

APPENDIX A
PUBLIC COMMENT SUMMARY
U-072375

A) The Bellevue Public Hearing – May 15, 2008

A public hearing was held in Bellevue on May 15, 2008. A total of 71 people attended and twenty one witnesses addressed the Commission. Of those who testified, the great majority spoke in opposition to the proposed merger. Attendees included city council members, senior citizens, public school representatives, PSE shareholders and various community interest groups.

Linda Boyd from Clyde Hill testified on her own behalf:

“I oppose the sale of Puget Sound Energy and Puget Energy, the water and the land belong to the people of Washington State as they always have. And by selling, we lose local oversight, and oversight is one of the most important jobs that faces you...The idea of selling the company to raise capital is selling the house to get a new garage door, there’s no profit in that for the public.” (Tr. 94:3-95:7)

Julian Aviola from Mason County testified on behalf of herself and her family:

“I just wanted to give a family perspective on why it’s important that Puget Sound remain a local entity for me. We were one of the areas that was hard hit by the storm and were out for a full ten days. I have a really disabled child, when Puget Sound learned that we had been out for more than four days, they called every single day to check on my family. I think that would be a really different matter if the company was owned by owners in Canada or Australia, I don’t think I’d be getting a phone call from this situation...Also, I see a lot of work done in the Seattle area about what makes a strong community. And strong communities have strong community resources, are held locally. Handing over the resources of Puget Sound Energy, which is a great company, to outside investment I think diminishes our community. I am also concerned about the possible lack of transparency in the disclosure of financial information, and holdings, and about the commitment to green energy of foreign investment companies withholding to their investors, thank you very much.” (Tr. 110:11-111:17)

Steve Pellet from Bellevue testified on his own behalf:

“The merger, I believe, bringing us to an ownership, a majority holding, in another country that is privately held would keep the disclosures even out of your hands, and I’d ask you to think deeply about how you can serve the communities that you are being requested to serve if you have no access to the information that you need to make decisions...[T]he research that I’ve done on the company that would be the majority holder is showing that there may only be a couple of people on the planet, a couple of men, who understand the company in and out thoroughly, who understand the trading that they do back and forth in

mergers and acquisitions they do with their own holding companies, so they can reap more profits from that.” (Tr. 112:10-114:20)

B) The Bellingham Public Hearing – May 20, 2008

A public hearing was held in Bellingham on May 20, 2008. A total of 147 people attended the hearing and fifty one witnesses addressed the Commission. The great majority of those who testified on the issue of the proposed merger were opposed to the transaction. Attendees included former state legislators, representatives from public utility districts, various community citizens groups, community council members and senior citizens.

Steve Van Luven from Samish Island, Skagit County testified:

“For over 17 years I was a member of the Washington State House of Representatives, and I was a legislator in Bellevue where Puget Sound Energy is headquartered. As I mentioned, many foreign firms already own companies in the U.S.A and in the state of Washington. Many of those companies sell products that we all want to use, but Puget Sound Energy is different. They don’t just sell a product that we want, but they sell a product that we need and we have to have to survive. I don’t want my basic needs controlled by foreigners thousands of miles away. I’m a free market kind of guy, but when the free market stands to threaten people’s very ability to exist, we rebel. I personally cannot think of one good reason or advantage as to why our local electric company should be owned by foreigners thousands of miles away instead of local ownership. Please turn down this merger proposal, you can say no. Thank you.” (Tr. 138:23-142:9)

Myra Ramos from Lummi Island testified:

“A utility company has an enormous impact on the safety and well-being of any community. A property transfer such as we are contemplating here if it is to protect the public interest has to involve a company that is committed over the long term to providing reliable service at reasonable rates. If we are looking at the record and reputation of Macquarie, that is not what we can expect. A transfer that will protect the public interest should inspire confidence. If we look at this proposal it inspires alarm. Thank you.” (Tr. 158:24-159:16)

Albert Marshall from Lummi Island testified:

“Both investors and rate payers need to be concerned about the risks that infrastructure fund will fail and that it will be unable or unwilling to properly finance continued operation of the power company. If the critics are right, this is more than a remote possibility. Where will that leave those of us who depend on Puget Power for our electricity? Please do not expose us to the risk of learning the answer to that question.” (Tr. 174:24-176:5)

C) The First Olympia Public Hearing – June 4, 2008

A public hearing was held in Olympia on June 4, 2008. A total of 121 individuals attended the hearing and forty nine witnesses addressed the Commission. Of those who testified regarding the proposed merger, almost all were opposed and/or had serious concerns. Hearing attendees included PSE stockholders, representatives from social service agencies, senior citizens and community members.

