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Puget Sound Energy, Inc. P.O. Box 90868 Ballevue, WA 98009-0868

July 30, 2006

Carole Washburn Washington Utilities and Transportation Commission PO Box 47250 Olympia, WA 98504-7250

Attention: Al Jones

RE: Kittitas Construction Progress Report - Docket PG-060146

Dear Mr. Jones:

The following construction progress report for the Kittitas project is provided in accordance with the terms of the Pressure Authorization approved by the Commission in Docket PG-060146.

Construction began on July 10, 2006. Since then, the majority of right of way has been cleared and the horizontal directional drill of the Yakima River has been completed.

Work to prepare the bore pit for the I-90 crossing has begun and boring is expected to begin in the next few days. Construction of the section of pipeline that will be installed within the Burlington Northern right of way in Cle Elum is planned to begin July 31, 2006.

Please feel free to contact me at 425-462-3957 if you have any questions.

Sincerely,

(Jim Hogan

Manager, Standards and Compliance

cc: Kimberly Harris

Karl Karzmar

Sue McLain

Booga Gilbertson

Duane Henderson

Jim Kearnes

