

**Docket Nos. UE-180899 and UG-180900 (Consolidated) -  
Vol. II**

**Washington Utilities and Transportation Commission v.  
Puget Sound Energy**

**February 5, 2019**



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BEFORE THE WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION

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WASHINGTON UTILITIES AND ) DOCKET NOS. UE-180899 and  
TRANSPORTATION COMMISSION,) UG-180900  
) )  
Complainant, ) )  
) )  
vs. ) )  
) )  
PUGET SOUND ENERGY, ) )  
) )  
) )  
Respondent. ) )

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PUBLIC COMMENT HEARING, VOLUME II

Pages 20-37

CHAIRMAN DANNER, COMMISSIONER RENDAHL AND  
COMMISSIONER BALASBAS

February 5, 2019

6:00 P.M.

Washington Utilities and Transportation Commission  
1300 South Evergreen Park Drive Southwest  
Olympia, Washington 98504

REPORTED BY: TAYLER GARLINGHOUSE, CCR 3358

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1 A P P E A R A N C E S

2 COMMISSIONERS:

3 DAVID DANNER, Chairman  
4 ANN E. RENDAHL, Commissioner  
5 JAY BALASBAS, Commissioner  
6 Washington Utilities and  
7 Transportation Commission  
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19 \* \* \* \* \*

1 OLYMPIA, WASHINGTON; FEBRUARY 5, 2019

2 6:00 P.M.

3 --oOo--

4 P R O C E E D I N G S

5

6 CHAIRMAN DANNER: All right. Good evening.

7 We are here for the public hearing on Puget Sound

8 Energy's expedited rate filing, and these are Dockets

9 UE-180899 and UG-180900.

10 Today is February 5th, 2019, and this is a

11 hearing of the Washington Utilities and Transportation

12 Commission.

13 My name is Dave Danner, I'm Chair of the

14 Commission. I'm joined by my colleagues, Commissioner

15 Ann Rendahl and Commissioner Jay Balasbas.

16 So last November, Puget Sound Energy filed

17 what is called an expedited rate filing with the

18 Utilities and Transportation Commission. An expedited

19 rate filing, or an ERF, is a mechanism by which a

20 utility can seek a revision to its electric or natural

21 gas rates on a faster timeline than a usual general rate

22 case.

23 ERFs are generally limited on what the

24 utility can ask for. For example, they do not involve

25 changes to a company's return on equity, they cannot

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1 seek a rate increase greater than 3 percent, and  
2 generally must be filed within a short period after a  
3 general rate case.

4 In this case, Puget Sound Energy filed an  
5 ERF on November 8th, 2018, seeking a 0.9 percent  
6 increase in electric rates and a 2.7 percent increase in  
7 natural gas rates. This would translate basically to a  
8 dollar a month increase for the average residential  
9 consumer and \$1.58 to the natural gas residential  
10 customers.

11 Besides Puget Sound Energy, there are  
12 several parties that are participating in this case, and  
13 those include the UTC Staff, which operates as a  
14 separate party from the Commissioners that you see  
15 before you who are acting as judges in this case; Public  
16 Counsel units of the Attorney General's Office  
17 represents the residential and small business customers  
18 of the utility; the Alliance of Western Energy Consumers  
19 which represent the industrial and large commercial  
20 customers; The Energy Project represents low income  
21 consumers; Nucor Steel and the Federal Executive  
22 Agencies who are customers of Puget Sound Energy.

23 All of these parties have agreed on a  
24 proposed settlement in this case. The UTC must now  
25 review that settlement and determine whether to accept,

1 reject, or modify the proposed settlement. In this  
2 regard, we act as judges, we'll make a decision based on  
3 the extensive record that has been developed in this  
4 case.

5           The settlement covers a number of  
6 significant issues. Public Counsel has provided a fact  
7 sheet, which is available by the door, and I think  
8 actually summarizes the proposed settlement. I won't go  
9 through every subject on the proposed settlement that is  
10 on the sheet, but I want to point out the rate impacts.

11           On the electric side, the company would see  
12 no change in its revenue requirement after offsetting --  
13 offsetting the effect of passing back the protected plus  
14 excess deferred income taxes to customers. On the gas  
15 side, the company would see an increase in revenue of  
16 21.5 million or about 2.9 percent, which translates  
17 roughly to \$1.50 a month for the typical residential  
18 customer.

19           An important part of our review in this  
20 proposal is to read the written comments and hear the  
21 in-person comments of Puget Sound Energy customers who  
22 are most directly impacted by these proposed rate  
23 changes. We have, I understand, received  
24 several-hundred written comments from customers, and I  
25 want to thank everyone who came out tonight to share

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1 their thoughts with us and let you know that we take  
2 your opinions seriously in our deliberations.

