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BEFORE THE WASHINGTON

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UTILITIES AND TRANSPORTATION COMMISSION

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4 In the Matter of Petition of ) DOCKET UE-121697  
5 PUGET SOUND ENERGY, INC. ) DOCKET UG-121705  
and NW ENERGY COALITION ) (Consolidated)  
6 )  
7 For an Order Authorizing PSE to )  
Implement Electric and Natural Gas )  
Decoupling Mechanisms and to Record )  
8 Accounting Entries Associated with )  
the Mechanisms )

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PUBLIC HEARING, VOLUME III

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ADMINISTRATIVE LAW JUDGE DENNIS J. MOSS

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6:03 P.M.

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MAY 16, 2013

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Washington Utilities and Transportation Commission  
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A P P E A R A N C E S

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OLYMPIA, WASHINGTON; MAY 16, 2013

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6:03 P.M.

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JUDGE MOSS: We will be on the record.

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Good evening, everyone. My name is Dennis Moss. I'm an administrative law judge with the Washington Utilities and Transportation Commission.

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To my immediate right is the chairman of the commission, Dave Danner; to his right, Phil Jones, Commissioner; and to his right, Jeff Goltz, the third commissioner.

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We are here tonight in two, what we call dockets, two proceedings. As a matter of formality, I'm going to name the dockets for the record. One is called "In the matter of the petition of Puget Sound Energy, Inc. and Northwest Energy Coalition," for an order authorizing PSE to implement electric and natural gas decoupling mechanisms and to record accounting entries associated with the mechanisms. That is Dockets UE-121697 and UG-121705, and we call those the decoupling dockets, and they are consolidated.

The other matter is styled "Washington Utilities and Transportation Commission against Puget Sound Energy, Inc.," Dockets No. UE-130137 and 130 -- UG-130138, and this is referred to as an expedited rate

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1 filing, or as it's become fondly known as ERF.

2 I'm going to turn to Chairman Danner for some  
3 opening remarks in just a second, and then I'm going to  
4 have some explanatory remarks that I want to share with  
5 you about the purpose of the hearing, the nature of the  
6 process, the participants, the issues, and then I'm  
7 going to explain how we'll take your comments for the  
8 record this evening.

9 And following that, I'm going to swear all of  
10 you at once. Everyone here who wishes to testify, I'll  
11 swear you all at once, and then I'll call you up one at  
12 a time, and I'll talk a little bit more about that  
13 process in a minute. But without further adieu, I'll  
14 ask Chairman Danner if he has a few opening remarks for  
15 the members of the public.

16 CHAIRMAN DANNER: Well, yes, I do.

17 Thank you very much for taking time out of your  
18 schedules this evening and coming to the Utilities and  
19 Transportation Commission. This Commission regulates  
20 the industries in Washington that basically comprise  
21 about 10 percent of the state's economy, and that  
22 includes the electric utilities that provide natural gas  
23 and electric service.

24 We make decisions here that are going to impact  
25 the lives of Washingtonians. They're going to have

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1 impacts on the rates that people pay. They're going to  
2 have impacts on how we, as a state, move forward on  
3 areas like conservation, energy efficiency, how we deal  
4 with issues like low-income assist. All of these things  
5 are issues before us in the rate -- in the proceedings  
6 that Judge Moss mentioned, and he'll explain them  
7 further, but they are important decisions.

8           But it's important for us not only to have  
9 hearings where we hear from the company or from  
10 Commission Staff or other experts or stakeholders. It's  
11 important for us to hear from members of the public who  
12 are most directly affected by these decisions, so it's  
13 really important that we hear from you. We're really  
14 glad that you're here. We are going to listen, and we  
15 want to make sure that we consider your concerns as we  
16 move forward. So thank you again, and as we go through  
17 this -- I've only been the chair of the Commission for  
18 two months, so this is the first time I've been at a  
19 public comment hearing as chair, and so I'm really  
20 looking forward to hearing your concerns and  
21 understanding them, so thank you very much.

22           JUDGE MOSS: Okay.

23           The Commission makes decisions in various ways.  
24 Chief among them is what we are doing here, which we  
25 call a quasi-judicial process. This decision-making

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1 process is much like what happens in a court of law. We  
2 have parties who file testimony in our case. Those  
3 parties are subject to cross-examination and to  
4 questions from the commissioners or from me at the  
5 hearing, and the comments that we receive tonight become  
6 part of the official record in the proceeding.

7           The Administrative Procedure Act requires when  
8 we're conducting this type of decision-making, that we  
9 make our decisions -- that the Commission make its  
10 decisions exclusively on the basis of the record that is  
11 developed through the course of the proceedings.

12           Today earlier, we had an evidentiary hearing.  
13 We heard from more than a dozen witnesses. We had a lot  
14 of interesting back and forth, and we received probably  
15 100 or more exhibits into the record, so we have quite a  
16 bit to deal with there.

17           The purpose of the comment -- of the public  
18 hearing tonight, of course, is so that we can open up  
19 the process to the people who are most directly affected  
20 by it, which is to say you. I suspect most of you are  
21 ratepayers of Puget Sound Energy in one capacity or  
22 another or you probably wouldn't be here this evening.

23           Tonight we have, as I mentioned at the outset,  
24 there are two matters before us and four dockets. Two  
25 of the dockets concern PSE's request for what we call a

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1 full decoupling mechanism for electric and natural gas  
2 rates. I'll talk a little bit more about what that  
3 means in a moment, and the other proceeding is to  
4 consider this expedited rate filing or ERF. It's a  
5 filing that is limited in nature relative to the  
6 expenses that are adjusted or proposed to be adjusted  
7 and the issues that we consider.

8 Rates are typically made from year to year or  
9 every two years or so through what we call a general  
10 rate case proceeding, which is much broader in terms of  
11 the costs that are looked at and the issues that are  
12 examined, so this is a much narrower type of rate  
13 proceeding, and I'll talk a little bit more about it as  
14 well in a few minutes.

15 There are many participants in this proceeding.  
16 In addition to the company, PSE, the Commission's  
17 Regulatory Staff participates in these proceedings as a  
18 party. We the Commission -- I, myself, and the  
19 commissioners, we are separated from the Staff by what  
20 we call an ex parte wall, which means Mr. Trautman here,  
21 who represents the Staff for the Attorney General's  
22 Office, he can only talk to us in the hearing room about  
23 this case. He can't come to our offices and talk to us  
24 or pick up the phone and call us, except on very limited  
25 procedural matters, so Staff is participating as a



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1 party.

2           The Office of the Public Counsel, another  
3 division of the Attorney General's Office, is  
4 represented by Mr. ffitch, sitting here on the end. He  
5 represents the -- basically the ratepayers, the  
6 residential and business and small business interests  
7 who pay rates to the company.

8           The other participants we have in this  
9 particular set of proceedings are an industry group  
10 called the Industrial Customers of Northwest Utilities,  
11 which is a group comprised of -- well, quite a few  
12 companies. But to give you some familiar examples:  
13 Boeing Corporation, Microsoft Corporation, Weyerhaeuser.  
14 A lot of the major industries in Washington are members  
15 of that organization.

16           There's another organization similar, the  
17 Northwest Industrial Gas Users. While the ICNU  
18 represents more the electric side of the business, the  
19 Northwest Industrial Gas Users represent the gas  
20 community, the gas-consuming industrial community and  
21 commercial as well.

22           The federal executive agencies intervened in  
23 this proceeding. They represent largely in this state  
24 the interests of the military. As you know, we have  
25 major Air Force, Army and Naval bases in Washington

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1 State. They, as you can imagine, consume quite a bit of  
2 power and natural gas, so they have a strong interest.

3 There's an organization called the Northwest  
4 Energy Coalition that's an environmentally oriented  
5 group. They also have some other broader public  
6 interest concerns. They're participating.

7 The Kroger Company, which is representing its  
8 Fred Meyer and Quality Foods stores. They have about  
9 140 facilities throughout the State of Washington. They  
10 also, of course, are a very large consumer principally  
11 of electricity.

12 There is an organization called The Energy  
13 Project that represents the interest of low-income  
14 customers throughout the State of Washington, and they  
15 are also participating.

16 And finally in our list of parties is Nucor  
17 Steel Seattle, which is, of course, a large industrial  
18 outfit operating here in Washington State, as well as  
19 elsewhere.

20 Now, let me see if I can describe what these  
21 proceedings are about in a comprehensive way. It's not  
22 really all that easy, to tell you the truth, but I've  
23 worked on it after our evidentiary hearing this  
24 afternoon, so perhaps I did some good.

25 What PSE is asking for in its decoupling

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1 proposal is to move -- to change the way it recovers its  
2 costs. Currently, it recovers its costs based on how  
3 much electricity it sells, what we call a  
4 throughput-based rate. So the fixed costs that the  
5 company has, the variable costs that the company has are  
6 included in the rates that are charged per kilowatt hour  
7 of power, so a throughput-type rate.

8           What they want to do is go to what's called a  
9 revenue-per-customer rate, so basically you look at  
10 historic data, you look at current data and you  
11 calculate, well, our costs are so many dollars. We have  
12 so many customers, so we ought to be recovering so many  
13 dollars per customer. And when we move to that type of  
14 a rate, then the company becomes indifferent to how much  
15 electricity it sells, and that's important in terms of  
16 conservation goals and other goals because one of the  
17 goals here is to remove any financial disincentive the  
18 company might have to capture all cost-effective  
19 conservation. We want the company to focus on  
20 conservation as its first resource alternative, and this  
21 is one way to encourage that result.

22           The revenue-per-customer approach includes what  
23 we call a deferral mechanism so that at the end of the  
24 rate year, there's a comparison between the allowed  
25 revenue per customer and the realized revenue per

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1 customer, and if there's a surplus, that goes into a  
2 deferral account for the credit of customers. If there  
3 is a shortfall, that goes into a deferral account to the  
4 credit of the company.

