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October 17, 2006

Ms. Carole J. Washburn
Secretary
Washington Utilities and Transportation Commission
1300 S. Evergreen Park Drive SW
Olympia, WA 98504

Re: Docket UE-061382: Puget Sound Energy, Inc.'s Petition for an Order Authorizing the Transfer of Spare Transformer(s) and an Associated Accounting Order:

Dear Ms. Washburn:

This letter supplements PUGET SOUND ENERGY, INC's ("PSE's") Petition for an Order Authorizing the Transfer of Spare Transformer(s) and an Associated Accounting Order ("Petition"), which was filed with the Commission on August 28, 2006.

In response to concerns raised by Commission Staff, PSE has supplemented paragraph 11 of the Proposed Order submitted with the Petition to make clear that any acquisitions of spare transformers will be in compliance with RCW 80.12.040 (requiring Commission authorization of property acquired from another public service company) and that PSE will comply with the applicable WAC requirements regarding transfers and purchases of property. Specifically, PSE agrees to file a report (including Company financial statements) with the Commission initially within 30 days of any transfer under the Spare Transformer Sharing Agreement ("Sharing Agreement") and again when final terms have been established.

PSE has added the following two sections to paragraph 11 of the Proposed Order:

11. Authorization is hereby given for PSE to:

....

(C) Acquire spare transformers from other participating utility companies if necessary per the terms of the EEI Spare Transformer Sharing Agreement; and

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(D) Provide, in satisfaction of WAC 480-143-120 and WAC 480-143-130, final transfer or acquisition details initially within 30 days of each transaction occurring under the terms of the Sharing Agreement together with copies of all transfer instruments and the Company's then current financial statements. Such initial reporting shall be supplemented with any subsequent final documents.

A Revised Proposed Order containing these additions is attached hereto.

To the extent PSE is required to provide current financial statements to the Commission in conjunction with the August 28, 2006 filing of the Petition, PSE has already satisfied that requirement as part of its regular reporting requirements under WAC 480-100-275, which requires each electric utility to file a report of actual results for Washington operations within sixty days of the end of each quarter.

Thank you for your attention to this matter.

Very truly yours,

Sheree Strom Carson

SSC:kc

Enclosures

cc: Karl R. Karzmar