3 I want to introduce the Public Counsel for  
4 the State of Washington. Lisa Gafken is to our right.  
5 If you have any questions about this case, do not direct  
6 them to us, but I will ask you to direct them either to  
7 our Staff or to Public Counsel.

8 So with that, we have as I said, I think  
9 somewhere around 700 written comments filed already in  
10 this case, excuse me, but we also have a few people who  
11 have attended tonight. I think we have just one person  
12 who is signed in who wants to speak.

13 So without further adieu, Mr. Walter Rose,  
14 would you like to come forward?

15 MR. ROSE: I didn't sign in to speak.

16 CHAIRMAN DANNER: You did not?

17 MR. ROSE: No, I just signed in normal under  
18 the -- the rules.

19 CHAIRMAN DANNER: Okay. And, Jared Ross,  
20 you also signed -- you don't want to speak?

21 MR. ROSS: No, I'm good, thank you. I'm  
22 just here to listen.

23 CHAIRMAN DANNER: Okay. Well, you're not  
24 going to listen to much since we --

25 MR. ROSS: I see.



1                   CHAIRMAN DANNER: Okay. So let me check and  
2 see if there's anybody on the bridge line who is calling  
3 in to provide comments tonight. Anybody on the phone?

4                   All right, then. That appears to be the  
5 testimony that we are going to take tonight. We have  
6 nobody signed in to speak, so we are going to take the  
7 written comments under advisement as we proceed in this  
8 case. We are going to review the written record in this  
9 case, and we will be making a decision based on that  
10 written record.

11                   So unless my colleagues have any comments or  
12 unless there's anything else to come before the  
13 Commission tonight, that is --

14                   Yes, Ms. Gafken?

15                   MS. GAFKEN: Chair Danner, I just wanted to  
16 note for the record that there was a mistake in the  
17 handout that Public Counsel prepared. At the end of the  
18 handout, I noted that there was a hearing on February  
19 15th, however, that hearing is actually for a different  
20 Puget matter and not this one.

21                   CHAIRMAN DANNER: Right, and so we will be  
22 making our decision in this case on the basis of written  
23 record. So I appreciate that clarification.

24                   All right. Anything else to come before the  
25 Commission tonight? Then thank you for coming out.

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1 Yes, Mr. Rose?

2 MR. ROSE: I just have one question.

3 CHAIRMAN DANNER: Do you want to come  
4 forward and -- and speak in the microphone? And your  
5 name, sir?

6 MR. ROSE: Walter Rose.

7 CHAIRMAN DANNER: Okay.

8 MR. ROSE: I just have one question. This  
9 is my first time being at one of these meetings, see as  
10 how I lived most of my life over in Europe. And how --  
11 I just want to know, how much weight does the -- like  
12 myself or anybody else that comments and like that, how  
13 much weight does that really carry?

14 CHAIRMAN DANNER: Well, thank you. I can  
15 speak only for myself. The way these hearings work is  
16 we have an extensive written record that is developed by  
17 the companies putting together a record of what they  
18 consider to be their necessary revenue requirements.  
19 They submit their proceedings to the Commission, it is  
20 then reviewed by other parties, by statute Public  
21 Counsel and Commission Staff, and then through a  
22 granting of intervention status to other parties such  
23 as, in this case, Nucor Steel or The Energy Project  
24 representing low income.

25 So they will all present written testimony.

1 Then we also receive comments from the public, and as I  
2 said, we've received more than 700 comments. And  
3 generally, when you say how much weight do they carry,  
4 you know, it varies on the value. Some -- some of their  
5 comments are -- provide very good information, others  
6 may have less probative value. I take them all  
7 seriously because people such as yourself who are  
8 customers with the company are most directly impacted.

9 So we do want to hear what you say, we do  
10 take it into consideration. It's very important to me,  
11 speaking for myself, and so we schedule these -- these  
12 hearings in almost every rate case. It's important that  
13 we hear what folks have to say.

14 MR. ROSE: Thank you.

15 CHAIRMAN DANNER: So -- and in addition to  
16 your direct comments to us, you are -- you are also  
17 represented through the Public Counsel who represents --  
18 Ms. Gafken represents your interest in front of the  
19 Commission. So if you have concerns that you want to  
20 express to her, you're welcome to do that as well and  
21 then those get conveyed to us.

