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February 22, 2001

VIA FACSIMILE AND U.S. MAIL

Washington Utilities and Transportation Commission P.O. Box 47250
Olympia, Washington 98504-7250
Attn: Graciela Etchart, Ph.D.
Utility Rate Research Specialist

Re: Proposed WAC 480-100-148; Current WAC 480-100-076; Follow up to Thursday, February 15, 2001 Meeting

Dear Ms. Etchart:

Thank you for arranging the meeting on February 15, 2001 between members of the Commission Staff, representatives of Puget Sound Energy, Inc. (PSE), and Administrative Law Judge Dennis J. Moss. PSE appreciates the opportunity to present our suggestions regarding the proposed changes to the Service Responsibilities for electric utilities.

As PSE understands Staff's concerns with the current portion of WAC 480-100-076 concerning interruptions of service, Staff wishes to change the existing Service Responsibilities to require electric utilities to respond to interruptions of service in a manner consistent with current industry practice. As we discussed on Service in a manner consistent with current industry practice. As we discussed on Thursday, PSE believes that the language in proposed WAC 480-100-148(2)(d) is overbroad and ambiguous. In order to address Staff's concerns, PSE proposes the following language:

"Each utility shall endeavor, in a manner consistent with Good Utility Practice, to avoid interruptions of service, and, when such interruptions occur, reestablish service in a manner consistent with Good Utility Practice. For purposes of this subsection, 'Good Utility Practice' means any of the practices, methods, and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods, and acts that, in the exercise of reasonable judgment in light of the facts known at the time the decision was

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made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety, and expedition. Good Utility Practice is not intended to be the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the Western Interconnection."

This language would incorporate the "Good Utility Practice" standard from the Federal Energy Regulatory Commission's Open Access Transmission Tariff and would establish a widely used standard for the reestablishment of electric service. It would address Staff's concerns that the interruptions of service language recognize an industry-wide standard, while also permitting electric utilities to reestablish service in a manner that weighs good business practices, reliability, safety and expedition with reasonable cost. PSE suggests that, to the extent that the Commission is unwilling to retain the current language in WAC 480-100-076, the above language be adopted.

PSE would also like to take this opportunity to confirm the areas of understanding between Staff and PSE arising out of the meeting. Regarding proposed WAC 480-100-148(2)(a), PSE understands that the proposed language that electric utilities be required to "install and maintain equipment within its system that may be necessary to operate the electric system" will not be included in this section. PSE understands that the current requirement that "each utility shall install and maintain at appropriate locations within its system such equipment as may be necessary to determine the operating characteristics of the system." will be retained.

With regard to proposed WAC 480-100-148(2)(b), PSE understands that the current language requiring notification in the event of any "substantial" change will be retained. PSE also understands, that with regard to the proposed WAC 480-100—148(d), second paragraph, the current language that interruptions of service necessary with modifications or repairs shall be during working hours when practicable will be retained.

PSE would be happy discuss its suggested language or any other comments on this letter with you.

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Sincerely,

PUGET SOUND ENERGY, INC

Steven Secrist

Its: Director, Rates and Regulation

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