

July 10, 2007

**NOTICE OF SETTLEMENT HEARING
(July 25, 2007, 1:30 p.m.)**

**NOTICE OF PUBLIC COMMENT HEARING
(July 25, 2007, 6:30 p.m.)**

RE: *Washington Utilities and Transportation Commission v. Puget Sound Energy, Inc.*, Docket UE-070565

TO ALL PARTIES:

On March 20, 2007, Puget Sound Energy, Inc. (PSE or the Company), filed with the Washington Utilities and Transportation Commission (Commission) revisions to its currently effective Tariff WN U-60. The stated effective date of the revised tariff sheets was April 20, 2007. The Commission entered Order 01 Complaint and Order Suspending Tariff Revisions; Instituting Investigation on March 27, 2007.

This filing, a power cost only rate case (PCORC) authorized by the Settlement Stipulation approved by the Commission in Dockets UE-011570 and UG-011571, includes a proposal by PSE to increase electric rates to recover additional power costs and costs associated with the acquisition of a 277 MW gas-fired combined cycle electric generation facility in Goldendale, Washington. The Company originally requested an increase in electric rates of \$64,680,804 or 3.67 percent. Later, PSE revised its request based on updated information and proposed that the Company be authorized to recover an asserted revenue deficiency of \$77,837,215 or 4.43 percent.

On July 5, 2007, PSE filed a multi-party Settlement Agreement among the Company, Commission regulatory Staff (Staff), the Public Counsel Section of the Attorney General's Office (Public Counsel) and the Industrial Customers of Northwest Utilities (ICNU). These are the only parties that have been active in this proceeding, according to the Settlement Agreement.

THE COMMISSION GIVES NOTICE that a hearing on the parties' proposed settlement will be held on Wednesday, July 25, 2007, beginning at 1:30 p.m., in Room 206, Richard Hemstad Building, 1300 S. Evergreen Park Drive S.W., Olympia, Washington.

THE COMMISSION GIVES FURTHER NOTICE that it will conduct a public comment hearing in this matter on Wednesday, July 25, 2007, beginning at 6:30 p.m. in Room 206, Richard Hemstad Building, 1300 S. Evergreen Park Drive S.W., Olympia, Washington. The Commission will take comments from members of the public until all persons present who have stated their intention to comment have been heard, or until 8:30 p.m.

Sincerely,

DENNIS J. MOSS
Administrative Law Judge