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HOUSE JOINT MEMORIAL 4007

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State of Washington                      61st Legislature                      2009 Regular Session

By Representatives Chase, Hasegawa, and Lias

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.

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