



STATE OF WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION
1300 S. Evergreen Park Dr. S.W., P.O. Box 47250 • Olympia, Washington 98504-7250
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November 9, 2018

NOTICE OF WORKSHOP
(Set for 1:30 p.m. on December 10, 2018)

RE: Notice of Inquiry into the Adequacy of the Current Regulatory Framework Employed by the Commission in Addressing Developing Industry Trends, New Technologies, and Public Policy Affecting the Utility Sector
Docket U-180907

TO ALL INTERESTED PERSONS:

RCW 80.01.040 authorizes the Washington Utilities and Transportation Commission (Commission) to regulate in the public interest the rates, services, facilities, and practices of investor-owned utilities providing service within Washington State. The Commission's paramount objective is to secure for the public safe, adequate, and reliable utility services at just, fair, reasonable, and sufficient rates.

The Commission generally has regulated the provision of utility service through traditional rate-base, rate-of-return regulation; however, transformational change brought on by new technologies, rapidly changing costs, and emerging opportunities for customers and utilities may produce conditions in which traditional regulation is not the most efficient and effective means of achieving the Commission's public interest objectives. Under such conditions, performance-based regulations, multi-year rate plans, and other flexible regulatory mechanisms may better align the utility business model with customer interests and public policy objectives.

To assist the Commission in determining whether to open a rulemaking or issue a policy statement on this matter, the Commission will hold a workshop on **December 10, 2018, beginning at 1:30 p.m., in Room 206, Richard Hemstad Building, 1300 S. Evergreen Park Drive S.W., Olympia, Washington**. All interested persons are invited to attend. The workshop

is an opportunity for stakeholders to provide feedback to the Commission on the following questions:

- How are developing industry trends, new technologies, and public policy in the utility sectors affecting the effectiveness of traditional rate-base, rate-of-return regulation?
- What are the advantages and disadvantages of traditional rate-base, rate-of-return regulation under current market conditions?
- Would potential alternatives to traditional regulation, including performance-based regulation, multi-year rate plans, and other flexible regulatory mechanisms better align the utility business model with customer interests and public policy objectives?
- What conditions should determine whether the Commission applies these alternative mechanisms?
- Does the Commission have sufficient authority to implement alternatives to traditional regulation?
- What rulemaking or policy guidance from the Commission could help make rate regulation more efficient and effective?
- What is the appropriate scope and order of priorities for a rulemaking or policy statement on this subject?

The Commission prefers and recommends that interested persons participate in person and share ideas in a workshop setting. However, if this imposes a hardship, interested persons may participate in the workshop via the Commission's teleconference bridge at (360) 664-3846. The conference bridge is limited to 22 access lines.

If you have questions regarding this workshop, you may contact Mark Vasconi, Director of Regulatory Services at mark.vasconi@utc.wa.gov or (360) 664-1308. For those attending in person, please contact Linda Anderson via email at linda.anderson@utc.wa.gov to assist us in managing the meeting's logistics.

MARK L. JOHNSON
Executive Director and Secretary