



Puget Sound Energy, Inc.
P.O. Box 97034
Bellevue, WA 98009-9734

December 3, 2007

HAND-DELIVERY

Ms. Carole J. Washburn, Executive Secretary
Washington Utilities and Transportation Commission
P.O. Box 47250
Olympia, Washington 98504-7250

**Re: Puget Sound Energy, Inc.,
WN U-60, Tariff G, Electric Service, Advice No. 2007-34
WN U-2, Natural Gas Service, Advice No. 2007-35**

Dear Ms. Washburn:

The Purpose of this Filing

Puget Sound Energy, Inc. ("PSE" or the "Company") is filing this general rate case pursuant to the Settlement Stipulation approved by the Commission in Docket Nos. UE-011570 and UG-011571 and Order No. 04 in PSE's 2007 Power Cost Only Rate Case ("2007 PCORC"), Docket No. UE-070565. Section 10 of Exhibit A to the Settlement Stipulation requires the Company to file a general rate case within three months of the effective date of any rate increase resulting from a Power Cost Only Rate Case. According to the Settlement Stipulation, PSE would be required to file a general rate case by about December 1, 2007. However, in Commission's Order No. 04 in Docket No. UE-070565, the Commission granted the Company's request to extend the time for filing this general rate case until no later than April 15, 2008.

This filing requests an increase in rates to recover increased electric and gas revenue requirements of approximately \$174.5 million (9.50%) and \$ 56.8 million (5.31%), respectively, on an annual basis. The impact of the filing is described in greater detail in the Summary Documents, three copies of which are filed herewith as Addendum E. A summary of the relief the Company is requesting, the reasons the Company is seeking such relief, and an overview of the topics covered by each of the Company's witnesses is provided in the prefiled direct testimony of Mr. Eric Markell, Exhibit No. __ (EMM-1CT), which is provided as part of this filing.

Please note with respect to the electric revenue requirement increase that the Company will update its projection of rate year power costs during the course of this proceeding. This update could result in an increase or decrease to the Company's total requested electric general rate case revenue deficiency. In addition, once this filing is suspended by the Commission and becomes an adjudicative proceeding, the evidence developed and ultimate findings and conclusions in the proceeding could produce electric and gas revenue requirements that are

higher or lower than the amounts requested in this initial filing.

Proposed Revised Tariff Sheets

Pursuant to RCW 80.28.060 and WAC 480-80-101 and WAC 480-80-105, the Company is providing three copies of the proposed revised tariff sheets of PSE listed below. These tariff sheets reflect issue dates of December 3, 2007 and effective dates of January 3, 2008.

WN U-60, Tariff G, Electric Service:

18 th Revision	Sheet No. 2	Index
28 th Revision	Sheet No. 7	Residential Service
3 rd Revision	Sheet No. 7-b	Master Metered Residential Service (Continued)
26 th Revision	Sheet No. 24	General Service
15 th Revision	Sheet No. 25	Small Demand General Service
9 th Revision	Sheet No. 25-a	Small Demand General Service (Continued)
16 th Revision	Sheet No. 26	Large Demand General Service
22 nd Revision	Sheet No. 29	Seasonal Irrigation & Drainage Pumping Service
27 th Revision	Sheet No. 31	Primary General Service
21 st Revision	Sheet No. 35	Seasonal Primary Irrigation & Drainage Pumping Service
3 rd Revision	Sheet No. 40	Large General Service Greater Than 3 aMW
2 nd Revision	Sheet No. 40-a	Large General Service Greater Than 3 aMW (Continued)
2 nd Revision	Sheet No. 40-b	Large General Service Greater Than 3 aMW (Continued)
2 nd Revision	Sheet No. 40-c	Large General Service Greater Than 3 aMW (Continued)
1 st Revision	Sheet No. 40-d	Large General Service Greater Than 3 aMW (Continued)
18 th Revision	Sheet No. 43-a	Interruptible Primary Service For Total-Electric Schools (Continued)
27 th Revision	Sheet No. 46	High Voltage Interruptible Service
9 th Revision	Sheet No. 46-a	High Voltage Interruptible Service (Continued)
26 th Revision	Sheet No. 49	High Voltage General Service
26 th Revision	Sheet No. 50	Limited Street Lighting Service
17 th Revision	Sheet No. 52-a	Custom Lighting Service Company Owned (Continued)
6 th Revision	Sheet No. 52-b	Custom Lighting Service Company Owned (Continued)
14 th Revision	Sheet No. 53-a	Street Lighting Service Sodium Vapor (Continued)
11 th Revision	Sheet No. 53-b	Street Lighting Service Sodium Vapor (Continued)
5 th Revision	Sheet No. 53-c	Street Lighting Service Sodium Vapor (Continued)
27 th Revision	Sheet No. 54	Customer-Owned Street Lighting Energy Service Sodium Vapor
27 th Revision	Sheet No. 55	Area Lighting Service
9 th Revision	Sheet No. 55-a	Area Lighting Service (Continued)
24 th Revision	Sheet No. 57	Continuous Lighting Service
23 rd Revision	Sheet No. 58	Flood Lighting Service
11 th Revision	Sheet No. 58-a	Flood Lighting Service (Continued)

