



STATE OF WASHINGTON

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

1300 S. Evergreen Park Dr. S.W., P.O. Box 47250 • Olympia, Washington 98504-7250
(360) 664-1160 • TTY (360) 586-8203

July 2, 2004

Ralph Cavanagh, Co-Director, Energy Program
Natural Resources Defense Council
c/o Northwest Energy Coalition
219 1st Avenue South, Suite 100
Seattle, Washington 98104

Ann English Gravatt, Senior Policy Associate
Renewable Northwest Project

Nancy Hirsh, Policy Director
NW Energy Coalition

Robert D. Kahn, Executive Director
Northwest Independent Power Producers Coalition

Re: Docket Nos. UE-030311/UE-030423/UG-030312

Dear Mr. Cavanaugh, Mr. Kahn, Ms. Hirsch and Ms. Gravatt:

Thank you for your letter of June 16, 2004. The Commission always appreciates input from stakeholders in the industries it regulates. Especially valuable are comments regarding the Commission's efforts to develop, review, or amend its own rules.

Last year, the Commission initiated a process to gather information regarding the function and clarity of our regulations WAC 480-100-238 and WAC 480-90-238 that require regulated electric and natural gas utilities to develop least-cost plans, and the "bidding" rules found in Chapter 107 WAC. Our information-gathering efforts included the collection of written comments. We also held a public workshop on June 13, 2003. As we made clear in the workshop, the comment period has not closed and interested stakeholders are free to file further comments.

Your letter states that "a number of developments have surfaced that are very significant to the topics to be addressed in this rulemaking." Specifically, you mention the volatility of methane price and financial biases against purchase power agreements as cause for concern. The Commission is interested in learning more about these and any other development that significantly affects the planning and bidding rules under review. We ask that you describe these developments in written comment filed with the Commission by July 30. Most helpful would be a discussion about what has changed since last year's June 13 meeting, and, as a result, what regulatory revisions you



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would recommend. Please also identify whether you are referring to the planning or bidding rules (or both).

Because of the time it takes to schedule and convene a workshop, we believe that calling for written comments is, at this point, a more efficient and timely use of Commission and stakeholder resources. However, we can always schedule a workshop if the comments give rise to a need for one.

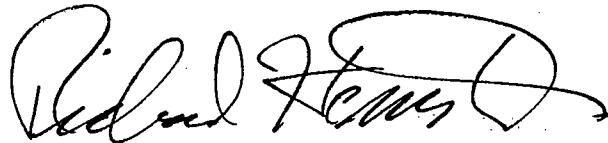
Finally, although we request these specific comments be supplied by July 30, the opportunity to comment in this proceeding will remain open after that date, as the Commission has broad discretion in the manner it gathers and analyzes information in its rulemakings.

We look forward to your comments. Thank you again for your interest and past participation in our rulemaking.

Sincerely,



Marilyn Showalter, Chairwoman



Richard Hemstad, Commissioner



Patrick J. Oshie, Commissioner