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STATE OF WASH.
UTIL. AND TRANSP.
COMMISSION

September 23, 2005

Ms. Carole J. Washburn
Executive Secretary
Washington Utilities and Transportation Commission
1300 S. Evergreen Park Drive SW
P.O. Box 47250
Olympia, WA 98504-7250

Dear Ms. Washburn:

In accordance with WAC 480-143-120 Transfers of property and WAC 480-143-180 Disposal and determination of necessary or useful property, Puget Sound Energy ("the Company") is reporting an intended property sale. Per WAC 480-143-120 and WAC 480-143-180 such transactions shall be reported to the Commission before they are completed. Puget Sound Energy is requesting an order authorizing the sale of its Seaway Property.

The Company plans to sell The Seaway Property located at 1122 75th Street NW Everett, WA. This office was identified for sale as a direct result of the Company's effort to centralize operations. Currently there are only five employees working out of this location. They will be relocated to one of our other locations; making the building surplus and unneeded. Accordingly, under WAC 480-143-180 (2), the building is no longer necessary or useful.

Based on the June 6, 2005 property appraisal, the calculation of the estimated pre-tax loss is set forth below:

Market Value	\$ 3,500,000
Less: Net Book Value (as of 7/31/05)	7,320,756
Estimated Sale Costs	<u>330,475</u>

Estimated Pre-Tax Loss **\$(4,151,231)**

The company will defer the loss related to non-depreciable plant in FERC account 187; deferred losses from the disposition of Utility Plant are in accordance with the Property Transfer Settlement.

Enclosed is an application and proposed order. We have also included an electronic version of the proposed order.

Please contact me in Bellevue at (425) 462-3885 if there are any questions.

Sincerely,

John H. Story
Director Cost and Regulation

cc Simon J. Fitch
Assistant Attorney General
Public Counsel Section
900 4th Ave., Suite 2000
Seattle, WA 98164-1012

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