

**EXH. WTE-5
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-_____

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

WILLIAM T. EINSTEIN

ON BEHALF OF PUGET SOUND ENERGY

FEBRUARY 19, 2020

Asset Purchase Agreement Schedule 6.4

PSE / GHJ Transition Plan

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Transition Plan

Summary

Grand HVAC Leasing (“GHL”) and Puget Sound Energy (“PSE”) have drafted a mutually agreed upon Transition Plan and timeline that will make for a sound plan striving for flawless execution. Congruently, PSE and GHL want to successfully transition customers to GHL’s programs to ensure service and replacement of equipment is continued at the highest satisfaction level.

We believe regular and detailed customer communications and choices will help deliver the best results. Customers will be made aware, provided options, and informed of program changes and timelines. The timeline for transition will be dependent on the timing of Washington Utilities and Transportation Commission (WUTC) approval. PSE and GHL anticipate that four (4) months following regulatory approval is required to transfer customers to GHL prior to the close of the transaction. GHL has also developed a two (2) month post-close plan to allocate additional resources to transition customers post-close, to ensure customers have been well-informed, and have had time to make a sound decision.

PSE will consult and coordinate the action items and deliverables with GHL throughout the transition process. GHL will consult and manage such activities as, but not limited to:

- Identify key activities and dates
- Create detailed execution and communication plans
- Assign tasks and monitor deliverables and deadlines
- GHL staff and contact center process development and training specific to these customers, assets, and contractors
- Prepare or assist PSE in preparing communications materials and letters, such as
 - PSE Notice letter
 - PSE Transition Option Letter
 - GHL Welcome Letter
 - GHL Billing and Payments communication(s) including changes to Terms and Conditions
- Onboard existing contractors servicing the portfolio
- Actively manage the customer billing and payments conversion
- Provide updated customer acquisition information during the course of the transition

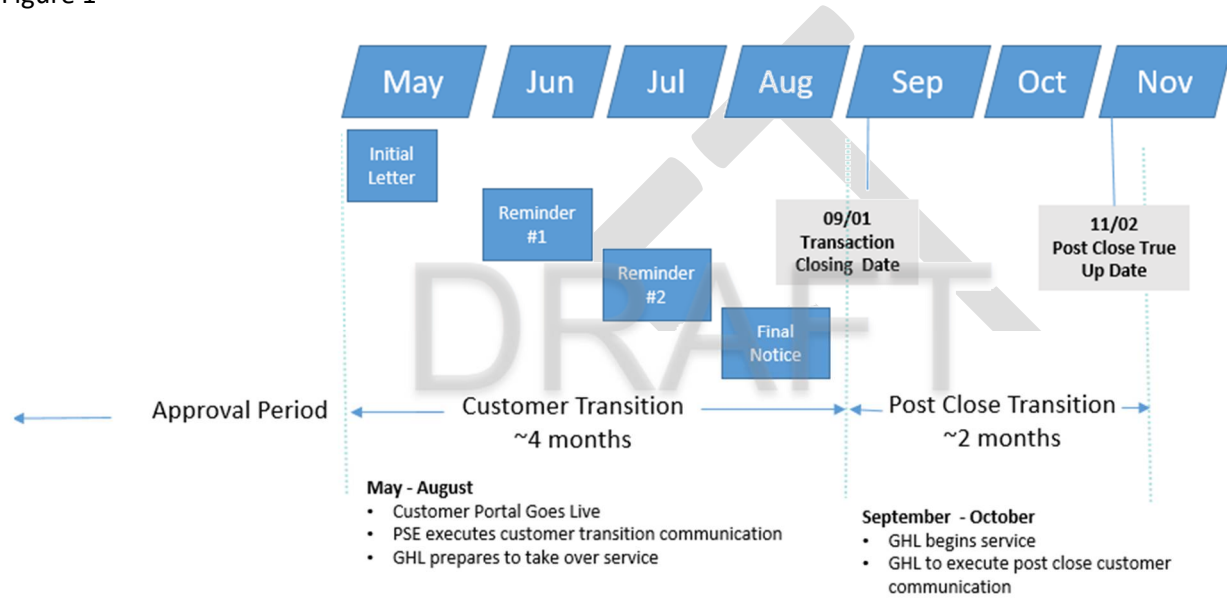
PSE and GHL will work collaboratively to execute the customer transition plan. All communications including customer communication, portals or webpages prior to close will be reviewed by both PSE and GHL prior to being available to customers, with approval not being unreasonably withheld by either party.

