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June 22, 2005

Carole J. Washburn, Secretary
Washington Utilities & Transportation Commission
1300 S. Evergreen Park Drive SW
Olympia, WA 98504

**RE: Docket No. UE-050870 (Puget Sound Energy, Inc.)
Comments by the Northwest Independent Power Producers Coalition on
Confidentiality**

The Northwest Independent Power Producers Coalition (NIPPC) represents the owner/operators and developers of non-utility thermal power plants. Current members in Washington operate over 2800 megawatts of capacity. Nearly twice that capacity is fully permitted awaiting power sale contracts before initiating construction. NIPPC members have a profound interest in the treatment of "highly confidential" information currently under review by the Commission.

Independent Power Producers – regardless of technology or configuration – function in a competitive environment. Within that environment, the differences between competitors may be slight and success in a utility-sponsored resource solicitation (Request for Proposals or "RFP") may rest on a subtle variable that only the winning bidder can deploy. Such differences may rest on engineering, fuel management, financing arrangements or any number of other practices.

From the perspective of the independents (IPPs), "highly confidential," is far from an abstraction. It is no exaggeration to say that the risk of exposure to a competitor of this type of information is the commercial equivalent of life or death.

An IPP enters a competitive bid with the expectation that its confidential information will be handled with integrity. NIPPC has actively worked to buttress utilities' recognition of this sensitivity. NIPPC's position in this docket is consistent with our insistence on the importance of preserving the overall integrity of competitive procurement that we advocate for elsewhere.

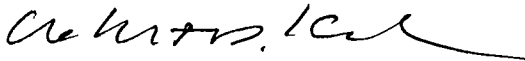
Consultants play a central role in all aspects of energy development. The value of a consultant rests among other things, on the currency of one's knowledge and the sophistication of his/her insight. As the WUTC considers its treatment of "highly confidential" material by outside consultants, NIPPC strongly suggests that it base its policy on consultants' ability to act rather than their commitment to "compartmentalize." Good intentions are equal parts noble and inadequate; ethical action is what truly matters.

The Order 5 language used in the last PCOR Protective Order is inadequate. Puget Sound Energy (PSE) is correct in asking consultants with access to the highly confidential information presented in this cost recovery proceeding, to honor a three-year hiatus from assisting energy market participants. We believe it is unrealistic to expect a consultant with access to state of the art information to somehow withhold that information from the spectrum of his/her clients. NIPPC maintains that the only reliable way to protect the integrity of this information – information that rests at the core of the competitive process itself – is to secure consultant's commitment not to provide consulting services to others working in power development for three years.

NIPPC's request of the Commission does not mean that we wish to deprive either the Commission or ratepayer advocates from access to the highest quality consulting talent. The evolution of regulatory practice Post-Enron, has spawned a new class of consultants that make independence from market influence the cornerstone of their business model. These consultants work as "Independent Evaluators" or "Independent Monitors" overseeing utility-sponsored competitive solicitations. Others serve as "Market Monitors" to help police transactions occurring in active power markets. It is among this class of consultants that the Commission and ratepayer advocates should draw professional assistance.

NIPPC respectfully requests the Commission to accept PSE's proposed language for the protection of "highly confidential" information associated with its resource selections.

Sincerely,



Robert D. Kahn, Ed.D.
Executive Director

cc:

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