



July 18, 2005

VIA EMAIL AND OVERNIGHT COURIER

Ms. Carole J. Washburn, Executive Secretary
Washington Utilities and Transportation Commission
P.O. Box 47250
Olympia, Washington 98504-7250

The PSE Building
10885 N.E. Fourth Street, Suite 700
Bellevue, WA 98004-5579
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**Re: *Washington Utilities and Transportation Commission v. Puget Sound Energy, Inc.*,
Docket No. UE-050870**

Dear Ms. Washburn:

Puget Sound Energy, Inc. ("PSE") filed on June 7, 2005, for the Commission's approval of a set of revisions to its Power Cost Rate, Schedule 95, including a new Schedule 95A, to reflect increases in PSE's overall normalized power supply costs (the "PCORC"). Along with the PCORC filing, PSE filed (i) a Motion for Amended Protective Order with Highly Confidential Provisions ("Motion for Protective Order"); (ii) the Declaration of Eric M. Markell in Support of PSE's Motion for Amended Protective Order with Highly Confidential Provision ("Markell Declaration"); and (iii) a proposed Protective Order with Highly Confidential Provisions ("Proposed Order").

As discussed in the PCORC filing, the Motion for Protective Order and Markell Declaration, and as reflected in the Proposed Order, it is PSE's position that some of the information related to PSE's resource acquisition process should not be viewed at all by persons involved in development of energy projects or resources. PSE has designated such material as "highly confidential" because it reflects confidential and proprietary information that PSE received from project owners and developers that is commercially sensitive and/or because it reveals aspects of PSE's analysis or strategies that is commercially sensitive with respect to PSE's negotiations with such project owners or developers. To the extent any such persons or entities seek to intervene in this matter, they should not thereby be permitted access to "highly confidential" information. PSE, PSE's customers, and/or the project owners and developers that submitted commercially sensitive information to PSE would be harmed by release of the confidential or highly confidential information. Numerous project owners, developers and their representatives, including the Northwest Independent Power Producers Coalition, enXco, RES North America, Zilkha Renewable Energy, and Summit Power NW, LLC, filed comments with the Commission substantiating the need for special protection of such materials and supporting PSE's Motion for Protective Order and Proposed Order.

At the prehearing conference in this docket, dated June 22, 2005, Administrative Law Judge Moss postponed ruling on PSE's Motion for Protective Order. Instead, Administrative

Law Judge Moss requested that affected parties (outside experts for Public Counsel; experts for the Industrial Customers of Northwest Utilities (“ICNU”) and counsel for ICNU) review the public and confidential versions of materials submitted by PSE and subsequently request, on a case-by-case basis, any highly confidential information that such party may deem necessary.

Consistent with Administrative Law Judge Moss’s decision at the prehearing conference, Order No. 3, Protective Order, the Protective Order reserved ruling on PSE’s Motion for Protective Order:

The Commission enters this order with the understanding that one or more parties may seek to amend the protective order to provide for the designation and treatment of “Highly Confidential” documents as provided in WAC 480-07-420 and -423. The Commission will carefully consider any arguments that may be presented for and against requests to modify the order. The Commission may also modify the order on its own motion, based on the needs of the parties and the proceeding, after opportunity for parties and interested persons to comment.

Wash. Utils. & Transp. Comm’n v. Puget Sound Energy, Inc., Docket No. UE-050870, Order No. 3, Protective Order, at ¶1 (hereinafter, the “Protective Order”). The Protective Order addressed issues related to the use of confidential information in this proceeding, such as persons permitted access to confidential information, the marking of confidential information, use of confidential information in this proceeding, and return of confidential information at the conclusion of this proceeding. The Protective Order did not contain provisions similar with respect to highly confidential information.

Additionally, the Protective Order required persons seeking access to confidential information to execute one of two nondisclosure agreements:

Before being allowed access to any Confidential Information designated for this docket, each counsel or expert must agree to comply with and be bound by this Order on the form of Exhibit A (counsel and administrative staff) or B (expert) attached to this Order. Counsel for the party seeking access to the Confidential Information must deliver to counsel for the party producing Confidential Information a copy of each signed agreement, which must show each signatory's full name, permanent address, the party with whom the signatory is associated and, in the case of experts, the employer (including the expert's position and responsibilities). The party seeking access must also send a copy of the agreement to the Commission and, in the case of experts, the party providing Confidential Information shall complete its portion and file it with the Commission or waive objection as described in Exhibit B.

