



PUGET SOUND ENERGY

The Energy To Do Great Things

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PSE.com

November 18, 2010

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

**RE: Advice No. 2010-28
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”).

Twenty-Second Revision of Sheet No. 91 - Schedule 91 – Cogeneration and Small Power Production
Sixth Revision of Sheet No. 91-a - Schedule 91 – Cogeneration and Small Power Production (Continued)

The first purpose of this filing is to update the fixed price option prices for qualifying facility customer-generators 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 three filings in 2007, 2008 and 2009, 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 the “2010 Trends” forecast, which was used in the most recent 2010 RFP analysis. This is also consistent with the previous three filings updating these prices in 2007, 2008 and 2009.

This filing also proposes to increase the eligible capacity from up to 2 MW to 5 MW. Broadening the offering of Schedule 91 streamlines the process for a greater number of small power producers. This is anticipated to encourage the development and acquisition of small renewable energy resources.

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The tariff sheets described herein reflect issue dates of November 18, 2010, and effective dates of December 19, 2010. Notice of the proposed tariff changes, 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.

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,



Tom DeBoer
Director, Federal & State Regulatory Affairs

Enclosures

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