Puget Sound Energy P.O. Box 97034 Bellevue, WA 98009-9734 **PSE.com**

October 27, 2009

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

Re: Notice of Intent to Defer Costs

Dear Mr. Danner:

Puget Sound Energy, Inc. ("PSE") hereby provides notice to the Washington Utilities and Transportation Commission (the "Commission") of its intent to defer costs associated with PSE's Wild Horse Expansion Project pursuant to RCW 80.80.060(6). In 2009, the Legislature amended RCW 80.80.060 to allow for deferral of costs associated with an electric company's ownership of an eligible renewable resource as defined in RCW 19.285.030. PSE's Wild Horse Expansion Project is an eligible renewable resource under the statute and thus is eligible for deferral of costs..

The Wild Horse Expansion Project adds 22 wind turbines to the existing 127 turbines at the Wild Horse Project near Ellensburg. PSE anticipates the expansion project will begin commercial operation on November 9, 2009, and PSE will begin deferring costs on that date.

Very truly yours,

Ian DiBou

Tom DeBoer

Director - Federal & State Regulatory Affairs