



The Energy To Do Great Things

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

February 16, 2010

VIA ELECTRONIC FILING AND REGULAR MAIL

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

**Re: PSE Service Quality Program Filing - PSE SQI Performance
Docket Nos. UE-072300 and UG-072301**

Dear Mr. Danner:

Pursuant to Appendix D to Order 12 in consolidated Docket Nos. UE-072300 and UG-072301, the Partial Settlement Stipulation of Service Quality, Meter and Billing Performance, and Low-Income Bill Assistance (the "Stipulation"), Puget Sound Energy, Inc. ("PSE" or the "Company") provides an original and twelve copies of PSE's Service Quality Program Filing-PSE SQI Performance for the twelve-month period ending December 31, 2009.

Attachment A, 2009 PSE SQI Performance Report, includes PSE's annual and monthly performance results regarding the ten Service Quality Indices ("SQIs") and the Customer Service Guarantee for the period January 2009 through December 2009. PSE met or exceeded nine out of the ten SQIs but fell short of its benchmark for SQI No. 3 SAIDI. PSE is seeking a partial mitigation of the penalties (see Attachment B to this filing) associated with failure to meet the benchmark of SQI No. 3. A proposed customer report card is included in this report and the penalty amount presented in the card is with and without the potential effect of the mitigation. The Company intends to provide the customer report card with its billings beginning on May 17, 2010, subject to the Commission approval of the mitigation and the Commission Staff's and the Public Counsel's consultation on the report card.

Attached to this filing as Attachment B is PSE's petition for mitigation of SQI penalties for its 2009 performance (the "Petition"). The Petition includes a proposed order and supporting documents regarding exceptional circumstances that led to the Petition. The penalties pertaining to SQI No. 3 SAIDI stem, in part, from lack of safe access due to the circumstances caused by unusual and exceptional weather and subsequent hazardous events that occurred in early January 2009. Some PSE customers experienced prolonged outages due to the usual circumstances. The Company proposes in the Petition to exclude nine SAIDI minutes from the reporting period results and a corresponding penalty reduction of \$223,346.

Mr. David Danner
February 16, 2010
Page 2 of 2

In Attachment C, 2009 Supplemental PSE SQI Performance Report, PSE provides additional information on each index including background, unique events which may have influenced PSE's achievement level, the environment in which the Company operated, and the actions PSE has taken or will be taking to improve performance.

SQI No. 5 Benchmark Evaluation Report, Attachment D to this filing, is a one-time report that is required for the 2009 SQI filing under the Stipulation. In the Stipulation, PSE was asked to evaluate the costs and customer impact of changing the benchmark for SQI No. 5, Customer Access Center Answering Performance. In accordance with the Stipulation, the Company sent a copy of this report, on January 20, 2010, to the parties who entered into the Stipulation; the Commission Staff, the Energy Project, and the Public Counsel; for their consultation. In the event that there are updates to this report, PSE will submit the revised report in its future semi-annual or annual SQI filing.

Please contact Mei Cass at (425) 462-3800 for additional information about this filing. If you have any other questions, please contact me at 425-462-3495.

Sincerely,



Tom DeBoer
Director, Federal & State Regulatory Affairs

Enclosure

cc: Chuck Eberdt - Energy Project
Deborah Reynolds - WUTC
Robert D. Cedarbaum - WUTC
Mike Parvinen - WUTC
Simon J. ffitich - Public Counsel
Mary Kimball - Public Counsel