

February 28, 2001

HAND DELIVERED

Ms. Carole J. Washburn, Secretary  
Washington Utilities and Transportation Commission  
P.O. Box 47250  
Olympia, WA 98504-7250

Re: Docket UE-991168

Dear Ms. Washburn:

This letter provides Puget Sound Energy's (PSE or the Company) comments on the proposed electric reliability rule in the above noted docket. The following brief discussion highlights concerns PSE has expressed in the past regarding this rule, particularly those described in our January 5, 2001, comments. PSE hopes these comments will be helpful as the Commission considers adoption of this rule.

*Implementation Issues—Disclosure of Sensitive Information*

Throughout this rule making process, PSE has highlighted possible negative consequences for some of our customers and the unfair competitive situation created by publicly disclosing certain sensitive information. These concerns are summarized in the following discussion.

**Concern of Creating an Undue Spotlight—Casting a public “spotlight” on a portion of PSE’s service area that is receiving adequate and reasonable electrical service but that also falls into one of the “areas of greatest reliability concern” would probably create unintended, negative consequences. For example, even though service to the area is adequate and reasonable, such public designation may unfairly reduce the value of property in those areas. Additionally, such designation may create public and political pressure to invest resources in those areas in an accelerated or otherwise less than optimal manner, resulting in higher costs for all customers.**

**Competitive Concerns—Disclosure of certain reliability information and statistics by investor owned utilities when the same information is not required to be disclosed on the same basis by publicly owned utilities is not**

fair. Such unbalanced information disclosure provides publicly owned utilities an unfair competitive advantage. Some of the information to be included in the annual reports may be confidential marketing information protected from public disclosure under RCW 80.04.095. Therefore, PSE anticipates filing sensitive information marked confidential.

The concerns outlined above are not necessarily fatal flaws in the rule. The rule currently being considered is very flexible--much of the detail is left the plan and annual reports. PSE brings the discussion above forward now, in order to avoid surprising the Commission or Staff by filing some of the information in the annual reports as confidential. PSE will strive to present as much relevant information in a public document as reasonably possible. However, the Commission should anticipate that some information will be marked confidential and that some supporting work papers may be made available for Commission Staff's review rather than provided as hard copies due to the sensitive nature of the information.

### *Conclusion*

PSE appreciates the opportunity to provide these comments and commends Staff for its willingness to work with interested parties in creating these new rules. If you have any questions or if we can be of any additional assistance, please contact Phillip Popoff at (425) 462-3229.

Sincerely,

George R. Pohndorf  
Director, Regulatory Planning