DEPARTMENT OF THE NAVY

OFFICE OF THE GENERAL COUNSEL NAVAL FACILITIES ENGINEERING COMMAND SOUTHWEST 1455 MARKET STREET, STE 1744 SAN FRANCISCO, CA 94103-1399

> NREPLY REFER TO: 11300 L0295F July 24, 2007

BY ELECTRONIC FILING AND FEDERAL EXPRESS OVERNIGHT DELIVERY

Ms. Carole Washburn, Executive Secretary Washington Utilities and Transportation Commission Chandler Plaza Building 1300 S. Evergreen Park Drive SW Olympia, Washington 98504-7250

Re: Washington UTC v. Puget Sound Energy, Inc. Washington Utilities & Transportation Commission Docket No. UE-070565

Dear Ms. Washburn:

The undersigned, on behalf of the Federal Executive Agencies, has reviewed the Multiparty Settlement Agreement ("Settlement Agreement") entered into by Puget Sound Energy, Inc., the Staff of the Washington Utilities and Transportation Commission, the Public Counsel Section of the Attorney General's Office, and the Industrial Customers of Northwest Utilities dated July 5, 2007 in the matter referenced above.

Please be informed that the Federal Executive Agencies do not oppose the Settlement Agreement.

This letter may be placed in the official file of this proceeding. All parties of record on the attached Certificate of Service are being served a copy of this letter.

Yours truly,

NORMAN J. FURUTA Associate Counsel

(Regulatory Law) Counsel for the

Federal Executive Agencies

Enclosures: as stated

CERTIFICATE OF SERVICE

I hereby certify that on this 24th day of July, 2007, I served a copy of the foregoing letter in the above captioned proceeding, via electronic mail and by U.S. first-class mail, postage prepaid, at San Francisco, California, pursuant to WAC 480-07-150(6), to the following:

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I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct to the best of my knowledge.

EXECUTED this 24th day of July, 2007, at San Francisco, California.

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