5           At the end of the year, that will play into the  
6 adjustment of the rates for the coming year or the  
7 revenue-per-customer actually for the coming year, so  
8 the idea is that over time, from year to year, the  
9 company will collect its authorized revenues. Nothing  
10 more. Nothing less. That's the idea.

11           As far as the -- oh, I need to mention. In  
12 connection with that, there's what's called a rate plan  
13 proposal. As part of the proposal that's before us in  
14 connection with decoupling and also as part of the  
15 settlement that some of the parties have proposed, what  
16 they're suggesting is that they would have -- be  
17 authorized to increase the rates or the revenues for a  
18 portion of their costs each year by a fixed percentage  
19 to keep up with the growth in those costs that have  
20 occurred historically, and this is about one-third of  
21 the total cost. We call it the nonproduction cost that  
22 the company has, which is basically the cost of  
23 delivering electricity to you or to deliver natural gas  
24 to you, and so it's about a third of the company's  
25 costs. This proposal would allow them to increase the

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1 electric cost about 3 percent a year, and the natural  
2 gas about 2.2 percent a year.

3           So we have that decoupling mechanism, the rate  
4 plan. I'm going to talk a little bit more about the  
5 ERF, but those three mechanisms are meant to work  
6 together to set rates for this part of the company's  
7 costs, this one-third part of the company's costs from  
8 now, 2013, until at least February of 2016 or  
9 thereabouts and possibly into February, March of 2017.  
10 So this would relieve some of the necessity of having a  
11 full-blown general rate case for the next few years,  
12 which is the sort of thing you've been accustomed to.  
13 That's where you get your customer notices and the rate  
14 increases, that's where those have been coming from. So  
15 this will -- part of the idea here is if this is  
16 approved, that it will result in more predictable rates  
17 from year to year.

18           In the so-called ERF filing, PSE proposes a  
19 one-time \$32 million increase to cover its investments  
20 and costs in electric deliveries and a \$1.2 million  
21 decrease in natural gas revenues, which covers a period  
22 up to -- that would bring our rates up current to  
23 basically June 2013. The company's last rates out of a  
24 general rate case became effective in May of 2012. The  
25 rates that are proposed in this ERF are based on the

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1 data available as of June 30, 2012, so the idea is to  
2 bring those rates up to date, and then the decoupling  
3 mechanism and the rate plan would be -- that would be a  
4 starting point for those to operate.

5           So -- and that's unfortunately about as simple  
6 as I can make it. It's -- this is something that's  
7 fairly new. We've been talking about decoupling at the  
8 Commission for a long time. The ERF filing is something  
9 that was mentioned in the rate case in 2011, 2012, and  
10 we've been developing that idea. So this is something  
11 that we're focusing on and focusing a lot of attention  
12 on in trying to decide whether and in what form to  
13 approve it or not.

14           The broad goal in this type of proceeding, as  
15 in any type of proceeding, is to at the end of the day  
16 establish rates that meet the standard that's in our  
17 statute, and the standard says rates must be fair, just,  
18 reasonable and sufficient. That means they have to  
19 strike a balance. They have to be fair between the  
20 customers and the company. They have to be just in the  
21 sense that they are based on the record, as I talked  
22 about earlier. They have to be based on solid evidence  
23 of what they should be. They have to be reasonable in  
24 what we call the zone of reasonableness. There's always  
25 going to be a range of possibilities at the end of one

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1 of these proceedings as to where the rates might fall.  
2 What we set needs to be in that range, somewhere in that  
3 range, and then there's the sufficiency point. The  
4 rates must be sufficient for the company to be able to  
5 attract capital at reasonable cost and hopefully better  
6 cost as time goes on, which will eventually inure to the  
7 benefit of the customers through lower rates. So that's  
8 basically what we're about here tonight in the various  
9 proceedings.

10           With that, I'll move on to the mechanics, if  
11 you will, of the public comment presentations. As I  
12 mentioned, I'll swear you all in here in just a few  
13 minutes. I have done these many, many times over the  
14 years, and we have learned from long experience that  
15 about four or five minutes is sufficient for people to  
16 make their comments. You would be surprised how much  
17 you can say in five minutes, but there's also quite a  
18 few of you here this evening, so we want to limit the  
19 comments to about five minutes so that everybody gets a  
20 chance to speak, and I have a little timer up here that  
21 I will use. If I see you approaching the five-minute  
22 mark and still going strong, I might alert you to the  
23 fact that we're getting close to that, and you can wrap  
24 up your comments in a good fashion.

25           There's no need to repeat what somebody else

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1 has said. You can simply stand up and say, well, I  
2 agree with everything that person said. You don't need  
3 to repeat the same comments. You may, of course, have  
4 some overlapping comments. I fully expect that, but  
5 that's another option you have.

6           We ask you that you listen politely while  
7 others comment. When someone is at the podium, it's  
8 their turn to speak. We ask that everyone else remain  
9 silent and listen politely. This is not an opportunity  
10 for questions to the commissioners or to me. The  
11 questions are actually best asked of the company  
12 representatives sitting at the back of the room there.  
13 We have Mr. Ken Johnson, I see here, from the company.  
14 Mr. Johnson, maybe you could raise your hand, and we  
15 have Mr. Schooley, from the Commission's Regulatory  
16 Staff, who is a witness in the case and is well-versed  
17 in all of the -- all of its aspects. We have  
18 Mr. ffitch, as I mentioned to you. Mr. Trautman is  
19 here. Mr. ffitch's assistant is here, as well as  
20 analyst. There's lots of people in the room who can  
21 answer your questions. If we take a break, that would  
22 be a good time, or at the end, they will stay around for  
23 a bit to answer questions.

24           All right. Now, with that, anyone who wishes  
25 to speak tonight, if you would please at this time rise,



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1 and I will swear you all in at the same time.

2 Even if you might want to speak, this would be  
3 a good time to be sworn.

4 Do each of you solemnly swear or affirm under  
5 penalty of perjury that the testimony you give in this  
6 proceeding will be the truth, the whole truth and  
7 nothing but the truth? Please say I do.

8 (Witnesses affirm.)

9 JUDGE MOSS: Thank you so much. Please be  
10 seated. That's the most formal part of the whole  
11 evening.

12 My apologies. I'll just be quiet at the risk  
13 of saying something inappropriate.

14 Yes. We do have some folks on the bridge line,  
15 and let me ask if there's anyone on the teleconference  
16 bridge line who wishes to make a statement this evening?  
17 Apparently not. Just people listening in for interest.

18 Now, we have a pretty long list here of people  
19 who have indicated their presence, a somewhat smaller  
20 set who might want to comment, so I'll go down the list  
21 and identify you and indicate your preference for  
22 speaking or not, and you can still change your mind, all  
23 right? So I have a lot of no's on here.

24 Let's begin then with our first witness is  
25 Michael Faber, who indicates he's not representing an

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1 organization and does wish to speak. So, Mr. Faber, if  
2 you would approach this podium up here. There's a  
3 microphone up there. I don't believe it even has a  
4 switch, so it should be on.

5 And let me ask you a few preliminary questions  
6 for the record, and then we'll let you make your  
7 statement.

8 Please state your name for the record and spell  
9 your last name for the benefit of the reporter.

10 MR. FABER: My name is Michael Edward Faber.  
11 That's F-A-B-E-R.

12 JUDGE MOSS: And where do you live, Mr. Faber?  
13 What community?

14 MR. FABER: I live off of Kinwood on 4th Lane  
15 Southeast.

16 JUDGE MOSS: Okay. And are you a Puget Sound  
17 Energy customer?

18 MR. FABER: Yes. I'm a customer for both gas  
19 and electric.

20 JUDGE MOSS: All right. And you've already  
21 answered the other question, you're here testifying on  
22 your own behalf tonight --

23 MR. FABER: Yes, sir.

24 JUDGE MOSS: -- not on behalf of an  
25 organization. So go ahead, please.

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1           MR. FABER: Well, I'm not going to get into the  
2 topic of whether this rate increase is justified or  
3 whether the way to do this rate increase is right  
4 because I'm sure a lot of other people are going to  
5 speak about that.

6           What I did want to come and speak about was the  
7 way the increase is being done. I got a letter in the  
8 mail, as I'm sure all the customers did. I'm a  
9 residential customer, so I looked here and saw that my  
10 rate was going to go up 1.6 percent for residential  
11 electric, and it was going to go up 1.8 for gas, but  
12 then I see commercial and industrial customers, they're  
13 going to get a decrease. Large-volume customers are  
14 going to get a decrease, interruptible. Honestly, I  
15 don't know what these things are, you know, but other  
16 people are getting a decrease and mine is going up, and,  
17 you know, I'm a very simple man. I understand that  
18 sometimes rates need to go up. We're all consumers in  
19 this room. Every single one of us. At one point during  
20 the day or the week, we went and got gasoline. Maybe we  
21 paid \$3.50 a gallon for that gasoline. If gasoline  
22 prices need to go up 3 cents, we all go to the pump. We  
23 all pay 3 cents more a gallon. I understand that. I'm  
24 a simple man.

25           The same thing with these rate increases. If

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1 the rates need to go up, why can't I rely on the  
2 gentleman to my left here, Mr. ffitch, to say, hey, you  
3 know, things need to go up. There's costs there. We  
4 agree with it. It's justifiable. He tells me that,  
5 okay, fine. He's looking out for me. I appreciate  
6 that. Rates need to go up. That's what I expect to  
7 see, a per-kilowatt increase.

8           You know, for example -- some people may say  
9 it's drastic -- if I was to look at this and say, okay,  
10 we want all of our black customers to pay an additional  
11 1.8 percent and our white customers, well, we're going  
12 to give them a decrease to .4 percent, everybody would  
13 be up in arms, right? You can't do that. It's not  
14 fair. It's not just. You know, why are you going to  
15 increase the rates for black people and lower them for  
16 white people? There would be riots in the street, and  
17 basically that's the point I wanted to come and make,  
18 not so much about whether the rate increase is needed,  
19 but is it fair.

20           I don't think it's fair to raise my rate as a  
21 residential customer for both gas and electric while  
22 lowering the rates of other entities that use it. If  
23 you're going to do a rate increase, do it per kilowatt.  
24 That seems fair.

