

October 11, 1999

Attn: Carole Washburn, Secretary
Washington Utilities & Transportation Committee
P.O. Box 47250
Olympia, WA 98504-7250

RE: Docket No. UE-991168

Dear Ms. Washburn:

The City of Port Townsend supports the WUTC's efforts to better measure electric power reliability. My staff has reviewed your agency's "Washington State Electricity System Study." We would like to continue to be on your mailing list to receive future notices and information.

The City is especially concerned that rural communities, outside the I-5 corridor, may be left with less reliability as utilities seek cost-cutting measures to become more competitive. We are aware that urban areas tend to attract the most investment in infrastructure because these areas generate higher rates-of-return to the utilities serving them. We would like to see your agency's standards consider the needs of rural communities such as our own.

We are aware that competition due to future re-structuring of the electric power industry could reduce utilities' investments in reliability. Competition is a good thing in that it can lower power supply costs and encourage more customer choice and better service. We think the best way to address this potential problem is to separate power generation from retail distribution systems. We see no need to curtail service levels in local distribution systems to compensate for more intense competition in power generation costs. These two functions should be kept separate. Other states which have passed re-structuring bills have recognized this issue. We urge the WUTC to support efforts to encourage similar re-structuring in Washington.

We appreciate the opportunity to comment and may participate in future meetings on this topic.

Sincerely,

David Timmons
City Manager

cc: Mayor and City Council Members