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September 7, 2018

VIA ELECTRONIC FILING

Mark L. Johnson Executive Director and Secretary Washington Utilities and Transportation Commission 1300 S. Evergreen Park Dr. SW P.O. Box 47250 Olympia, Washington 98504-7250

Re: Rulemaking to address electric and natural gas cost of service, Dockets UE-170002 and UG-170003

Dear Mr. Johnson:

On July 23, 2018, the Utilities and Transportation Commission (Commission) issued a Notice of Opportunity to File Written Comments (Notice) in the above-referenced dockets seeking comments from stakeholders regarding electric and natural gas cost of service studies. Public Counsel hereby submits the following comments and answers to the questions posed in the Notice. Glenn Watkins, Vice President and Senior Analyst of Technical Associates, Inc., prepared the comments based on his extensive experience, both with cost of service studies generally and with utility regulation and cost of service studies in Washington.

Mr. Watkins' experience and background are contained in Appendix A to our comments. Appendix B to the comments contains Mr. Watkins' response testimony filed by Public Counsel in the recent Puget Sound Energy general rate case (Dockets UE-170033 and UG-170034), which provides details and analysis relevant to the inquiry in this rulemaking.

Public Counsel appreciates the opportunity to provide these comments, and acknowledges that they are being submitted past the deadline set in the Commission's Notice. We appreciate the flexibility that allowed us to prepare comprehensive comments that we believe will add value to the discussions and decisions in these dockets. We also look forward to reviewing the comments filed by other stakeholders, and we also look forward to continuing the discussion in workshops To: Mr. Mark L. Johnson Re: Docket Nos. UE-170002 and UG-170003 Date: September 7, 2018 Page 2 of 2 with the Commission and stakeholders. If you have any questions about these comments, please contact the undersigned at Lisa.Gafken@atg.wa.gov or (206) 464-6595, Nina Suetake at <u>ninas@atg.wa.gov</u> or (206) 389-2055, or Corey Dahl at <u>coreyd@atg.wa.gov</u> or (206) 464-6380.

Sincerely,

/s/ Lísa W. Gafken

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