



PUGET SOUND ENERGY

The Energy To Do Great Things

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PSE.com

June 22, 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 May 2011 monthly update for the REC/PTC offset. PSE is also submitting the schedule for the PTC balance.

As shown in the attached update there are no longer enough REC credits to offset PTC's within the calendar year 2011. The deficit in RECs is due to two factors: 1) the RECs credits given to customer in Schedule 137 was extended an extra month and 2) REC generation is lower than originally forecasted.

Pursuant to Paragraph 16 of the settlement document of the Order 06 of Docket UE-07025:

"In the event that the REC liability does not have a sufficient balance to remain as a net credit on the balance sheet after these two entries, the second entry will be adjusted so that the net balance in the REC regulatory liability account does not become a larger debit balance. Any recovery of PTCs that are delayed due to this type of adjustment will be carried forward until there is a sufficient balance in the regulatory liability account to cover the PTCs delayed and the interest calculation will reflect this delay."

The updated schedule in this filing reflects changes adjustments of this nature so that there is a sufficient REC balance pursuant to the above reference paragraph. Based on this update the REC/PTC offset may be extended from the original estimate of December 2011 until January 2012.

Very truly yours,

Tom DeBoer
Director, Federal & State Regulatory Affairs

Enclosures

cc: Sheree Carson, Perkins Coie
Service List