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March 25, 2020

Chairman Danner
Commissioner Rendahl
Commissioner Balasbas
Mark L. Johnson, Executive Director and Secretary
Utilities and Transportation Commission
621 Woodland Square Loop S.E.
Lacey, WA 98503

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UTIL. AND TRANSP.
COMMISSION

RE: *Rulemaking to Address Electric and Natural Gas Cost of Service* Dockets UE-170002 and UG-170003

On December 5, 2019, Ms. Elaine Jordan of the Utilities and Transportation Commission Staff (“Staff”) requested informal comments from stakeholders in the ongoing Cost of Service Rulemaking. On December 6th, we resubmitted as formal comments to the docket comments we had submitted in October that we were informed had been treated as “informal comments”. Our comments were in the form of redline edits to the Draft Cost of Service Rules, primarily on Tables I and 2, and are resubmitted with these comments.

We are disappointed that none of our concerns are addressed in the final draft, nor have we been provided any explanation as to why they were not accepted. Our concerns that the rules are not adequate for the current or future utility regulatory system remain. In essence, costs of assets that are used for many hours in broader peaks should be assigned to the hours when those assets are providing service regardless if those hours are peak or non-peak hours, not just to twelve coincident peaks a year. Likewise, assigning distribution substation costs based on seasonal averages (after large customer portions are calculated), exempts some customers from any responsibility for costs; better to directly apportion costs on a time differentiated energy basis to all customer classes, which will ensure that customers using those assets at high-demand periods will pay an appropriate amount.

The current draft of the cost allocations looks backward to a system that is fast disappearing and needs to be able to adapt to a rapidly changing electrical system.

Thank you for your attention to our concerns,

Wendy Gerlitz
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