the proposed rate of \$1.32602 for 2023. **Focus is put on the rate of increase (12.16%), which is above the current rate of inflation, but the actual rates paid by residential customers would remain higher than commercial rates.**
- **Residential electrical rates for 2023, projected to increase by 15.8%, would be higher than any other rate, at \$0.13246 per kW, with the exception of Lighting (area & street);** the latter is probably born indirectly by consumers, presuming that street lighting is paid by municipalities (via property taxes).
- **Residential consumers will eventually absorb the rate increases proposed for businesses and municipalities as well, once they are passed along through price increases for goods, services, and taxes.**

PSE proposes increasing its Return on Equity, a measure of its profitability, from 9.4% to 9.9%. This increase in RoE, born by rate increases to customers, is unjustified.

PSE is a highly profitable private company. According to its **Annual Report for 2021** (available on the UTC website), **Net Income increased by 22.5%, from \$274 million to \$336 million in 2020. The company was able to increase its dividend payout to shareholders by 54%, to \$230 million from \$149 million in 2020.**

PSE pays its executives well (from the annual report):

President and Chief Executive Officer Mary E. Kipp \$923,923

2 Senior Vice President and Chief Financial Officer Kazi Hasan \$243,409

3 Senior Vice President Regulatory and Strategy Adrian J. Rodriguez \$475,318

4 SVP, General Counsel and Chief Ethics and Compliance Officer Steve R. Secrist \$497,096

5 Senior Vice President Shared Services & Chief Information Officer Margaret F. Hopkins \$400,984

6 Senior Vice President and Chief Customer Officer Andrew Wappler \$351,246

7 Vice President Regulatory and Government Affairs Ken Johnson \$278,333

8 Vice President Energy Supply Ron Roberts \$329,154

9 Vice President Human Resources Kim Collier \$303,329

10 Vice President Clean Energy Strategy Josh Jacobs \$270,500

11 Vice President Operations Daniel Koch \$249,235

12 Former SVP and Chief Financial Officer Daniel A. Doyle (Retired September 1, 2021) \$400,453

13 Former SVP and Chief Operations Officer Booga K. Gilbertson (Retired October 1, 2021) \$365,633

14 Director Controller and Principal Accounting Officer Stephen J. King \$229,421

15 Director Corporate Treasurer Cara Peterman \$218,753

According to a recent press release on the UTC website, a group of staff have come up with a proposed settlement with PSE that will increase rates to consumers closer to 6.5% for gas and 11.4% for electricity in 2023. No further details were provided. While this is an improvement over what PSE originally proposed, I would charge the Commission with **negotiating harder! This is still a significant increase and burden to consumers.**