



STATE OF WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION
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February 6, 2014

Mr. Ken Johnson
Director of State Regulatory Affairs
Puget Sound Energy
10608 NE 4th St.
Bellevue, WA 98009-9734

**Re: Puget Sound Energy's 2013 Electric and Natural Gas Integrated Resource Plan
Docket UE-120767 & UG-120768**

Dear Mr. Johnson:

The Washington Utilities and Transportation Commission (Commission) has reviewed the 2013 Electric Integrated Resource Plan (IRP) filed by Puget Sound Energy (PSE) on May 31, 2013, and finds that it meets the requirements of Revised Code of Washington 19.280.030 and Washington Administrative Code (WAC) 480-100-238 and 480-90-238.

On May 31, 2013, PSE filed its 2013 Electric and Natural Gas IRP with the Commission along with the study of the continued operation of the Colstrip Coal Plant in Montana as required by the Commission in response to PSE's last IRP.¹

The Commission received approximately 3,000 written comments in response to the IRP, the vast majority of which focused on the Colstrip issue. On October 10, 2013, the Commission held a full-day hearing at its Open Meeting. At this hearing, PSE presented the findings contained in its IRP, and the Commission heard over six hours of public comments. At its Open Meeting on Monday, January 6, 2014, the Commission directed

¹ *Puget Sound Energy 2011 Electric and Gas Integrated Resource Plan*, Dockets UE-100961 and UG-100960, Attachment: Utilities and Transportation Commission Comments on Puget Sound Energy's 2011 Integrated Resource Plan, at 6 (December 28, 2011). In addition in PSE's last general rate case, the Commission granted a request by the Sierra Club that PSE perform this study. *WUTC v. Puget Sound Energy, Inc.*, Dockets UE-111048 and UG-111049 (*consolidated*), Order 08 ¶¶ 420-25 (May 7, 2012).

me to issue this letter acknowledging that PSE's 2013 IRP complies with WAC 480-100-238 and 480-90-238, and to include attachments with specific comments on the IRP.

Please be advised that this finding does not signal pre-approval for ratemaking for any course of action identified in the IRP. At the time of the Commission's review of a future PSE request to include costs of resources into rates, the Commission will give due weight to the information, analyses and strategies contained in the most recent IRP along with other relevant evidence when determining the prudence of the company's actions.

Because an IRP cannot pinpoint precisely the future actions that will minimize a utility's cost and risks, we expect that the company will update regularly the assumptions that underlie the IRP, pursue additional information, and adjust its operational strategies accordingly.

Attachment A includes specific comments from the Commission regarding the IRP, while Attachment B includes specific comments from the Commission regarding the Colstrip study. As discussed in Attachment B, the Commission expects that any further regulatory deliberations and decisions on the economic viability of the continued operation of the Colstrip plant would not be made in the context of PSE's next IRP.

Commission Staff will provide additional detailed comments as PSE develops its next IRP. PSE should file its next IRP work plan on or before May 31, 2014, and its next Electric IRP on or before May 31, 2015.

Sincerely,

STEVEN V. KING
Executive Director and Secretary

Attachment A - UTC Comments on Puget Sound Energy's 2013 IRP
Attachment B - UTC Comments on Puget Sound Energy's Colstrip Study