

10/16/13

David Danner, Chair  
Jeff Goltz, Commissioner  
Philip B. Jones, Commissioner  
Washington Utilities and Transportation Commission  
1300 S. Evergreen Park Drive S.W.  
Olympia, WA 98504-7250

RE: Puget Sound Energy  
Docket UE-120767

2013 OCT 17 PM 4:19  
COMMUNICATIONS SECTION  
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

Gentlemen,

Thank you for the opportunity to testify at the 10/10 hearing. I appreciated being able to speak from the perspective of small business owners.

You asked me a couple of questions I couldn't answer after my testimony: How to price carbon and whether the different scenarios modeled in the IRP accurately reflected potential PSE expenses. Having done additional research, I wanted to respond to those questions.

**Cost of Carbon.** I believe PSE's high and very high carbon costs are reasonable ranges of carbon costs. The high cost comes from legislation Congress seriously considered, while the very high carbon cost is from the EPA's social cost of carbon estimates and measures all the potential risks. PSE's low cost and baseline case of no carbon cost should be ignored.

**Potential Expense Estimates.** The IRP does include a reasonable assessment of EPA standards in cases 3 and 4, where Montana regulators do their job. However, PSE only wants to focus on case 2, ignoring Montana's regulators. The IRP doesn't include repairs, 6 month long downtimes, nor lawsuit costs. More disturbingly, the IRP doesn't address the fact that Colstrip is stealing water from Montana ranchers and may not be allowed to use enough water to continue operations, at any price. Also, the IRP ignores the increasing mining costs of coal, and the risk that Units 1 & 2 won't be able to burn the coal in the mine's proposed expansion due to the coal's sodium content. Fixing this by building rail lines to haul coal to Colstrip or rebuilding the units for the newly available coal is throwing good money after bad. These are very disjoint risks – Colstrip might be able to run in the future, or they may have to completely shut down. Water theft and running out of the right type of coal are enormous risks that can't be addressed by putting additional costs into a spreadsheet.

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I also wanted to address the issue of possible rate increases with the transition to renewable energy. Climate change and extreme weather events *already* generate very real costs businesses. These will continue to increase. They include but are not limited to:

- Costs of response to extreme weather and wild fires
- Less federal and state funding available to maintain infrastructure and services
- Blackouts and other energy disruption
- Supply train disruption
- Increased food prices
- Medical costs associated with coal that result in higher insurance premiums
- Destruction of recreational habitat
- Destruction of other industries such as seafood

The very real costs of above are far greater than the costs of rate increases as we move to renewable sources of energy and create new industries rather than destroy industries.

For business owners, Colstrip is too risky, and wasting money upgrading it is not prudent. As a state, we have the obligation to limit our carbon emissions. Many thanks for your careful consideration of this challenging issue.

Best Regards,



Ellen Lockert  
P.O. Box 11527  
Bainbridge Island, WA 98110  
ealockert@gmail.com

## WUTC TESTIMONY 10/10/13

My name is Ellen Lockert. I am a serial entrepreneur who has built and sold two profitable businesses: a million dollar business and a two million dollar business.

Like many small business owners, I am appalled to learn that Puget Sound Energy generates 30% of our electricity from coal. And, stunned to learn that PSE is requesting to use coal for another 20 years. It's just bad business.

Over the course of the summer, I talked with numerous Bainbridge business owners, 50 of whom signed letters to PSE requesting rapid transition beyond coal to renewable energy. I speak for them today.

Why is coal bad business?

*The accurate prediction of expense is central to business success.* PSE's projection of zero increase in cost of coal over the next 20 years is inconceivable. PSE projection does not take into account cost of repairs to aging plants, costs of new EPA standards or possible lawsuits from surrounding landowners for fouling the water and land. If projected costs are wrong, we, the ratepayers will pay for their mistake.

*PSE's cost projection does not reflect the true cost of coal.* The true cost of coal must include the cost of PSE dumping waste products into our environment. This includes: fouling of adjacent land and water, massive public health costs, toxic residue in the food we eat and acidification of the oceans as outlined in the recent Seattle Times series. Coal use now threatens destruction of multi-million dollar seafood industries. These are costs that are borne by us as business owners, citizens and taxpayers. That's just plain wrong.

