



PUGET SOUND ENERGY

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

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COMMUNICATIONS SECTION

May 16, 2005

Ms. Carole J. Washburn, Secretary
Washington Utilities and Transportation Commission
P.O. Box 47250
Olympia, WA 98504-7250

Re: Planned Securities Issuance and Treasury Lock

Dear Ms. Washburn:

Puget Sound Energy (the "Company") furnishes the following information, in compliance with RCW 80.08.040, (1), (2) and (3), with respect to:

- 1) the planned issuance of up to \$300 million of senior secured fixed rate notes, the proceeds of which will be used to redeem the \$200 million of floating rate senior notes issued on July 15, 2004, and redeemable at par at any time after January 15, 2005, and to repay outstanding short-term debt; and
- 2) fixing the treasury component of the interest rate on the planned issuance of up to \$200 million of senior notes or trust preferred securities to refinance the \$200 million of 8.40% trust preferred certificates callable at par on June 30, 2006.

In conjunction with, and in addition to the above, the Company is also providing information regarding its plans to tender for the remaining \$80 million of 8.231% trust preferred certificates which are callable at a 4.1% premium on June 1, 2007, for which a securities issuance compliance filing is not required.

Enclosed is Attachment A, Resolutions of the Securities Pricing Committee and the May 4, 2005 Minutes of the Securities Pricing Committee Meeting, including related materials. Attachment A has been marked confidential and is proprietary in nature. Accordingly, with regard to the contents, the Company claims confidentiality and protection from inspection or copying under WAC 480-07-160. We further understand that, prior to any release of this material, the Company will be notified in order to allow the Company to invoke any and all statutory procedures for securing a court order protecting the materials as proprietary and confidential.

As required by WAC 480-07-160, the Company identifies itself and its shareholders as the entities that might be directly affected by disclosure of the confidential information. Also, conforming to WAC 480-07-160, the confidential pages submitted herewith have been sealed in an envelope clearly marked "Confidential per WAC 480-07-160", and each page of the filing containing confidential information has been so marked.

The transactions are in the public interest inasmuch as they allow the Company to maintain an overall cost-effective capital structure and lower its cost of capital by refinancing high cost securities at lower long-term interest rates.

In view of the foregoing, and in accordance with WAC 480-146-290 (1) and WAC 480-146-300, the undersigned hereby certifies that the proceeds from such financing will be used for one or more of the purposes allowed by RCW 80.08.030 and that the information provided herein is true and correct to the best of my knowledge and belief, under penalties of perjury as set forth in the laws of the State of Washington.

The Company is not requesting a Washington Utilities & Transportation Commission order as part of these planned securities transactions.

Thank you for your assistance.

Very truly yours,

PUGET SOUND ENERGY

By


Donald E. Gaines

Vice President Finance & Treasurer

Enclosure

cc: Simon J. ffitich

ATTACHMENT A
Resolutions of the Securities Pricing Committee
and
Minutes of the Securities Pricing Committee May 4, 2005, Meeting

Confidential per WAC 480-07-160

Puget Sound Energy
Planned Securities Issuance and Treasury Lock Filing
in Compliance with RCW 80.08.030 (1), (2) and (3)

PUGET SOUND ENERGY, INC.

**MINUTES OF THE
SECURITIES PRICING COMMITTEE MEETING
MAY 4, 2005**

REDACTED

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