

April 17, 2001

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

Re: *Air Liquide, et al. v. PSE*, Docket No. UE-001952, and
*Petition of Puget Sound Energy, Inc., for an Order
Reallocating Related to Any Reduction in the Schedule 48
or G-P Special Contract Rates*, Docket No. UE-001959

Dear Ms. Washburn:

On April 16, 2001, Puget Sound Energy filed for Commission approval Small Customer Special Contracts executed by PSE and Air Liquide America Corporation, Air Products and Chemicals, Inc., and Intel Corporation. These special contracts are in the nature of compliance filings pursuant to the Commission's Eleventh Supplemental Order in these dockets.

Please be advised that Staff recommends immediate approval of the special contracts, but on two conditions. First, PSE asks the Commission to allow effective dates for the special contracts prior to the date of a Commission order approving the compliance filings. Such a request violates WAC 480-80-335(4), which states that no special contract may be effective on a date that precedes Commission approval. Therefore, the effective date for the special contracts can be no earlier than the date the Commission issues its order approving these compliance filings. PSE does not object to such treatment. (See April 16, 2001, transmittal letter, page 2.)

Second, PSE filed the special contracts on a confidential basis. WAC 480-80-335(7), however, requires that all "essential terms and conditions" be submitted without confidential treatment or the filing must be rejected. In this case, with one exception, all essential terms and conditions are open to public inspection as part of the Stipulation and form Small Customer Special Contract that the Commission already approved. The one exception is the election each specific customer made for a rate (Exhibit A: \$225/MWh v. Index less \$100/MWh). Therefore, Staff has no objection to confidential treatment for the special contracts except for Exhibit A, Section I.A. That section should be removed from the confidential document and treated separately on a non-confidential basis.

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Please contact the undersigned should you have any questions regarding this matter.

Very truly yours,

ROBERT D. CEDARBAUM
Senior Counsel

RDC:pah
cc: Parties
Dennis Moss, ALJ