Puget Sound Energy, Inc. P.O. Box 90868 Bellevue, WA 98009-0868

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May 30, 2006

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

Attn: Al Jones

Subject: Suncadia Gas Distribution System

Dear Mr. Jones.

This letter is in response to your May 5, 2006 e-mail regarding the construction of the gas distribution system to Suncadia located near Roslyn, Washington. For ease of reference, I have numbered your questions.

1. When were the mains and service lines installed?

Installation of mains and services has been on-going from 2004 to the present.

2. Who installed them?

All mains and services have been and continue to be installed by PSE's service provider, Potelco.

3. Was there any inspection oversight during construction?

Yes.

4. Who provided it?

Potelco supervisory personnel and PSE's Quality Assurance and Inspection Department both provided inspections as required by our operating standards.

5. Are copies of PSE field inspections, as-build drawings, and distribution pressure tests available for review?

Yes, PSE's Maps and Records Department maintains drawings and other construction records.

6. Will the system be used to distribute propane until natural gas is available?

There are no plans at this time to utilize the mains and services to distribute propane until natural gas is available. The pipeline that will supply the system with natural gas is on schedule for completion by December 2006.

7. Who is the current owner of the existing distribution system?

PSE is the owner of the gas distribution system.

Please feel free to contact me at 425-462-3957 if you have any additional questions.

Sincerely,

Jim Hogan

Manager, Standards and Compliance