



Puget Sound Energy
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PSE.com

April 15, 2011

Mr. David Danner, Executive Director and Secretary
Washington Utilities and Transportation Commission
P.O. Box 47250
Olympia, Washington 98504-7250

Re: REC/PTC Offset Compliance Filing UE-101581/UE-070725

Dear Mr. Danner:

In compliance with the final order from accounting petition UE-101581 Order 1 and UE-070725 Order 6 (consolidated) pursuant to WAC 480-07-880, Puget Sound Energy, Inc ("PSE") is submitting the March 2011 monthly update for the REC/PTC offset. PSE is also submitting the schedule for the PTC balance. At the bottom of the updated schedules is a comparison which details the differences from the numbers provided in UE-070725.

The tariff associated with the REC credits (Schedule 137) was extended an extra month through April 2011 due to a misunderstanding of the method of termination. It was the Company's understanding that Schedule 137 would terminate as prescribed in the order at the end of March 2011. This is in conflict in the termination paragraph per Schedule 137 which requires a filing to change the rate to zero. Given the extension of the REC Credit schedule coupled with generation of RECs coming in lower than expected, there are no longer enough REC credits to offset the PTC's by the end of 2011. In all likelihood the amortization schedule of RECs used to offset PTC's will need to be modified and extended into 2012 pursuant to Paragraph 16 of the Order 06 of Docket UE-101581/UE-07025.

Very truly yours,

Tom DeBoer
Director, Federal & State Regulatory Affairs

Enclosures

cc: Sheree Carson, Perkins Coie
Service List