



Puget Sound Energy, Inc.
P.O. Box 97034
Bellevue, WA 98009-9734

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OPERATIONS

June 19, 2007

Ms. Carole Washburn
Executive Secretary
Washington Utilities & Transportation Commission
1300 S. Evergreen Park Drive S.W.
Olympia, WA 98504

**Re: Docket No. U-061239
Compliance Filing**

Dear Ms. Washburn:

Puget Sound Energy, Inc. ("PSE") hereby submits an original and three (3) copies of its corporate privacy policy and related documents in compliance with the Commission's Order No. 2 in this docket issued on January 22, 2007. This Order approved a Settlement Agreement resolving the issues in the docket subject to certain conditions. Paragraph 52 of the Order and paragraph 19 of the Settlement Agreement required PSE to develop a privacy policy to be approved by the Board of Directors and filed with the Commission. Attached is the approved privacy policy along with the certificate of secretary attesting to the Board's adoption of the policy.

If you have any questions about this response or need additional information about these documents, please contact me at (425) 462-3495 or by e-mail at tom.deboer@pse.com.

Sincerely,

Tom DeBoer
Director – Rates & Regulatory Affairs

Enclosures

cc: Simon ffitch – Public Counsel
Jennifer Cameron-Rulkowski – Asst. AG
Betty Young – WUTC
Sheree Carson – Perkins Coie

PUGET SOUND ENERGY INC.
CERTIFICATE OF SECRETARY

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STATE OF WASH.
UTIL. AND TRANSP.
COMMISSION

I, the undersigned, hereby certify that I am the Assistant Corporate Secretary of Puget Sound Energy, Inc., a Washington corporation; and that the following is a true, correct and complete copy of a resolution duly adopted by the Board of Directors of said Company at a meeting of the Board of Directors duly convened and held on May 4, 2007 at which meeting a quorum was present and acting throughout.

I further certify that said resolution has not been amended or revoked and that the same is now in full force and effect.

ADOPTION OF PSE CORPORATE PRIVACY POLICY

Mr. Reynolds then called on Mr. Brady to review a proposed PSE policy on the privacy of customer information, which had been distributed to the Board prior to the meeting. Mr. Brady then reviewed the policy document with the Board. On the recommendation of Mr. Reynolds and after full discussion, on motion duly made and seconded, the following resolutions were unanimously resolved:

WHEREAS – The Company’s January 22, 2007 Settlement Agreement with the Washington Utilities and Transportation Commission (the “Commission”) relating to the PSE Connections program (the “Settlement Agreement”) obligates the Company to adopt a corporate privacy policy relating to the protection of customer information (a “Privacy Policy”) for inclusion in the Company’s Corporate Policy Manual; and

WHEREAS – The Settlement Agreement further requires that the Board consider and approve the Privacy Policy; and

WHEREAS – It is deemed necessary and desirable that the Company abide by the terms of the Settlement Agreement and adopt the Privacy Policy; be it

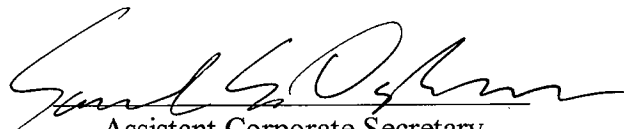
RESOLVED – That the Privacy Policy (a copy of which will be attached to the minutes of this meeting) in the form reviewed at this meeting, or with such

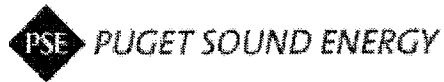
revisions as the officers of the Company deem appropriate, is hereby approved by the Board and adopted as the Company's policy with respect to such matters.

RESOLVED FURTHER – That the officers of the Company, or any of them, are hereby authorized and directed to include the Policy in the Company's Corporate Policy Manual, to post the Privacy Policy on the Company's web site, and to file a copy of the Privacy Policy with the Commission in accordance with the terms of the Settlement Agreement.

RESOLVED FURTHER – That the officers of the Company, or any of them, are hereby authorized on behalf of the Company to take any and all such actions or related actions as may be necessary or appropriate to implement each of the foregoing resolutions and that the taking by any officer of any such action shall conclusively evidence the due authorization thereof by the Company.

IN WITNESS WHEREOF, I have hereunto set my hand and have affixed the corporate seal of said Company this 1st day of June 2007.


Assistant Corporate Secretary
Puget Sound Energy, Inc.



PRIVACY POLICY

Approved by the Board of Directors on May 4, 2007

Puget Sound Energy's policy is to protect the confidentiality of private consumer information and to comply with all laws governing the privacy and security of such information. This Privacy Policy ("Policy") sets forth the principles that guide the Company's treatment of private consumer information and shall be incorporated into the Company's Corporate Policy Manual.