Timeframe

The expected minimum timeline to complete the transition is approximately four (4) months from the formal regulatory approval date. Figure 1 shows a high-level draft project plan that will be enhanced with additional detail as needed.

GHL has a working base of acquisition and transition information, process, and communications materials which support the detailed plan from previous acquisitions. Communication materials will be created to inform and advise customers of options, timelines and changes. This process will be repeated for the customers post-close to ensure that they understand their options and that they have sufficient time to enroll in the GHL platform for automatic billing and payment and sign new terms. Figure 1 below is a draft working timeline with more detailed plans and communications pieces to follow as the acquisition progresses.

Figure 1



Customer Transition & Support

PSE will have online and customer support available for customers to understand their options to transition to GHL or terminate their rental agreement. PSE will provide the link to the GHL online site or provide the number to call GHL to enroll and complete transition forms. PSE will process all termination requests without transfer to GHL.

The process for customers to enroll with GHL will be a relatively simple one, and customers will have the option to enroll via phone or using their computer, to make the process as flexible as possible. GHL will utilize live-answer agents to help aid in this transition, by being available for phone support during regular business hours. These agents will be specially trained to assist customers with the PSE transition, including answering customer questions, and guiding customers through the transition process (such as facilitating enrollment over the phone). GHL also will provide a specialized toll-free phone number for the transition customers to call to get support or to enroll.

GHL will also have online support available in the form of an easy-to-use online portal designed to help customers enroll quickly and easily. Customers will have the ability to view and agree to their new terms and conditions, enter contact and payment information, and access a list of Frequently Asked Questions and Answers.

Once a customer is enrolled, GHL will provide the customer with a confirmation email, plus a welcome letter sent by direct mail. This letter will contain information regarding the leasing program, a copy of their terms and conditions, and a sticker to put on their equipment. This sticker provides the customer with a toll-free number that customers can call for any service or billing issues that occur post-closing. More detail regarding the options that customers have during the transition can be found in Appendix A. Appendix B-D contains draft customer transition communications.

Post-Transition Plan

GHL and PSE have created a post-transition plan to help customers who desire to continue their rental service but did not complete enrollment with GHL prior to closing. This plan involves additional effort to contact customers on the part of GHL.

Following the close date, PSE will provide GHL with information defined as “Books and Records” for the customers who did not terminate their PSE rental agreement prior to close. GHL will then attempt to contact these customers for two (2) months post-closing to help them enroll into the GHL platform. Customers who indicate their decision by continuing to pay the monthly service fee to GHL after close, but who have not completed transition forms will receive the same service they received prior to the close until they terminate their rental agreement, which has been assigned to GHL. Customers who do not enroll or make a payment to GHL will have their lease terminated after two (2) months post-close.

Post-closing communications with customers who do enroll and complete the transition forms will include the aforementioned welcome letters.

Post-closing communications with customers who did not complete enrollment with GHL prior to closing, nor submit a payment under their existing PSE agreement, will include a series of direct mail and phone calls to remind customers to submit their transition forms, or GHL can walk them through options and selection while live on the call. GHL representatives will follow up with these customers to explain the transition and the value of the GHL leasing program. Customers who agree to transition within the two month post-close period will have the same options as the customers who transitioned prior to the close date including the continuance of the initial monthly rate for a minimum of 24 months.

Billing and Collections

The goal is to migrate each customer who chooses to transition to GHL to one (1) of the standard payments options as of the close date of the transaction. GHL has comprehensive and flexible billing, collections, and customer inquiry and support processes and capabilities. Working with PSE, GHL will work to transition all enrolled customers to one (1) of two (2) primary, cost-effective, paperless, and easy-to-use billing and payments solutions. GHL will offer check payments to those customers who are unable to pay via electronic options.

ACH/Direct Debit. Direct Debit allows fixed monthly customer payments to be automatically deducted from the customer’s bank account on a fixed day each month. It is a convenient way to pay, and ensures timely payment. GHL never charges the customer for these services and instead absorbs the fees into its operating costs.

Pre-Authorized Credit/Debit Card. GHL's preauthorized Credit/Debit Card payments processing gives customers the option to have their monthly payments charged automatically to VISA or MasterCard accounts. This method of payment is convenient, flexible, and paperless which is economical for both customers and GHL. GHL never charges the customer for these services and instead absorbs the fees into its operating costs.

