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**VIA HAND DELIVERY**

October 19, 2005

Carole J. Washburn  
Office of the Secretary  
Washington Utilities and Transportation Commission  
1300 S. Evergreen Park Drive SW  
Olympia, WA 98504-7250

**Re: Petition of Puget Sound Energy, Inc. for an Accounting Order  
Docket Nos. UE-051527 and UG-051528**

Dear Ms. Washburn:

Enclosed are an original and nineteen (19) copies of the Petition of Puget Sound Energy, Inc. ("PSE") for an Accounting Order. We are also providing an electronic copy of this filing via email.

This Petition is necessitated by the Internal Revenue Service's ("IRS") issuance of its Revenue Ruling 2005-53 and new Regulations sections 1.263A-1T and 1.263A-2T on August 2, 2005. As explained in the Petition, PSE seeks an order from the Commission authorizing the deferral of costs (using the Company's allowed net of tax rate of return (currently 7.01%)) associated with increased capital borrowings necessary to remit the \$72 million that was treated as a reduction to rate base in the Commission's Order No. 06: Final Order Rejecting Tariff Sheets; Authorizing and Requiring Compliance Filing; Requiring Subsequent Filing in Docket Nos. UG-040640, UE-040641, UE-031471 and UE-032043 (the "Order"). PSE has already incurred increased capital costs associated with payment of the \$72 million prior to November 1, 2005; therefore, PSE requests that the Commission issue the requested order by November 1, 2005, so that interest can begin accruing on costs already incurred.

If granted by the Commission, the Accounting Order requested in the Petition would replace the proposed tariff revisions filed by PSE on October 5, 2005, in the above-referenced dockets.

[00000-0000/BA052920.028]

Ms. Carole J. Washburn  
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Thank you for your assistance.

Very truly yours,

A handwritten signature in black ink, appearing to read "Kirstin S. Dodge", with a long horizontal flourish extending to the right.

Kirstin S. Dodge

KSD:jk  
Enclosures

cc: Service List in WUTC Docket Nos. UG-040640, *et al.*