*Successful businesses adapt to market changes.* There are lost opportunities from clinging to a 19<sup>th</sup> century fuel source. If we had clung to telegraphs and typewriters, we would have missed the vibrant economy created by the development and deployment of computers. There are new green energy industries on the cusp of being born. These will create local jobs and wealth. Small businesses are asking PSE to lead the way to that future rather than clinging to a destructive and outdated past.

A recent JD Powers Electric Utility Business Customer Satisfaction Survey ranked PSE 10<sup>th</sup> out of the 13 large segment companies in the Western Region. The same report revealed that an "area in which utilities are facing significant criticism is in corporate citizenship, where business customers are critical of utility efforts to develop energy supply plans for the future, as well as business utilities showing business leadership in local communities."

Our request is that PSE make smart business choices. Accurately account for the true cost of coal. Develop sustainable energy supply plans for the future. Provide business leadership in developing a green energy economy in Washington State and show good corporate citizenship by divesting from a fuel that threatens other regional businesses, such as the fishing industry. It's good business and, it's the right thing to do.



SIERRA  
CLUB  
FOUNDED 1892

# Washington Businesses Beyond Coal

Dear Puget Sound Energy:

Many utilities in the United States are moving away from coal, and we, as business owners in Washington State, urge Puget Sound Energy to move beyond coal to clean energy. Investing ratepayers' and business owners' dollars into clean energy and energy efficiency, which creates jobs and reduces harmful pollution, is a better choice for Washington.

PSE has been a trusted partner in building Washington's clean energy economy. You have already committed to a better future by investing in renewable energy technology and energy efficiency. However, we are very concerned that over one-third of our energy continues to come from coal, largely from the Colstrip Generating Station in Eastern Montana.

In terms of carbon pollution, this coal plant is one of the worst in the West, emitting as much carbon per year as two Mt. St. Helens eruptions. In addition, toxins such as chromium, arsenic, and mercury pollute local ranchers' water supply and cause life-threatening problems near the plant. In the coming years there will need to be hundreds of millions of dollars of investments to keep this old facility operating safely. Throwing small business owners' and ratepayers' money at a dirty and dangerous coal plant is not only bad for our climate, it is a bad bet for Washington business.

There is a better way. Every two years, PSE develops a new "Integrated Resource Plan" (IRP) to direct its energy policy for the next 20 years. Your most recent "IRP" predicted a \$0 increase in the cost of coal for the next two decades. Including the true cost of coal in the current "IRP" is a necessary step in moving our state and region into a clean energy economy.

The abundance of energy efficiency opportunities and renewable energy development has been documented by the Northwest Power and Conservation Council. Thousands of well-paying jobs will come from the transition from dirty coal to clean energy. Continued investment in energy efficiency and renewable energy is the only sure bet to lower energy bills, protect the people and places we love, and invigorate our state economy. It's time to do the right thing and move beyond coal.

Our community can kick the coal habit. As small business owners, we know that change can be hard, but good. We feel that together your customers, entrepreneurs, workers, community leaders, and business leaders can help you transition away from dirty, dangerous, and increasingly expensive coal. All of us have a role to play. We look forward to working with you to help you move beyond coal and create a clean energy future that benefits us all.

