



August 29, 2017

Steven V. King
Executive Director
Washington Utilities and Transportation Commission
P.O. Box 47250
1300 S. Evergreen Park Dr. SE
Olympia, WA 98504-7250

RE: Puget Sound Energy tariff revision, Dockets UE-170033

Dear Mr. King:

King County and the cities of Issaquah, Mercer Island, and Snoqualmie are commenting jointly on revisions proposed by Puget Sound Energy (PSE) in Docket UE – 170033 to Tariff WN U-60, Tariff G, Electric Service currently in effect. We are providing these comments as elected officials representing King County and city residents, many of whom are customers of Puget Sound Energy's electric and natural gas services. We seek equitable distribution of the costs to retire PSE's ownership of the Colstrip coal fired power plant, support Utilities and Transportation Commission (UTC) and PSE action to accelerate the closure of all operating units at the site, and offer our partnership for further efforts to replace these energy sources with clean, renewable energy.

Confronting climate change and accelerating a transition to a clean energy economy is a top priority for King County and cities in its jurisdiction. We have established shared, formal targets to reduce greenhouse gas emissions by at least 50 percent by 2030 and 80 percent by 2050. Partners of the King County-Cities Climate Collaboration (K4C) have also mapped out a set of Joint County-City Climate Commitments to get the region on track toward these ambitious targets. To meet these climate goals, King County and signatories to the K4C Joint Commitments have set a target of increasing countywide renewable electricity use to 90 percent by 2030, working with utilities and regulators to phase out coal-fired electricity sources by 2025, and limiting the construction of new natural gas-based electricity plants.

Working in partnership with Puget Sound Energy, we have made investments and commitments to improve energy efficiency and increase the supply of renewable energy. At King County government alone, energy efficiency investments and conservation actions have helped the County achieve a greater than 20 percent greenhouse gas reduction in facilities that have been in operation since 2007. King County and the cities of Mercer Island and Snoqualmie, along with multiple other municipalities, public agencies, and businesses, have

enrolled in Puget Sound Energy's innovative Green Direct tariff, which will supply renewable wind power from a new facility in Western Washington starting in 2019.

These steps are in the right direction for meeting our individual jurisdiction's energy efficiency, renewable energy, and climate change goals. However, as this region grows, we cannot achieve our community-scale goals for climate and energy without transition from coal to renewable energy as a significant percentage of PSE's electricity supply for our region. We thank Puget Sound Energy for its work to schedule closure of Colstrip Units 1 and 2 by mid-year 2022.

With respect to the current rate case, we have an interest in equitable distribution of all costs to retire Colstrip Units 1 and 2 among ratepayers, including ensuring that asset valuation and depreciation expense reflect accelerated closure by 2022. Current customers should pay their fair share of Units 1 and 2 until retirement. We are concerned that the proposed rate structure asks ratepayers who will use Units 1 and 2 of the plant for only the next 4 ½ years, less than 10 percent of the life of the plant, to pay for depreciation expenses for nearly 50 percent of the net book value of those units.

We also seek and support UTC and PSE action to accelerate the closure and clean-up of Colstrip Units 3 and 4. The rate case proposal reflects potential operation of Colstrip Units 3 and 4 through 2035. We acknowledge that Puget Sound Energy is one of several owners of Units 3 and 4 and lacks unilateral control over plant closure timeline. We request that the related Integrated Resource Planning process require assessment of costs, risks, and benefits for extended operation versus an accelerated timeline for closure. Having this information would provide transparency for rate payer impacts, support a more orderly and just transition for workers, and facilitate analysis of options for replacement with renewable energy.

Local climate action is more important than ever, and comprehensive solutions will require collaboration of local governments, regulatory bodies, utilities, and businesses and residents. We recognize that there are current policy barriers to an accelerated transition from fossil fuels to renewable energy in Washington State. We appreciate recent work of the UTC – through its review of policies related to vehicle electrification and approval of PSE's Green Direct Green Tariff – to update state regulatory frameworks to better support an accelerated transition from fossil fuels to clean energy. We stand ready to work with the UTC, utilities, and other stakeholders to better align state energy regulations with the rapidly evolving landscape for renewables and to position Washington State to lead on clean energy economic development.

King County and partner cities Issaquah, Mercer Island, and Snoqualmie have a long term interest in the health, well-being, and economic opportunities of our residents. We thank the Utilities and Transportation Commission for the opportunity to provide comments on the current PSE rate case.

Sincerely,



Dow Constantine
King County Executive



Mayor Fred Butler
City of Issaquah



Mayor Bruce Bassett
City of Mercer Island



Mayor Matt Larson
City of Snoqualmie