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January 30, 2007

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

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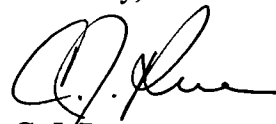
Attention: Supervisor of Utility Finance

Ladies and Gentlemen:

Enclosed herewith for filing in Docket No. UG-061346 is the Company's First Report of Security Transactions in connection with its issuance and sale of up to \$50,000,000 in principal amount of Medium-Term Notes, Series B, during 2006. Also enclosed is a copy of our Distribution Agreement, dated September 28, 2004, which was amended and restated on December 7, 2006 to comply with securities law changes. The changes to the agreement were not substantive or material in nature.

This filing is made pursuant to Commission's Order No. 1 in this Docket dated September 13, 2006.

Sincerely,


C. J. Rue

CJR:lmw
Encl.