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& ELECTRONIC MAIL**

February 24, 2004

Carole J. Washburn
Office of the Secretary
Washington Utilities and Transportation Commission
1300 S. Evergreen Park Drive SW
Olympia, WA 98504-7250**Re: Application of Puget Sound Energy, Inc. for (1) EWG
Determinations regarding the Sale of its Interest in the Skookumchuck
Hydroelectric Plant, and (2) an Accounting Order authorizing treatment of
the net gain from the sale.**

Dear Ms. Washburn:

Enclosed are an original and 12 copies of the Application of Puget Sound Energy, Inc. ("PSE") for (1) EWG Determinations regarding the Sale of its Interest in the Skookumchuck Hydroelectric Plant, and (2) an Accounting Order authorizing treatment of the net gain from the sale.

PSE has signed a contract to sell its share of the Skookumchuck Dam and related facilities (the "Skookumchuck Project"). PSE seeks an order from the Commission authorizing treatment of any gains as previously authorized by the Commission for the Centralia Power Plant sale. PSE also seeks the required public interest findings for the purchaser to qualify as an Exempt Wholesale Generator ("EWG").

PSE and the other Owners propose to transfer operation of the Skookumchuck Project by March 31, 2004. The purchaser, a limited liability company formed by TransAlta USA Inc., cannot process its EWG application with the FERC until the Commission has made the three determinations required by section 32 of the Public Utility Holding Company Act of 1935. Accordingly, PSE respectfully requests that the Commission conduct its proceedings and issue its Order by March 15, 2004.

[07771-0100/BA040510.002]

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Thank you for your assistance.

Very truly yours,

Brian M. Platt for:
Kirstin S. Dodge

KSD:pli
Enclosures