

June 12, 2016

Dear City Council,

For more than 70 years PSE's monopoly franchise to serve Bainbridge Island has never been questioned, in spite of PSE rates being higher than most public utilities, sale to foreign owners in 2009, poorer reliability than public utilities, and electricity that is about 60% from fossil fuels including coal. We need an impartial, professional study to determine if there are significant financial, reliability and environmental benefits from establishing a community-owned not-for-profit electric system. The City Council should fund the feasibility study, so islanders can have the facts about the public power alternative to service by PSE.

A volunteer citizen task force with utility-related professional experience has recommended to the City that an independent utility expert be hired to deliver a \$100,000 fact-finding feasibility study of the costs and benefits of establishing a not-for-profit, carbon-free public power utility on Bainbridge Island. This BI taxpayer cost is about \$10 for each of PSE's approximately 10,000 Bainbridge customers, which is small when compared to the average PSE rate increase of roughly \$165 per residence in 2016.

PSE raised its electricity rates by 11% in 2016. An estimate of the average annual electric bill for a Bainbridge home this year is about \$1,500. That means that this year's 11% PSE increase is costing each Bainbridge homeowner roughly \$165 this year and each year hereafter.

There is likely to be another increase next year, since, at PSE's request, the state legislature is allowing PSE to charge ratepayers to create a fund for eventual shutdown and cleanup of the two older units of PSE's four coal-fired generating plants that they co-own in Colstrip, Montana. Moreover, PSE's foreign for-profit owners are being allowed to take up to 9.8% return each year on their leveraged buy-out ownership.

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