



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

June 20, 2013

VIA WEB PORTAL AND OVERNIGHT MAIL

Steven King, Acting Director and Secretary
Washington Utilities and Transportation Commission
1300 S. Evergreen Park Drive, SW
Olympia, WA 98504

**Re: WUTC v. PSE, Docket Nos. UE-121373 (Coal Transition PPA)
WUTC v. PSE Docket Nos. UE-121697 and UG-121705 (Decoupling)
WUTC v. PSE Docket Nos. UE-130137 and UG-130138 (ERF)**

Dear Mr. King:

Puget Sound Energy, Inc. ("PSE") sends this letter to advise the Commission and all parties to the above-referenced dockets of a settlement of the property tax dispute between PSE and the State of Montana Revenue Department, which Mr. Matthew Marcellia referred to at the hearing. *See* Hearing Transcript at page 134:1-10. Under the terms of the settlement reached this week, PSE will receive \$6.7 million of the \$22 million in property taxes that PSE has paid under protest since 2005. The Montana Department of Revenue will retain the remaining \$16 million. The property tax dispute relates to the market value of PSE's share of the Colstrip power plants and transmission lines.

Thank you for your attention to this matter.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Ken Johnson", is written over the typed name. The signature is stylized and includes a long horizontal flourish extending to the right.

Ken Johnson

cc: Parties of Record
Judge Moss