22 MR. ROSE: Okay.

23 CHAIRMAN DANNER: So -- and I don't know if  
24 my colleagues have anything to add, but I'm -- speaking  
25 for myself, I think that --

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1 MR. ROSE: You pretty much answered my  
2 question.

3 CHAIRMAN DANNER: All right.

4 MR. ROSE: It's a little bit different here  
5 than it is in Europe.

6 CHAIRMAN DANNER: Yeah.

7 MR. ROSE: With the utilities and like that.

8 CHAIRMAN DANNER: So do the utilities in  
9 Europe do similar hearings?

10 MR. ROSE: They do have hearings, few and  
11 far between.

12 CHAIRMAN DANNER: Mm-hmm.

13 MR. ROSE: But the only thing really  
14 different from here to there is here you pay every --  
15 whatever you use. Over there, you pay a certain amount  
16 every month, and then at the end of the year they  
17 calculate everything up and either you're gonna have to  
18 pay or you get money back.

19 CHAIRMAN DANNER: Interesting. Well, we  
20 have -- we have developed our system over the last --  
21 the Utilities Commission here was founded in 1905, and  
22 so our processes have developed in time, and I believe  
23 they're a little more modern than they were in 1905, but  
24 we're -- we're -- we're trying to -- still trying to  
25 figure out the best way to -- to go forward.

1 I appreciate your being here. I -- you  
2 know, we have these hearings, sometimes we will have  
3 several-hundred people show up for a hearing; other  
4 times, not so many. Because I think this was an  
5 expedited rate filing and not a full-blown rate case,  
6 participation is a little subdued tonight.

7 MR. ROSE: And one other thing I would like  
8 to bring up if possible.

9 CHAIRMAN DANNER: Yes, sir.

10 MR. ROSE: The address here is very, very  
11 hard to find. I think it would behoove everybody if  
12 there was a sign out there with the address 1300 on it.

13 CHAIRMAN DANNER: Yeah, there -- there  
14 actually is. I'm not sure it's visible, but we have  
15 decided to rectify that situation by actually moving to  
16 Lacey, and so we will be over in Lacey next June. And  
17 we will be shining a spotlight on our new address and  
18 make sure that you can find it.

19 MR. ROSE: Well, I -- I know Lacey  
20 pretty -- pretty good. I live there.

21 CHAIRMAN DANNER: Okay. So we'll be moving  
22 to the Woodland Square Loop, you know, over across the  
23 street from Ricardo's and that area.

24 MR. ROSE: Okay.

25 CHAIRMAN DANNER: So anyway, I'm sure you'll

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1 be able to find us there.

2 MR. ROSE: I will.

3 CHAIRMAN DANNER: All right. Well, thank  
4 you, sir. And I really do appreciate your coming out  
5 tonight.

6 MR. ROSE: Appreciate the chance to talk.

7 CHAIRMAN DANNER: All right. Thank you.

8 Okay. Anything else to come before the  
9 Commission tonight? Then I believe we are going to  
10 adjourn. Thank you, everyone.

11 (Pause in the proceedings.)

12 CHAIRMAN DANNER: Mr. Elliott, looks like  
13 you have some comments you'd like to share with us  
14 tonight?

15 MR. ELLIOTT: Just, you know, I always  
16 appreciate these opportunities, and not a lot of people  
17 come, so thank you for your time to make these  
18 available.

19 So I really just wanted to comment -- my  
20 name is Scott Elliott. I've been in Olympia since the  
21 mid '90s, grew up near SeaTac, and living here during  
22 this time, we haven't purchased any property, but we've  
23 still been renting, and I've just seen the cost of rent  
24 go up. And my concern is -- and I think this was  
25 something that I've talked to the PUD before for water

1 and things like that, is that just kind of curious to  
2 see what's being done in regards to multihousing family  
3 units.

4 I know that the PUD was also expressing some  
5 concerns about conservation and things like that. And  
6 especially since Olympia has since seen an increase of  
7 apartment complexes and multifamily units, and the  
8 little ones -- or the ones that have been here are  
9 getting older.

10 I'm renting right now. We started paying  
11 rent I think it's -- well, it's gone up probably about  
12 25 percent in the last two or three years. And as this  
13 happens --

14 CHAIRMAN DANNER: I'm sorry, what was that  
15 again? It went up how much?

16 MR. ELLIOTT: It's probably gone up about by  
17 25 percent. We moved into our current duplex on Cooper  
18 Point, which is down on 44th, there's some on 43rd  
19 Street on Cooper Point, and I think there's maybe  
20 about -- I don't know, say, about maybe 50 or 60 units  
21 or more there that are spread out as part of a  
22 planned -- a while back.

