



STATE OF WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION
1300 S. Evergreen Park Dr. S.W., P.O. Box 47250 • Olympia, Washington 98504-7250
(360) 664-1160 • www.utc.wa.gov

July 7, 2017

**NOTICE OF OPPORTUNITY TO FILE WRITTEN COMMENTS
(By Monday, August 21, 2017)**

AND

**NOTICE OF WORKSHOP
(To be held Tuesday, September 19, 2017, at 9:00 a.m.)**

RE: Investigation into Reliability Benchmarking, Docket U-151958

TO ALL INTERESTED PERSONS:

The Washington Utilities and Transportation Commission (Commission) is currently in the process of gathering information concerning econometric approaches to reliability benchmarking. As part of that process, the Commission contracted with Power System Engineering, Inc., of Madison, Wisconsin, to perform an econometric benchmarking study for the three investor-owned electric utilities subject to the Commission's jurisdiction. The final report, titled "Reliability Targets for Washington's Three Investor-Owned Utilities" has been filed with the Commission in Docket U-151958. The report can be found at:

<https://www.utc.wa.gov/layouts/15/CasesPublicWebsite/GetDocument.ashx?docID=3&year=2015&docketNumber=151958>

The Commission seeks the perspective of investor-owned utilities and interested persons, and in particular solicits feedback on the final report produced by Power System Engineering, Inc., and concerning econometric reliability benchmarking more generally. The Commission seeks comments on a number of issues and questions, listed below, that will provide a basis for possible further action.

Stakeholders and interested persons are invited to provide comments to the Commission on these topics and questions by **Monday, August 21, 2017**. The Commission also invites interested persons to attend a workshop scheduled for **Tuesday, September 19, 2017**, beginning at 9:00

a.m. to discuss the econometric reliability benchmarking study and reliability benchmarking more generally.

WRITTEN COMMENTS

The report titled “Reliability Targets for Washington’s Three Investor-Owned Utilities” describes an econometric approach to establishing electric reliability benchmarks. The approach also provides econometrically derived targets for SAIDI and SAIFI for Avista, Puget Sound Energy, and Pacific Power and Light.

To assist the Commission in determining whether (or how best) to employ the results of the study, and in evaluating the merits of econometric reliability benchmarking more broadly, the Commission requests that interested persons provide written comments in response to the following questions:

1. Does an econometric approach, in general, provide a sound basis for establishing targets for SAIDI and SAIFI?
2. In the absence of an econometric benchmarking study, how should the commission evaluate whether a utility is providing an economically efficient level of reliability?
3. Does an econometric approach, in general, provide a sound basis for evaluating the need for reliability investments?
4. In the absence of an econometric benchmarking study, how should the commission evaluate whether a utility’s reliability performance is appropriate given its unique service territory characteristics?
5. What other statistically measurable and valid approaches should the commission consider in evaluating SAIDI and SAIFI targets?
6. Should the econometric benchmarking study performed by Power System Engineering be used to establish utility-specific targets for SAIDI and/or SAIFI? Why or why not?
7. Should the econometric benchmarking study performed by Power System Engineering be used to evaluate the need for investments in reliability? Why or why not?
8. Do you believe that additional policy guidance from the commission on the issue of reliability performance benchmarking is necessary?
9. (For utility representatives) Please comment on the reasonableness of the benchmarks produced by the study, specific to your utility. Please describe your perspective on both a) the point estimate reliability target, and b) the target range produced by the 90 percent confidence interval.
10. Please provide any additional commentary you believe the commission should consider when determining whether or how, to use the study from Power System Engineering to establish reliability benchmarks or to evaluate investments in reliability.

Written comments should be submitted **no later than 5:00 p.m., Monday, August 21, 2017.**

The Commission requests that comments be provided in electronic format to enhance public

access, reduce the need for paper copies, and facilitate quotations from the submissions. Please submit comments via the Commission's Web portal at www.utc.wa.gov/e-filing or by electronic mail to the Commission's Records Center at records@utc.wa.gov. Submissions must include:

- The docket number of this proceeding (U-151958)
- The commenting party's name
- The title and date of the comment or comments

Comments may also be submitted by mailing or delivering an electronic copy to the Commission's Records Center in Adobe Acrobat .pdf format or in Word 2010 or later, on a flash drive, DVD, or CD. Include all of the information requested above. The Commission will post all comments that are provided in electronic format on its website, at www.utc.wa.gov. Written comments (electronic or hard copies) should be addressed to Mr. Steven V. King, Executive Director and Secretary, Washington Utilities and Transportation Commission, P.O. Box 47250, Olympia, WA 98504-7250.

The Commission will post on its web site all comments that are provided in electronic format. The web site is located at the following URL address: www.utc.wa.gov.

WORKSHOP

The Commission will conduct a workshop to discuss reliability performance benchmarking, including econometric benchmarking, on **Tuesday, September 19, 2017, beginning at 9:00 a.m.**, and continuing, as necessary, until 12:00 p.m. in Room 206, Richard Hemstad Building, 1300 S. Evergreen Park Drive SW, Olympia, Washington.

The Commission seeks input from a variety of stakeholders on these issues. If you have questions about this investigation, contact Chris McGuire, Staff person at the Commission, at (360) 664-1310, or by email at cmcguire@utc.wa.gov.

If you wish to receive further information on this matter you may (1) call the Commission's Records Center at (360) 664-1234 or, (2) e-mail the Commission at records@utc.wa.gov and ask to be included on the mailing list for Docket U-151958.

STEVEN V. KING

Executive Director and Secretary