Pay-by-Check. For those customers who are unable to provide a debit/credit card or banking information for automatic payments, GHL can process payments via check. A paper or electronic invoice is sent to the customer, who can then send a check directly to GHL for processing.

Service Repair, Maintenance, & Replacement

GHL expects to onboard existing and new service repair, maintenance, and installation contractors through their established Authorized Dealer onboarding process which typically takes between two (2) and five (5) days to complete. The on-boarding process includes determining the capabilities of the contractors to support customers and ensuring that all appropriate licensing and insurance coverage is maintained.

GHL's 24/7 Contact Center will be ready to direct any service and gas odor emergency calls to PSE once customer communications begin to handle any inquiries that may come in before PSE and GHL formally transition service calls and dispatching operations to GHL. Working with PSE, customer communications will feature highly visible GHL contact information and simple instructions on how a customer may report or inquire about service twenty-four (24) hours per day, and seven (7) days per week after the transition of service.

GHL monitors established and proven service standards with each of our Authorized Dealers including customer communication, diagnosis, and repair/restart/replace resolution. GHL's detailed processes and standards are documented in agreements established with each Authorized Dealer during onboarding and follow GHL installation and service operations principles as set forth below:

- 100% Customer, Employee, and Technician safety
- Proactive communication
- Excellent customer service – “Do it Right, Make it Right”
- Fast service response time
- Fixed right first time - quick problem resolution
- Total respect for customers and their property, and employees
- Continued process adherence

Equipment location (and customer, if different) address and equipment information are stored in GHL's systems which connect each location to the servicing Authorized Dealer, so that inbound service call dispatching and resolution are fast and efficient. The Authorized Dealer is issued a unique Service Authorization Number for each call dispatched and they will reference that Service Authorization Number on their invoice to GHL. Payments by GHL are made by means agreed to by the Authorized Dealer and

GHL – typically via electronic funds transfer or paper check. Customers never pay for service parts and labor repair calls due to normal wear and tear. At the time of equipment replacement, the customer will migrate to a new GHL lease agreement.

GHL minimum Service Standards meet the existing standard set by PSE for responding to customer requests as shown below.

| Call Description | Priority Call Status | Contact Customer (Regular Hours) | Contact Customer (After Hours*) | Service Provided ** (Response) |
|---|----------------------|----------------------------------|---------------------------------|--------------------------------|
| Water Leaking (potential damage) | Emergency | Within 1 hour | Within 1 hour | Within 4 hours |
| No hot water | Standard | Within 2 hours | Next AM | Within 24 hours |
| Water Leaking (no damage) | Standard | Within 2 hours | Next AM | Within 24 hours |
| All other calls | Standard | Within 2 hours | Next AM | Within 24 hours |
| * After hours starts at 5PM Monday to Friday and all weekend. ** Service Provided (Response): There may be certain times of the year that service call volumes are extreme due to severe weather conditions, and service response times may slightly exceed 24 hours. Customers are to be advised and forewarned when these conditions are possible. | | | | |

Service stickers will be provided to customers to be placed on each piece of GHL rental equipment.



