
HOUSE JOINT MEMORIAL 4007

State of Washington 61st Legislature 2009 Regular Session

By Representatives Chase, Hasegawa, Llias, and Hudgins

Read first time 01/28/09. Referred to Committee on Technology, Energy & Communications.

1 TO THE WASHINGTON STATE UTILITIES AND TRANSPORTATION COMMISSION:
2 We, your Memorialists, the Senate and House of Representatives of
3 the State of Washington, in legislative session assembled, respectfully
4 represent and petition as follows:
5 WHEREAS, Puget Sound Energy is the largest investor-owned utility
6 in the State of Washington, serving approximately 1.7 million
7 households and hundreds of state agencies and facilities in 11
8 counties; and
9 WHEREAS, Puget Sound Energy provides essential services to millions
10 of Washington State residents with no other means of light, power, or
11 heat; and
12 WHEREAS, A decision to approve the sale of Puget Sound Energy to an
13 Australian and Canadian Investment Consortium was narrowly approved by
14 the Washington State Utilities and Transportation Commission on
15 December 30, 2008; and
16 WHEREAS, Only two Commissioners approved this sale, with one
17 Commissioner and the Assistant Attorney General Public Counsel charged
18 with protecting the Public Interest, vigorously opposing this sale; and
19 WHEREAS, The public has a vital long-term interest in the integrity

1 and financial strength of the owners of utilities, as well as the
2 owners' responsiveness to the public and its government; and

3 WHEREAS, Escalating financial and credit market turmoil and other
4 issues raised during and after the record was closed in September 2008,
5 raise questions about the ability of members of the investment
6 consortium to adequately financially support Puget Sound Energy's need
7 for future funding, and the financial viability of the investors
8 themselves; and

9 WHEREAS, There are unanswered questions about the huge new Puget
10 Sound Energy debt imposed by this sale, and its future impact on
11 ratepayers and the State General Fund; and

12 WHEREAS, The Public Counsel has found, "The strong preponderance of
13 the evidence in the record shows that Puget is able to raise capital
14 necessary to meet its projected capital expenditure requirements, and
15 that the Joint Applicants do not offer a superior or more cost-
16 effective alternative. Approval of this acquisition will increase the
17 business and financial risk of Puget to the detriment of its over one
18 million customers and the Company's own financial health...

19 Ratepayers are left as the ultimate guarantor to absorb the
20 increased costs and risks of the (sale of) Puget. The proposed
21 transaction is not in the public interest and should be rejected."; and

22 WHEREAS, In his dissent, Commissioner Jones concluded that, "this
23 particular settlement agreement should be rejected. If adopted, it
24 will lead to increased financial risk of harm for PSE and its
25 ratepayers. Because of that harm, the settlement is not shown to be
26 consistent with the public interest and should be returned to a full
27 adjudicative hearing."; and

28 WHEREAS, WAC 480-07-870 says that "Any person affected by a final
29 order may file a petition for rehearing."; and

30 WHEREAS, If this issue is not reheard before the Washington State
31 Utilities and Transportation Commission, that the Public Counsel be
32 urged to litigate this matter to the fullest extent possible;

33 NOW, THEREFORE, Your Memorialists respectfully pray that the
34 Washington State Utilities and Transportation Commission Rehear the
35 Puget Sound Energy/Puget Holdings merger issue; Docket U-072375.

36 BE IT RESOLVED, That copies of this Memorial be immediately

1 transmitted to the Washington State Utilities and Transportation
2 Commission.

--- END ---