31 st Revision	Sheet No. 95	Power Cost Adjustment Clause
6 th Revision	Sheet No. 95-a	Power Cost Adjustment Clause (Continued)
8 th Revision	Sheet No. 95-b	Power Cost Adjustment Clause (Continued)
7 th Revision	Sheet No. 95-c	Power Cost Adjustment Clause (Continued)
6 th Revision	Sheet No. 95-d	Power Cost Adjustment Clause (Continued)
6 th Revision	Sheet No. 95-e	Power Cost Adjustment Clause (Continued)
6 th Revision	Sheet No. 448-i	Power Supplier Choice (Continued)
7 th Revision	Sheet No. 449-i	Retail Wheeling Service (Continued)

Three copies of **Addendum A**, which contains the above electric tariff sheets formatted with the coding required by WAC 480-80-105, are enclosed. Three copies of **Addendum B**, which contains the above electric tariff sheets in legislative format as required by WAC 480-07-510(2), are also enclosed.

WN U-2, Natural Gas Service:

3 rd Revision	Sheet No. 2-D	Index (Continued)
3 rd Revision	Sheet No. 3-A	Index (Continued)
3 rd Revision	Sheet No. 3-B	Index (Continued)
2 nd Revision	Sheet No. 3-D	Index (Continued)
2 nd Revision	Sheet No. 3-E	Index (Continued)
4 th Revision	Sheet No. 14	Rule No. 4: Election of Rate Schedules
2 nd Revision	Sheet No. 37-A	Rule No. 23: Interruptible Sales & Transportation Service Priority (Continued)
1 st Revision	Sheet No. 37-B	Rule No. 23: Interruptible Sales & Transportation Service Priority (Continued)
Original	Sheet No. 43	Rule No. 29: Terms of Distribution System Transportation Service
Original	Sheet No. 43-A	Rule No. 29 (Continued)
Original	Sheet No. 43-B	Rule No. 29 (Continued)
Original	Sheet No. 43-C	Rule No. 29 (Continued)
Original	Sheet No. 43-D	Rule No. 29 (Continued)
Original	Sheet No. 43-E	Rule No. 29 (Continued)
Original	Sheet No. 43-F	Rule No. 29 (Continued)
Original	Sheet No. 43-G	Rule No. 29 (Continued)
6 th Revision	Sheet No. 116-A	General Gas Lighting and Street Lighting Service (Optional) (Continued)
51 st Revision	Sheet No. 123	Residential General Service
47 th Revision	Sheet No. 131	Commercial and Industrial General Service
Original	Sheet No. 131T	Distribution System Transportation Service (Firm-