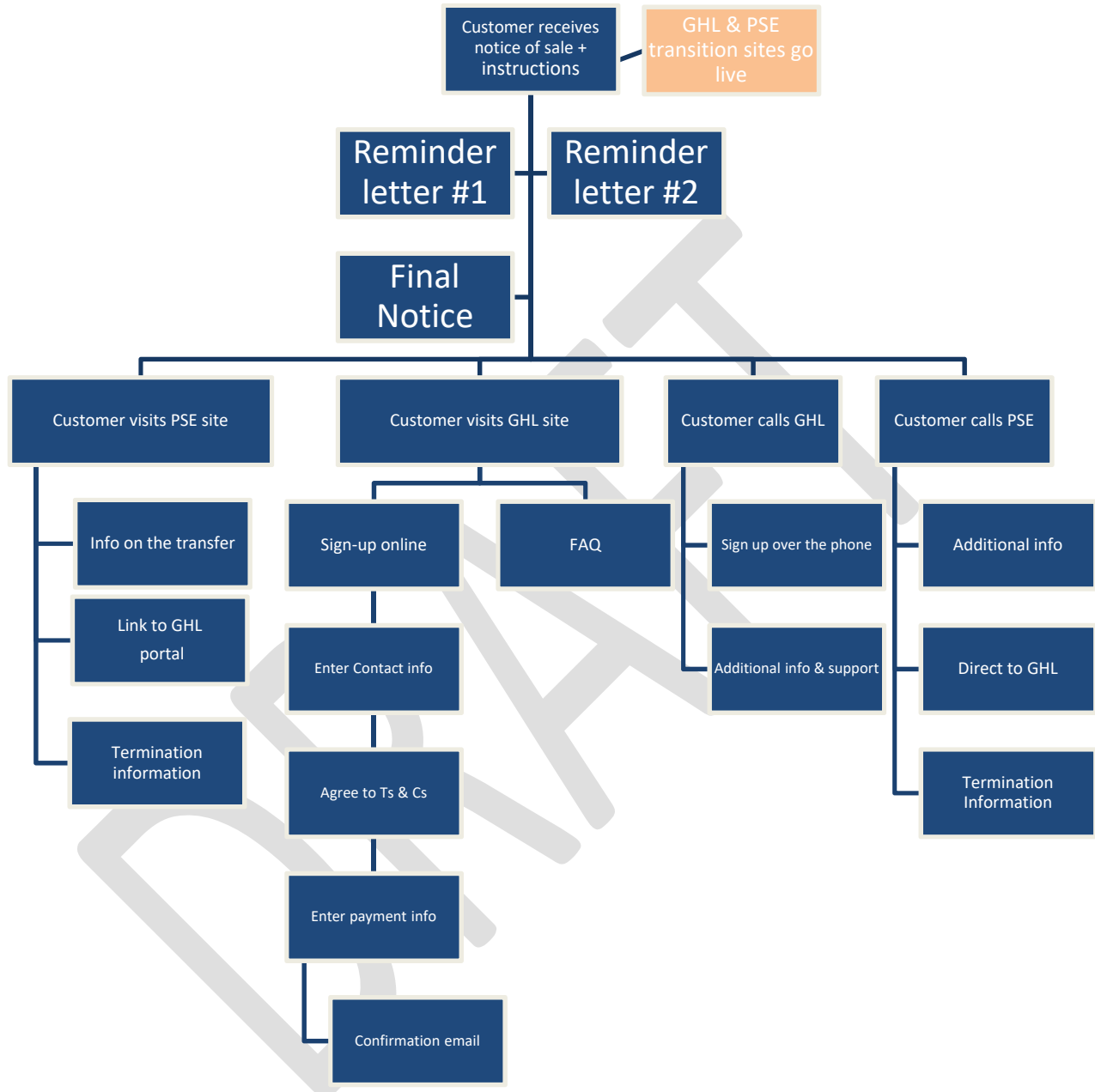
Customer Transition Options

Customer Enrollment: Customers will have the option to enroll and complete the transition forms with GH L via phone or online. Customers who enroll will be required to provide their contact and billing information to GH L, and will receive a welcome letter, a copy of their new contract, and a service sticker for their equipment. These customers will enjoy the same service that they did with PSE prior to closing, with 100% service parts and labor coverage.

Termination: Customer will have an option to terminate their existing rental agreement with PSE. This option will be available to customers during the transition period until the closing date. Customers will be able to terminate their assigned lease agreement after closing by contacting GH L.

Post-Closing: All customers who did not terminate their rental agreement during the transition period will be automatically transitioned to GH L's program. For those customers who have not yet enrolled in the GH L platform, GH L will continue to attempt to contact these customers for a two-month period post-closing to enroll and complete the transition forms.

Appendix A: Customer Options



Appendix B – Draft Initial Customer Transition Letter



Puget Sound Energy
P.O. Box 97034
Bellevue, WA 98009-9734
PSE.com

[DATE]
[CUSTOMER NAME]
[MAILING ADDRESS]

Lease Equipment: [EQUIPMENT NUMBER]
Service Address: [SERVICE ADDRESS]
Account Number: [ACCOUNT NUMBER]

Dear Valued Customer,

Our records indicate you are currently leasing a water heater from Puget Sound Energy (PSE) as identified above. If this information is incorrect, please contact Lease Services at 1-800-421-7368 so that we may update our records.

The purpose of this letter is to inform you of changes to PSE's gas water heater rental service. As of [date], [name of buyer] will be taking over PSE's water heating rental service. [Buyer] is a leader in providing residential and commercial equipment rentals with worry-free equipment protection across North America. This means you enjoy 100% parts and labor coverage with your [Buyer] rentals for as long as you remain on the program. Enclosed is some additional information on [Buyer].