Protective Order at ¶8. Although the Protective Order does not address the nondisclosure agreement relating to highly confidential information (Exhibit C), such a nondisclosure agreement was attached to the Protective Order. Because the Protective Order does not address issues

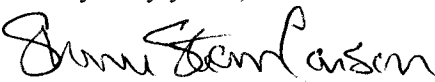
related to access, marking, execution of the nondisclosure agreement, etc., PSE understood the form Exhibit C attached to the Protective Order to be an inadvertent attachment and without further effect pending further action by the Commission.

On July 8, 2005, counsel (S. Bradley Van Cleve and Matthew Perkins) and outside expert (Donald W. Schoenbeck) for ICNU filed with the Commission the form Exhibit C that was attached to the Protective Order. Counsel for ICNU has since asserted that PSE must disclose all highly confidential materials, including all filings of July 7, 2005, and all subsequent data request responses marked highly confidential pursuant to such Exhibit C. As discussed above, it was PSE's position that the Protective Order was clear that such Exhibit C, until further action by the Commission, was without effect.

PSE objects to the disclosure of any highly confidential materials pursuant to the Protective Order and the form Exhibit C attached thereto. The Protective Order, as currently issued, provides no special protection for highly confidential materials. Indeed, the form Exhibit C executed and submitted on behalf of ICNU refers to the term "Highly Confidential Information," which is not defined in the Protective Order.

For the reasons set forth in the Motion for Protective Order and Markell Declaration, PSE (i) objects to S. Bradley Van Cleve, Matthew Perkins and Donald W. Schoenbeck having access to materials currently designated as highly confidential; (ii) incorporates by reference its Motion for Protective Order, the Markell Declaration and the Proposed Order and the comments made on its behalf in support of the Proposed Order at the prehearing conference; and (iii) renews such Motion for Protective Order, Markell Declaration and Proposed Order. Additionally, PSE requests that the Commission consider the comments submitted by the Northwest Independent Power Producers Coalition, enXco, RES North America, Zilkha Renewable Energy, and Summit Power NW, LLC, in support of the Proposed Order because an overwhelming majority of the information marked highly confidential in this proceeding is proprietary information belonging to them or like developers.

Very truly yours,


for Jason Kuzma

cc: Administrative Law Judge Dennis Moss
Robert D. Cedarbaum, Office of the Attorney General, counsel for the Commission Staff
Robert Cromwell, Office of the Attorney General, Public Counsel
S. Bradley Van Cleve, counsel for the Industrial Customers of Northwest Utilities
Stephen C. Hall, counsel for enXco, RES North America and Zilkha Renewable Energy
Robert D. Kahn, Northwest Independent Power Producers Coalition
Heather B. Redman, Managing Director of Summit Power NW, LLC

CERTIFICATE OF SERVICE

I certify that on July 18, 2005, I served by email and overnight courier, a copy of the foregoing document to the following counsel of record and individuals:

Dennis J. Moss
Administrative Law Judge
Washington Utilities and Transportation Commission
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P.O. Box 47250
Olympia, WA 98504-7250
Email: djoss@wutc.gov.wa

Robert D. Cedarbaum
Assistant Attorney General
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PO Box 40128
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Portland, OR 97204
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Heather B. Redman
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Robert D. Kahn
Northwest Independent Power Producers Coalition
7900 SE 28th Street, Suite 200
Mercer Island, WA 98040-2970
Email: rkahn@nippc.org

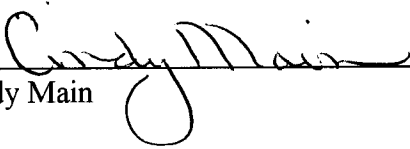

Cindy Main

EXHIBIT C (HIGHLY CONFIDENTIAL INFORMATION AGREEMENT)

AGREEMENT CONCERNING HIGHLY CONFIDENTIAL INFORMATION
IN DOCKET NO. UE-050870
BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

I, S. Bradley Van Cleve, as

- In-house attorney
- In-house expert
- Outside counsel
- Outside expert
- Small company employee or in-house expert

in this proceeding for ICNU (a party to this proceeding) hereby agree to comply with and be bound by the Protective Order entered by the Washington Utilities and Transportation Commission in Docket No. UE-050870 and acknowledge that I have reviewed the Protective Order and fully understand its terms and conditions.

