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September 6, 2003

Carole Washburn
Office of the Secretary
Washington Utilities and Transportation Commission
1300 South Evergreen Park Drive
Olympia, WA 98504

RE: Puget Sound Energy, Inc.
WAC 480-107-060 Proposed Request for Proposals for Wind Power Resources

Dear Ms. Washburn:

Zilkha Renewable Energy, an independent developer of wind energy projects active in the Pacific Northwest, has reviewed Puget Sound Energy, Inc.'s recently released draft RFP for the acquisition of wind energy.

We wish to congratulate Puget on their continued leadership in the renewable energy field, and for their interest in adding a substantial amount of wind-generated electricity to their portfolio of energy supply. PSE has prepared a well crafted and comprehensive RFP which we believe will allow PSE to select the project or projects which best serve PSE's ratepayers.

At this time we have one comment with respect to the draft RFP. In the RFP, PSE outlines a schedule which calls for the signing of a letter of intent in mid-March of 2004. Elsewhere in the RFP, PSE points out the substantial benefits in terms of lower cost energy which will likely accrue to PSE's ratepayers if the selected project qualified for "bonus" MACRS depreciation. We estimate that the benefit of such "bonus" depreciation to be in excess of \$2.00 per MWH over the life of a 20 year contract for the sale of wind energy.

While we understand the need for public input on the draft RFP and appreciate the need for the WUTC to carefully review PSE's draft RFP, we would like to encourage both WUTC and PSE to move forward as expeditiously as possible through this process. While it may be possible to qualify a project for "bonus" depreciation under the currently contemplated schedule, the current schedule leaves little to no leeway.

It is our intention to participate in the public review process of the RFP to add further comments and suggestions to the structure of the RFP to PSE and the UTC; however, we urge the UTC to consider an expedited review process to support the construction of a wind power facility under the RFP in time to take advantage of the bonus MACRS tax accounting legislation which is scheduled to expire at the end of 2004. We feel this accelerated review process is in the best interest of the wind power industry and in the best interest of Puget Sound Energy's rate payers.

Thank you for the opportunity to comment on PSE's draft RFP, and we look forward to participating in the upcoming RFP.

Best regards,

Michael Skelly