		Commercial and Industrial)
Original	Sheet No. 131T-A	Distribution System Transportation Service (Firm-Commercial and Industrial) (Continued)
53 rd Revision	Sheet No. 141	Large Volume High Load Factor Gas Service (Optional)
Original	Sheet No. 141T	Distribution System Transportation Service (Firm-Large Volume High Load Factor)
Original	Sheet No. 141T-A	Distribution System Transportation Service (Firm-Large Volume High Load Factor) (Continued)
9 th Revision	Sheet No. 150	Compressed Natural Gas (CNG) for Vehicle Fuel
7 th Revision	Sheet No. 153-B	Propane Service (Continued)
13 th Revision	Sheet No. 157	Distribution System Transportation Svc (Firm & Interruptible)
10 th Revision	Sheet No. 157-B	Distribution System Transportation Svc (Firm & Interruptible) (Cont.)
12 th Revision	Sheet No. 157-C	Distribution System Transportation Svc (Firm & Interruptible) (Cont.)
20 th Revision	Sheet No. 171	Residential Water Heater Rental Service
21 st Revision	Sheet No. 172	Large Volume Water Heater Rental Service
15 th Revision	Sheet No. 174	Gas Conversion Burner Rental Service
14 th Revision	Sheet No. 185-C	Interruptible Gas Service with Firm Option (Continued)
15 th Revision	Sheet No. 185-D	Interruptible Gas Service with Firm Option (Continued)
Original	Sheet No. 185T	Distribution System Transportation Service (Interruptible with Firm Option)
Original	Sheet No. 185T-A	Distribution System Transportation Service (Interruptible with Firm Option) (Continued)
14 th Revision	Sheet No. 186-C	Limited Interruptible Gas Service with Firm Option (Optional) (Cont.)
13 th Revision	Sheet No. 186-D	Limited Interruptible Gas Service with Firm Option (Optional) (Cont.)
Original	Sheet No. 186T	Distribution System Transportation Service (Interruptible with Firm Option)
Original	Sheet No. 186T-A	Distribution System Transportation Service (Interruptible with Firm Option) (Continued)
15 th Revision	Sheet No. 187-D	Non-Exclusive Interruptible Gas Service w/ Firm Option (Cont.)
Original	Sheet No. 187T	Distribution System Transportation Service (Non-Exclusive Interruptible with Firm Option)
Original	Sheet No. 187T-A	Distribution System Transportation Service (Non-Exclusive Interruptible with Firm Option) (Continued)
31 st Revision	Sheet No. 1101	Gas Cost Rates
3 rd Revision	Sheet No. 1101-B	Gas Cost Rates (Continued)
34 th Revision	Sheet No. 1106	Deferred Account Adjustment

Three copies of **Addendum C**, which contains the above natural gas tariff sheets formatted with the coding required by WAC 480-80-105, are enclosed. Three copies of **Addendum D**, which contains the above natural gas tariff sheets in legislative format as required by WAC 480-07-510(2), are also enclosed.

Additional Materials Submitted With This Filing

Also being provided with this filing are an original and 19 copies of the Company's prefiled direct testimony and exhibits supporting this general rate case filing. These materials will be offered into the record at the appropriate time and should not be considered evidence until so entered. For the convenience of the Commission and persons interested in this case, a list of these testimonies and the exhibits supported by each witness is provided as **Addendum F**.

We also provide three copies of supporting work papers and the Company's most recent two annual reports to shareholders; subsequent quarterly reports to shareholders; the most recent FERC Forms 1, 2 and 2A; and for the most recent two years, the Company's Forms 10K and 10Q, prospectuses for issuances of securities and quarterly reports to stockholders. In compliance with WAC 480-07-510(3)(f), we have also provided three copies of a Report of Affiliated Interest Transactions for the test year as **Addendum G**.

We have also enclosed CD ROMs with electronic copies of these materials where available.

