

**EXHIBIT NO. ___(EMM-21)
DOCKET NO. UE-072300/UG-072301
2007 PSE GENERAL RATE CASE
WITNESS: ERIC M. MARKELL**

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

PUGET SOUND ENERGY, INC.,

Respondent.

**Docket No. UE-072300
Docket No. UG-072301**

**EIGHTH EXHIBIT (NONCONFIDENTIAL) TO THE
PREFILED REBUTTAL TESTIMONY OF
ERIC M. MARKELL
ON BEHALF OF PUGET SOUND ENERGY, INC.**

JULY 3, 2008

2008 WL 2484196 (I.R.S. Misc.)

Department of the Treasury

June 9, 2008

The Honorable Jim McDermott
U.S. House of Representatives
Washington, DC 20515

Dear Mr. McDermott:

Thank you for your letter to Assistant Secretary Solomon concerning the production tax credit under [section 45 of the Internal Revenue Code](#) for electricity produced from renewable resources. After conferring with the Office of Tax Policy, I want to provide you with the following response to your letter.

You asked that we provide guidance clarifying that the provision in [section 45](#) limiting the credit to electricity sold to an unrelated person will be interpreted in the same manner as the identically worded provision in section 45J. The Treasury Department and the Internal Revenue Service are working to develop published guidance addressing the issue you raise along with related issues under [section 45](#). We expect to issue this guidance in the near future.

Thank you for your letter on this important matter.

Sincerely,

Jack Bartling

Acting Assistant Secretary for Legislative Affairs

The Honorable Jim Ramstad
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Ramstad:

Thank you for your letter to Assistant Secretary Solomon concerning the production tax credit under [section 45 of the Internal Revenue Code](#) for electricity produced from renewable resources. After conferring with the Office of Tax Policy, I want to provide you with the following response to your letter.

You asked that we provide guidance clarifying that the provision in [section 45](#) limiting the credit to electricity sold to an unrelated person will be interpreted in the same manner as the identically worded provision in section 45J. The Treasury Department and the Internal Revenue Service are working to develop published guidance addressing the issue you raise along with related issues under [section 45](#). We expect to issue this guidance in the near future.

Thank you for your letter on this important matter.

Sincerely,

Jack Bartling

Acting Assistant Secretary for Legislative Affairs

The Honorable Ron Kind

U.S. House of Representatives

Washington, DC 20515

Dear Mr. Kind:

Thank you for your letter to Assistant Secretary Solomon concerning the production tax credit under [section 45 of the Internal Revenue Code](#) for electricity produced from renewable resources. After conferring with the Office of Tax Policy, I want to provide you with the following response to your letter.

You asked that we provide guidance clarifying that the provision in [section 45](#) limiting the credit to electricity sold to an unrelated person will be interpreted in the same manner as the identically worded provision in section 45J. The Treasury Department and the Internal Revenue Service are working to develop published guidance addressing the issue you raise along with related issues under [section 45](#). We expect to issue this guidance in the near future.

Thank you for your letter on this important matter.

Sincerely,

Jack Bartling

Acting Assistant Secretary for Legislative Affairs

The Honorable Stephanie Tubbs-Jones

U.S. House of Representatives

Washington, DC 20515

Dear Ms. Tubbs-Jones:

Thank you for your letter to Assistant Secretary Solomon concerning the production tax credit under [section 45 of the Internal Revenue Code](#) for electricity produced from renewable resources. After conferring with the Office of Tax Policy, I want to provide you with the following response to your letter.

You asked that we provide guidance clarifying that the provision in [section 45](#) limiting the credit to electricity sold to an unrelated person will be interpreted in the same manner as the identically worded provision in section 45J. The Treasury Department and the Internal Revenue Service are working to develop published guidance addressing the issue you raise along with related issues under [section 45](#). We expect to issue this guidance in the near future.

Thank you for your letter on this important matter.

Sincerely,

Jack Bartling

Acting Assistant Secretary for Legislative Affairs

The Honorable Earl Blumenauer

U.S. House of Representatives

Washington, DC 20515

Dear Mr. Blumenauer:

Thank you for your letter to Assistant Secretary Solomon concerning the production tax credit under [section 45 of the Internal Revenue Code](#) for electricity produced from renewable resources. After conferring with the Office of Tax Policy, I want to provide you with the following response to your letter.

You asked that we provide guidance clarifying that the provision in [section 45](#) limiting the credit to electricity sold to an unrelated person will be interpreted in the same manner as the identically worded provision in section 45J. The Treasury Department and the Internal Revenue Service are working to develop published guidance addressing the issue you raise along with related issues under [section 45](#). We expect to issue this guidance in the near future.

Thank you for your letter on this important matter.

Sincerely,

Jack Bartling

Acting Assistant Secretary for Legislative Affairs

The Honorable Earl Pomeroy

U.S. House of Representatives

Washington, DC 20515

Dear Mr. Pomeroy:

Thank you for your letter to Assistant Secretary Solomon concerning the production tax credit under [section 45 of the Internal Revenue Code](#) for electricity produced from renewable resources. After conferring with the Office of Tax Policy, I want to provide you with the following response to your letter.

You asked that we provide guidance clarifying that the provision in [section 45](#) limiting the credit to electricity sold to an unrelated person will be interpreted in the same manner as the identically worded provision in section 45J. The Treasury Department and the Internal Revenue Service are working to develop published guidance addressing the issue you raise along with related issues under [section 45](#). We expect to issue this guidance in the near future.

Thank you for your letter on this important matter.

Sincerely,

Jack Bartling

Acting Assistant Secretary for Legislative Affairs

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