Sincerely, the undersigned PSE small business customers

- |   |   |
|---|---|
| Bainbridge Business Park, Bainbridge Island           | Blackbird Bakery, Bainbridge Island                           |
| Big Game Coaching LLC                                 | Buckley + Buckley Real Estate, Bainbridge Island              |
| Buck's Fifth Ave, Olympia                             | Canvas Works, Olympia   |
| Business Cloud Services                               | Champion Grocery, Issaquah                                    |
| Connexion 24-7  | Coates Design, Inc, Bainbridge Island                         |
| Dana's Showhouse, Bainbridge Island                   | Consulation   |
| Davis Studio Architecture + Design, Bainbridge Island | Dumpster Values L.L.C, Olympia                                |
| Doubletake Vintage and Consignment, Issaquah          | Eagle Harbor Book Company, Bainbridge Island                  |
| Flowering Around, Bainbridge Island                   | Eagle Harbor Health + Chiropractic Center, Bainbridge Island  |
| Ian Macrae, Esq.                                      | Eagle Harbor Insurance LLC, Bainbridge Island                 |
| Lilie's   | Earth Pet, Issaquah   |
| MacPearsons   | Eastside Audiology & Hearing Services, Issaquah               |
| Math Logic, LLC                                       | Eden Labs, Seattle  |
| Metromarket Catering, Bainbridge Island               | Essential Yoga Therapy, Fall City                             |
| Millstream  | Exotic Aquatics Scuba + Kayaking, Bainbridge Island           |
| Monroe Therapeutic Massage, Kirkland                  | Ferndale Family Medical Center, Family Care Network, Ferndale |
| Natural Living Services                               | Finders Keepers Antique Mall, Bellingham                      |
| No Sweat Equity                                       | Flow and Function, Olympia                                    |
| Olive Infusion  | Forest Fairy Bakery, Issaquah                                 |
| Orca Books, Olympia                                   | Full Circle Farms, Carnation                                  |
| Petit and Olson                                       | Furnish Bainbridge, Bainbridge Island                         |
| Phoenix Rising Hair Designs, Bainbridge Island        | Island Health and Fitness LLC                                 |
| PrettyStick Beauty, Bainbridge Island                 | Issaquah Food and Clothing Bank, Issaquah                     |
| Rainy Day Records, Olympia                            | Issaquah Paddle Sports, Issaquah                              |
| Restaurant Marche, Bainbridge Island                  | Jubilee Biodynamic Farm, Carnation                            |
| Rimini Software                                       | Kayak Academy, Issaquah                                       |
| Rion LLC  | Kimball Architecture  |
| Safford Connors Transportation Inc                    | Last Word Books, Olympia                                      |
| San Juan Partners, LLC                                | Matter Gallery, Olympia                                       |
| Soul 2 Soul   | Maui Beach Home Rentals                                       |
| Tasdemir Rugs, Bainbridge Island                      | Misha Noonon, LMP, Bellevue                                   |
| Tod Adams, DDS, Bainbridge Island                     | O'Connor Architects, Bainbridge Island                        |
| Treasures and Trinkets                                | Oly Vegan, Olympia  |
| Tree House Café                                       | Paper Products  |
| Urban Onion, Olympia                                  | Parklane Gallery, Kirkland                                    |
| Via Rosa 11, Bainbridge Island                        | Peace, Love & Raw, Olympia                                    |
| Village Music at Lynwood Center, Bainbridge Island    | Roby King Galleries, Bainbridge Island                        |
| Whodunit Books, Olympia                               | SOMA Institute, Buckley                                       |
| Wildernest + The Gear Stash, Bainbridge Island        | Soupr Burger, Bainbridge Island                               |
| Winslow Animal Clinic, Bainbridge Island              | State of the Arts Gallery, Olympia                            |
| Acupuncture + Wellness Center PS                      | Steve Hall, M.D., Issaquah                                    |
| Apple Farm Village, Woodinville                       | The Berry Patch, Bainbridge Island                            |
| AppsJack, Seattle                                     | The Traveler  |
| Asani Development Corp, Bainbridge Island             | Tiger Mountain Acupuncture, Issaquah                          |
| Aurora Florialis, Bainbridge Island                   | Toilsome Construction LLC, Bainbridge Island                  |
| Bainbridge Technology Solutions, Bainbridge Island    | Vetiver Organic Hair Spa, Issaquah                            |
| Bay Hay and Feed, Bainbridge Island                   | Walt's Lynwood Market, Bainbridge Island                      |
| Ben and Jerry's - Issaquah Highlands, Issaquah        | Willow's Naturally, Bainbridge Island                         |
| Bl Bicycle Shop, Bainbridge Island                    | Yes! Magazine, Bainbridge Island                              |
| Biolmmersion  |   |

# 2013 Electric Utility Business Customer Satisfaction Study

2/13/2013

**J.D. Power and Associates Reports:**

**Overall Business Customer Satisfaction with Electric Utility Companies Declines, Despite Improved Communications to Businesses during Power Outages**

**WESTLAKE VILLAGE, Calif: 13 February 2013** --Business customer satisfaction with electric utility communications increases, while overall satisfaction declines, according to the J.D. Power and Associates 2013 Electric Utility Business Customer Satisfaction Study<sup>SM</sup> released today.

