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July 28, 2003

STATE OF WASH. UTIL. AND TRANSP. COMMISSION

The PSE Building 10885 N.E. Fourth Street, Suite 700 Bellevue, WA 98004-5579 PHONE: 425.635.1400 FAX: 425.635.2400 www.perkinscoie.com

VIA HAND DELIVERY & EMAIL

Carole J. Washburn Office of the Secretary Washington Utilities and Transportation Commission 1300 S. Evergreen Park Drive SW Olympia, WA 98504-7250

Re: Puget Sound Energy, Inc.

Petition for Exception to WAC 480-107-060 Deadline

Dear Ms. Washburn:

Enclosed for filing are an original and 19 copies of Puget Sound Energy, Inc.'s Petition for Exception to WAC 480-107-060 Deadline. We have provided an electronic copy of this filing via email.

Please note that as of July 28, 2003, my address, telephone, and fax information has changed, as follows:

> Kirstin S. Dodge Perkins Coie LLP 10885 N.E. 4th Street, Suite 700 Bellevue, WA 98004-5579

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Thank you for your assistance.

Very truly yours,

Kirstin S. Dodge

Enclosure

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RECORDS MANAGEMENT

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STATE OF WASH. UTIL. AND TRANSP. COMMISSION

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of the Petition of

DOCKET NO. ()E-03/226

PUGET SOUND ENERGY, INC.

PETITION

For Exception to WAC 480-107-060 Deadline

INTRODUCTION

- 1. Puget Sound Energy, Inc. ("PSE" or "the Company") hereby requests that the Commission issue an order granting PSE a four-week extension of the deadline in WAC 480-107-060(2)(a) by which PSE must file a draft request for proposal ("RFP") with the Commission.
 - 2. This Application brings into issue WAC 480-107-060 and 480-107-170(3).

BACKGROUND

3. On April 30, 2003, PSE filed its Least Cost Plan ("LCP") with the Commission, pursuant to WAC 480-90-238 and 480-100-238. Among other things, the LCP finds that PSE has needs for new electric resources over the next several years. *See* LCP, Chapter I at 2-3. Thus, under WAC 480-107-060(2)(a), PSE would normally expect to file a draft RFP with the Commission by July 29, 2003. However, as described below, there are good reasons to temporarily delay PSE's RFP filing.

- 4. One planning assumption in the LCP is that PSE will acquire approximately 150 aMW of new conservation resources over the next 10 years. Since the April 30 LCP filing, PSE has been in the process of performing an assessment of conservation potential in its service area consistent with the methods currently being used by the Northwest Power Planning Council ("NPPC") in its assessment of regional conservation potential. Using this information, an integration analysis is being performed to reassess, and possibly revise the conservation acquisition targets. *See* LCP, Chapter I at 3-4. In addition, PSE is currently updating certain modeling assumptions used in its LCP to reflect current information and conditions, with consideration of input from stakeholders. PSE anticipates filing an updated LCP in August 2003 that incorporates any such revisions.
- 5. The updated LCP that PSE anticipates filing in August 2003 will identify an integrated and updated portfolio of new resources to meet the overall need, including conservation and supply resources.
- 6. In addition, based on its updated and integrated analysis in the LCP process, PSE anticipates that it may actually file several, coordinated RFPs that will allow the Company to review different types of generation and conservation resource opportunities for particular needs and timeframes. Such a coordinated RFP effort is best developed only after the LCP update has been completed. In any case, PSE needs additional time to develop its draft RFPs before filing them with the Commission.
- 7. PSE has discussed the above issues with Commission Staff and has agreed to file a draft RFP with the Commission by August 25, 2003.

DISCUSSION

8. WAC 480-107-060(2)(a) provides:

The electric utility shall solicit bids for electric power and electrical savings in conjunction with its least cost planning schedule. The electric utility is required to file its draft request for proposal with the Commission within ninety days of the electric utility's filing if its final least cost plan.

(Emphasis added). However, WAC 480-107-170(3) provides that the Commission "may grant such exceptions to these rules as may be appropriate in individual cases."

- 9. The Commission has, historically, granted petitions for waiver of the filing requirements of WAC 480-107-060 in appropriate cases. For example, after Avista filed its April 25, 2001 Least Cost Plan, it requested an extension of time to file an RFP until August 30, 2002, 16 months later. The Commission granted that request. *See In the Matter of the Petition of Avista Utilities for Waiver of WAC 480-107-060*, Docket No. UE-011438, Order Granting Waiver of Rules (Feb. 12, 2002).
- 10. In the present case, PSE is only requesting a four-week extension of the time to make its draft RFP filing under the process set forth in WAC 480-107-060. That request is reasonable and consistent with the public interest.
- 11. As described above, even though PSE has filed its LCP, PSE anticipates that the resource needs to be filled through the RFP filing will change once PSE obtains updated information regarding conservation projections and other models utilized in the LCP. PSE is also considering filing several, coordinated RFPs, and needs additional time to prepare its RFP filing. A temporary delay of PSE's RFP filing under WAC 480-107-060 will not significantly delay the competitive bidding process under WAC 480-107-060 and will place PSE in a better position to acquire the resources actually needed to serve its customers over the next several years.

REQUESTED ACTION

- 12. For the reasons set forth above, PSE respectfully requests that the Commission issue an order:
- A. Granting an exception to the deadline arising from WAC 480-107-060, which requires that PSE file its draft RFP with the Commission by July 29, 2003; and
- B. Granting PSE permission to submit its draft RFP filing to the Commission under WAC 480-107-060 no later than August 25, 2003.

DATED: July 28, 2003.

PERKINS COIE LLP

By _____ Kirstin S. Dodge

Attorneys for Puget Sound Energy, Inc.