25           That's all I have. Thank you for your time.

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1                   JUDGE MOSS: Thank you very much. Any questions  
2 for Mr. Faber? No. All right.

3                   Thank you, Mr. Faber. We appreciate you being  
4 here, and we appreciate your comments.

5                   All right. Next, let's see, I have Scott Yoos  
6 who has indicated not interested in making a comment.  
7 No interpreter present, and that's the case, we don't  
8 have an interpreter present. Sorry.

9                   We do try to make provision for that, but  
10 perhaps something fell through the cracks. I'm not  
11 sure.

12                   Robert Whitlock has indicated an interest in  
13 speaking, so, Mr. Whitlock, could you come forward,  
14 please.

15                   I will ask the same set of questions of each  
16 witness as you come up. We do that in order that we  
17 have a good record, so if you say something really  
18 quotable, you might end up in the commission's order,  
19 you never know.

20                   So, Mr. Whitlock, I'll ask you to please state  
21 your name and spell your last name for the benefit of  
22 the court reporter.

23                   MR. WHITLOCK: Yes, sir. My name is Robert  
24 Friend Weber Whitlock, and my last name is spelled  
25 W-H-I-T-L-O-C-K.

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1 JUDGE MOSS: And what community do you live in,  
2 Mr. Whitlock?

3 MR. WHITLOCK: I'm in the Bigelow neighborhood  
4 of Olympia, Bigelow Highlands.

5 JUDGE MOSS: We're neighbors.

6 And are you a Puget Sound Energy customer?

7 MR. WHITLOCK: Yes, I am.

8 JUDGE MOSS: Gas? Electric?

9 MR. WHITLOCK: Just electric.

10 JUDGE MOSS: Just electric, all right.

11 Are you testifying -- you're testifying on your  
12 own behalf tonight?

13 MR. WHITLOCK: Yes. I'm part of several  
14 organizations, but just --

15 JUDGE MOSS: Tonight?

16 MR. WHITLOCK: -- not representing them.

17 JUDGE MOSS: Okay. Great. Well, thank you very  
18 much.

19 Go ahead with your statement, please.

20 MR. WHITLOCK: Yes. Thank you.

21 Commissioners, it's good to be here with you.  
22 And I was part of the gang -- the public power  
23 initiative here in Thurston County last fall, and I was  
24 disappointed when the election came out and, you know,  
25 for whatever reason, I was really hoping that we were

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1 going to win -- well, for a lot of reasons, I was really  
2 hoping that we were going to win. Nothing against the  
3 UTC. I love the UTC and what you guys do, of course,  
4 so -- but, you know, we didn't have the money to do any  
5 independent polling, so we really didn't know how the  
6 election was going to turn out. Of course it was, you  
7 know -- there was some highlights and lowlights, and I'm  
8 not going to go over all of those. But one of the  
9 highlights I think from the election was the tremendous  
10 expenditure that PSE put into the election. It was  
11 unprecedented for a countywide election. In Thurston  
12 County, they spent, on the books, over \$600,000, I  
13 believe. Don't quote me on that, but look it up. I  
14 think that's right, and the previous spending record was  
15 just shy of \$120,000 about seven years ago with Kevin  
16 O'Sullivan's race, and so they really blew that out of  
17 the water, and for whatever reason, the public power  
18 campaign wasn't able to raise enough money to counteract  
19 that \$600,000, so that's kind of the long story short.

20           And my concern would be, one, whether the rate  
21 increases are going to be used to do what they did last  
22 fall when they slammed the citizens of Thurston County  
23 with multiple glossy brochures. They also upped their  
24 ante on the free refrigerators and several other items  
25 that were -- you know, they were out in the streets

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1 pretty much every day with the light bulbs, with  
2 everything else, and I think that kind of stuff does --  
3 not that I'm against energy efficiency or conservation.  
4 I think that's great. I'm questioning whether there's  
5 another approach to that because, you know, we're seeing  
6 here -- well, I'm sorry that I don't have a beautifully  
7 glossed presentation here, so I'm going to transition  
8 into the next thing, which is the climate change issue,  
9 the burning of coal, Colstrip.

10 33 percent of the electricity that we're  
11 consuming comes from Colstrip. 33 percent. That's a  
12 lot closer to 50 percent than 0 percent, so while it may  
13 only seem like it's a little bit, it's actually a very  
14 significant portion of the electricity. Then we look at  
15 things like Alder Dam and the effect that that's having.  
16 Hydroelectric is great. It's a lot better than  
17 electricity, but it traps all the silt. It's harmful  
18 for the salmon and for the birds that live downstream,  
19 and so, you know, while we may think it's great, the  
20 question is how much is a fair profit when environmental  
21 damage is taking place, and I don't have an answer to  
22 that probably. I mean, I have my own opinion on that,  
23 but that would be my question. And I don't expect you  
24 to shut PSE down or take all their profits and force  
25 them to use any revenue to bury lines underground as a



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1 result of the -- as a precaution due to the likelihood  
2 of increased storm events and blow-downs. Maybe it  
3 would make sense to start putting lines underground, and  
4 I don't -- you know, I don't know what kind of conflict  
5 that would have with PSE investor interests in taking a  
6 profit from the business. But these are just some of  
7 the thoughts that I would like for people to think.

8           And the Colstrip, the coal, the climate change,  
9 the increased severity of storms, 400 parts per million  
10 carbon in the atmosphere right now, and it's possible  
11 that the heat is just beginning to develop in the  
12 atmosphere. We've seen one degree Celsius of change  
13 already, and it's possible that there is a sort of a  
14 time that it takes for that atmosphere to start  
15 accelerating in terms of how much heat it's absorbing  
16 and that that might be increasing now. So we might see,  
17 you know, like Katrina stuff happening and Sandy stuff  
18 happening more often, and who pays for that? Does PSE  
19 pay for it or do taxpayers? We're not even talking  
20 about ratepayers. We're talking about just everybody.

21           JUDGE MOSS: I sense you're wrapping up,  
22 Mr. Whitlock?

23           MR. WHITLOCK: That's it.

24           JUDGE MOSS: You're just about out of time.

25           MR. WHITLOCK: Yes. Thank you.

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1           JUDGE MOSS: Thank you very much for your  
2 comments.

3           The next person on my list is Laurie Schmitt,  
4 who indicates no interest in speaking. Is that the case  
5 still?

6           MS. SCHMITT: Correct.

7           JUDGE MOSS: Okay. You can always change your  
8 mind, as I said.

9           Kathryn Cooper, again, no interest in speaking  
10 tonight, but we do thank you all for being here whether  
11 you speak or not.

12          Dennis Cooper, also with us this evening, does  
13 not wish to speak. All right.

14          Joel Carlson, a question mark, so we'll need to  
15 get an answer. Carlson?

16          MR. CARLSON: I'll pass right now.

17          JUDGE MOSS: You'll pass. Okay. Very good.

18          Kathleen Downey has also indicated a question  
19 mark, so I'll ask. Do you wish to speak, Ms. Downey?

20          MS. DOWNEY: Not at this time.

21          JUDGE MOSS: All right. Very well.

22          And Chris Stearns indicates that he does -- he  
23 or she, I don't know -- wishes to speak.

24          MR. STEARNS: I would ask to be deferred until  
25 after Tom Nogler because he appeared in the room before

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1 I did.

2 JUDGE MOSS: Oh, all right.

3 MR. STEARNS: I signed the most available --

4 JUDGE MOSS: All right. I can defer you. Where  
5 should I put you?

6 MR. STEARNS: After Tom Nogler. He was the one  
7 that was last before I got here.

8 JUDGE MOSS: Okay.

9 MR. STEARNS: On the next sheet.

10 JUDGE MOSS: All right. Very good.

11 Moving to that next sheet, I have Robert  
12 Kirchmeier, who indicates no interest in speaking this  
13 evening. Apparently still the case.

14 Rita Robison, also no interest in speaking this  
15 evening. Is that right?

16 All right. We have Mary Abramson, who does  
17 indicate an interest in speaking. Ms. Abramson, if you  
18 would please come up to the podium. I'll ask you the  
19 standard questions, and we'll hear your statement.

20 MS. ABRAMSON: Yes. I'm Mary Abramson,  
21 A-B-R-A-M-S-O-N. I live in Rainier, and, yes, I am a  
22 consumer.

23 I'm also retired on a fixed income, and any  
24 kind of rate increase, since we are in a depression  
25 where as many as maybe a quarter of the people in this

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1 country are not working, it's very difficult to raise  
2 rates on things that we all need like our utilities.

3 I would like to point out to the commissioners  
4 that this past couple years, we've had internationally  
5 two things come about: A revolution, as you might say.  
6 I'm sure the idea of the 99 versus the one rings a bell,  
7 and there is a movement to bring the commons back to the  
8 people. We're not talking about communism or socialism,  
9 but things that we all use like utilities.

10 I'm five years here in this city, but I'm from  
11 Los Angeles, where we had L.A. Power owned by everybody.  
12 We didn't have a CEO making a lot of money. We did not  
13 have shareholders making a lot of money. Now, if I put  
14 money in the bank, which I don't have money to put in  
15 the bank, I might get at most a percent or two. While  
16 you talk about rate, you might put a rate on what the  
17 shareholders are going to make or how much the CEO is  
18 going to make.

19 One thing about right now, we're creating a new  
20 future, so you guys can start being creative too. Think  
21 about some other ways to do this. The past has not  
22 worked.

23 That's the other thing that I am going to speak  
24 about briefly is global warming, which is the number one  
25 scary as hell thing that's happening right now to the

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1 whole world. I have kids and grandkids, and I want them  
2 to not burn up. I want the coal to stay in the ground.  
3 I am a former R.N., worked with kids that had asthma,  
4 and any time I see these plumes from Centralia, it just  
5 angers me that we haven't taken care of that, because  
6 that was supposed to be taken care of, and it's still  
7 going on.