The study is based on interviews with representatives of more than 25,700 U.S. businesses that spend at least \$250 monthly on electricity. More than 90 utility brands serving a total of more than 11.7 million business customers are included in the study. Overall customer satisfaction is measured by examining six factors: power quality and reliability; billing and payment; corporate citizenship; price; communications; and customer service.

Overall satisfaction among electric utility business customers averages 647 (on a 1,000-point scale), decreasing by 10 points from 2012. Satisfaction decreases in all factors except communications, which increases by four points year over year. The largest decreases in satisfaction are in customer service (down 18 points); corporate citizenship (down 18); and billing and payment (down 15).

"Even with the multiple weather events and an increase in the average outage time, satisfaction with power quality and reliability has decreased only three points," said John Hazen, senior director of the energy utility practice at J.D. Power and Associates. "In addition to customer service, the area in which utilities are facing significant criticism is in corporate citizenship, where business customers are critical of utility efforts to develop energy supply plans for the future as well as utilities showing business leadership in local communities."

However, positively impacting satisfaction with power quality and reliability, electric utility companies are demonstrating new ways to ensure open lines of communication with their customers by offering service outage updates via text messaging, social media and email, which yield significantly higher satisfaction levels than any other outage communication type.

In addition to providing information through multiple channels, electric utility companies are also proactively communicating with their business customers during outages, which positively impacts satisfaction as well. Power quality and reliability satisfaction among the 11 percent of business customers who received proactive communications from their utility during an outage is 754, compared with 654 among those who received no communications from their utility.

## **Study Rankings**

Within each of the four geographic regions included in the study, utility providers are classified into one of two segments: large (serving 85,000 or more business customers) and midsize (serving between 25,000 and 84,999 business customers). Rankings within each region and segment are as follows:

### **East Region**

PPL Electric Utilities ranks highest among large electric utility providers in the East Region with a score of 664. Among midsize electric utilities in the East Region, Central Maine Power (654) ranks highest for the second consecutive year.

### **Midwest Region**

#### **Key Findings**

Utility blogs (772) and text messages (768) are the highest satisfaction-generating communications methods vs. other communication types (618).

Customer service phone satisfaction is 750 for first call problem resolution compared with non-resolved issues (423).

