



Puget Sound Energy
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Bellevue, WA 98009-9734
PSE.com

August 31, 2009

Mr. David Danner, Executive Director and Secretary
Washington Utilities and Transportation Commission
P.O. Box 47250
Olympia, Washington 98504-7250

Re: **Advice No. 2009-20 -- Electric Tariff Filing - Filed Electronically**

Dear Mr. Danner:

Puget Sound Energy, Inc. ("PSE" or "the Company") hereby submits a proposed revision to its electric Tariff G, Schedule 194, Residential and Farm Energy Exchange Benefit. This filing, pursuant to RCW 80.28.060 and Chapter 480-80 WAC, proposes a revision in the following electric tariff sheet.

WN U-60, Tariff G - (Electric Tariff):

Seventh Revision of Sheet No. 194 - Residential And Farm Energy Exchange Benefit

The purpose of this filing is to implement changes to rates to pass-through benefits that PSE expects to receive under a Residential Purchase and Sale Agreement, Contract No. 08PB-11974 (the "Agreement") between PSE and the Bonneville Power Administration ("BPA"). The Agreement with BPA provides benefits to PSE's residential and farm customers on rate Schedules 7, 7A, 8, 10, 11, 12, 29, 35, 56, and 59. This proposal represents the pass-through to eligible residential and farm customers a credit of \$81,746,491 over the twelve months beginning October 1, 2009, at a credit rate of \$0.007269 per kWh.

This filing represents a reduction in the amount of benefits available to PSE's customers from the amount currently being credited to customers, resulting in a 2.1% increase in the total bill for a typical residential customer using 1,000 kWh per month. The reduction in the amount of benefits available to PSE's customers results from a decrease in PSE's Average System Cost ("ASC") coupled with an increase in several of the other exchanging utilities' ASCs. This relative change in ASCs, which is an integral component in the calculation of Residential Exchange benefits, resulted in a reallocation of benefits among the exchanging utilities, thereby reducing the amount of benefits that are available to PSE's customers. This reallocation of benefits is done periodically and may result in either a decrease or increase of the benefits depending on relative changes in ASCs by the exchanging utilities. The filing does not change PSE's net revenue, as it is a pass-through of funds received from BPA. Work papers supporting this filing are enclosed.

The tariff sheet described herein reflects an issue date of August 31, 2009, and an effective date of October 1, 2009. Posting of proposed tariff change, as required by WAC 480-100-193, is being made by posting the proposed tariff sheet on the PSE web site immediately prior to, or coincident with, the date of this transmittal letter.

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This filing represents an increase in customer bills, therefore, the Company will provide notice to customers in accordance with WAC 480-100-194(2) through a notice published at least thirty days before the stated effective date of the filing.

Please contact Lynn Logen at (425) 462-3872 for additional information about this filing. If you have any other questions please contact me at (425) 462-3495.

Very truly yours,


Lynn F. Logen, Tariff Consultant
for Tom DeBoer
Director – Rates & Regulatory Affairs

Enclosures

cc: Simon J. ffitich, Public Counsel
Sheree Strom Carson, Perkins Coie