

October 27, 2014

***VIA ELECTRONIC FILING***

Washington Utilities and Transportation Commission  
1300 S. Evergreen Park Drive, S.W.  
P.O. Box 47250  
Olympia, Washington 98504-7250

Attn: Steven V. King  
Executive Director and Secretary

**RE: Docket UG-143616, Investigation of Natural Gas Distribution Infrastructure  
Expansion, Rulemaking For Energy Independence Act, WAC 480-109**

Dear Mr. King,

In response to the Washington Utilities and Transportation Commission's (Commission) October 6, 2014 Notice of Recessed Open Meeting and Notice of Opportunity to File Written Comments (Notice), Pacific Power & Light Company (Pacific Power or Company) submits the following written comments.

The Company supports efforts that result in increased availability of low-cost energy for customers. However, any investigation into options for expanding access to low-cost energy must consider options for expanding all fuel options, not just natural gas, particularly if the method of expansion to rural or under-served geographic areas included subsidies, up-front financing assistance, or other financial or regulatory incentives for expansion of distribution facilities. In addition, a critical component of the investigation is the impact of cost-shifts resulting from customers switching between fuel types, either electricity or propane to natural gas or vice versa. Fuel switching has the potential to strand assets and shift the burden of a utility's fixed costs among the remaining customers. Thus, options for expanding service options must be carefully crafted to avoid unreasonable fuel switching.

Pacific Power appreciates the opportunity to provide these comments and looks forward to working with the Commission on this issue. Please direct inquiries to Natasha Siores, Director of Regulatory Affairs, at (503) 813-6583.

Sincerely,



R. Bryce Dalley  
Vice President, Regulation