

[Service Date August 27, 2008]

August 27, 2008

**NOTICE REVISING PROCEDURAL SCHEDULE
AND
NOTICE OF HEARING ON SETTLEMENT PROPOSAL
(Set for September 3, 2008, at 9:30 a.m.)**

*RE: Washington Utilities and Transportation Commission v. Puget Sound Energy, Inc.,
Dockets UE-072300 and UG-072301 (consolidated)*

TO ALL PARTIES:

On August 12, 2008, Puget Sound Energy (PSE), Commission Staff (Staff), Public Counsel, Industrial Customers of Northwest Utilities (ICNU), The Energy Project, and The Kroger Co. filed with the Washington Utilities and Transportation Commission (Commission) a Multiparty Settlement regarding Electric Rate Spread and Electric Rate Design. The Federal Executive Agencies does not oppose the Multiparty Settlement.

On August 18, 2008, PSE, Staff, Public Counsel, ICNU, Seattle Steam Company, Nucor Steel Seattle, Inc. (Nucor) and The Energy Project filed with the Commission a Partial Settlement regarding Natural Gas Rate Spread and Rate Design.

On August 19, 2008, PSE and Staff filed with the Commission a Multiparty Settlement regarding Emergency Response and Storm Preparedness. None of the other parties have expressed opposition.

On August 20, 2008, PSE, Staff, Public Counsel, and The Energy Project filed with the Commission a Partial Settlement regarding Service Quality, Meter and Billing Performance, and Low Income Bill Assistance. None of the other parties have expressed opposition.

On August 22, 2008, PSE, Staff, Public Counsel, ICNU, The Energy Project, Northwest Industrial Gas Users, Seattle Steam Company, Nucor, The Kroger Co., and the Federal Executive Agencies filed with the Commission a Partial Settlement regarding Electric and Natural Gas Revenue Requirements that would resolve most of the remaining contested issues in this proceeding, if approved.

Only issues concerning the Power Cost only Rate Case (PCORC) mechanism remain contested at this time.

The Commission finds good cause to schedule a date and time for hearing to consider the proposed settlements and to take evidence concerning the contested issue concerning the PCORC.

THE COMMISSION GIVES NOTICE That the evidentiary hearings scheduled for September 2 – 5 and 8 – 10, 2008 are cancelled. The schedule for briefs, presently due on September 26, 2008, is unchanged pending further notice or decision made on record at the hearing noticed below.

THE COMMISSION GIVES FURTHER NOTICE That it will conduct hearing proceedings to consider the proposed settlements on Wednesday, September 3, 2008, at 9:30 a.m. in the Commission's Hearing Room, Second Floor, Richard Hemstad Building, 1300 S. Evergreen Park Drive S.W., Olympia, Washington. The hearing will continue on September 4, 2008, if necessary.

Sincerely,

DENNIS J. MOSS
Administrative Law Judge