8           This company has another big coal plant. You  
9 know, at some point everybody has got to be righteous  
10 and moral and take care of these things. It's killing  
11 us all. We have to keep this coal in the ground. There  
12 are technologies out there. I know an inventor who has  
13 a machine that will fire up electricity to 5,000 homes,  
14 and it's a machine that's as big as this table, but  
15 these companies will not allow this new technology out.  
16 So think about all these things and be creative, guys.  
17 Good luck.

18           JUDGE MOSS: Thank you for your comments.

19           Mr. Tom Nogler is our next speaker.

20 Mr. Nogler, please come forward, and if you also have  
21 memorized the list of questions, I won't pose them, but  
22 I am happy to do so.

23           MR. NOGLER: Thank you, Judge Moss. The  
24 questions are?

25           JUDGE MOSS: Your name and spell your last name.

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1                   MR. NOGLER: My name is Tom Nogler. It is  
2 N-O-G-L-E-R.

3                   JUDGE MOSS: And your community, where you live?

4                   MR. NOGLER: My community is Olympia.

5                   JUDGE MOSS: All right. And are you a Puget  
6 Sound Energy customer?

7                   MR. NOGLER: And I am a Puget Sound Energy  
8 customer.

9                   JUDGE MOSS: All right. And finally, are you  
10 testifying on your own behalf tonight or on behalf of an  
11 organization?

12                   MR. NOGLER: I was on the executive team of the  
13 Thurston County Public Power Initiative, but I am  
14 testifying as a citizen and individual this evening.

15                   JUDGE MOSS: Please make your statement.

16                   MR. NOGLER: Thank you, Judge Moss, Commissioner  
17 Danner, Commissioner Jones, Commissioner Goltz.

18                   I've been sitting here trying to figure out how  
19 to bring humor into a humorless kind of situation. In  
20 1978, when I was introduced to the Utilities and  
21 Transportation Commission, I was overwhelmed by the  
22 amount of eye-glazing material that you all have to  
23 review in order to make decisions on rate cases, so I am  
24 really compassionate about the complexities that you all  
25 have to face in making the decisions, as well as the

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1 enormous challenges that we have to -- before us.

2           In 1978, I did help an organization, Fair  
3 Electric Rates Now, to form and do some testimony to the  
4 Utilities and Transportation Commission, and I became  
5 struck at that time how having a public utility district  
6 to administer the electricity publicly and locally was  
7 such a better and more wonderful idea and set myself to  
8 the task, which included a failed electoral campaign and  
9 eventually jumping on board for the Public Power  
10 Initiative to make that -- take that stand in Thurston  
11 County. We did get 40 percent of the vote. I'm not  
12 sure if an earlier testifier said that.

13           And, you know, having come in in 1978 and not  
14 being much of an historian, I didn't really explore the  
15 whole history of public power, the figures, who they  
16 were, but I got an impression from the little history  
17 that I did read, there was a word that I wanted to base  
18 my testimony around called acrimonious, that there's  
19 been a lot of acrimony in the history of the fight  
20 between the people advocating public power and the  
21 people advocating private power.

22           The \$600,000 price tag that Mr. Whitlock  
23 referred to in his earlier testimony I think was an  
24 manifestation of that acrimony. Perhaps it was sort of  
25 a post-modern acrimony when they would use images like

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1 Puget Sound Energy's large -- large lights over the  
2 football field and the public utility district's little  
3 candle, that it was that sort of fight, that sort of  
4 acrimonious conflict between the private interests and  
5 the public interests.

6           One of the things that history has borne out is  
7 that as a result of that acrimony is that the arguments  
8 for public power really win out. The arguments for  
9 public power make a lot more sense. The arguments for  
10 public power will take all this eye-glazing material out  
11 of the hands of a regulatory commission and put it in  
12 the hands of the public.

13           As Mary just testified, I mean, I'm sure you  
14 must have this experience of laying in bed at night and  
15 being honest with yourself and looking at where we are  
16 now in the history of global destruction. You know, we  
17 can all read. We all see TV. We see the glaciers  
18 melting, and if you haven't seen "Chasing Ice," it's a  
19 documentary about the melting of the glaciers. We're in  
20 a critical period now. I'm not sure we have the  
21 opportunity to be acrimonious at this point as opposed  
22 to trying to come together and figure out solutions that  
23 transition us from fossil fuels.

24           We are known as a culture for our -- what's it  
25 called? -- ingenuity. Now, notice, I didn't say Yankee



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1 ingenuity. We are known for our ingenuity. We are  
2 known for figuring out ways. Now, it may not be that  
3 candle. It certainly won't be those huge lights on  
4 PSE's flyer against us. You know, I got my new  
5 refrigerator. I got my front-loader washer, so I  
6 appreciate that, although I refer to the refrigerator as  
7 "cold comfort."

8 I appreciate your time this evening, and I wish  
9 you the best of luck in this proceeding. I wish there  
10 was a way that the Commission could simply say that the  
11 state will be a public power state, as has happened in  
12 other parts of the nation and we could continue.

13 Oh, finally, I wanted to get my quote as a last  
14 bit of humor from the comedian Will Rogers. Will Rogers  
15 once said, "A holding company is a thing where you hand  
16 an accomplice the goods while the policeman searches  
17 you."

18 So I would encourage you to take a look at  
19 PSE's corporate structure, take a look at their holding  
20 company structure. Where is this money going that's  
21 going out of county and out of country, and how can you  
22 use that to mitigate the increase in rates that are  
23 probably going to happen as a result of this hearing?

24 Thank you.

25 JUDGE MOSS: Thank you for your comments,

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1 Mr. Nogler.

2 Mr. Stearns, you are then next.

3 MR. STEARNS: I have some handouts for the  
4 attorneys and the Board. They have nothing of relevance  
5 to the rate case per se. They're just a history lesson.

6 JUDGE MOSS: All right. We'll take them.

7 MR. STEARNS: And I'll try and...

8 JUDGE MOSS: While he's handing those out, I'll  
9 mention that the Commission does also receive written  
10 comments from members of the community. We, as I  
11 understand it currently, have something, maybe 100, 200  
12 comments that we've received in connection with these  
13 matters, and we'd be happy to continue to receive those  
14 tomorrow -- today and tomorrow, for example.

15 I think, Mr. ffitich, we were talking about  
16 getting the exhibit Monday or Tuesday next week, so if  
17 you have written comments, if you could go ahead and get  
18 those in today or tomorrow by e-mail or other means,  
19 then that's something else we would be happy to have in  
20 our record. We do make all of those comments an exhibit  
21 in the hearing record.

22 MR. STEARNS: And just one more. This is  
23 interesting because this has a rate comparison of 100  
24 years ago in our fair state, and notably the highest  
25 rate at that time was in Olympia. Don't ask me why --

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1 by this company. They just don't like us I guess. I  
2 don't know.

3 JUDGE MOSS: Okay. If you could approach the  
4 podium, please, and we'll go through the standard  
5 questions.

6 MR. STEARNS: Oh, just for point of reference,  
7 those are all out of this book called "Empowering the  
8 West" by Jay Brigham, electrical politics before FDR, so  
9 they're referring to --

10 COMMISSIONER GOLTZ: We need you to use the  
11 microphone.

12 MR. STEARNS: -- they're referring to the '20s,  
13 which was what all of this research was based on, and it  
14 was during the --

15 JUDGE MOSS: Mr. Stearns, let me ask you to  
16 follow our format --

17 MR. STEARNS: Sure.

18 JUDGE MOSS: -- if you would.

19 Would you please state your name and spell your  
20 last name.

21 MR. STEARNS: My name is Christopher Stearns,  
22 S-T-E-A-R-N-S.

23 JUDGE MOSS: And your community is?

24 MR. STEARNS: I'm an elected official in this  
25 county, a PUD commissioner. I'm probably the only PUD

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1 commissioner that comes before your body at all. They  
2 all hate you, but that's not because of political  
3 reasons. It's just because they believe they're  
4 separate from you.

5 JUDGE MOSS: Are you a Puget Sound Energy  
6 customer?

7 MR. STEARNS: Yes, I am for both gas and  
8 electric, although I don't get the bill in my name.

9 JUDGE MOSS: And are you testifying tonight on  
10 your own behalf or are you representing an organization?

11 MR. STEARNS: I do -- I am a board member of the  
12 Cooper Point Association, which represents everybody  
13 north of here.

14 JUDGE MOSS: And are you speaking on their  
15 behalf?

16 MR. STEARNS: On the peninsula that you live  
17 on -- or that is right here.

18 Yeah. Well, they're concerned about rates too.  
19 So...

20 JUDGE MOSS: Please proceed.

21 MR. STEARNS: Is there any other question you  
22 want me to answer?

23 JUDGE MOSS: No. I want you to please proceed  
24 with your statement.

25 MR. STEARNS: Okay.

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1           I just wanted to start this by stating some of  
2 the things that have gone on in the past year, couple  
3 years, that I'm concerned about as they get incorporated  
4 into rates, and I've heard some testimony earlier today  
5 that were just deceptive by the company itself, by  
6 Mr. Cavanaugh as well.

7           First of all, the whole idea of doing this  
8 process of decoupling, has any public entity done this  
9 in this state? Has Seattle City Light done this?

10           JUDGE MOSS: Mr. Stearns, as I indicated at the  
11 outset, this is not an opportunity to question us.

12           MR. STEARNS: Okay. Okay. I'm just saying you  
13 referred to a lot of private utilities, but you didn't  
14 refer to any of the public ones in this state, and I'm  
15 concerned about that because if it's such a great idea,  
16 why haven't they done it?

17           And they are -- you know, they have 55 percent  
18 of the customers of this state. Let's realize that this  
19 is a majority public power state, as only Nebraska is.  
20 Okay.

