



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

March 20, 2007

Ms. Carole J. Washburn
Washington Utilities and Transportation Commission
1300 S. Evergreen Park Drive S.W.
P.O. Box 47250
Olympia, WA 98504-7250

RE: 2006 Demand Side Management (DSM) Programs Recovered Through the Electric Rider
and Gas Tracker

Dear Ms. Washburn:

On March 1, 2007, Puget Sound Energy filed its summary of accounting for the 2006 DSM rider and tracker programs through December 31, 2006, and through March 31, 2007. This summary was prepared in accordance with the accounting treatment and annual electric rider and gas tracker recovery mechanisms approved by the Commission in Dockets numbered UE-970686 and UG-950288 respectively.

During the audit process, an error was discovered on the second page of the five-page report. Enclosed is the revised page. The projected rider expenditures for the 2007 program year are estimated to be \$34,156,200 (instead of the \$37,381,200 as shown in the cover letter dated March 1, 2007). The 2007 rider rates will be increased as a result of these levels of spending.

Please direct any inquiry related to the accounting issues in this annual report to me at (425) 456-2797.

Sincerely,

A handwritten signature in black ink, appearing to read 'K. Karzmar', is written over a horizontal line.

Karl R. Karzmar
Director, Regulatory Relations

Enclosures

cc: Simon J. ffitc
Graciela Etchart
Paula Pyron

***Puget Sound Energy
Electric Conservation Rider Report
Program Balance: September 1, 2002 to March 31, 2007***

Recoveries (Amounts in 18230621):	
September 2002 - March 2007 Actual & Estimated	\$ 110,283,534
2000 & 2001 Program Under Recovery Authorized	(9,261,566)
Schedule 258 Recoveries That Allow Self-Direct (Sept 02 thru Mar 07)	(7,896,487)
Total Recoveries Without Schedule 258 & Without Prior Programs (A)	\$ 93,125,481
Expenditures (Amounts in 18230021):	
September 2002 - March 2007 Actual & Estimated	\$ 97,587,349
September 2002 - March 2007 Schedule 258 Expenditures	(5,842,433)
Total Expenditures Without Schedule 258 (B)	\$ 91,744,916
Total September 02 Through March 07 Over Collections In 2006 Program Year Rates (C=B-A)	\$ (1,380,565)
SQI Penalty (D)	\$ (935,593)
Projected 2007 Expenditures Without Schedule 258 (E)	\$ 34,156,200
Total Amounts in 2007 Program Year Rates (4/1/07-3/31/08) (=C+D+E)	\$ 31,840,042