23 But -- and I've noticed there's been a lot  
24 of people that have been struggling that have been  
25 having to leave. I know there's -- one of our neighbors

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1 is being evicted at the end of this month to move in  
2 somebody -- to renovate. And then, you know, increase  
3 of price from a three-bedroom duplex probably increasing  
4 it from 11 hun- -- or I think 1100 to 1300. And my --  
5 my big concern is that is, what kind of measures are  
6 being done for people that are renting multifamily  
7 units.

8           What I see is that when people move out or  
9 forced out, their lease is over, the homeowners come in,  
10 they get the rebates on the ener efficient -- energy  
11 efficient washers or dryers, the refrigerators,  
12 double-paned windows if they hadn't done that,  
13 insulation, maybe duct systems. And then what happens  
14 is they pocket that money and then they increase the  
15 rents. And so now technically you might be paying -- I  
16 think our bill -- electricity bill this month is \$177.  
17 Or maybe an average of maybe about \$80 each month.  
18 We're getting some savings on energy, but then our  
19 rent's gone up now about a hundred dollars or more than  
20 that.

21           So, you know, kind of attitude is you can  
22 blame the rich, but you end up punishing the poor with a  
23 lot of policies, because I just -- it's happening like  
24 just literally every week where we live where somebody's  
25 buying the property duplex, they're living in half of



1 it, then they're renovating the other half, kicking the  
2 tenants out, getting energy efficiency savings in it,  
3 and then jacking up the rents.

4           And so I'm just curious, I know this isn't  
5 directly with electricity, but one, if one of the goals  
6 is to do energy conservation, I, as a renter, really  
7 don't have any reason to rent -- to be energy efficient.  
8 I have a reason to save money on my heating cost, but I  
9 actually don't report stuff to the landlords because  
10 they're going to charge money as an excuse to increase  
11 the rent, they're going to decide to do more energy  
12 efficiency, increase the rent, and actually so it's --  
13 that's just what I was going to say is.

14           Increasing the energy is already going to  
15 exacerbate middle income, low income families in  
16 multi-units. We can't get any -- we don't -- I mean,  
17 put some foam on the side when it gets really cold for  
18 the door jams, but we can't do anything. We don't have  
19 any investment in it, and the more that you do some of  
20 these energy efficient programs, it actually makes it  
21 worse for us renters because it's putting money back in  
22 the pockets and increasing the value and increasing the  
23 rents on that part.

24           At least that's what I've seen, and I've  
25 always wanted to say something about that. Because I

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1 let my -- or actually, we let our landlords know that  
2 there was a refrigerating program a while back for a  
3 certain year. Ours wasn't it, but our next-door  
4 neighbor's was and they changed out the refrigerator,  
5 they put a new one in that was actually lower quality,  
6 smaller, and then, you know, there's no reason --  
7 there's -- absolutely don't have any reason to do energy  
8 conservation on that part of it, on that piece. And so  
9 I just saw this opportunity that was a -- as the cost  
10 goes up to come and speak about that.

11 CHAIRMAN DANNER: I appreciate you coming  
12 out and sharing that with us. So we will be taking this  
13 under advisement. This isn't -- unfortunately, a public  
14 hearing conference -- con- -- hearing -- public comment  
15 hearing, I can't really engage you in a -- in a dialogue  
16 or ask questions. We're more just sort of here to  
17 listen, but I wanted to let you know that we will -- we  
18 will take this under advisement. This is an issue that  
19 I know is not new, but I appreciate you bringing  
20 attention to it and we will -- we will look at it.

21 Do either of my colleagues have questions  
22 for Mr. Elliott?

23 All right. Thank you very much for coming  
24 out and sharing your -- your observations. I think  
25 that -- as I say, we will be taking a look at this.

1 MR. ELLIOTT: Thank you for your time and --

2 CHAIRMAN DANNER: Thank you for your time,  
3 and thank you for coming out tonight.

4 MR. ELLIOTT: Yeah, take care. Thank you.

5 CHAIRMAN DANNER: All right. Okay. So with  
6 that, I think we will adjourn a second time. Although,  
7 if -- if there's no one -- no one else coming our way,  
8 then -- okay. Then we are adjourned. So thank you very  
9 much.

10 (Adjourned at 6:23 p.m.)

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C E R T I F I C A T E

STATE OF WASHINGTON  
COUNTY OF THURSTON

I, Tayler Garlinghouse, a Certified Shorthand Reporter in and for the State of Washington, do hereby certify that the foregoing transcript is true and accurate to the best of my knowledge, skill and ability.



Tayler Garlinghouse  
Tayler Garlinghouse, CCR 3358