Puget Sound Energy, Inc. P.O. Box 97034 Bellevue, WA 98009-9734

December 1, 2009

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

**RE:** Advice No. 2009-33

Electric Tariff Filing - Filed Electronically

Dear Mr. Danner:

Pursuant to RCW 80.28.060 and Chapter 480-80 WAC, please find enclosed for filing the following proposed revisions to the WN U-60, Tariff G for electric service of Puget Sound Energy (the "Company" or "PSE").

Fifth Revision of Sheet No. 91-a - Schedule 91 - Cogeneration and Small Power Production (Continued)

The purpose of this filing is to update the fixed price option prices for qualifying facility customergenerators under Schedule 91. Consistent with WAC 480-107-095, the Company offers a standard tariff for purchases from qualifying facilities.

The methodology used to update the fixed-price alternative is consistent with the approach used in the past two filings in 2007 and 2008, where a market price forecast is generated using the Aurora model and a planning adjustment is used to adjust that market forecast for capital costs of PSE's energy supply portfolio. In addition to that adjustment, a calculation is made to place a value on avoided capacity costs using the cost effectiveness standard model for conservation programs. The resulting price is then reduced by 5% for balancing costs. The market price forecast used to develop the prices in this filing is consistent with the "2009 Trends" forecast part of PSE's filed 2009 Integrated Resource Plan. This is also consistent with the previous two filings updating these prices 2007 and 2008.

The tariff sheet described herein reflects an issue date of December 1, 2009, and an effective date of January 1, 2010. Notice of the proposed tariff change, as required by law and the Commission's rules and regulations, is being given to the public immediately prior to or coincident with the date of this transmittal letter, through web, telephone and mail access in accordance with WAC 480-100-193(1). Posting of this proposed tariff change will be accomplished in accordance with WAC 480-100-193(1). As this filing does not increase rates or restrict the access to services, no notice is required under the provisions of WAC 480-100-194 or -195.

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Please contact Lynn Logen at (425) 462-3872 or Eric Englert at (425) 456-2312 for additional information about this filing. If you have any other questions please contact me at (425) 462-3495.

Very truly yours,

For Tom DeBoer

Director, Federal & State Regulatory Affairs

**Enclosures** 

cc: Simon J. ffitch, Public Counsel

Sheree Carson, Perkins Coie