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

September 30, 2010

VIA ELECTRONIC & OVERNIGHT MAIL

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

Re: Annual Report - RCW 19.29A.090

Voluntary Option to Purchase Qualified Alternative Energy Resources

Dear Mr. Danner:

Pursuant to RCW 19.29A.090, Puget Sound Energy, Inc. hereby fulfills the reporting requirement detailed below. The enclosed annual report is for the period September 2009 through August 2010.

RCW 19.29A.090

Voluntary option to purchase qualified alternative energy resources — Rates, terms, and conditions — Reports.

(6) Each consumer-owned utility must report annually to the department and each investor-owned utility must report annually to the commission beginning October 1, 2002, until October 1, 2012, describing the option or options it is offering its customers under the requirements of this section, the rate of customer participation, the amount of qualified alternative energy resources purchased by customers, the amount of utility investments in qualified alternative energy resources, and the results of pursuing aggregated purchasing opportunities. The department and the commission together shall report annually to the legislature, beginning December 1, 2002, until December 1, 2012, with the results of the utility reports.

If you need any additional information please contact Julie Waltari at (425) 456-2945.

Sincerely,

Tom DeBoer

Director, Federal & State Regulatory Affairs

Enclosure

cc: Sheree Strom Carson, Perkins Coie