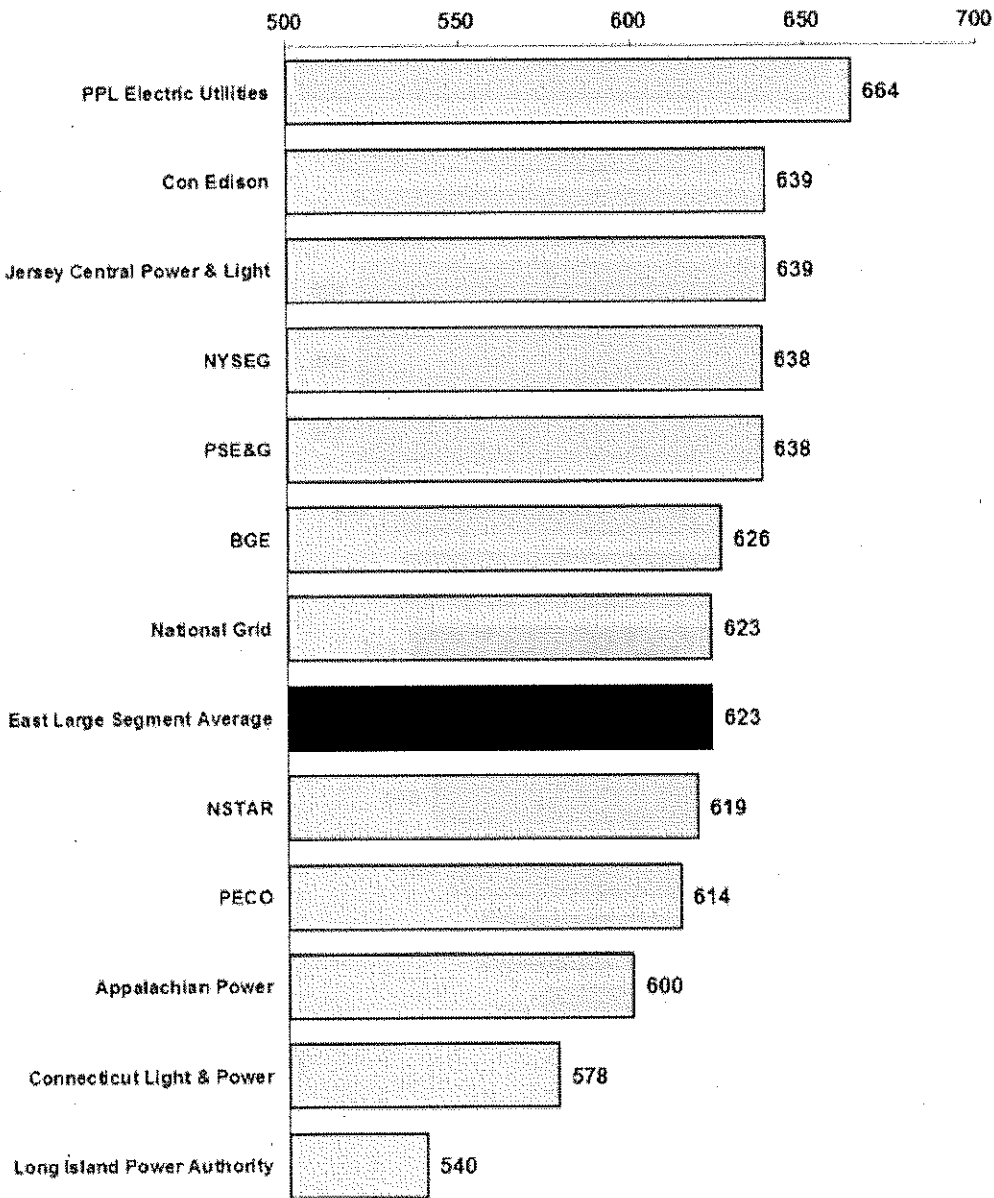
17% of business customers accessed their utility website via a tablet/smartphone.

