

February 16, 2001

NOTICE OF RECEIPT OF PETITION FOR DECLARATORY ORDER;

NOTICE OF OPPORTUNITY TO FILE WRITTEN COMMENTS

(February 28, 2001);

and

NOTICE OF OPPORTUNITY TO COMMENT ORALLY

(March 2, 2001)

Re: In the Matter of PUGET SOUND ENERGY, INC., for a Declaratory Order and Accounting Order Regarding the Classification of Certain Facilities and Accounting Treatment Consistent Therewith; Docket No. UE-010010

TO ALL INTERESTED PERSONS:

On January 2, 2001, Puget Sound Energy, Inc. (PSE), filed a petition for a declaratory order and an accounting order. In the petition, PSE asks the Commission to enter a declaratory order to adopt PSE's proposed classification of transmission and distribution facilities consistent with the requirements of Federal Energy Regulatory Commission Order Nos. 888 and 888A. Promoting Wholesale Competition Through Open Access Non-Discriminatory Transmission Services by Public Utilities; Recovery of Stranded Costs by Public Utilities and Transmitting Utilities, F.E.R.C. Stats. & Regs. ¶ 31,036 (1996) (Order 888), and ¶ 31,048 (1997) (Order 888-A). PSE also asks for an accounting order authorizing PSE to reflect such classification in its accounts. PSE contends its proposed classification of transmission and distribution facilities, and the corresponding accounting treatment of such classifications in PSE's accounts, is an essential component to the demarcation of the boundaries of this Commission's jurisdiction and that of the Federal Energy Regulatory Commission ("FERC"). PSE contends in addition that such classifications serve the public interest by promoting greater certainty in regulation, and by avoiding regulatory conflicts.

Pursuant to RCW 34.05.240 and WAC 480-09-230, the Commission gives notice of this petition for declaratory order to all persons required by law to be served, and to other persons who should receive notice, as deemed appropriate by the Commission. Also by this notice, the Commission establishes February 23, 2001, as the date for Commission Staff to publish its preliminary comments on PSE's Petition, and establishes February 28,

2001, as the date by which interested persons must file any written comments concerning PSE's Petition. All such comments will be made part of the Commission's record in this matter.

Electronic copies. The Commission also requests, but does not require, that comments be provided in electronic format to facilitate quotations from the comments, to enhance public access, and to reduce the need for additional paper copies. Please help us by sending an electronic copy with your paper filing on a 3 ½ inch IBM formatted high-density disk, in .pdf Adobe Acrobat format, reflecting the pagination of your original. Please also send us the text in your choice of .doc (Word 97 or later) or .wpd (WordPerfect version 6 or later), labeled with the docket number of this proceeding (UE-010010) and the commenter's name and type of software used. Comments may also be provided by e-mail to records@wutc.wa.gov. If you choose this means of submitting comments, please include all of the information requested above for the diskette label. The Commission will make available all comments provided in electronic form on the Commission's web site at <http://www.wutc.wa.gov/hearings/010010>. Documents will be posted within twenty-four hours of receipt.

Comments delivered by mail or courier should be addressed to: Secretary, Washington Utilities and Transportation Commission, P.O. Box 47250, 1300 S. Evergreen Park Drive S.W., Olympia, WA 98504-7250.

Unless the Commission determines other process is required, a proposed order will be presented to the Commission by Staff at a specially scheduled open meeting on March 2, 2001, at 11:00 a.m. Interested persons will be given an opportunity to comment during the open meeting. Absent finding good cause to extend the schedule, the Commission sets March 9, 2001, as the date by which it will enter a declaratory order. WAC 480-09-230(3) and (5).

The Commission has jurisdiction over this matter under Title 80 RCW, specifically chapter 80.01 RCW, chapter 80.04 RCW, and chapter 80.28 RCW. In addition to these statutes, rules involved include those within chapter 480-09 WAC and chapter 480-100 WAC.

THE COMMISSION GIVES NOTICE That it will accept written comments concerning this matter filed with the Secretary no later than February 28, 2001.

THE COMMISSION GIVES FURTHER NOTICE That it will hear comment on this matter during open meeting proceedings scheduled for March 2, 2001, at 11:00 a.m., in Room 206 of the Commission's offices, Chandler Plaza Building, 1300 S. Evergreen Park Dr. S.W., Olympia, Washington, unless changed by the Secretary.

The names and mailing addresses of all known interested persons and their representatives are as follows:

Petitioner: Puget Sound Energy
PO Box 97034
Bellevue, WA 98009-9734

Representative: William Maurer
Markham Quehrn
Perkins Coie
411 108th Avenue N.E., Suite 1800
Bellevue, WA 98004

Interested Person: Industrial Customers of NW Utilities
825 NE Multnomah, Suite 180
Portland, OR 97232-2158

Representative: Melinda Davison
S. Bradley Van Cleve
Davison Van Cleve
1300 SW Fifth Avenue, Suite 2915
Portland, OR 97201

Interested Person: Avista Corporation
P.O. Box 3727
Spokane, WA 99220-3727

Representative: David Meyer, Attorney
Avista Corporation
P.O. Box 3727
Spokane, WA 99220-3727

Commission Staff: Washington Utilities and Transportation Commission
1300 S. Evergreen Park Drive S.W.
P.O. Box 47250
Olympia, WA 98504-7250

Representative: Jeffrey Goltz
Assistant Attorney General
1400 S. Evergreen Park Drive S.W.
P.O. Box 40128
Olympia, WA 98504-0128

Public Counsel: Simon ffitch
 Office of the Attorney General
 Public Counsel
 900 4th Avenue, Suite 2000
 Seattle, WA 98164

The Commission will provide, at its offices in Olympia, Washington, current records of this matter for the use of those who may wish to review them. Notice of any other procedural phase will be given in writing or on the record as the Commission deems appropriate during the course of this proceeding.

Questions regarding this matter may be addressed to Dennis Moss at 360-664-1164 or Merton Lott at 360-664-1312.

Sincerely,

CAROLE J. WASHBURN
Executive Secretary