

Via First Class Mail and Email

Carole Washburn
Executive Secretary
Washington Utilities and Transportation Commission
P.O. Box 47250
Olympia, WA 98504-7250
January 27, 2004

Re: Docket # UE-031353: Puget Sound Energy's Requests for Proposals for Generation and Energy Efficiency

Dear Ms. Washburn,

Earlier this month, we submitted comments concerning Puget Sound Energy's draft request for proposals (RFP) for generation and for energy efficiency. No one from our office is available to attend the Commission open meeting tomorrow regarding the above-referenced docket. This brief letter is intended to convey our thoughts on the final RFPs.

With regard to the all source RFP, we appreciate and support PSE's inclusion of language in section 3 encouraging bids in which the respondent fully assumes fuel supply, fuel price, and environmental risks. Bidders will need to provide an explanation if they don't supply this information. We believe this is a reasonable approach to help ensure a more apples-to-apples comparison across resources.

With regard to the energy efficiency RFP, as we noted in our earlier comments, we believe a more focused approach ultimately would produce the best results. For example, a targeted RFP could lead to specific proposals for addressing distribution and transmission constrained areas within PSE's service territory. We also believe that this RFP would have benefited from the Conservation Resources Advisory Group (CRAG) having an opportunity to provide meaningful input early in the process. While that did not happen, we appreciate PSE's efforts to communicate individually with stakeholders about the draft RFP. We will encourage contractors to submit bids, and we plan to work with PSE and the CRAG to evaluate potential candidates.

Finally, we note that many of the questions and concerns raised in conjunction with PSE's various RFPs could be addressed on a going-forward basis through modifications to the WAC. The Commission initiated a rulemaking in May 2003 to address RFPs and least cost plans. We urge you to move that process forward.

Sincerely,

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