

[Service Date September 17, 2009]

September 17, 2009

**NOTICE OF OPPORTUNITY TO FILE WRITTEN COMMENTS
(By Friday, October 16, 2009)**

Re: Review of PURPA Standards – Rulemaking
Docket U-090222

TO ALL INTERESTED PERSONS:

On March 10, 2009, the Washington Utilities and Transportation Commission (Commission) filed with the Office of the Code Reviser a Preproposal Statement of Inquiry (CR-101) to examine whether new regulations are needed to govern six aspects of investor-owned electric and natural gas utility operations for which new Public Utility Regulatory Policies Act of 1978 (PURPA) standards are included in the Energy Independence and Security Act of 2007, Public Law 110-140 (EISA). For electrical companies, these new federal standards address: 1) integrated resource planning; 2) rate design to promote energy efficiency investment; 3) consideration of smart grid investments; and 4) smart grid information. For natural gas companies, these new federal standards address: 1) rate design to promote energy efficiency investment; and 2) energy efficiency.

The Commission solicited comments from all interested persons, and, by April 24, 2009, a number of written comments had been filed in response to the CR-101. On May 21, 2009, the Commission held a stakeholder workshop, at which time several stakeholders requested that the Commission allow post-workshop comments that would address questions raised during the workshop that could not be readily answered at that time. The Commission agreed, and thereafter received post-workshop comments by June 1, 2009.

By notice issued July 23, 2009, the Commission convened a public hearing on August 13, 2009, to discuss further steps in this rulemaking including, but not limited to, termination

of this rulemaking with regard to any of the new PURPA standards addressing electric and natural gas utility operations. At the hearing, the Commission's rulemaking team recommended that the Commission close the rulemaking for all standards except Standard 18(A) addressing smart grid technology. With respect to Standard 18(A), the rulemaking team recommended that the Commission develop a rule requiring electric utilities to report to the Commission the details of their evaluation and implementation of smart grid technologies.

On September 14, 2009, the Commission entered Order 01 in this matter. In Order 01, the Commission adopted the rulemaking team's recommendation and found that it was not necessary to implement PURPA electric utility Standards 16, 17, 18(B) and (C), and adopt PURPA natural gas Standards 5 and 6, in order to carry out the purposes of PURPA. As a result, the Commission terminated the rulemaking and closed the docket with regard to these standards. With regard to PURPA electric utility Standard 18(A), the Commission found and concluded that further consideration is appropriate. The Commission directed its rulemaking team to prepare a discussion draft of a rule that would require electric utilities to report on their evaluation and implementation of smart grid technology, and to solicit further comments from interested persons on that discussion draft. The Commission stated that it would then consider whether or not to develop a proposed rule (CR 102) for smart grid technology reporting or take such other action as is necessary and appropriate.

The rulemaking team has completed the discussion draft of a proposed rule relating to PURPA Standard 18(A), Consideration of Smart Grid Investments – In General. The draft rule is available for inspection on the Commission's website at: <http://www.utc.wa.gov/090222>. If you are unable to access the Commission's web page and would like a copy of the discussion draft mailed to you, please contact the Records Center at (360) 664-1234.

WRITTEN COMMENTS

Written comments on the discussion draft rule relating to PURPA Standard 18(A), Consideration of Smart Grid Investments – In General, must be filed with the Commission no later than **Friday, October 16, 2009**. The Commission requests that comments be provided in electronic format to enhance public access, for ease of providing comments, to reduce the need for paper copies, and to facilitate quotations from the comments. Comments may be submitted via the Commission's Web portal (www.utc.wa.gov/e-filing) or by electronic mail to the Commission's Records Center at records@utc.wa.gov. Please include:

- The docket number of this proceeding: U-090222.
- The commenting party's name.
- The title and date of the comment or comments.

An alternative method for submitting comments is to mail/deliver an electronic copy to the Commission's Records Center on a 3 ½ inch, IBM-formatted, high-density disk, in .pdf Adobe Acrobat format or in Word 97 or later format. Include all of the information requested above. The Commission will post on its web site all comments that are provided in electronic format. The web site is located at <<http://www.utc.wa.gov/090222>>.

If you are unable to file your comments electronically or to submit them on a disk, the Commission will always accept a paper document. Questions may be addressed to Steve Johnson at (360) 664-1346 or e-mail at <sjohnson@utc.wa.gov>.

Sincerely,

DAVID W. DANNER
Executive Director and Secretary