Confidentiality Protections and Motion for Highly Confidential Protective Order

As is evident from PSE's filing, the Company has marked many pages "CONFIDENTIAL" and several pages "HIGHLY CONFIDENTIAL." These documents are currently protected from any further disclosure by the Commission or the Office of the Attorney General, including their outside experts, pursuant to RCW 80.04.095 and WAC 480-07-160. PSE's filing includes a motion and sworn statement requesting that the Commission issue a protective order with highly confidential provisions.

The Company therefore requests that the documents contained in the envelopes identified with the cover page marked "CONFIDENTIAL PER WAC 480-07-160" or "HIGHLY CONFIDENTIAL PER WAC 480-07-160," as well as the files marked "confidential" or "highly confidential" on the versions of the disks and CD ROMs containing confidential materials be treated as confidential under the provisions of WAC 480-07-160, as they each contain sensitive commercial information. In accordance with WAC 480-07-160(3)(c) the Company has enclosed redacted versions of the documents containing confidential information along with the nonconfidential documents in its filing, and has placed unredacted versions of the documents containing confidential information in separate envelopes with corresponding "CONFIDENTIAL PER WAC 480-07-160" or "HIGHLY CONFIDENTIAL PER WAC 480-07-160" labels on the envelopes. Each page of the unredacted version containing

confidential information has been printed on yellow paper and each page containing highly confidential information has been printed on light blue paper.

CD ROMs containing confidential materials have also been appropriately identified. Please note that for the Commission's convenience, each CD ROM contains a complete set of the filing, except that the "Redacted" CD ROM does not contain any confidential or highly confidential files, the "Confidential" CD ROM contains all but the highly confidential files, and the "Highly Confidential" CD ROM contains all of the files. The file names for each document identify whether the document is "confidential" or "highly confidential."

The Company, its customers, its shareholders, and/or the project owners and developers that submitted commercially sensitive information to PSE would be harmed by release of the confidential or highly confidential information. Such project owners and developers include the entities that submitted comments in the Company's 2005 PCORC proceedings in support of its motions for highly confidential protective order. As detailed in PSE's motion for protective order submitted with this filing, some of the information related to the Company's resource acquisition process should not be viewed at all by persons involved in development of energy projects or resources. PSE has designated such material as "highly confidential" because it reflects confidential information that PSE received from project owners and developers that is commercially sensitive and/or because it reveals information about PSE's resource acquisition efforts, analyses or strategies that is commercially sensitive with respect to PSE's negotiations with such project owners or developers. To the extent any such persons or entities seek to intervene in this matter, they should not thereby be permitted access to "highly confidential" information.

Notice of General Rate Case Filing

Pursuant to WAC 480-07-510(5), the Company is serving copies of the Summary Documents on the persons listed on the Certificate of Service attached to this letter. A copy of the form of the cover letter and certificate of service for the parties noticed pursuant to WAC 480-07-510(5) are also provided in **Addendum H**.

Pursuant to WAC 480-100-194 and 480-90-194, PSE agrees to suspension of the proposed tariff filings and thus is not required to publish notice immediately prior to or coincident with the date of this transmittal letter and filing. The Company agrees to waive suspension hearing and requests that the Commission issue an order suspending these proposed changes for investigation and that a hearing to take testimony from the public will be scheduled at the prehearing conference. Accordingly, the Company will provide notice to the public pursuant to WAC 480-100-197 and 480-90-197. Consistent with prior rate case proceedings, PSE will work with Commission Staff and Public Counsel to develop the notice to customers. In accordance with WAC 480-100-193(1) and 480-90-193(1), the Company will also post the proposed changes to its tariff sheets for public inspection and review on its website, and will provide access via request by telephone or mail.

Service and correspondence relating to this filing should be directed to:

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We look forward to working with the Commission, Commission Staff, Public Counsel, our customers, and other interested parties in this important matter.

Very truly yours,



Tom DeBoer
Director, Rates and Regulatory Affairs

Enclosures

cc: Sheree Strom Carson, Perkins Coie
Service List