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December 18, 2003

VIA E-MAIL AND FCM

Hon. Dennis Moss
Administrative Law Judge
Washington Utilities and Transportation Commission
P.O. Box 47250
Olympia, WA 98504-7250

Re: WUTC v. Puget Sound Energy, Inc., Docket No. UE-031725

Dear Secretary Washburn:

BP West Coast Products (“BP”) and TransCanada PipeLines Limited (“TransCanada”) hereby withdraw as intervenor parties in Docket No. UE-031725. For the reasons explained below, BP and TransCanada no longer have any interest in this proceeding.

On November 6, 2003, BP and TransCanada petitioned to intervene in this proceeding, which concerns the application of Puget Sound Energy to include the cost of its proposed Frederickson I power-plant acquisition in retail rates. BP and TransCanada were concerned that this acquisition evidenced PSE’s intention to satisfy its demonstrated power needs outside the Commission’s all-source bidding rules. We feared that we would be denied any opportunity to offer the Cherry Point Cogeneration Project to PSE in any structured bidding process sanctioned by the Commission.

For the same reason, BP and TransCanada filed critical comments in Docket No. UE-031353 regarding PSE's request for authorization to issue an RFP limited to wind resources. Our opposition was narrowly focused. We did not oppose PSE's solicitation of windpower bids, so long as Cherry Point and other resource developers had an opportunity to bid as well.

Subsequent to the submission of our pleadings, on November 13, 2003, the Commission approved PSE's RFP for wind resources, subject to the condition that PSE also proceed with an all-source RFP. On November 25, 2003, PSE announced that it would be proceeding with an all-source RFP on an expedited schedule. BP and TransCanada greatly appreciate the efforts of Mr. McIntosh and Ms. Steele of the Commission staff whose efforts helped PSE come to the decision to expedite the all-source RFP. BP and TransCanada also support the Commission's early and expedited consideration of the appropriateness of PSE's acquisitions.

Given these developments, BP and TransCanada believe that their best course of action is to submit any comments they may have regarding the draft RFP documentation and then turn to the preparation of a responsive bid. With our stated objectives accomplished, we hereby withdraw from Docket No. UE-031725. The undersigned is authorized to state that counsel for TransCanada concurs with this letter.

Sincerely,

/s/ John A. Cameron

John A. Cameron

JAC/smp

cc: Ms. Carol Washburn, Secretary
All Parties
Ms. Angela Avery, TransCanada
Mr. Craig Martin, TransCanada
Mr. Mark Moore, BP