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October 22, 2010

Mr. David W. Danner
Executive Director and Secretary
Washington Utilities and Transportation Commission
1300 S. Evergreen Park Drive S.W.
P.O. Box 47250
Olympia, WA 98504-7250

Subject:

Docket No. UE-101521

Regulatory Issues Relating to Electric Vehicles

Statement of Issues of Puget Sound Energy, Inc.

Dear Mr. Danner:

Puget Sound Energy, Inc. ("PSE") appreciates the opportunity to participate in the Commission's examination of its role in the development of electric vehicle infrastructure and other regulatory issues relating to electric vehicles in Washington State. In response to the Commission's Notice of Opportunity to Submit Statements of Issues dated September 27, 2010 in Docket No. UE-101521, PSE offers the following Statement of Issues in addition to the three issues identified by the Commission in its Notice:

1. Whether the Commission should consider the societal benefits that arise from greater use of electric powered transportation in the state's general transportation fleet in developing its electric vehicle policies.

There is an overall societal benefit of reducing transportation emissions by using electric power rather than gasoline. How should this societal benefit be determined? What is the customer benefit of reduced cost of ownership and fuel/power costs? What is the benefit to electric companies and their customers related to the opportunities to optimize electric power loads, electric power delivery, distribution equipment and electric power production resources?

2. What role should electric companies play in meeting electric vehicle power needs in both home and public settings?

What role should electric companies play in meeting all the needs of providing electric power to electric vehicles at the customer's residence or business and at public-use charging stations?

3. How best to achieve the benefits of charging electric vehicles during non-peak hours?

If there is a more efficient time that electric power can be consumed, how important is the consideration of the most efficient use of the electric distribution system, and the electric production generation system to provide these electric power needs? How should those benefits be measured? How should those benefits be shared between customers and electric companies? Should the time of day when an electric vehicle consumes electricity from the electric distribution system be an important consideration when determining whether incentives should be provided to customers? What sort of cost-effective improvements that lead to the more efficient use of the distribution and electric power production systems should be considered?

4. What impacts may arise in both electric power production and the transmission and distribution system of electric companies from customer use of electric power?

If electricity is used to provide power for electric vehicles, how will the electric power production facilities need to grow over time to provide electric power? How will the electric power transmission and distribution system need to grow to provide electric power? What methods of indentifying the location of electric power charging locations (home use and public use) are appropriate for the electric utility to provide necessary investments in local infrastructure? What is the most appropriate way for electric companies to identify where electric vehicles are consuming electric power and at what times?

5. What issues may arise for electric companies related to recovering the costs associated with serving this new electric power load?

What can be done to minimize the potential barriers to timely cost recovery related to the infrastructure investments necessary to provide electric power? Should the costs for these investments be borne by individual customers, specific customer classes, or by all customers? Should cost recovery be expedited or made timelier in order to streamline the implementation of appropriate investments?

PSE appreciates the opportunity to present its viewpoint on these issues and looks forward to further discussions on the review of regulatory issues. Please direct any questions regarding these comments to Eric Englert at (425) 456-2312 or the undersigned at (425) 462-3495.

| Sincerely,                               |                    |
|--|--------------------|
| /s/ Tom DeBoer                           |                    |
| Tom DeBoer<br>Director – Federal & State | Regulatory Affairs |