21           So I found some of the testimony about  
22 Jefferson PUD not truthful regarding what maintenance  
23 has been going on by agreement with those PUD  
24 commissioners for the last three years. That's partly  
25 going to be compensated in the 90-day period they've

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1 alluded to. That wasn't even brought up. It was just  
2 brought up, the 107 that was the original negotiated  
3 price, but there was an addition for that time period of  
4 the three years transition, that they would rebuild that  
5 system. Did that monies come out of maintenance for the  
6 whole system, which is now stranded? Because they  
7 rebuilt somebody else's system, and we're getting  
8 charged for it? I would like to know. You know,  
9 especially when you use gag orders. That's wonderful to  
10 hide information behind.

11 Maintenance test. You know, I think there's a  
12 lot of maintenance money left out of that, and I've  
13 heard clients here in Thurston County say when they  
14 didn't get their wires fixed, they were up in Jefferson  
15 County. That's not a big county. What the hell is  
16 going on? I just wonder.

17 They claim towns for maintenance costs when  
18 they were approached, the PUD, that weren't even in  
19 Jefferson County. They were lying. Green Bank,  
20 Covington. Green Bank is in Island County. Covington  
21 is in King County. They may have customers there, but  
22 they are not in Jefferson County. If they're deceiving  
23 them, they've got to be deceiving you too. You know,  
24 it's just amusing to me that they try to do these  
25 things.

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1           They ripped out the phone system before they  
2 left because they wanted \$30,000 for it. That's a  
3 wonderful feeling of cooperation after negotiating  
4 agreement with them in good faith.

5           But the other things that I wanted to cover  
6 that haven't been covered in this hearing is storm  
7 damage from January 2012. I attended the legislative  
8 hearing. One of you folks were up there, and I just  
9 think these CAIDI and SAIDI reports for this utility are  
10 abominable for the last two years, and nothing about  
11 reliability is even being addressed after such a drastic  
12 outage, especially impacting my county.

13           Lots of people who had frozen goods wasted, 6-  
14 to 700 dollars worth. We're just glad there weren't any  
15 deaths. That there weren't people who were seniors who  
16 died in that instance. There was outages in the county  
17 for 15 days, some of them in urban areas. It's  
18 ridiculous.

19           Also, you know, I've seen outages even on good  
20 days. Transformers going out that just don't happen in  
21 adjacent counties. If you look at the CAIDI and SAIDI  
22 reports in adjacent counties, they're not as bad.  
23 They're just getting better service. You know, I'm just  
24 wondering if you're pressing those issues through this  
25 hearing. I doubt it. I didn't hear anything about it

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1 today, and I was here for -- except for the last hour.  
2 Nothing about reliability at all. It's just out the  
3 window, and that's the biggest damage you've done in  
4 this county. You guys need to address that issue.  
5 Don't ignore it.

6 JUDGE MOSS: About 30 seconds, Mr. Stearns.

7 MR. STEARNS: I don't mean to be hostile here,  
8 but I'm astounded at this.

9 Now, I know Mr. Jones was here and didn't  
10 settle for the merger, and the other two are new since  
11 that decision was made, but I was astounded at that  
12 hearing when a guy comes in from New York, testifies  
13 first and disappears like it's okay, and that was all he  
14 said. I mean, it was just astounding to me some of the  
15 things that have gone on during the past several years.  
16 You know, you guys have got to clean up your act.

17 JUDGE MOSS: Mr. Stearns, I need you to wrap up,  
18 please.

19 MR. STEARNS: All right. All I want to say is,  
20 you know, rate differentials haven't changed for 100  
21 years almost, at least in the sense -- maybe not in the  
22 percentages, and this company is perpetuating the  
23 difference. It is not becoming more competitive through  
24 the yardstick basis, as was the argument all throughout  
25 the FDR years to have public power make private



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1 utilities defer to their expedited costs that are  
2 reasonable --

3 JUDGE MOSS: Thank you, Mr. Stearns.

4 MR. STEARNS: -- and I just hope you guys will  
5 do something to rectify that.

6 JUDGE MOSS: Thank you. We appreciate your  
7 comments.

8 Next on our list is Kim Dobson, who indicates  
9 an interest in speaking this evening. Mr. Dobson?

10 MR. DOBSON: Hello.

11 JUDGE MOSS: How are you?

12 MR. DOBSON: I am good.

13 JUDGE MOSS: Good. Well, could you please state  
14 your full name and spell your last name for the benefit  
15 of the court reporter.

16 MR. DOBSON: My name is Kim Dobson, and  
17 D-O-B-S-O-N.

18 JUDGE MOSS: And you live in what community?

19 MR. DOBSON: I live in the Olympia area. I have  
20 a farm on Steamboat Island Road, and I am served by PSE  
21 as far as electricity goes.

22 JUDGE MOSS: And you are testifying on your own  
23 behalf tonight?

24 MR. DOBSON: Yes, I am.

25 JUDGE MOSS: All right. Thank you. Please

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1 proceed.

2 MR. DOBSON: Yes. Well, I object to the  
3 attrition adjustment part of this because I don't think  
4 it's fair. One of the things coming down the pike, so  
5 I've heard, is that PSE is refinancing their debt at a  
6 lower rate. I believe it's going to be coming down a  
7 half -- a percentage and a half, down to 3.9 percent, is  
8 what I've heard.

9 Now, this -- if things like this go on and PSE  
10 is allowed a 3 percent automatic rate increase -- and  
11 I'm kind of confused because I've heard two stories. I  
12 heard a 6 percent increase this year and then a 3  
13 percent increase every year thereafter, and then when I  
14 arrived at this hearing, it was a 3 percent and then 1  
15 percent every year after, so I don't know what to  
16 believe.

17 So I'm a little bit confused about the rate  
18 increase, but I think it's unfair that the company  
19 should get an automatic rate increase without having to  
20 come to this body to check and see if it's actually  
21 necessary, and if they've actually made any losses.  
22 They stand to make a considerable profit by refinancing,  
23 so I think that part of it is already unfair, if that is  
24 not considered in this rate increase. So that's one of  
25 my main complaints here.

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1           I'm pretty unhappy that PSE was sold to  
2 Macquarie in the first place. I testified at both  
3 opportunities during the hearings in 2007. One thing  
4 is, I don't -- I didn't agree with the sale of the  
5 company and then the loss of all the local shareholders,  
6 so there was no proxy votes. There was no local input  
7 into the company's operations, and as far as I can see  
8 through the layers of holding companies that Macquarie  
9 is buried under, there seems to be no way for local  
10 customers to get involved with stock option buys and to  
11 actually have a vote in a proxy in any of these  
12 stockholder meetings with these investors. It doesn't  
13 seem very transparent.

14           Let's see. In my notes here -- I guess one of  
15 the other complaints is about the coal at TransAlta.  
16 Why should TransAlta be able to shut down their coal  
17 operation and still be paid the same for power they're  
18 purchasing on the market, when there's a lot of cheap  
19 hydropower or wind power available and still be paid the  
20 same as they're being paid to operate their coal plant.  
21 It seems like an unfair market.

22           So in conclusion, I think this deal is a bad  
23 deal, and I can see that Weyerhaeuser, Boeing and a lot  
24 of the large industrial users of gas and electricity are  
25 opposed to all three of these proposals, and I would

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1 have to say that I'm really -- I appreciate Simon  
2 ffitich's input into the last hearings in that he stated  
3 that the sale was a bad deal for the people, the sale to  
4 Macquarie, and he said it many times, and the UTC board  
5 decided to vote for the sale instead, so I was kind of a  
6 disappointed by that.

7 JUDGE MOSS: Mr. Dobson, if you could wrap up.

8 MR. DOBSON: Yeah. Well, thank you for holding  
9 these public hearings, and I appreciate being able to  
10 speak here in this forum, and hopefully the vote will go  
11 in the favor of we, the people.

12 JUDGE MOSS: Thank you very much. Appreciate  
13 your comments.

14 MR. DOBSON: Thank you.

15 JUDGE MOSS: The next person on my list -- I  
16 can't quite make out the name. It's a Brian  
17 Mc-something. I can't read the second part of it, but  
18 there's an indication of no interest in speaking. Do I  
19 stand to be corrected?

20 All right. And then Donald Coughlin also  
21 has -- yes, sir.

22 MR. COUGHLIN: Yes. I would like to say a word,  
23 if I can.

24 JUDGE MOSS: All right. Please come up.

25 And if you would please state your name for the

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1 record and spell your last name.

2 MR. DOBSON: Yes, sir. My name is Donald  
3 Coughlin, C-O-U-G-H-L-I-N. I'm an Evergreen student,  
4 studying energy and economics. I'm a member of the For  
5 Olympia Group. I'm not a representative either, but you  
6 can see my direction is public power.

7 My concern over a couple of directions that I  
8 haven't heard discussed directly is, one, Proposition 1  
9 and the PUD opportunity for the local citizens to  
10 experiment or to carefully have the opportunity to  
11 legally develop public-owned utility electricity that  
12 eventually, in 20 years when bonds are paid off, to own  
13 that utility and no more outsourcing of dollars. I  
14 thought that Proposition 1 made that explicitly clear,  
15 but Mike was mentioning the overabundant resource profit  
16 dollars from me as a resident funded a mega campaign.

17 The second approach I have is, since I am an  
18 economics major at Evergreen, my interests are  
19 photovoltaic, and I'm hoping very deeply to see that  
20 1301 becomes something to pick up where we're going to  
21 leave off soon. I feel deeply about finding alternative  
22 energy, as I'm sure just about everyone in this room  
23 hopes. I do feel that the corporate responsibility is  
24 not being rewarded as the resident is, and I -- give me  
25 a moment, and let me state the BLM six southwestern

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1 state, 33 gigawatt five types of solar installment that  
2 is basically already proposed, and leg after leg is  
3 being installed as we speak here.

4           This energy is a necessary direction for our  
5 country and hopefully will bring down the cost of  
6 American installation of my interest, photovoltaic, so  
7 that the American competition can incorporate the  
8 installation at approximately -- well, Germany does it  
9 at one-third our cost, so that would mean we would  
10 install it at three times the cost roughly that Germany  
11 does. That's influenced through corporate and six  
12 southwestern states on nondisturbed land. The grid tie  
13 has to also be incorporated into that installation.

