

David Danner, Executive Director and Secretary
Washington Utilities and Transportation Commission
1300 S. Evergreen Park Drive SW, PO Box 47250
Olympia, WA 98504-7250

July 27, 2010

**RE: Docket No. UE-001457 – Joint Motion for an Accounting Order Amending
Original Accounting Order**

The NW Energy Coalition submits the following comments regarding Docket No, UE-001457 in preparation for the Commission's July 28 Open Meeting. Danielle Dixon plans to attend the Open Meeting via the Bridge Line.

The Coalition supports the Joint Motion of Staff and PacifiCorp requesting an amendment to the accounting order to eliminate the carrying charge on positive balances in the Company's System Benefits Charge ("SBC") balancing account. The Commission initially approved one-sided assessment of interest for Avista's SBC,¹ followed by a similar requirement for PacifiCorp's SBC.² Puget Sound Energy (PSE) does not have a similar requirement.³

We agree with Public Counsel that unnecessary positive balances in the SBC account should be avoided. However, we believe the Conditions List filed in Docket No. UE-100170 contains sufficient provisions to protect against such balances, as detailed in the Joint Motion and in the July 27, 2010 comments submitted by PacifiCorp for consideration at the Open Meeting.

In practice, a utility's tariff rider balance goes up and down, even on a monthly basis, depending on the timing of project completions, many of which cannot be forecast exactly. We believe the Company should not face a penalty (i.e., interest assessment on positive balances or finance charges on negative balances) as a result of these market conditions associated with acquisition of energy efficiency.

Approving the Joint Motion provides an opportunity for the Commission to remove a disincentive to utility investment in energy efficiency, consistent with the Commission's expressed interest in exploring opportunities for providing incentives and removing disincentives to utility investment in energy efficiency.⁴

Thank you for considering these comments.

Sincerely,

Danielle Dixon
Senior Policy Associate, NW Energy Coalition

¹ Docket Nos. UE-991606 and UG-991607, Third Supplemental Order at ¶ 422.

² Docket No. UE-001457, Accounting Order at p. 2.

³ We note that PSE does not use an SBC approach to funding its energy efficiency services.

⁴ Docket No. UE-100522.