



Puget Sound Energy  
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PSE.com

March 30, 2011

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

**Re: Advice No. 2011-09  
Electric Tariff Filing - Filed Electronically**

Dear Mr. Danner:

Puget Sound Energy, Inc. (the “Company” or “PSE”) hereby submits proposed revisions to its electric Schedule 137, Temporary Customer Charge or Credit. This filing, pursuant to RCW 80.28.060 and Chapter 480-80 WAC, proposes revisions in the following electric tariff sheets.

WN U-60, Tariff G - (Electric Tariff):

First Revision of Sheet No. 137	- Temporary Customer Charge or Credit
First Revision of Sheet No. 137-a	- Temporary Customer Charge or Credit (Continued)
First Revision of Sheet No. 137-b	- Temporary Customer Charge or Credit (Continued)
First Revision of Sheet No. 137-c	- Temporary Customer Charge or Credit (Continued)
First Revision of Sheet No. 137-d	- Temporary Customer Charge or Credit (Continued)
First Revision of Sheet No. 137-e	- Temporary Customer Charge or Credit (Continued)

On September 21, 2010, as part of Docket Number UE-070725, PSE and other parties to that docket agreed to certain conditions relating to the manner in which Renewable Energy Credit (“REC”) proceeds should be credited to customers (“Settlement”). The Commission approved and adopted the Settlement on October 26, 2010 as Attachment A to Order 06 in Docket No. UE-070725 and Order 01 in Docket No. UE-101581 (Consolidated) (“Order”). In the Order, paragraph 8, the Commission stated: “We determine instead that PSE should provide customer credits during the period November 2010 through March 2011.” The Settlement, in paragraph 14, provided that when the amount refunded to customers is expected to be equal to, or exceeds, the total revenue requirement, “...the Company will request that Schedule 134 be stopped.” (Note that Schedule number 137 was used rather than Schedule number 134.)

Schedule 137 includes provisions similar to the Order and the Settlement. In section 2.a. (Purpose) Schedule 137 provides the following: “At the time that the amount passed through to Customers is expected to exceed the amount shown in Section 4 below the Company will request that rates in this schedule be set to zero.” Section 7 (Termination) of Schedule 137 provides in part: “...the rate credit or charge under this schedule will terminate when the total amount to be passed through or charged to Customers is projected to be complete.”

Thus there appears to be a conflict between the Order and the Settlement and also within the tariff provisions. That conflict is whether the refund ends on its own as provided in the Order and the

Mr. David Danner  
March 30, 2011  
Advice No. 2011-09  
Page 2 of 2

Termination paragraph of Schedule 137 or if a filing is required to change the rate to zero as provided in the Settlement and in the Purpose paragraph of Schedule 137.

Due to the apparent conflict the Company requests that this filing be considered the notice that the amount is expected to be refunded by March 31, and that the rates in Schedule 137 will be set to zero effective April 1, 2011 in accordance with the Order and that the Commission accept this filing as a filing in compliance with the Order with the understanding that the Company will set rates to zero effective April 1, 2011 even though the effective date on the tariff sheets is April 30, 2011.

However, if the Commission finds that this is not a compliance filing and that rates should not be set to zero on April 1, 2011, then the Company submits the above tariff sheets as a tariff filing with the requested effective date of April 30, 2011.

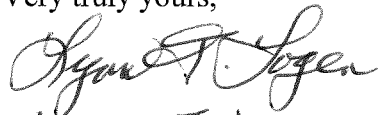
The total amount to be refunded to customers based on the Settlement and Order was \$26,459,427 or \$27,683,364 when grossed up for revenue sensitive items. The Company's current estimate of the amount refunded as of March 31 is \$26,310,787 which when grossed up is \$27,527,848, or which leaves \$155,516 (grossed up) to refund to customers. The estimated amount to be refunded to customers in April 2011 is 3,954,144 (grossed up). This will result in an estimated total refund to customers of \$31,481,922 (grossed up) which is \$3,798,628 than the original amount (\$27,683,364) to be refunded.

Paragraph 14 of the Settlement states that "Any remaining balance associated with this refund, either over or under credited, will be cleared to the REC liability account." This will result in the PTC/REC offset, which was forecasted to end in December, 2011, being extended into 2012.

The tariff sheets described herein reflect an issue date of March 30, 2011, and an effective date of April 30, 2011. Posting of proposed tariff changes, as required by WAC 480-100-193, is being made by posting the proposed tariff sheets on the PSE web site immediately prior to or coincident with the date of this transmittal letter. Notice of proposed tariff changes, as provided in paragraph 8 of Schedule 137 will be provided on the Company's web site and on bills in accordance with WAC 480-100-195(2).

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

Very truly yours,



*for* Lynn F. Logen, Tariff Consultant  
Tom DeBoer  
Director, Federal & State Regulatory Affairs

Enclosure

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