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STATE OF WASH.
UTIL. AND TRANSP.
COMMISSION

November 10, 2004

Ms. Carole J. Washburn
Executive Secretary
Washington Utilities and Transportation Commission
1300 S. Evergreen Park Drive SW
P.O. Box 47250
Olympia, WA 98504-7250

Dear Ms. Washburn:

In accordance with WAC 480-143-120 Transfers of property and WAC 480-143-180 Disposal and determination of necessary or useful property, Puget Sound Energy ("the Company") is reporting an intended property transfer. Per WAC 480-143-120 and WAC 480-143-180 such transactions shall be reported to the Commission before they are completed. Puget Sound Energy is requesting an order authorizing the sale of the Former Bellevue Corporate Office building ("General Office") and the Crossroads Office building.

The Company plans to sell the General Office building located at 10608 NE 4th Street Bellevue, WA and the Crossroads Office building located at 805 156th Avenue Bellevue, WA. Both locations are no longer "used and useful" as a direct result of the Company's effort to consolidate the General Office and Crossroads Office to the corporate office, the Summit Building in Bellevue.

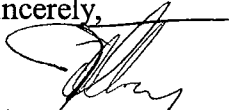
Based on the 2003 property appraisals, the calculation of the estimated pre-tax gain is set forth below:

Indicated Market Value of the General Office	\$9,500,000
Less: Net Book Value	4,915,831
Estimated Sales Cost	<u>1,085,076</u>
Estimated Pre-Tax Gain	\$ 3,499,093

Indicated Market Value of Crossroads	\$3,450,000
Less: Net Book Value	2,915,136
Estimated Sales Cost	<u>372,523</u>
Estimated Pre-Tax Gain	\$ 162,341

The resulting gain, of the sale proceeds versus the book value of land, will be recorded as salvage with the retired structure in FERC Acct. 108, consistent with the FERC Uniform System of Accounts instruction. Please contact me in Bellevue at (425) 462-3885 if there are any questions.

Sincerely,



John H. Story
Director Cost and Regulation

cc Simon J. Fitch
Assistant Attorney General
Public Counsel Section
900 4th Ave., Suite 2000
Seattle, WA 98164-1012

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