We are committed to making the transition of your water heater rental to [Buyer] as seamless as possible. [Buyer] will provide you the same reliable worry-free hot water you have enjoyed with PSE, and your monthly rental rate for your equipment will be \$xx.xx for a minimum of two (2) years.

As we move forward with this transition, there are a few steps that need to be taken by you to ensure continued water heating protection.

Enrollment

You have two (2) ways of enrolling in [Buyer]'s program: online or by phone.

To Enroll Online (Internet Access Required)

To enroll online, please visit www.ghlsolutions.com

You will be asked to fill in your personal information and billing information. [Buyer] offers direct withdrawal from your account or charge to your credit/debit card, so you do not have to worry about receiving a delivered bill and paying your bill on time.

Finally, you will be asked to review and agree to the new and updated terms and conditions. You will have the opportunity to print or save this document as well.

To Enroll via Phone (No Internet Access Required)

To enroll over the phone, please call us at 1-855-754-0530 and [Buyer] support staff will complete the necessary steps for you over the phone to get signed up. No computer or internet access is required from you. You will then be emailed or direct mailed any and all required documentation.

Regardless of when you sign up, [Buyer] will not be taking over your rental water heater service until [date], 2020. Prior to that date, please contact PSE for any billing or service-related issues.

Ending Your Lease

If you choose not to continue your rental service with [Buyer], you must end your lease agreement with PSE prior to [date]. To end your lease agreement, you can 1) pay the remaining balance of \$XXX.XX to take ownership of the water heater, or 2) schedule a time for PSE to remove the water heater. Please visit pse.com/pages/lease-services to start the process to end your lease online, or call Lease Services at 1-800-421-7368.

If you have any questions about this change, please visit pse.com/pages/lease-services for more information or call Lease Services at 1-800-421-7368.

Thank you for being a lease services customer.

Sincerely,

Lease Services
Puget Sound Energy



1-855-754-0530
www.ghlsolutions.com
service@grandhvacleasing.com

Welcome to Grand HVAC Leasing!

GRAND HVAC Leasing USA LLC ("GHL") is excited to provide the same reliable worry-free hot water you have enjoyed with Puget Sound Energy (PSE). As of [date], Grand HVAC Leasing will be taking over PSE's rental water heater customers.

We are committed to making the transition of your water heater rental to GHL as seamless as possible. *We welcome you and your family to our family.* GHL is a leader in providing residential and commercial equipment rentals across North America. With GHL, you will continue to receive the same service with 100% parts and labor coverage as you did prior to the transition.

ACTION: Please set up your account with GHL as soon as possible to continue your worry-free water heater rental service. See the enrollment options below

Enrollment Options

You have two options for enrolling in GHL's program, either online or by phone.

Option 1: Enroll Online (Internet Access Required)

1. Visit www.ghlsolutions.com
2. Fill in your contact information
3. Fill in your billing information
4. Review & save your new contract

You will receive your confirmation email immediately following your sign-up.

Option 2: Enroll via Phone (No Internet Access Required)

1. Call 1-855-754-0530
2. Provide your contact information
3. Provide your billing information
4. Review your new contract over the phone

You will receive your confirmation over the phone immediately following your sign-up.

Thank you for signing up! Please note, GHL will not be taking over your rental water heater service until [date]. Prior to that date, please contact Puget Sound Energy for any billing or service related issues.

Following [date], you will contact GHL directly at 1-855-754-0530 for any billing, service, or maintenance related needs.

GRAND HVAC LEASING USA LLC
100 South Ashley Drive Suite 600, Tampa, FL 33602
TEL: 1-855-754-0530, FAX: 1-289-337-2899
www.grandhvacleasing.com

Appendix C – Draft Reminder Letter 1 & 2



Puget Sound Energy
P.O. Box 97034
Bellevue, WA 98009-9734
PSE.com

[DATE]
[CUSTOMER NAME]
[MAILING ADDRESS]

Lease Equipment: [EQUIPMENT NUMBER]
Service Address: [SERVICE ADDRESS]
Account Number: [ACCOUNT NUMBER]

Dear Valued Customer,

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We are committed to making the transition of your water heater rental to [Buyer] as seamless as possible. [Buyer] will provide you the same reliable worry-free hot water you have enjoyed with PSE, and your monthly rental rate for your equipment will be \$x.xx for a minimum of two (2) years.