OUR COMMITMENT

PSE takes its responsibility to maintain the confidentiality and security of its customers' private consumer information seriously. Our commitment to protect private consumer information is reflected in these principles, which shall inform management's practices and procedures when dealing with such information:

- **Choice.** We will not disclose private consumer information to third parties for marketing purposes without our customer's prior written consent.
- **Notice.** We will inform our customers about our privacy practices by posting a privacy policy on our Web site or other appropriate means.
- **Confidentiality.** We will maintain the confidentiality of our customers' private customer information, and use it only for the Company's business purposes. Access to private consumer information shall be limited to authorized employees, agents and contractors with a business-related need for such access.
- **Security.** We will use appropriate administrative, physical and technical safeguards to protect private consumer information from unauthorized access, use and disclosure while in transit and storage within the Company.
- **Compliance with Laws, Rules and Regulations.** We will comply with all local, state and federal laws, rules and regulations applicable to the receipt, processing and storage of private consumer information.

SPECIFIC POLICIES

1. Policy Scope and Definitions

This Policy applies to all private consumer information that is received, processed and stored by the Company by virtue of the customer-utility relationship.

"Private customer information," as defined by the Washington Utilities and Transportation Commission's regulations and as used in this Policy, includes a customer's name, address, telephone number, and any other personally identifying information, as well as information related to the quantity, technical configuration, type, destination, and amount of use of service or products subscribed to by a customer that is available to the Company solely by virtue of the customer's relationship with the Company.

2. Access to, and Use of, Private Consumer Information

Company employees may only access or use private consumer information if authorized to do so and if such access or use is needed for a legitimate business-related function. The Company has in place and shall maintain system access controls for authorizing such access.

In addition to system privileges for access, authorization for specific employees and organizational units within the Company to access private consumer information may be determined by Company management from time to time and will be reviewed and modified as appropriate. Employees shall acknowledge their understanding of Company policies and procedures in regard to system access. Employees with questions regarding whether given uses of private customer information are authorized should seek guidance from their supervisors.

Access by non-employees to the Company's systems must be approved by a department manager and reviewed for conformance with IT Security Policies.

3. Disclosure of Private Consumer Information

The Company will not disclose private consumer information to the Company's affiliates, subsidiaries, or other third parties for marketing purposes without prior written permission to do so from the customers to which such private consumer information relates. All employees are responsible for ensuring that appropriate internal approvals, including approval by the Privacy Officer, are obtained and that the customer has given prior written permission to disclose private consumer information to any third party.

4. Security of Private Consumer Information

All Company employees are responsible for maintaining the security of private consumer information in the Company's control. The Company uses appropriate physical, technical and logical safeguards to protect the security of private consumer information in its control. The Company's safeguards for private consumer information are consistent with information security safeguards required under applicable laws, rules, and regulations, including, but not limited to, those implemented to meet the Company's obligation to maintain internal controls over financial reporting under Section 404 of the Sarbanes-Oxley Act of 2002.

5. Response to Breach of Security of Private Consumer Information

In the event a breach of security or other disclosure occurs in which private consumer information is accessed by an unauthorized third party, the Company's policy is to notify its current and former customers, when known, whose information was compromised or as otherwise specified in the law. The Company will provide this notice consistent with timing, content, format and distribution requirements imposed by applicable laws and regulations.

6. Compliance with Laws, Rules and Regulations

Company employees are required to comply with all applicable laws, rules and regulations, including, without limitation, the laws of the United States, the State of Washington and its constituent counties and municipalities, and the rules and regulations of the Federal Energy Regulatory Commission and the Washington Utilities and Transportation Commission.

7. Designation of Customer Information Compliance Official

The Company will designate an employee to ensure compliance with this Policy by all employees (the "Privacy Officer"). The Privacy Officer will review Company-wide compliance with the requirements of this Policy and other applicable policies, make recommendations to the Board of Directors, and will have such other authority and responsibilities as determined by the Company's Board of Directors.

8. Training

The Company shall implement a training program to ensure that all new and existing employees understand their obligations under this Policy and applicable law. Training shall be conducted periodically as part of the Company's Ethics and Compliance Training Program. New and existing customer service center employees shall receive more frequent and specific training to understand and implement this Policy.

9. Accountability

The Company takes seriously any violations of this Policy, or any other policies or rules regarding the confidentiality and security of private consumer information, by Company employees. Employees who violate this Policy or related Company policies are subject to the full range of disciplinary action applicable to violation of Company policies and standards, up to and including termination of employment.

10. Review and Modification of this Policy

This Policy will be reviewed periodically by the Company's Board of Directors, the Privacy Officer, or other Company officials designated by the Board of Directors. The Board of Directors may update or modify this Policy as circumstances warrant. If material changes to this Policy are adopted, the Company will provide its employees with notice of the changes.