# J.D. Power and Associates 2013 Electric Utility Business Customer Satisfaction Study<sup>SM</sup>

## Customer Satisfaction Index Ranking

*East Region: Large Segment*

*(Based on a 1,000-point scale)*

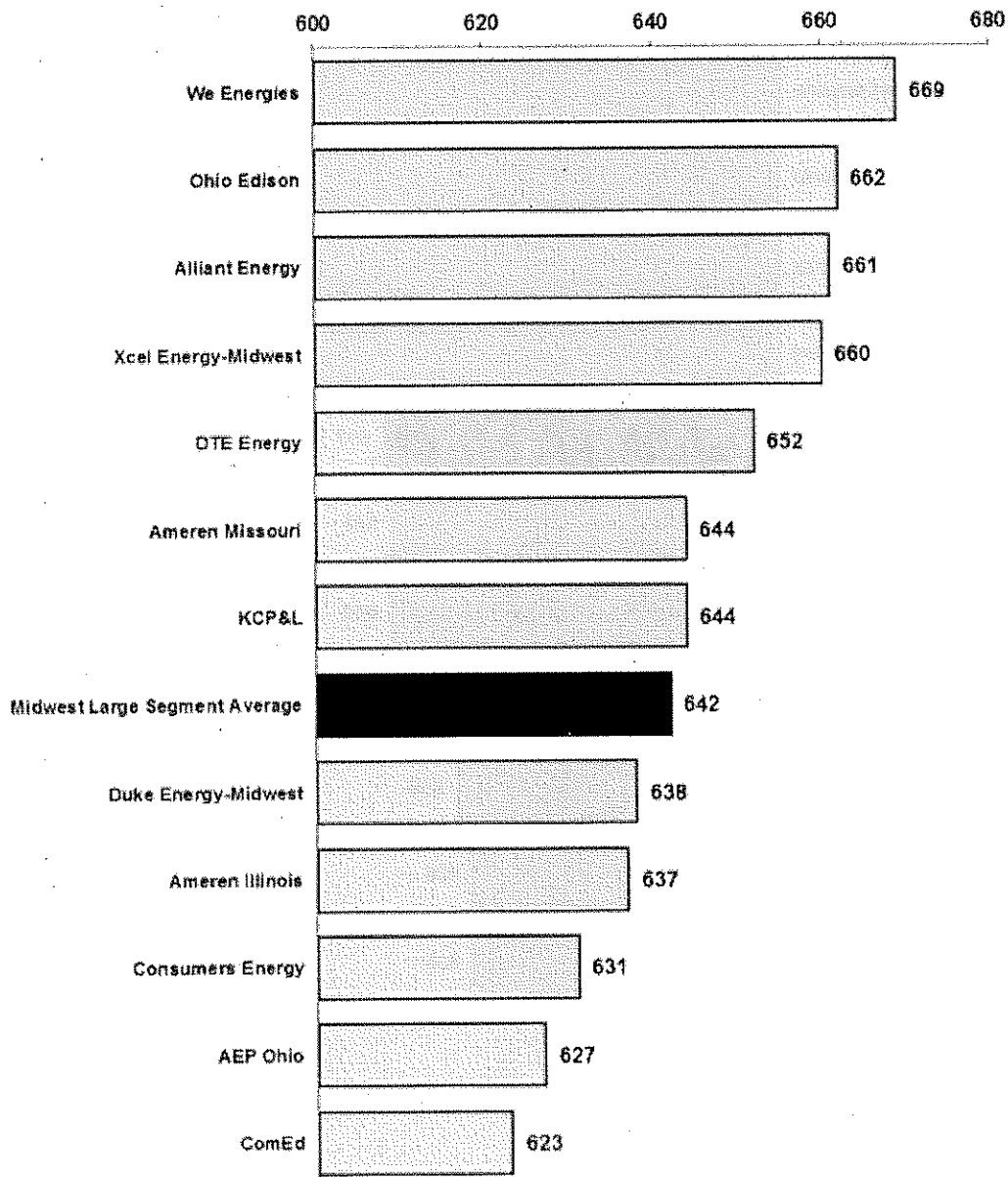


Source: J.D. Power and Associates 2013 Electric Utility Business Customer Satisfaction Study<sup>SM</sup>

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# J.D. Power and Associates 2013 Electric Utility Business Customer Satisfaction Study<sup>SM</sup>

## Customer Satisfaction Index Ranking Midwest Region: Large Segment (Based on a 1,000-point scale)



Source: J.D. Power and Associates 2013 Electric Utility Business Customer Satisfaction Study<sup>SM</sup>

