

September 8, 1999

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

Re: Docket No. U-990298 (Review of Chapter 480-140 WAC)

Dear Ms. Washburn:

This letter is to provide Puget Sound Energy's (PSE) comments on the above referenced Docket. While Commission Staff (Staff) was not persuaded to completely eliminate this rule as PSE and other utilities recommended in initial comments, PSE supports this proposal. Staff's effort in this Docket is an excellent example of the regulatory reform discussed in Executive Order 97-02. We commend Staff for its openness and diligence to eliminate regulatory requirements in the budget rules that are not practically useful for protecting the health, welfare, and safety of Washington residents.

Revisions for Consideration

The following are minor revisions to appearance and language intended to clarify--not change--Staff's proposal. Please note words in ~~strikeout~~ and underlining are relative to Staff's proposal, not the existing language.

WAC 480-140-010 Definitions

Capital Project for purposes of this rule means a project that increases utility plant in service.

Commission means Washington utilities and transportation commission.

Major capital construction project means:

For water, gas, and electrical companies, all capital projects where the Washington allocated share of the total project is greater than five-tenths of one percent of the company's latest year-end Washington-allocated net utility plant in service, but does not include any project less than three million dollars on a total project basis.

For telecommunications companies, major capital projects include all construction projects where the intrastate Washington-allocated share is greater than one million dollars.

Net utility plant in service means plant in service less accumulated depreciation and amortization.

Public service company means every gas company, electrical company, telecommunications

company, and water company subject to regulation under the provisions of Title 80 RCW as to rates and service by the commission.

Purpose and Discussion: The purpose of this suggestion is to move the definition of major construction project from section 040 (what to file) up with the other definitions in this section. Also, changing major “construction” project to major “capital” project and defining “capital project” may help avoid confusion about the definition of construction and capital. Please do not interpret this comment to mean PSE specifically supports the definition of major construction project for telecommunications companies—we have no opinion on that matter.

WAC 480-140-030 *When to file.* The budget for the ensuing fiscal year must be filed with the commission within ten days of the date it is approved by the company, but ~~in no event will it be filed~~ later than sixty days after the beginning of the fiscal year, unless the company has been granted a request for extension from the commission.:

Purpose and Discussion: The purpose of this suggested revision is to clarify that utilities may request an extension of the filing deadlines from the WUTC. The “in no event” language seems to pre-judge that the commission will not grant extensions to the 10 day or 60 day requirements, which is probably not Staff’s intent.

WAC 480-140-040 *What to file.*

Budgets filings must show include:

Budgeted ~~capital~~ construction expenditures, on a total company basis for combination utilities, Budgeted operating income, including budgeted operation and maintenance expenditures during the ensuing year, on a total company basis for combination utilities, ~~and~~
All major ~~capital~~ construction projects must be identified in the budget filing.

Purpose and Discussion: There are five suggestions in this section: 1) reflect moving the definition of major construction project from this section to the definition section; 2) to restructure the appearance for clarity; 3) include language to clarify that budget information for combination utilities will be provided on a total company basis, except major capital projects which would each be listed individually; 4) follows through the change of major construction project to capital project; 5) a few minor editorial suggestions.

WAC 480-140-080 ~~Confidentiality~~ Secrecy provision. The commission may, in its discretion, to the extent permitted by RCW 80.04.095 and chapter 42.17 RCW, upon the request of any public service company, withhold from publication, any portion of any budget designated as confidential pursuant to WAC 480-09-015.

Purpose and Discussion: Changing the title from “Secrecy” to “Confidentiality” would provide consistency with the referenced RCW’s and WAC.

Conclusion

PSE would like to thank the Commission for the opportunity to file these comments and again commend the Staff's efforts in this Docket. If we can be of any additional assistance, please contact Phillip Popoff at (425) 462-3229.

Sincerely,

Christy A. Omohundro
Director, Rates and Regulatory Policy