

October 16, 2009

VIA ELECTRONIC MAIL – records@utc.wa.gov

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

Attention: David W. Danner
Executive Director and Secretary

**Re: Docket No. U-090222 - Review of PURPA Standards in the Energy Independence and Security Act of 2007
PacifiCorp Comments in Response to the September 17, 2009 Notice of Opportunity to File Written Comments**

Dear Mr. Danner,

On September 17, 2009, the Washington Utilities and Transportation Commission (“Commission”) issued a Notice of Opportunity to File Written Comments by October 16, 2009 (“Notice”) in Docket U-090222. The Notice seeks comments on the discussion draft of a proposed rule (WAC 480-100-XXX) relating to PURPA Standard 18(A), Consideration of Smart Grid Investments – In General. WAC 480-100-XXX would require utilities to file with the Commission a Smart Grid Technology Report which details the utility’s evaluation and implementation of smart grid technologies. PacifiCorp, d.b.a. Pacific Power (“PacifiCorp” or “Company”) submits the following comments in response to the Notice.

WAC 480-100-XXX (1) As a multi-jurisdictional utility, PacifiCorp may implement smart grid technologies in other jurisdictions which do not impact Washington customers. Clarifying language should be added to this section which specifies that the Smart Grid Technology report required under this rule applies only to the consideration and potential implementation of smart grid technologies that would impact Washington customers.

WAC 480-100-XXX (4)(a) contains several elements which are required to be addressed in the Smart Grid Technology report. Subparts (ii) through (vi) require electric utilities to report on the following:

“...ii. Total costs of the deployment and use of smart grid technologies including meter or other equipment costs, installation costs, and any incremental administration costs including data storage, processing and billing systems;

iii. Operational savings associated with meter reading or other utility functions;

- iv. Effects on system capability to meet or modify energy or peak loads;*
- v. Effects on service reliability including storm damage response and recovery, outage frequency and duration and voltage quality;*
- vi. Effects on integration of new utility loads, such as recharging batteries in electrically powered vehicles;..."*

Due to the emerging status of smart grid technologies, it is challenging for an electric utility to determine, with any degree of reasonable accuracy, the information required in the report items listed above. PacifiCorp believes the rule would benefit from additional clarity. The rule or the Commission decision should clarify that the information provided for these items is to be estimated by the utility using the best information available at the time of the report.

WAC 480-100-XXX (4)(a)(viii) states that the Smart Grid Technology Report should contain detail regarding the “cyber and physical security of customer information and effects, if any, on existing consumer protection policies.” The Company believes this is potentially overbroad and suggests that the Commission add the phrase “of this Commission” to clarify which consumer protection policies are referred to in this section.

Suggested Rule Language:

“Cyber and physical security of customer information and effects, if any, on existing consumer protection policies of this Commission;”

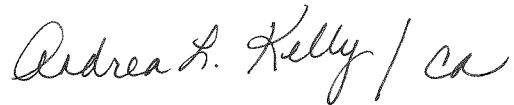
WAC 480-100-XXX (4)(a)(x) states that the Smart Grid Technology Report should contain information on “customer acceptance and behavioral response” of smart grid technologies. PacifiCorp seeks clarity on whether this item requires the Company to report on studies conducted within its Washington service territory, or whether applicable studies performed by other entities can be cited in response to this section. Further, as previously noted, required information on customer acceptance and behavioral response to smart grid technologies should be limited to those technologies the Company has considered for implementation in its Washington service territory.

WAC 480-100-XXX (7) states that the Commission “may consider the information reported in the smart grid technology report when it evaluates, in rate and other appropriate proceedings, the performance of the utility and its investments in transmission, distribution and metering infrastructure.” The Company believes this rule is unnecessary as the Commission already has broad discretion to consider information made available in other proceedings. As previously noted, smart grid technologies are emerging. Smart grid technology implementation and operational costs, the savings achieved through smart grid implementation, and the impact of smart grid implementation on electric utility system performance are, in many circumstances, still unknown and subject to ongoing study by the industry. Considering this, information provided in a given report may prove obsolete or inaccurate over a short period of time. While we understand that the Commission has broad discretion to consider such information in other

proceedings, utilities should have the opportunity to update the information contained in the report based on more recent information.

The Company appreciates the opportunity to provide comments on the Smart Grid Technology Report rules and looks forward to participating in further discussions. Please direct any inquiries to Cathie Allen at (503) 813-5934.

Sincerely,

A handwritten signature in cursive script that reads "Andrea L. Kelly / ca".

Andrea L. Kelly
Vice President, Regulation