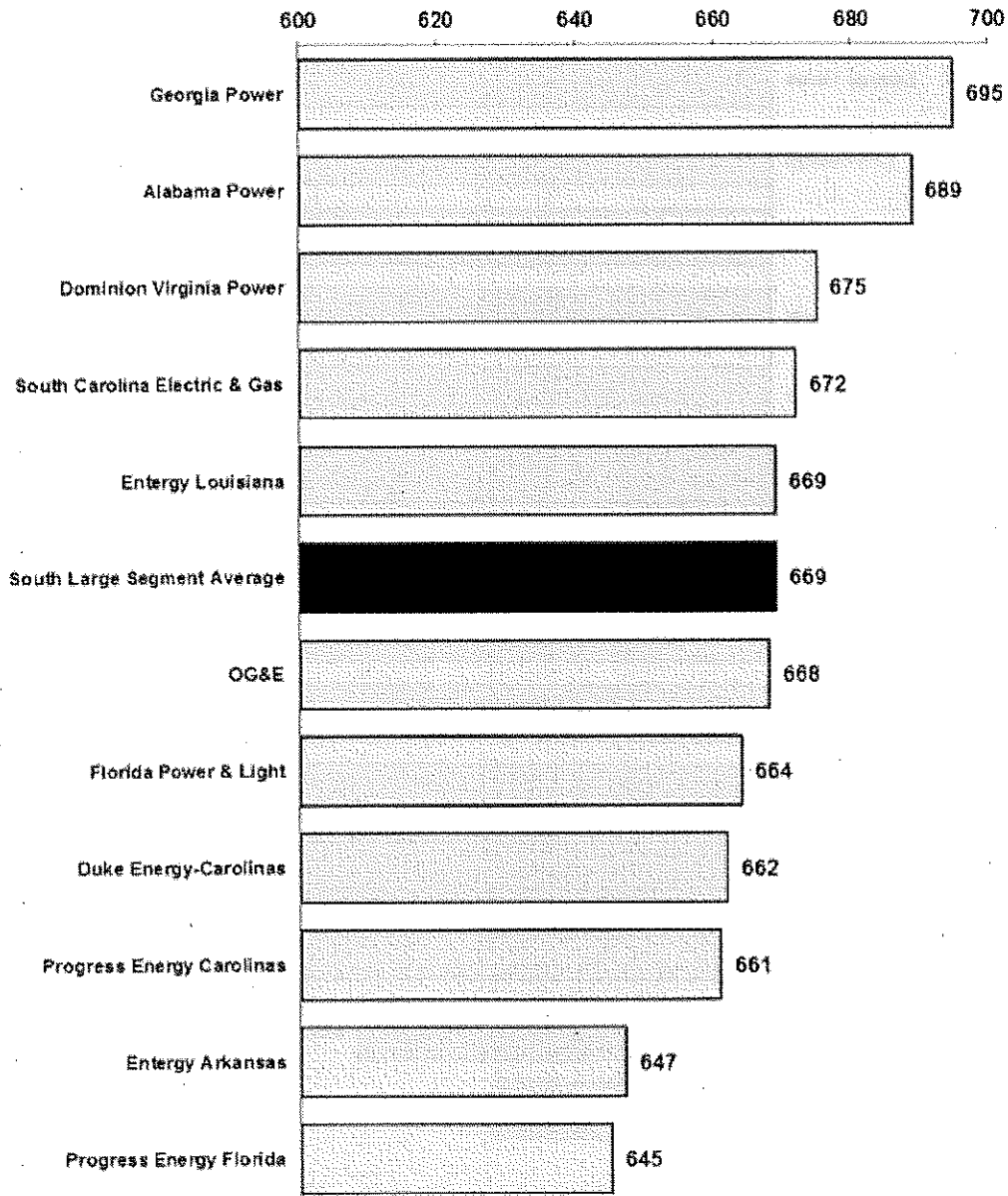
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# J.D. Power and Associates 2013 Electric Utility Business Customer Satisfaction Study<sup>SM</sup>

## Customer Satisfaction Index Ranking

### South Region: Large Segment

(Based on a 1,000-point scale)



Source: J.D. Power and Associates 2013 Electric Utility Business Customer Satisfaction Study<sup>SM</sup>

