

**EXH. WTE-4
DOCKET UG-_____
WITNESS: WILLIAM T. EINSTEIN**

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Application of

PUGET SOUND ENERGY

**For an Order Determining Property Is
no Longer Necessary or Useful or
Alternatively Authorizing the Sale of
Puget Sound Energy's Water Heater
Rental Service**

Docket UG-_____

**THIRD EXHIBIT (NONCONFIDENTIAL) TO THE
PREFILED DIRECT TESTIMONY OF**

WILLIAM T. EINSTEIN

ON BEHALF OF PUGET SOUND ENERGY

FEBRUARY 19, 2020

About Grand HVAC Leasing



Grand HVAC Leasing
if it appreciates buy it - if it depreciates lease it

Grand HVAC Leasing (“GHL”) -Overview

Company Background

Grand HVAC Leasing Ltd, a Canadian company, and their American Subsidiary, Grand HVAC Leasing USA, LLC, (GHL) specialize in delivering HVAC, water heating and energy solutions to residential and commercial customers, as well as multi-family housing providers across North America. GHL provides alternative and unconventional financial solutions to upgrading water heating, heating and cooling equipment, conversions and replacements, while bundling worry-free protection against service parts and labor costs. In addition, our programs provide scheduled preventative maintenance to ensure equipment safety, integrity and performance. Our unique and efficient business model provides high quality service, scale for growth, and a strong track-record of customer satisfaction and retention.

GHL Leasing started in the Ontario market to address the needs of affordable housing tenants that were left with high energy bills and unreliable HVAC and water heating equipment. GHL feels passionate about leasing equipment in rehabilitation and new construction units so that housing providers can allocate the limited available capital to addressing the housing shortage across North America. GHL continues to address these challenges across North America.

GHL continues to grow across North America by leveraging alliances with utilities, manufacturers, sales agents, utility portfolio acquisitions, and direct sales via local managers. Currently, GHL has ongoing relationships with utilities crossing more than a dozen states, with customers spanning from the southwest to the north and southeast United States. Some of these relationships include Florida Public Utilities, TECO Peoples Gas, Corning Gas, Leatherstocking Gas, Liberty Utilities, Piedmont Natural Gas and Public Services North Carolina.

GHL will hire approximately 15-20 additional employees in the United States through 2020 to support operations and sales, and to help manage existing relationships.

GHL Leasing is a member of the Energy Solutions Center, the Ontario, British Columbia, and Manitoba non-profit housing associations, Charlotte Home Builders, Greater Charlotte Apartment Association, Florida Housing Coalition, North Carolina Housing Finance Federation and Habitat for Humanity of Florida, to name a few. We are often asked to participate in educational forums, conferences, and events as experts in energy solutions, energy efficiency and fuel conversions, and flexible financial solutions.

Management Overview and Customer Transition Expertise

GHL is operated by three partners with well developed and complementary skills and experience allowing them to develop and operate innovative and unique customer solutions with the highest degree of customer service.

The partners each have over 30 years providing industry expertise ranging from managing contractors, logistics, administration, accounting, billing and collections, and technical competencies for providing

water heating and HVAC solution to residential and commercial customers. Management expertise includes equipment sizing and selection, installation, service and maintenance, 24/7 customer service operations, and developing programs designed to build life-long partnerships with customers, contractors, suppliers, manufacturers, and utility companies.

One of the partners, Bill Lane, spent over 10 years at Union Gas in Ontario building rental and leasing HVAC and water heating programs. Bill played an integral role in the implementation of the 1999 deregulation of Ontario natural gas services, one of North America's largest energy markets, and worked in senior management roles to successfully transition 1.2 million customers from Union Gas to Union Energy. This included the transfer of billing, service, and installation operations across numerous customer segments and a vast geography. Bill was a business development manager of community expansion projects and small acquisitions that helped transition the customers from Union Gas to Union Energy during deregulation in 1999.

In 2018, GHL worked with Liberty Utilities to acquire Liberty Utilities' regulated electric water heater portfolio. This process was facilitated and managed by GHL and Liberty Utilities directly from start to finish, with the two companies working together and with the New Hampshire Public Utilities Commission to ensure a smooth and convenient process for their customers.

The success of transitioning customers was highly successful and exceeded Liberty Utilities' expectations. Transitioning customers while ensuring continued high-service levels remained the key deliverables of the program. The portfolio has grown over the past year with more products and services offered to area residences and businesses.

Contractor Alliances & Management

GHL staff consists of service, installation, technical, sales, and administrative professionals delivering the highest quality of customer service through our North American network of Authorized Dealers. Our Authorized Dealers pass our on-boarding evaluation, are supported by a comprehensive 24/7 online GHL Authorized Dealer portal, and their performance and metrics are monitored on an ongoing basis. Our Authorized Dealers are fully insured and locally licensed gas technicians, installers, air conditioning mechanics, electricians, and plumbers. Typically, our Authorized Dealers use GHL leasing programs to enhance their equipment and service offerings to their respective customers.

GHL has a contractor onboarding process that takes between two and five days to complete. This process involves the contractor providing information regarding their business, including licensing and insurance information, as well as our dealer application. Contractors are required to agree to our service standards to ensure that we maintain the highest level of service and maintenance standards for our customers.

Customers

GHL services customers across a broad market spectrum including residential customers, to small, medium and large commercial customers. We are entrusted by government and non-governmental organizations to manage installation, ongoing servicing, proactive maintenance, and replacement of

water heating and HVAC assets as we maximize incentives, eliminate capital requirements, and solve service and efficiency challenges. GHL services provide the follow benefits to customers.

- No capital outlay required for equipment AND installation costs
- 100% protection against service parts and labor costs without limitations
- No additional extended warranty coverage or expense required
- Scheduled maintenance included – equipment safety and system integrity checks included
- Immediate energy savings
- Customer receives applicable qualifying incentives and rebates
- Easy monthly payments -- no hassle solutions
- Flexible options on length of term -enables budgeting flexibility
- End of term options include simple transition -for i) ownership, ii) replacement, iii) continued 100% worry-free service protection and maintenance coverage.

Recent customer projects entrusted to us include:

Municipalities, Regions, and Aboriginal Housing:

Wellington County	Native Housing Ontario
Haldimand County	Brantford Native Housing
City of Brantford	Urban Native Housing
City of Stratford	Native Tribunal London
Kingston Municipal Housing	

Non-Profit Organizations:

Jaycee Homes Non-Profit	Dereham Forge Housing
Cumberland Non-Profit	Mount Forest Non-Profit
Guelph Non-Profit	YWCA Supportive Housing
Cobourg Non-Profit	

Co-Operatives:

Little Falls Co-op	Westglen Co-op
Cole Road Co-op	Beechwood Co-op
Don Quixote Co-op	Fife Road Co-op Homes
Appleridge Co-op	
Wellington Square Co-op	
Chisolm Place Co-op	

GHL has the following utility marketing programs, rebate programs and/or lease program partnerships ongoing or in progress:

Florida Public Utilities
Union Gas
Liberty Utilities
PSNC North Carolina
Heritage Gas
TECO Energy Partners

Spire Energy
CenterPoint Energy
SoCalGas
Washington Gas
Fortis Gas BC
Piedmont Natural Gas