14           1301 seemed to be something to support a  
15 longer-term extension for residents to take advantage.  
16 Unfortunately that system of advantage isn't going to be  
17 corporate in design to where the resident receives the  
18 same feedback that the corporate installation would get  
19 on solar. The corporate would probably tend to be more  
20 difficult to site large solar installations.

21           The homeowner would be able to use an existing  
22 grid, so when you get down to the end of all of this, to  
23 not support some of this corporate profit, which is I  
24 think being slightly stonewalled for developing natural  
25 solar installation on residences in favor of the larger

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1 corporate opportunities is stifling solar, and it's  
2 stifling the ability for labor to learn how to put it up  
3 cheaper, and it's stifling alternate energy.

4 That's -- gentlemen, thank you for your time.  
5 That's pretty much all I have to say.

6 JUDGE MOSS: Thank you for your comments.

7 The next on my list is John Bozich, who  
8 indicates no interest in speaking.

9 And then John Newman, who does wish to speak,  
10 according to my list. Mr. Newman?

11 MR. NEWMAN: Good evening.

12 JUDGE MOSS: Good evening.

13 MR. NEWMAN: My name is John Newman,  
14 N-E-W-M-A-N, and I'm a resident of Olympia and a  
15 customer of Puget Sound Energy.

16 JUDGE MOSS: Thank you.

17 MR. NEWMAN: And I'm here to attend the rate  
18 increase hearing. You probably don't get too many rate  
19 decrease hearings, but these are going to be a little  
20 dry.

21 But good evening, Commissioners. I was going  
22 to comment on -- Chairman Danner mentioned that 10  
23 percent of the Washington State economy is the utility  
24 industry, and I think it's important to recognize  
25 because that 10 percent of the state is basically

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1 captured by monopoly power and grid systems. The power  
2 and grid systems were built, you know, hit and miss from  
3 1900 through the year 2000. The rural systems were  
4 built with a lot of federal dollars with the  
5 understanding that all customers receive service, which  
6 was great because it might cost \$10,000 to give the last  
7 farmer on the ground power, but everybody got power, so  
8 it served customers and citizens quite well.

9           So back to the monopoly issue. Any rate  
10 increase that is requested by any corporation has to be  
11 carefully scrutinized, especially the utilities because  
12 of the nature of the power systems. There was a lot of  
13 talk about you can buy power from different clients and  
14 such a few years back, but basically there's really only  
15 one set of wires out there.

16           I'm also confused about the 3 percent this year  
17 and maybe in addition to whether it's 3 or 6 or  
18 whatever, but I'm -- the question Puget Sound Energy's  
19 request for a constant 3 percent increase per year, I  
20 don't know if anyone else in the room has noticed how  
21 Puget Sound Energy has put forth a lot of effort to  
22 replace power poles in Olympia, and justifiably so. I  
23 have one that's maybe 80 years old, and the brush crew  
24 said they didn't want to get near it because they were  
25 afraid it was going to fall over, so they're working on



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1 that. So my point is, is that if they increase costs  
2 one year, is their accounting going to be, you know,  
3 applied if their costs decrease the following year.

4           There's been some discussion of costs again,  
5 and your utility bill 30 years ago was pretty basic.  
6 There was just one price for everything. Now you're  
7 billed for your power meter. You're billed for your gas  
8 meter. You're billed for -- and for the usage, and the  
9 charges for gas should go up or down based on the  
10 market.

11           I do agree with the earlier speaker about the  
12 disproportionate rate increase between business and  
13 residential. That should be looked at.

14           I also agree with Mr. Nogler, who questioned  
15 that the utility commissioners should consider the  
16 foreign owners and the profits that the corporations are  
17 generating for overseas.

18           I am kind of curious if they can borrow money  
19 overseas at a lower rate, if that's reflected in the  
20 profit reports and within the State of Washington that  
21 you see as the Commission.

22           And that's about all I have. Thank you for  
23 your efforts, and I hope you monitor Puget Sound Energy  
24 very carefully. Thank you.

25           JUDGE MOSS: Thank you, Mr. Newman.

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1           COMMISSIONER GOLTZ: We do have rate decrease  
2 hearings -- or rate decreases. We just pass those  
3 through without a big hearing to make it quicker.

4           MR. NEWMAN: Oh, okay.

5           JUDGE MOSS: All right. I have Lisa Riener,  
6 who's indicated an interest in speaking.

7           MS. RIENER: Good evening. My name is Lisa  
8 Riener, R-I-E-N-E-R. I have owned a home in the west  
9 side of Olympia for the last 30 years, gas and  
10 electricity.

11           I appreciate being able to speak before the  
12 Utility Commission tonight. I was here also several  
13 years ago when we asked that PSE not be allowed to take  
14 over our power grid at that time. I was one of those  
15 who spoke and said we do -- we wanted local control, but  
16 of course in the wisdom of our community, it was sold to  
17 a corporation that, of course, is overseas in Australia.  
18 So currently in Thurston County, profits from PSE, 17  
19 million a year go overseas, and many people in this room  
20 have worked for a public utility district, but to no  
21 avail.

22           So now PSE went and spent around \$600,000 of  
23 our money because we are paying our rates. They used  
24 our money to defeat the public utility district  
25 initiative. They took our money, and now they're asking

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1 for a rate increase. Oh, yeah, they need some money.  
2 They need a rate increase because they spent \$600,000 to  
3 defeat the public's wishes to have their own utility  
4 district, so I find that disingenuous, and I find it  
5 very troubling. We call ourselves a democracy. I don't  
6 think we really have a democracy. I think that we have  
7 sold our resources to overseas interests, and that's  
8 what's happening here in Thurston County.

9           So instead of the profits, 17 million a year  
10 coming to our own people to help them weatherize their  
11 houses, to help them define their own futures, now that  
12 money goes overseas, like most corporations have been  
13 allowed to move overseas because of course it's cheaper  
14 over there. Yeah. Move them all overseas.

15           So my second issue here tonight is that the  
16 sale of PSE -- of course then we had the storm damage of  
17 2012. Oh, it was in all the papers. Everybody was so  
18 upset with PSE. Why can't PSE do a better job? And  
19 they had all these hearings. Oh, slap hands of PSE.  
20 Oh, they're in Australia. Maybe they don't really know.  
21 Well, we think we can't talk to anybody because we're  
22 local. So now, of course -- now they want a rate  
23 increase. They did a terrible job with maintenance of  
24 the grid, the power system, and now you're giving them a  
25 rate increase. Okay.

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1           So then we come to the thing about Centralia  
2 and TransAlta. Now we have a coal-fired power plant, a  
3 dirty coal-fired power plant that has been giving --  
4 people bend over backwards to allow this dirty  
5 coal-fired power plant to be in operation, and PSE has a  
6 deal with it, and a lot of us say, again, is this really  
7 a democracy where it's by the people, for the people?

8           I wanted to thank the chairman of the committee  
9 when he said the reason we're having these proceedings  
10 tonight is to meet the standards, gentlemen, the  
11 standards regarding our power grid. These standards are  
12 for fair, just, reasonable and sufficient means for our  
13 power grid. And my concern is that I don't believe this  
14 is fair, just, reasonable or sufficient. I believe that  
15 it's sufficient for the Australians so they can get \$17  
16 million a year in profit, but for us, I do not think  
17 that it's just, fair, reasonable and sufficient. So as  
18 was said by another gentlemen, you know, when you are in  
19 bed at night and you think to yourself, oh, you're in  
20 the nice part of town, but what about the rest of the  
21 people who are struggling to pay their rates. You're  
22 the ones who allow this to go through, and I think again  
23 it's unconscionable. You have to think -- this is like  
24 was said before. The transmission lines were put in  
25 historically for the people, and we're now allowing a

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1 for-profit corporation, PSE, who is in Australia, to  
2 take advantage of our grid that we put up here in the  
3 United States for a foreign corporation to make profit  
4 on? Our grandfathers worked for this grid. Our  
5 grandfathers put this grid into place very, very hard,  
6 and now the profits from this grid that our grandfathers  
7 worked on go to a corporation in Australia, and so I do  
8 not believe this rate increase is justified.

9 I believe also because of climate change  
10 issues, is it, you know -- to me, this whole thing about  
11 climate change, it is affecting us no matter how much we  
12 put our heads in the sand, it is affecting us. A  
13 coal-fired power plant is not the way to go. PSE has  
14 not looked toward the renewables and has not looked into  
15 solar or wind like they should. They want to put their  
16 emphasis on coal. Many of us feel this is  
17 unconscionable again.

18 JUDGE MOSS: We need to wrap it up.

19 MS. RIENER: So when you go to sleep at night,  
20 think about these issues, gentlemen. You are part of  
21 our community. You are with us here in Washington  
22 State. We love Washington State with all of our hearts.  
23 We love the United States of America with all our hearts  
24 because it's democracy, and that's what we're asking  
25 for, a fair shake.

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1 Thank you, sir.

2 CHAIRMAN DANNER: Thank you.

3 JUDGE MOSS: Pat Holm.

4 MS. HOLM: My name is Pat Holm, and I am an  
5 Olympia resident as well and have public -- I mean, PSE  
6 power. I would like to have public power. I worked for  
7 public power, as did these other people, but we don't  
8 have public power.

9 JUDGE MOSS: And your last name is H-O-L-M?

10 MS. HOLM: H-O-L-M, yes.

11 JUDGE MOSS: Thank you.

12 MS. HOLM: And most of what's been already said,  
13 I agreed with, so I won't say it again.

14 But the one thing it seems like was really  
15 lacking, is that these letters went out May 10th or  
16 something to let people know about this. It doesn't  
17 seem like very much time to digest such a huge amount of  
18 material, and it seems like we should have a public  
19 conversation about all this decoupling, and I was at the  
20 legislative hearings when they were talking about 1301  
21 and various things, and PSE was saying, well, you know,  
22 it's really hard to pay those, you know, the 54 cents to  
23 the people with solar panel on their roofs that are  
24 Washington made and all these things that they are  
25 dealing with, and that's a difficult situation. How do

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1 we not make the people that don't have solar panels on  
2 their roof not pay as much? I don't think the answer is  
3 to just give PSE an automatic rate, you know -- rate  
4 increases, because we do want to have residents be aware  
5 of their electricity they're using and being paid for by  
6 the kilowatt hour so they reduce.