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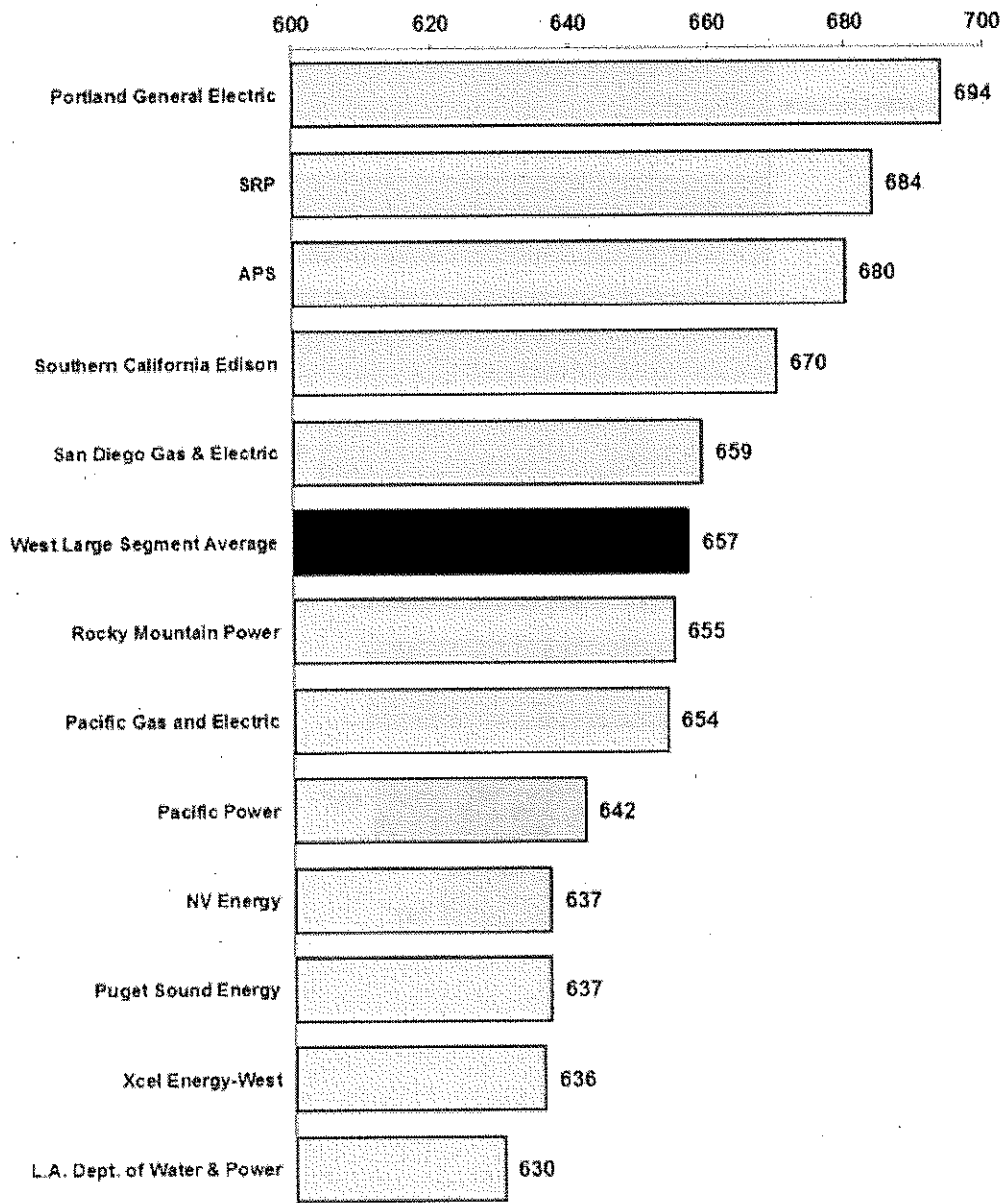


# J.D. Power and Associates 2013 Electric Utility Business Customer Satisfaction Study<sup>SM</sup>

## Customer Satisfaction Index Ranking

### West Region: Large Segment

(Based on a 1,000-point scale)



Source: J.D. Power and Associates 2013 Electric Utility Business Customer Satisfaction Study<sup>SM</sup>

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Washington Utilities and Transportation Commission:

Many utilities in the United States are moving away from coal, and I, as a Washington State business owner and Puget Sound Energy (PSE) customer want PSE to move beyond coal and invest in clean energy. Investing business and individual ratepayer dollars into clean energy and energy efficiency creates jobs and reduces harmful pollution. This is a better choice for Washington.

PSE has been a trusted partner in building Washington's clean energy economy. They have already committed to a better future by investing in renewable energy technology and energy efficiency. However, I am deeply concerned that nearly one-third of our energy continues to come from coal, largely from the Colstrip Generating Station in Eastern Montana.

The most recent PSE Integrated Resource Plan (IRP) proposed using coal for *twenty more years*. And, it predicted NO increase in the cost of coal for the next two decades. Including the true cost of coal in the current IRP is a necessary step to move our state and region towards a clean energy economy.

In the coming years PSE will need to invest hundreds of millions of dollars of in order to keep Colstrip operating safely and legally. This is bad business. Investing additional money in a dirty and dangerous coal plant is not only bad for our climate. It is a bad bet for Washington business.

The Northwest Power and Conservation Council have documented an abundance of energy efficiency and renewable energy opportunities. Thousands of well-paying jobs will come from the transition from dirty coal to clean energy. Continued investment in energy efficiency and renewable energy is the only sure bet to lower energy bills, protect the people and places we love, and invigorate our state economy. It's time to do the right thing and move beyond coal.

As a responsible business owner I recognize the central importance of accurately predicting expense and adapting to market changes. That's why I support the Coal Free PSE campaign. I look forward to working with you to help you move beyond coal and create a clean energy future that benefits us all.

Sincerely,

Name:

Business Name:

Email: