

**BEFORE THE
WASHINGTON UTILITIES & TRANSPORTATION COMMISSION**

In the Matter of the Application of

PUGET SOUND ENERGY, INC.

For an Accounting Order authorizing treatment of the net gain from the sale of the Skagit Service Center and determination that the property is not necessary or useful.

Docket No. UE-07
ORDER (PROPOSED)

MEMORANDUM

1. On April 2, 2007, Puget Sound Energy, Inc. ("PSE" or "the Company") submitted an Application relating to the proposed sale of the Skagit Service Center.
2. In the Application, PSE requested an order:
 - (a) Determining that the Skagit Service Center will no longer be necessary or useful.
 - (b) Approving the accounting treatment proposed by PSE, whereby the resulting gain will be recorded in FERC Account 254 (Other Regulatory Liabilities).

Proposed Accounting Treatment of Gains

3. In its application, PSE proposes that the resulting gain will be recorded in FERC Account 254 (Other Regulatory Liabilities).

FINDINGS

4. PSE is engaged in the business of furnishing electric and gas service within the state of Washington as a public service company, and is subject to the jurisdiction of this Commission.

5. On April 2, 2007, PSE submitted an Application requesting:

- Determination that the Skagit Service Center will no longer be necessary or useful.
- Approval of the accounting treatment proposed by PSE, whereby the resulting gain will be recorded in FERC Account 254, consistent with the FERC Uniform System of Accounts instructions and Order of Dismissal dated May 26, 1992, Washington Court of Appeals, No. 29404-01.

ORDER

WHEREFORE, THE COMMISSION HEREBY ORDERS:

6. PSE's request to determine that the Company's Skagit Service Center will no longer be necessary or useful is approved.

7. PSE shall defer the gain from the sale of the property in FERC Account 254 (Other Regulatory Liabilities), consistent with the FERC Uniform System of Accounts instruction and the Stipulation and Order of Dismissal dated May 26, 1992, Washington Court of Appeals, No. 29404-01.

8. This order shall in no way affect the authority of this Commission over rates, services, accounts, evaluations, estimates, or determination of cost or any matters whatsoever that may come before it, nor shall anything herein be construed as an acquiescence in any estimate or determination of costs claimed or asserted.

9. The Commission retains jurisdiction over the subject matter of the Application and PSE to effect the provisions of this order.

DATED at Olympia, Washington, and effective this ____ day of _____, ____.

MARK SIDRAN, Chairman

PHILIP JONES, Commissioner

PATRICK J. OSHIE, Commissioner