On February 19, 2020, Puget Sound Energy (PSE) filed a request with the Washington Utilities and Transportation Commission (UTC) to approve the sale of PSE's Water Heater Rental Service and associated assets to Grand HVAC Leasing USA LLC (GHL). PSE currently has about 25,000 customers who rent water heaters for residential or commercial use.

Why does PSE want to sell their water heater rental program?

Since 2000, PSE has not added any new customers to the water heater rental program. In PSE's 2017 general rate case, UTC Staff recommended that PSE work to end their water heater rental program. After continued discussions with UTC Staff and other interested parties, PSE agreed to discontinue their program. In February 2020, PSE entered into an agreement to sell the water heater rental service to GHL, so that customers who wish to continue renting their water heaters may do so with GHL. The sale cannot occur without UTC approval.

What happens if the sale is approved by the UTC?

If the sale is approved by the UTC, customers can choose to continue to rent their water heater with GHL or discontinue their rental service. If a customer decides to discontinue their rental service, they can have the water heater removed from their residence or take ownership of the water heater. Customers who choose to pursue ownership of their rented water heater may do so by paying the remaining balance owed on the water heater. Approximately half of the 25,000 customers currently enrolled in the rental program do not owe any balance on their water heaters and will be able to take ownership of their water heaters without further payment.

Who are the parties in this case?

The UTC considers the recommendations of every party, and no party’s recommendation is considered binding. The following parties are participating in this proceeding:

- Puget Sound Energy
- UTC Staff*
- Washington Attorney General’s Office, Public Counsel Unit (residential and small business customer advocate)

*In formal UTC proceedings, regulatory Staff participates like any other party and UTC Commissioners make the decision. The Commissioners, the presiding administrative law judge, and the Commissioners’ policy and accounting advisors do not discuss the merits of the proceeding with any party, including UTC Staff, without giving notice and an opportunity for all parties to participate.

When will there be a decision?

Two of the parties in this case have reached a settlement agreement, which must be filed with the UTC on or before May 22, 2020. The third party will announce its position on the settlement by May 22, 2020. After the settlement agreement and any supporting documents are filed with the UTC on May 22, 2020, the UTC will determine what additional process is necessary before they make a decision about the sale. If the third party does not join the settlement, the UTC will hold an evidentiary hearing on this matter on July 15, 2020. Information about how the UTC is addressing COVID-19 concerns while it remains operational is available at their website: https://www.utc.wa.gov/aboutUs/Pages/Covid19.aspx.
How can customers comment to the UTC about this case?

The public can submit comments in the following ways:

- Via UTC web form at: utc.wa.gov/consumers/ (click on “Submit a Comment” link at the top of the web page)
- By e-mail at: comments@utc.wa.gov
- By mail at: UTC, P.O. Box 47250, Olympia, WA 98504-7250
- By phone: 1-888-333-WUTC (9882)

Please include your name and mailing address, the name of the company, and the related Docket Number (UG-200112). For more information, see http://www.utc.wa.gov/.

Who is Public Counsel?

The Public Counsel Unit of the Washington Attorney General’s Office represents residential and small business customers of state-regulated electric, natural gas, water, and telecommunications companies and customers of transportation companies regulated by the UTC. Public Counsel advocates on behalf of customers before the UTC and courts regarding rates, mergers, business practices, service quality, energy efficiency, safety, and policy matters. You can contact Public Counsel by email at: utility@atg.wa.gov, or by mail at: Attorney General’s Office, Public Counsel Unit, 800 Fifth Avenue, Suite 2000, Seattle, WA 98104.