

January 19, 2000

Carole J. Washburn  
Executive Secretary  
Washington Utilities and Transportation Commission  
1300 S. Evergreen Parkway Drive SW  
Olympia, WA 98504

Re: Docket No. U-991928 (Review of WAC 480-80-335)

Dear Ms. Washburn:

In response to the Commission's December 28, 1999 Notice in the above docket, PacifiCorp submits the following comments. PacifiCorp appreciates the opportunity to comment regarding this review of the Commission's special contract rule, WAC 480-80-335. The objective of this proceeding, as we understand it, is to describe and define the "essential terms" of a special contract which, in turn, would be made public by the Commission in its review of any proposed special contract.

As the Commission may be aware, PacifiCorp has one special contract in place in the state of Washington, which was approved in Docket No. UE-961390 and is included as Schedule 400 of PacifiCorp's tariffs. At the customer's request in that proceeding, the identity of the customer does not appear on the tariff sheet, although the schedule sets forth a description of the contract's term, the type of service provided, and the price. The size of the load is not identified.

In PacifiCorp's view, there are legitimate reasons to retain confidential treatment of certain elements of special contracts. RCW 80.04.095 specifically protects from disclosure "customer-specific usage information," as well as other "valuable commercial information, including trade secrets or confidential marketing, cost, or financial information." That statute further allows protection from disclosure if such disclosure "would result in private loss, including an unfair competitive disadvantage." As the Commission develops the "essential terms" that will be subject to disclosure, we urge the consideration of the utility's and its customers' legitimate interests in protecting sensitive price and quantity terms from disclosure.

“Essential terms” would probably include the following in most special contract filings:  
Identity of the customer:

- Location of the customer
- Description of services provided
- Duration of the contract
- General description of pricing terms

Exceptions to disclosure of this information should be allowed, as circumstances warrant. In any event, the utility should not be required to disclose enough information that would allow others to calculate the customer’s total electric energy bill. Pricing information should be general in nature and not disclose any quantities. As noted above, “customer-specific usage” information is expressly protected from disclosure under RCW 80.04.095. Moreover, disclosing specific pricing information may put the utility at a competitive disadvantage in special contract negotiations with other customers. Maintaining the confidentiality of pricing terms will help the utility obtain the most favorable terms and thereby maximize the value to the remaining on-tariff customers in subsequent negotiations. The statute appears to protect against placing a utility at an “unfair competitive disadvantage” in such negotiations.

It is important that PacifiCorp not be disadvantaged if it determines that it is necessary to negotiate a special contract to retain a customer’s load. PacifiCorp has found that special contracts are necessary where the customer demonstrates an ability to bypass or self-generate. As stated in Schedule 400, the customer “must demonstrate that it is economically feasible to construct on-site generation facilities to supply [its] electric power and energy requirements or to otherwise displace purchases of electric power and energy from the Company.” A special contract is used to price PacifiCorp’s service to respond to that alternative, and to attempt to retain the customer’s load on the system. So long as the special contract recovers the incremental cost of that customer’s utility service and makes some contribution to PacifiCorp’s fixed costs, the remaining PacifiCorp customers in Washington are better off from retention of the special contract customer’s load. Given the benefits that accrue to the PacifiCorp’s other customers from the use of special contracts, it is important that the Commission’s rules do not hinder our ability to use this tool in appropriate situations to respond to customer’s demonstrated alternatives.

PacifiCorp appreciates the opportunity to submit these comments. If the Commission or its staff has any questions regarding these comments or if we can be of any assistance, please contact me at 503-813-6041.

Sincerely,

Bruce Hellebuyck  
Regulatory Policy Director

Enclosure (Electronic Disk)

Ms. Washburn  
January 19, 2000  
Page 3

[Sea 3029026]