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September 30, 2015

Mr. Steven V. King
Executive Director and Secretary
Washington Utilities and Transportation Commission
P.O. Box 47250
Olympia, WA 98504-7250

RE: UE-151871 and UG-151872

Dear Mr. King:

I am writing a brief preliminary response to the above filings by Puget Sound Energy. On behalf of the Washington Chapter of the Air Conditioning Contractors of America (WA ACCA) and the Washington State Heating, Ventilation, Air Conditioning, and Refrigeration Association (WSHVACRA). They wish to be sure you and the Commission are aware that these filings will be controversial within the HVAC industry, and correct possible misimpressions that may be made by Puget Sound Energy's cover letters in these filings.

First, as to stakeholdering, while PSE did meet on February 19th with three members of the board of WA ACCA (one of whom is a PSE employee), the two industry members made it quite clear that the proposals would be very unacceptable to the HVAC industry. What little approaches that have been made to members of the industry in the months since were clouded in non-disclosure agreements.

When more of the industry became aware these proposals were being prepared, members harkened back to the issues regarding merchandising and jobbing by Washington Natural Gas and the controversies- of the late 1980's and early 1990's- including the UTC decisions on these matters in 1993 and 1994. The complete omission of these developments in the PSE cover letters indicates that WNG successor PSE has either forgotten this era, or chooses to ignore it.

The HVAC industry remembers. Having once successfully fought against predatory monopoly power fueled by ratepayer subsidy, the HVAC industry is not going to just let it happen again. The Commission should expect significant opposition to these proposals.

In addition to issues related to monopoly power and ratepayer subsidy being used to fuel unfair competition, we also expect significant concerns to be raised regarding antitrust issues, and consumer protection issues. These will be extremely contentious proposals.

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We are willing to meet with commissioners and staff at any time, and will be in attendance at the October 29th open meeting of the Commission. We hope at that meeting the Commission will decline to approve the proposals, and allow sufficient opportunity for all concerned to weigh in on these proposals, the details of which we received only with the actual filing.

Appreciatively,

James L. King, Jr.

Cc: Public Counsel