S. Bradley Van Cleve
Signature

7/6/05
Date

Davison Van Cleve, PC
Employer
333 SW Taylor, Suite 400
Portland, OR 97204
Permanent Address
Responsibilities

Attorney
Position and

The following portion is to be completed by the responding party and filed with the Commission within 10 days of receipt. Failure to do so will constitute a waiver and the above-named person will be deemed a person having access to Highly Confidential Information under the terms and conditions of the protective order.

No objection.

 X Objection. The responding party objects to the above-named person having access to Highly Confidential Information. The objecting party shall file a motion with the Commission, supported by affidavit, setting forth the basis for objection and asking exclusion of the person from access to Highly Confidential Information.

Jason Kuzma
Signature Jason Kuzma

7/18/05
Date

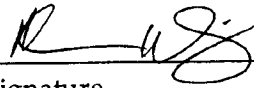
EXHIBIT C (HIGHLY CONFIDENTIAL INFORMATION AGREEMENT)

AGREEMENT CONCERNING HIGHLY CONFIDENTIAL INFORMATION
IN DOCKET NO. UE-050870
BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

I, Matthew Perkins, as

- In-house attorney
- In-house expert
- Outside counsel
- Outside expert
- Small company employee or in-house expert

in this proceeding for ICNU (a party to this proceeding) hereby agree to comply with and be bound by the Protective Order entered by the Washington Utilities and Transportation Commission in Docket No. UE-050870 and acknowledge that I have reviewed the Protective Order and fully understand its terms and conditions.


Signature

7-7-05
Date

Davison Van Cleve, P.C.
Employer

333 SW Taylor - Suite 400
Permanent Address Portland, OR 97204
Responsibilities

Attorney
Position and

The following portion is to be completed by the responding party and filed with the Commission within 10 days of receipt. Failure to do so will constitute a waiver and the above-named person will be deemed a person having access to Highly Confidential Information under the terms and conditions of the protective order.

No objection.

Objection. The responding party objects to the above-named person having access to Highly Confidential Information. The objecting party shall file a motion with the Commission, supported by affidavit, setting forth the basis for objection and asking exclusion of the person from access to Highly Confidential Information.

Jason Kuyama
Signature

7/18/05
Date

EXHIBIT C (HIGHLY CONFIDENTIAL INFORMATION AGREEMENT)

**AGREEMENT CONCERNING HIGHLY CONFIDENTIAL INFORMATION
IN DOCKET NO. UE-050870
BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

I, DONALD W SCHOENBECK, as

- In-house attorney
- In-house expert
- Outside counsel
- Outside expert
- Small company employee or in-house expert

in this proceeding for ICNU (a party to this proceeding) hereby agree to comply with and be bound by the Protective Order entered by the Washington Utilities and Transportation Commission in Docket No. UE-050870 and acknowledge that I have reviewed the Protective Order and fully understand its terms and conditions.

Donald W Schoenbeck
Signature

7/7/05
Date

RCS, Inc.
Employer
900 WASHINGTON, SUITE 780
VANCOUVER, WA 98660
Permanent Address
Responsibilities

PRESIDENT
Position and

The following portion is to be completed by the responding party and filed with the Commission within 10 days of receipt. Failure to do so will constitute a waiver and the above-named person will be deemed a person having access to Highly Confidential Information under the terms and conditions of the protective order.

No objection.

 X Objection. The responding party objects to the above-named person having access to Highly Confidential Information. The objecting party shall file a motion with the Commission, supported by affidavit, setting forth the basis for objection and asking exclusion of the person from access to Highly Confidential Information.

Jasen Kuyama for
Signature Jasen Kuyama

7/18/05
Date