Sue Turner from Olympia testified:

“I have grave concerns about the sale/merger. I don’t feel as a matter of security or wisdom that it is ever a good idea for a country to sell important parts of its infrastructure to foreign companies. The problem is that the consortium buying Puget Sound Energy does have to borrow a major portion of the money necessary. We talk about no harm to customers, but the problem is that once something like this is done, how easily can it be undone, how easily can the harm done to customers be remedied, or can it ever be remedied.” (Tr. 277:5-278:20)

Terry Turner from Olympia testified:

“I’m against both of these proposals. I highly encourage the Commission here to revoke both of these. I live on a fixed income, and I have no control over my income because it’s fixed. However, the rate increase that has occurred over the last five years has tripled my utility bills, my electric bill. As far as the merger is concerned, we see it all the time with companies ownership or products being made out of the country. And when it’s locally owned, these people live here, they have the needs of and we have control over and the company can understand the needs that we have here because they live here. And to lose that control to a foreign company is just the absolute wrong direction in my mind. The moneys that are generated locally owned remains here in this state, and we that economic base here. So I highly encourage you to oppose both of these as they appear. Thank you very much.” (Tr. 301:19-303:2)

D) Second Olympia Public Hearing – August 26, 2008

A second public comment hearing was held on the evening of August 26, 2008, to allow for public comment on the proposed Multi-Party Settlement Stipulation. Thirteen witnesses spoke at the hearing.

Douglas Rauh of Bainbridge Island testified:

“I have been both a Puget Sound Energy stockholder and a residential electric user for over a quarter of a century. I believe the sale of the Puget Sound Energy to Macquarie is a very bad idea for residential ratepayers. Selling Puget Sound Energy to Macquarie only raises the cost of infrastructure to residential ratepayers. This will occur because of the added cost of the Macquarie commissions for services by providing capital for new infrastructure. The one million Puget Sound

Energy residential customers are going to pay most of the costs. In my opinion, it would be less expensive for ratepayers if fewer commissions and less interests were paid. I would rather pay a higher rate and use the additional revenue to expand and maintain the Puget Sound Energy infrastructure. Paying a higher rate because of Macquarie's commissions and interests on borrowed money is not an intelligent use of that resource." (TR. 951:9-952:3)

E) Written Public Comments

Public testimony Exhibit No. 400 consists of letters, e-mails, and other written materials submitted by the public to the Commission and Public Counsel to provide comment on this case. The exhibit includes a total of four thousand four hundred forty seven (4,447) public comments, with four thousand two hundred eighty seven (4,287) opposing the sale of Puget Sound Energy. Twenty eight (28) comments support the sale. One hundred thirty two (132) neither oppose nor support the transaction.

Teresa McCormick, of Seattle wrote:

"The notice I received regarding this acquisition states that the "change in ownership **MUST BE IN THE PUBLIC INTEREST** [emphasis added]. The UTC has interpreted this to mean that the merger should not cause harm to PSE's customers." If this statement is accurate, I strongly urge the UTC to reexamine said interpretation, because "not cause harm" is hardly the same thing as "in the public interest.

It IS in the public's interest—and in PSE's customers' interest—to have LOCAL ownership, and local management by folks who live here, and have a personal stake in the health and welfare of the Puget Sound region. How ownership by a distant conglomerate could be an improvement is beyond my comprehension. Consolidation rarely, if ever, benefits the consumer. If the notice is incorrect about the UTC's interpretation of "public interest," please provide me with the correct information. Thank you."
Exhibit No. 400 p. 53 of UTC 01 (letter received at WUTC March 27, 2008).

Shane Jewell, of Olympia wrote:

"I do not believe this merger is in the public interest. PSE for me is essentially a monopoly. I have no other choice for electrical power short of going off the grid. I do not want control of my electrical service to be in the hands of an international consortium whose first interest will be profits for themselves, rather than the wellbeing of their customers. The smooth stable supply of affordable and dependable energy is essential to the economic health of the Puget Sound region. The events of recent years in California should serve as a warning to us in the Pacific Northwest, not to put our power in the hands of entities whose primary purpose is a return on the money they invest. Electrical supply is too important to control to be further removed from us, the customers."
Exhibit No. 400, UTC 03, p. 9 (letter received April 15, 2008).