March 3, 2008

NOTICE SUSPENDING PROCEDURAL SCHEDULE

RE: Washington Utilities and Transportation Commission v. Puget Sound Energy, Inc., Docket PG-060215

TO ALL PARTIES:

On May 23, 2007, the Staff of the Washington Utilities and Transportation Commission (Commission Staff) filed a complaint against Puget Sound Energy, Inc. (PSE) alleging that PSE's contractor, Pilchuck Contractors, Inc., violated various regulatory requirements with regard to investigating gas line leaks and related recordkeeping duties.

On September 20, 2007, the Commission held a prehearing conference to clarify the issues presented in the matter and resolve scheduling issues. Since that time the parties have engaged in discovery and negotiations toward reaching a full settlement in this case. Although various additional prehearing conferences have been scheduled, each has been postponed in favor of additional time for the parties to consummate their settlement discussions.

On March 3, 2008, at 3:45 p.m., the parties filed a Settlement Agreement in this case. The parties also indicated that they intend to comply with WAC 480-07-740 by filing a Narrative in support of their Settlement Agreement no later than Monday, March 10, 2008.

Given the parties' proposed agreed resolution to this docket, a second prehearing conference in this matter is no longer required at this time. The Commission will review all filings related to the proposed settlement and determine, in accordance with WAC 480-07-740(1)(d), whether a hearing will assist in determining whether or not

DOCKET PG-060215 PAGE 2

to adopt the proposal. As explained in WAC 480-07-750, the Commission retains full discretion on accepting a proposed settlement as submitted, accepting a proposed settlement with conditions, or rejecting a proposed settlement.

NOTICE IS GIVEN That the Commission strikes the March 4, 2008, prehearing conference date from the procedural schedule in this docket and suspends all further proceedings until after the Commission reviews the Settlement Agreement and the Narrative in Support of Settlement Agreement.

A further Commission Notice will inform the parties of the Commission's chosen next step in this proceeding.

Sincerely,

ADAM E. TOREM Administrative Law Judge