



PUGET SOUND ENERGY

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

April 1, 2008

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

Re: **REQUEST FOR LESS THAN STATUTORY NOTICE (LSN)**
Advice No. 2008-07
Electric Tariff Filing - Filed Electronically

Dear Ms. Washburn:

Puget Sound Energy, Inc. (the "Company" or "PSE") hereby submits a proposed revision to its electric Tariff G, Schedule 194, Residential And Farm Energy Exchange Benefit. This filing, pursuant to RCW 80.28.060 and Chapter 480-80 WAC, proposes a revision in the following electric tariff sheet.

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

Fifth Revision of Sheet No. 194 - Residential And Farm Energy Exchange Benefit

The primary purpose of this filing is to implement changes to rates to pass through benefits that PSE expects to receive under a Residential Exchange Interim Relief and Standstill Agreement, Contract No. 08PB-12442 (the "Agreement") between PSE and the Bonneville Power Administration ("BPA"). The Agreement with BPA provides benefits to PSE's residential and farm customers on rate Schedules 7, 7A, 8, 10, 11, 12, 29, 35, 56, and 59. This proposal represents the pass through to eligible residential and farm customers a credit of \$20,958,409 or 24.41 percent over one month.

Under the Agreement PSE expects to receive \$53,700,000 from BPA during the first week of April 2008. While it is expected, it is not certain the PSE will receive payment under the Agreement. If other parties contest the payment BPA may decide not to issue the payment. Due to this uncertainty, the proposed revision to Sheet 194 is contingent on PSE receiving payment from BPA. If the payment is not received from BPA, PSE will request that it be allowed to withdraw this filing.

On August 29, 2007, the Commission issued an order in Docket No. UE-071024 (the "Order") granting PSE's request for (1) deferred accounting treatment for the amounts credited to customers under Schedule 194 that have not been reimbursed by BPA as of June 7, 2007; (2) monthly booking of carrying charges on that deferral at PSE's approved net of tax rate of return until the deferral is recovered; and (3) amortization of the total deferred balance including carrying charges over a time period to be determined in PSE's next general rate case. The Order, in paragraph 5, acknowledged that PSE stated in its petition that the total deferred balance to be amortized might be reduced by Residential Exchange Benefits PSE may receive in the future, but any such reduction will be dependent on future events. The Agreement provides an amount of Residential Exchange Benefits that is sufficient to eliminate the deferred balance and also to pass through to customers an amount of \$20,037,233 (grossed up by the conversion factor this becomes \$20,958,409). Since the deferred balance represents amounts that PSE has credited to customer accounts as Residential Exchange Benefits it is appropriate to offset the

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deferral balance against the payment from BPA under the Agreement. The total amount deferred was \$33,662,767; therefore that amount to be refunded to customers under this filing is \$20,037,233. The carrying charges approved in the Order are included in PSE general rate case that is currently before the Commission and are not included in this filing.

The enclosed filing proposes to pass through Residential Exchange Benefits to customers on rate schedules 7, 7A, 8, 10, 11, 12, 56, and 59 starting April 11 and continuing through May 11. PSE customers that are classified as irrigation customers on rate Schedules 29 and 35 are eligible for Residential Exchange Benefits. However, these customers are not typically billed during the months of April and May; therefore this filing reflects a proposed pass through of the Residential Exchange Benefits to these customers during the month of July when they are typically being billed for service.

The Company respectfully requests that the Commission allow this tariff change to become effective on April 11, 2008, with less than statutory notice (LSN), in order to allow the Company to adjust rates and pass through this credit in a timely manner to customers. The information required by WAC 480-80-122 is contained throughout this letter and on the attached LSN form provided by the Commission. Tom DeBoer is authorized to issue tariff changes on behalf of the Company.

The tariff sheet described herein reflects an issue date of April 1, 2008, and an effective date of May 2, 2008. The effective date will be adjusted upon receipt of the Commission's order allowing the changes to become effective with LSN. Posting of proposed tariff change, as required by WAC 480-100-193, is being made by posting the proposed tariff sheet on the PSE web site immediately prior to, or coincident with, the date of this transmittal letter. Notice of proposed tariff change, as required by law and the Commission's rules and regulations (including WAC 480-100-195(3)), is being given to the public immediately prior to, or coincident with, the date of this transmittal letter through web, telephone and mail access in accordance with WAC 480-100-193.

Please contact Lynn Logen at lynn.logen@pse.com or (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,



Tom DeBoer
Director – Rates & Regulatory Affairs

Enclosures

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