



Puget Sound Energy, Inc.
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May 18, 2004

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STATE OF WASH
UTIL. AND TRANSP.
COMMISSION

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

RE: Docket A-021178

Dear Ms. Washburn,

This filing is to convey Puget Sound Energy's ("PSE" or "the Company") comments on the Commission Staff's revised proposed rules dated April 28, 2004, in the above noted Docket.

PSE appreciates the revisions Staff has made to the draft proposed rules in response to comments filed by the Company and other parties, but continues to have many concerns. Please note that in making the specific comments below, PSE does not waive any objections or concerns stated in its prior comments.

WAC 480-90/100-244: Transferring cash or assuming obligation

PSE believes that the two (2) percent of equity threshold for advance reporting of cash transfers to affiliates or subsidiaries is too low, and again recommends that a ten (10) percent threshold be set.

WAC 480-90/100-264: Affiliated interest and subsidiary transactions report

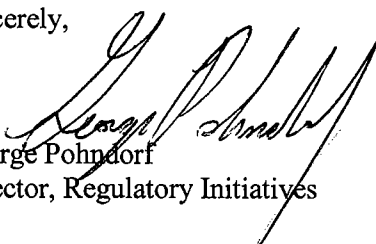
The draft proposed rules expand the annual affiliated interest transaction reporting requirement to subsidiaries. PSE continues to believe that this is an unnecessary and burdensome expansion of the reporting required by the affiliated interest statute, RCW Chapter 80.16. The revised proposed rule appears to attempt to reduce this burden by reducing the amount of detail required where total transactions with a particular affiliated interest or subsidiary are less than \$100,000 for the reporting period. As in PSE's prior comments, PSE notes that a flat dollar amount threshold has far different meaning and impact when applied to regulated companies that may be very different sizes. PSE recommends that the threshold be raised to a higher amount and that it be stated in terms of a percentage, similar to other percentage thresholds in the reporting rules.

WAC 480-90/100-268: Essential utilities services contracts report

PSE continues to be concerned that this proposed rule institutes an entirely new and expansive reporting requirement that will unnecessarily burden regulated companies and third parties who may wish to do business with regulated companies. PSE recommends that if the rule is retained, the threshold for reporting be raised significantly.

Thank you for the opportunity to file these comments. The Company hopes they are helpful to the Commission and other interested parties as we work together to advance the public's interest. If you have any questions regarding these comments or if we can be of any other assistance, please contact Karl Karzmar at 425-456-2797.

Sincerely,


George Pohndorf
Director, Regulatory Initiatives