7 I mean, it's the huge numbers of people, the  
8 over 4 million people we have here in Washington State  
9 that we all need to reduce our energy use, and if we're  
10 all paying sort of a rate that's just automatically  
11 going up, regardless of how much we use, it doesn't seem  
12 to make a lot of sense.

13 And a lot of people -- and it's complicated. I  
14 understand it's really complicated, and I don't think we  
15 should rush to a conclusion when things are this  
16 complicated; that more people need to be involved. This  
17 is a really small number of people when you add 200  
18 more. We have a lot of people, and they're just not  
19 aware of where our energy comes from.

20 When we were running the campaign, I mean,  
21 people didn't even know who PSE was really or what's a  
22 PUD. They don't understand it. You know, PSE is a  
23 monopoly that, you know, there's only one -- you don't  
24 get to choose. The gentleman was saying, well, he goes  
25 to the gas station, and he doesn't mind paying an

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1 increase in gas, but you do have a few choices.

2           For electricity, we don't have a lot of  
3 choices. You know, we have PSE. Then 55 percent of the  
4 others have something else. So why couldn't we have a  
5 conversation with those other public utilities about how  
6 they've resolved the issue of solar -- you know,  
7 bringing on solar, which we need to do, and bringing on  
8 wind, which is -- it's an alternate, you know -- we have  
9 to have a different kind of grid to do that and to  
10 allow -- and then the idea of the coal, you know, is a  
11 24-hour thing that they have to -- this coal plant that  
12 they're paying for on it 24 hours, even when they're not  
13 using it.

14           So I mean, there's a lot of issues in here that  
15 I just think we need more time as a public to come to  
16 terms with, and it would really be good to have a wider  
17 conversation and to say, well, we don't have to make a  
18 decision right now about this issue. You've all been  
19 discussing it other places because I haven't heard about  
20 it or I would have been there, because I'm very  
21 interested too. You know, how can we solve the problem  
22 of giving these people all of these incentives for  
23 putting solar panels on their roof and then the rest of  
24 the customers. I mean, that's an issue that we need to  
25 have a wide conversation -- you know, and then the



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1 energy efficiency needs to come first because, you know,  
2 that's the low hanging fruit. Make each home energy  
3 efficient. You know, seal the leaks and so forth, and  
4 then go from there.

5 Or, you know, there's all kinds of ways that we  
6 could save on electricity, but we also need that  
7 conversation with Snohomish County, Seattle, you know,  
8 those are public, you know -- how are they dealing with  
9 these issues?

10 Anyway, I wanted to see a wider discussion and  
11 letting more people know about these issues because when  
12 we had the campaign, nobody understood. Believe me.  
13 They were really -- we need to talk -- a real  
14 conversation and sort of let people understand.

15 And thank you very much for having the hearing.

16 JUDGE MOSS: Thank you for your comments.

17 Next on my list is Sue Langhans, who's  
18 indicated no interest in speaking this evening.

19 And then we have Sonia Vasconi, who has also  
20 indicated no interest in speaking this evening.

21 Now, this brings me to the sheet of my sign-ins  
22 here -- there are two, actually -- and several people on  
23 here have indicated an interest in speaking, but I don't  
24 think you were present when we did our swearing in.

25 The testimony we're hearing from members of the

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1 public this evening is sworn. At the beginning tonight,  
2 or earlier tonight, I asked those who wished to speak to  
3 rise and be sworn in. I'm going to do that again for  
4 those of you who came in late. Monica Hoover, Grant  
5 Ringel, Robin Glaspey, Hank Schasse, Lon Freeman and  
6 Janet Jordan, any of those folks who wish to testify  
7 tonight, if you would please rise and raise your hand.

8 I ask, do you solemnly swear or affirm under  
9 penalty of perjury that the testimony you give here this  
10 evening will be the truth, the whole truth and nothing  
11 but the truth? Please say I do.

12 (Witnesses affirm.)

13 JUDGE MOSS: Thank you very much.

14 And we'll start with Monica Hoover.

15 MS. HOOVER: My name is Monica Hoover. It's  
16 H-O-O-V-E-R. I live in Olympia, Washington. I am a PSE  
17 electric customer, and I'm not representing any group.

18 JUDGE MOSS: Thank you.

19 MS. HOOVER: I grew up in Seattle with Seattle  
20 City Light, and I've lived here in Olympia over 20  
21 years. I have many relatives in Grant County, and I am  
22 seriously envious of their public power. I testified  
23 against the sale of PSE to Macquarie when that deal went  
24 down, as did I think all the citizens who testified.

25 I understand there are three separate cases

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1 being consolidated into one proceeding. I understand  
2 that PSE wants assurances of defined revenue, regardless  
3 of sales and wants expedited rate filing for increases.  
4 Obviously they would want these things, but I think it's  
5 also very obvious that those are not in the service of  
6 the people, and even understanding them would -- I have  
7 not had the time to dig deeply into it, but everything  
8 that I have read to date indicates that it's not in our  
9 interest, and I would hope that you as our commissioners  
10 will be representing the people's interest on this.

11           So at this time, I oppose all three proposals,  
12 but also as Pat Holmes spoke and said, a much wider  
13 conversation really is needed.

14           Thank you very much.

15           JUDGE MOSS: Thank you for your comments.

16           Up next I have a Grant Ringel, who's indicated  
17 no desire to speak.

18           Robin Glaspey also does not wish to speak,  
19 according to what I have here.

20           Hank Schasse also does not wish to speak,  
21 according to what I have.

22           And then we come to Lon Freeman, who does wish  
23 to speak. Mr. Freeman?

24           MR. FREEMAN: Yes. Hello. My name is Lon  
25 Freeman, with an F-R-E-E-M-A-N.

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1           I'm a resident of Olympia. I've been here for  
2 quite a number of years.

3           I am a residential electric customer of PSE,  
4 not gas. My house is all electric, and I'm a human  
5 being living on the earth in the early part of the 21st  
6 century, and I have a written document which I want to  
7 comment on, which I'll submit for the written record as  
8 well. I'll try to summarize. It's a one-page document  
9 with two other single pages of documenting articles from  
10 reputable sources.

11           So regarding the TransAlta Centralia coal power  
12 plant, the long-term purchasing agreement, a contract  
13 between PSE and TransAlta should not be entered into, at  
14 380 megawatts continuously through 2025 or at lower  
15 power ratings as well. Certainly not at higher power  
16 ratings approaching the 500 megawatts of long-term  
17 contracts needed to trigger the closure agreement in  
18 2025. Why?

19           A, because the mean daily atmospheric CO-2  
20 concentrations at Mauna Loa Peak in Hawaii just  
21 surpassed 400 parts per million within the past week,  
22 May 8th through May 9th of this year, for the first time  
23 since data recording was initiated by geochemist Charles  
24 Keeling in 1958, who worked with the Scripps Institution  
25 of Oceanography at the time and is now being continued

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1 by his son Ralph Keeling, also a geochemist.

2           At the current rate of increase of atmospheric  
3 CO-2 concentrations of 2 parts per million per year as  
4 the rate of increase, the scientifically consensual  
5 dangerous figure of 450 parts per million will have been  
6 attained by the year 2038, 25 years from now. It is at  
7 this consistent level of atmospheric CO-2 concentration  
8 that scientific consensus predicts a 2 degree Celsius  
9 rise in global mean temperature, 2 degree Celsius rise  
10 in global mean temperature. That approximates global  
11 mean temperatures for the mid to late Pliocene Epoch,  
12 which existed 2.5 to 3 million years ago when the  
13 northern Canadian arctic was forested. And the rate of  
14 increase of atmospheric CO-2 concentration is itself  
15 currently accelerating, not remaining level or not  
16 decreasing, and it will not dissipate, meaning the  
17 concentrations of CO-2 in the atmosphere, it will not  
18 dissipate through decomposition or reabsorption on a  
19 time scale of thousands of years now that it is  
20 deposited in the atmosphere.

21           The mid to late Pliocene was 2.5 to 3 million  
22 years ago, well before the first introduction of our  
23 species, Homo sapiens, through its own evolutionary  
24 branch. There were other Homo genus homo, but not Homo  
25 sapiens living on the earth at that time. They were the

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1 Australopithecines, Homo Erectus, typically on the  
2 savannahs of Africa. And that goes back approximately  
3 500 million years.

4           Our species originated approximately 200,000  
5 years ago, and we are experiencing CO-2 atmospheric  
6 concentrations now that were existing from 2 1/2 to 3  
7 million years ago. That's probably the main reason why  
8 I'm opposed to the Alta -- TransAlta proposal. Why  
9 continue to burn coal to contribute greater  
10 concentrations of CO-2 when this is going on before our  
11 very eyes. It's not our eyes because we can't see it,  
12 but it's in our lives.

13           All right. I'll end that part there.

14           Well, no. I will say one more thing. The  
15 oceans, by the way, at that time were approximately 25  
16 meters higher than currently. Is that where we want to  
17 be heading? Do we want to see palm trees growing on  
18 Baffin Island?

19           Part B, why not have this coal plant proposal  
20 go ahead?

21           JUDGE MOSS: About 30 seconds.

22           MR. FREEMAN: Because it may be feasible to  
23 obtain electric power through lower rates through a  
24 diversity of sources through the year 2025, some of  
25 which may be unforeseeable at the current time. That's

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1 the end of part B.

2           The second part regarding the increase in  
3 electric rates proposal. I looked back upon my own  
4 electric billing records to 2009 and earlier, through  
5 the current cycle -- through the current cycle and to  
6 the requested proposal. In 2009, the basic charge was  
7 \$7. The basic charge has gone through \$7.25 and now  
8 \$7.49 and is now proposed at \$7.88. From \$7 dollars to  
9 \$7.88 is a 12.6 percent increase.