As we move forward with this transition, there are a few steps that need to be taken by you to ensure continued water heating protection.

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To enroll online, please visit www.ghlsolutions.com

You will be asked to fill in your personal information and billing information. [Buyer] offers direct withdrawal from your account or charge to your credit/debit card, so you do not have to worry about receiving a delivered bill and paying your bill on time.

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Regardless of when you sign up, [Buyer] will not be taking over your rental water heater service until [date]. Prior to that date, please contact PSE for any billing or service-related issues.

Ending Your Lease

If you choose not to continue your rental service with [Buyer], you must end your lease agreement with PSE prior to [date]. To end your lease agreement, you can 1) pay the remaining balance of \$XXX.XX to take ownership of the water heater, or 2) schedule a time for PSE to remove the water heater. Please visit pse.com/pages/lease-services to start the process to end your lease online, or call Lease Services at 1-800-421-7368.

If you have any questions about this change, please visit pse.com/pages/lease-services for more information or call Lease Services at 1-800-421-7368.

Thank you for being a lease services customer.

Sincerely,

Lease Services
Puget Sound Energy



1-855-754-0530
www.ghlsolutions.com
service@grandhvacleasing.com

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GRAND HVAC Leasing USA LLC ("GHL") is excited to provide the same reliable worry-free hot water you have enjoyed with Puget Sound Energy (PSE). **As of [date], Grand HVAC Leasing will be taking over PSE's rental water heater customers.**

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ACTION: Please set up your account with GHL as soon as possible to continue your worry-free water heater rental service. See the enrollment options below

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3. Fill in your billing information
4. Review & save your new contract

You will receive your confirmation email immediately following your sign-up.

Option 2: Enroll via Phone (No Internet Access Required)

1. Call 1-855-754-0530
2. Provide your contact information
3. Provide your billing information
4. Review your new contract over the phone

You will receive your confirmation over the phone immediately following your sign-up.

Thank you for signing up! Please note, GHL will not be taking over your rental water heater service until [date]. Prior to that date, please contact Puget Sound Energy for any billing or service related issues.

Following [date], you will contact GHL directly at 1-855-754-0530 for any billing, service, or maintenance related needs.

GRAND HVAC LEASING USA LLC
100 South Ashley Drive Suite 600, Tampa, FL 33602
TEL: 1-855-754-0530, FAX: 1-289-337-2899
www.grandhvacleasing.com

Appendix D – Draft Final Letter



Puget Sound Energy
P.O. Box 97034
Bellevue, WA 98009-9734
PSE.com

[DATE]
[CUSTOMER NAME]
[MAILING ADDRESS]

Lease Equipment: [EQUIPMENT NUMBER]
Service Address: [SERVICE ADDRESS]
Account Number: [ACCOUNT NUMBER]

Dear Valued Customer,

WATER HEATER RENTAL PROGRAM – FINAL NOTICE OF SERVICE TRANSFER

We have recently sent you letters regarding your water heater rental service and our records indicate you have not enrolled with [Buyer] or terminated your water heater rental service. Effective [date], [buyer] will be taking over PSE's rental water heating service and your lease agreement and service will be transferred to [buyer] unless you choose to terminate your agreement with PSE.

To avoid any interruption of your water heater rental service, you will need to enroll with the [buyer]. You have two options:

- 1) **Enroll Online (Internet Access Required)**
To enroll online, please visit www.ghlsolutions.com
- 2) **Enroll via Phone (No Internet Access Required)**
To enroll over the phone, please call [buyer] at 1-855-754-0530

If you do not enroll, your rental agreement will be transferred to [buyer], and your payments and service will continue, however, you will begin receiving a paper bill from [buyer] in the mail after [date]. Enrollment is required with [buyer] in order to make debit or credit card payments.

Ending Your Lease

If you choose not to continue your water heater rental service with [Buyer], you must terminate your lease agreement with PSE prior to [date]. To end your lease agreement, you can 1) pay your remaining balance of \$XXX.XX to take ownership of the water heater, or 2) schedule a time for PSE to remove the water heater. Please visit pse.com/pages/lease-services to start the process to end your lease online, or call Lease Services at 1-800-421-7368.

Following [date], you will not be able to end your lease agreement by contacting PSE or take advantage of a cost-free removal, and will be responsible for terminating your service with [buyer].

Thank you for being a lease services customer.

Sincerely,

Lease Services
Puget Sound Energy

DRAFT