10           I also looked through the charges in electric  
11 usage charges for the same period. In 2009 the electric  
12 usage rate was .084772 dollars, in other words, that's  
13 in cents per kilowatt hour, and it is now being proposed  
14 at .09874 per kilowatt hour for a typical household  
15 usage of 1,000 kilowatt hours per month, equalling  
16 \$98.74, which was on the flip side of PSE's own --

17           JUDGE MOSS: I need you to wrap up.

18           MR. FREEMAN: Okay. So that increase represents  
19 a 16.5 percent increase. Together, the basic charge and  
20 the electric usage rate increase amount to a 29.1  
21 percent increase over a period of four years and a  
22 little less than six months. 29.1 percent increase in a  
23 little less than four and a half years.

24           Now, honestly -- and I acknowledge that those  
25 were offset by credits that were given as well,

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1 including the federal wind energy credit and now more  
2 recently, the renewable energy credit, and to some  
3 lesser extent, the merger credit, which we have not seen  
4 much of in recent months.

5 JUDGE MOSS: Mr. Freeman, in fairness to others,  
6 I'm going to have to ask you to stop.

7 MR. FREEMAN: I hear you. I hear you.

8 This is the last sentence of my paper. Part B  
9 about the increase in electric rates. If some part of  
10 the requested increases were going toward research and  
11 development and investment in less maligned energy  
12 sources and infrastructure throughout the entire system,  
13 electric system, then perhaps there would be greater  
14 receptiveness.

15 I thank you for giving me the opportunity to  
16 comment and to the Staff and Public Counsel too.

17 JUDGE MOSS: Janet Jordan?

18 MS. JORDAN: I'm Janet Jordan. I live in  
19 northern Thurston County, and I wanted to address the  
20 contract between PSE and TransAlta. As it stands, the  
21 contract doesn't work for public interests. Public  
22 interest is to see the TransAlta coal burning plant shut  
23 down and PSE transition to renewables. Instead, there's  
24 a contract until 2025. Why would the coal burning plant  
25 be shut down if it's earning profits for PSE, and why



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1 would PSE ever develop its wind and solar energy if it's  
2 locked into coal? Much preferable would be a contract  
3 for a declining amount of power each year from TransAlta  
4 so that by 2025, we're not obliged to purchase anything  
5 from them. Renewables get cheaper every year. We may  
6 be able to transition away from coal before 2025.

7 I would like to see the contract renegotiated  
8 on better terms now that the public has been involved,  
9 and I don't think they deserve much of a bonus for that  
10 contract.

11 Decoupling seems like the way to keep the  
12 fossil fuel industry alive while transitioning to the  
13 new industry that will replace it. This seems like a  
14 poor idea. If we want to transition away from fossil  
15 fuels, we shouldn't continue to invest in it, regardless  
16 if the company offering it earns less. When a company  
17 becomes obsolete, it does earn less. If it wants to  
18 stay current, it needs to transition to newer  
19 technologies, in this case to renewables.

20 And finally, I wanted to talk about attrition.  
21 This rate filing mechanism is a bad idea. There's a  
22 reason for the year-long review of the rate case, and  
23 that is that more is involved in just the price  
24 increases that PSE wants us to recognize. For example,  
25 interest rates fell in 2012, allowing PSE to keep more

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1 of what it earned, giving them a rate increase based  
2 only on a few of the inputs, the ones that are going up  
3 would be unfair to customers. WUTC's mission is to  
4 protect the public interests in the face of a monopoly  
5 industry, and I'm sure it will recognize that this is  
6 the kind of thing we need to be protected from.

7 Thank you.

8 JUDGE MOSS: Thank you, Ms. Jordan.

9 And I have one more speaker signed up, Zena  
10 Hartung. Ms. Hartung, were you here earlier to be sworn  
11 in?

12 MS. HARTUNG: Yes, I was.

13 JUDGE MOSS: Okay. Thank you very much.

14 If you would go ahead with your name, and spell  
15 your last name, please.

16 MS. HARTUNG: Yes. My name is actually Nancy  
17 Zena Hartung. I go by "Zena," and my last name is  
18 spelled H-A-R-T-U-N-G, and I've lived in around Olympia  
19 since 1980, give or take five years when I lived in  
20 Italy, and I'm here tonight, gentlemen, to add my voice  
21 to those who have indicated to you many reservations  
22 about this series of requests that have come from our  
23 monopoly power system known as Puget Sound Energy.

24 First off, this 3 percent rate increase per  
25 year seems unjustified in an economic environment that

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1 has already had years now of low interest rates for  
2 mortgages. Generally banks are very unwilling to give  
3 you any kind of interest at all for any sort of savings,  
4 and companies such as this have been able to refinance a  
5 lot of their debt now freeing up money that they would  
6 have been paying for debt, and on top of it asking for a  
7 rate increase somehow doesn't jibe with my understanding  
8 of economics.

9           So where are the incentives here? Are the  
10 incentives really in this decoupling for somehow  
11 reducing the demand for profits, that somehow PSE  
12 becomes more of a neutral provider no longer needing to  
13 make large sums for their -- for their -- those who hold  
14 their stocks? I really can't believe that that's going  
15 to be the result of decoupling. It sounds to me more  
16 like a corporation that's looking for an advantage, a  
17 moment of -- sort of slight of hand even. You know,  
18 don't notice the man behind the curtain.

19           In addition, I really feel that -- I'm  
20 concerned that PSE has had access to your Staff,  
21 unlimited access, so that the hours that they are paid  
22 for to work for the good of our community are  
23 actually -- they're being, once again, another  
24 slight-of-hand situation so that their hours are going  
25 to work for the corporate interests.

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1                   So I would like to lend my voice to  
2 Mr. Freeman's description of how we have found ourselves  
3 now with so much carbon in the atmosphere that we've  
4 managed to change the entire planet's climates and  
5 probably unremittingly so for generations to come.  
6 Though I have children, I have no grandchildren. Always  
7 before, that had been a reason for me for sadness, and  
8 now I have some reservations and think perhaps my  
9 children are very wise in not choosing to create more  
10 beings that are going to see such radical change in the  
11 future.

12                   Thank you, sirs.

13                   JUDGE MOSS: Thank you.

14                   That brings us to the conclusion of those who  
15 have signed up to speak. Is there anyone else present  
16 who wishes to speak this evening?

17                   Is there anyone on our telephone conference  
18 bridge line who wishes to be heard this evening?

19                   MR. FELLOWS: I'd like to speak.

20                   JUDGE MOSS: All right. Go ahead.

21                   MR. FELLOWS: I swear to tell the truth and  
22 nothing but the truth.

23                   JUDGE MOSS: We'll go through the formalities,  
24 if you don't mind.

25                   Do you solemnly swear or affirm under penalty

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1 of perjury that the testimony you give in this  
2 proceeding will be the truth, the whole truth and  
3 nothing but the truth?

4 MR. FELLOWS: Yes, I do.

5 JUDGE MOSS: Please state your name for the  
6 record and spell your last name.

7 MR. FELLOWS: I'm Richard Fellows,  
8 F-E-L-L-O-W-S. I'm a PSE customer, and I don't  
9 represent any organizations.

10 JUDGE MOSS: All right. Thank you.

11 MR. FELLOWS: I just wanted to comment on the  
12 amount of money that they apparently have to buy our  
13 opinion regarding elections that happened recently. I  
14 just feel that there needs to be some penalty of sorts  
15 that's structurally in place to limit the amount that a  
16 corporation can spend, a monopoly a corporation can  
17 spend on an election regarding transferring the  
18 infrastructure to public ownership.

19 There's a lot of privatization going on in the  
20 world, and all over the world, there's graffiti on the  
21 walls, "No to privatization." You know, privatization  
22 supports a very small percentage of the population and  
23 allows disparity in income to get more and more severe.

24 In the United States, the relative wealth of  
25 the top 1 percent has increased something like 30-fold

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1 in 20 years over the other 99 percent of the population,  
2 and a lot of this has to do with neoliberal economics  
3 and pushing privatization.

4 We don't really have a word for the opposite of  
5 privatization very much. It's not part of our  
6 discussion, but we did make an attempt here, but the  
7 media was way against us. There was an awful lot of  
8 money spent, and I just -- I don't think -- I don't  
9 believe that PSE should get rewarded if, in their profit  
10 and loss statements, part of that loss is buying our  
11 public opinion and buying an election, and I guess  
12 that's all I really have to say. Just my opinion.

13 JUDGE MOSS: Thank you, Mr. Fellows. Appreciate  
14 it.

15 Is there anyone else who wishes to speak?  
16 Apparently not.

17 Well, that will bring our public comments to a  
18 conclusion this evening. I want to remind you again,  
19 and of course you can share the information with others  
20 as you see fit, that we will continue to receive written  
21 comments through close of business tomorrow, and then  
22 Mr. ffitch will have an opportunity to assemble the  
23 public comment exhibit and get that to us next week.

24 Let me ask if Chairman Danner or other  
25 commissioners have any closing remarks?

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1                   COMMISSIONER GOLTZ: Thank you.

2                   JUDGE MOSS: All right. Well, in that case, I  
3 would just like to, on behalf of the Commission, thank  
4 you all again very much for coming tonight and giving  
5 your testimony. It's very much appreciated, and we'll  
6 take it into the record. Thank you. Good night.

7                   (Proceeding concluded at 7:38 p.m.)

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C E R T I F I C A T E

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3 STATE OF WASHINGTON

4 COUNTY OF KING

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6 I, Lisa Buell, a Certified Shorthand Reporter and  
7 Notary Public in and for the State of Washington, do hereby  
8 certify that the foregoing transcript of the public hearing on  
9 MAY 16, 2013, is true and accurate to the best of my knowledge,  
10 skill and ability.

11

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IN WITNESS WHEREOF, I have hereunto set my hand and  
seal this 29th day of May, 2013.

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LISA BUELL, RPR, CRR, CCR

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18 My commission expires:

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DECEMBER 2014

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