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**VIA FEDERAL EXPRESS AND
ELECTRONIC FILING**

January 8, 2008

Ms. Carole Washburn, Executive Secretary
Washington Utilities and Transportation Commission
Chandler Plaza Building
1300 S. Evergreen Park Drive SW
PO Box 47250
Olympia, Washington 98504-7250

Re: In the Matter of the Joint Application of Puget Holdings LLC and Puget Sound Energy,
Inc. For an Order Authorizing Proposed Transaction
Docket No. U-072375

Dear Ms. Washburn:

Enclosed please find the original and thirteen copies of the Petition to Intervene on behalf of PacificCorp in the matter referenced above. Please stamp one of the copies and return in the enclosed self-addressed stamped envelope.

Please call me at (503) 813-6840 if you have any questions.

Very truly yours,

Sarah E. Edmonds
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Enclosures
cc: service list

BEFORE THE

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of the Joint Application of) DOCKET NO. U-072375
PUGET HOLDINGS LLC)
and)
PUGET SOUND ENERGY, INC.) PETITION FOR LEAVE TO
For an Order Authorizing Proposed) INTERVENE OF PACIFICORP d/b/a
Transaction) PACIFIC POWER & LIGHT
COMPANY
_____)

1 Pursuant to WAC § 480-07-355 and the Notice of Prehearing Conference issued in the above-referenced Docket, PacifiCorp d/b/a Pacific Power & Light Company (“PacifiCorp”) hereby petitions the Washington Utilities and Transportation Commission (“WUTC” or “Commission”) for leave to intervene as an intervenor with full party status as described in WAC § 480-07-340.

I. PacifiCorp’s Address

2 The business address of PacifiCorp is:

Andrea Kelly
Vice President, Regulation
PacifiCorp
825 NE Multnomah, Suite 2000
Portland, OR 97232
Telephone: (503) 813-6043
Facsimile: (503) 813-6438
Email: andrea.kelly@pacificorp.com

II. PacifiCorp's Interest in the Proceeding

3 PacifiCorp is an electrical company and public service company in the State of Washington within the meaning of RCW 80.04.010, and is subject to the Commission's jurisdiction with respect to its prices and terms of electric service to retail customers in Washington. PacifiCorp provides electric service to approximately 123,000 retail customers in the State of Washington and approximately 1.6 million total retail customers in Washington, California, Idaho, Oregon, Utah and Wyoming. The Company's principal place of business is Portland, Oregon.

4 On December 17, 2007, Puget Holdings LLC ("Puget Holdings") and Puget Sound Energy, Inc. ("PSE") filed with the Commission a joint application for an order authorizing a proposed transfer of ownership and control of Puget Energy and its wholly owned subsidiary, PSE, to Puget Holdings (the "Proposed Transaction"). Puget Holdings and PSE have requested that the Commission endeavor to complete its review of the proposed transaction and enter an order by July 1, 2008. In the Notice of Prehearing Conference, the Commission found good cause to hear this matter on shortened notice and issued a notice for a Prehearing Conference for Monday, January 14, 2008.

5 Because PacifiCorp is a public service company regulated by the Commission it will be directly affected by the development of regulatory precedent relating to ownership structure. PacifiCorp has a substantial interest in the development of policies and precedent relating to the acquisition by Puget Holdings of Puget Energy and its wholly-owned subsidiary, PSE, also a regulated public service company. PacifiCorp requests the opportunity to monitor and, as necessary, participate in the development of Commission policy which could directly and

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substantially relate to PacifiCorp. PacifiCorp’s intervention in this proceeding will assist the Commission in resolving the issues and will not unreasonably broaden the issues, burden the record, or delay this proceeding. Furthermore, PacifiCorp’s interest in this proceeding is in the public interest and cannot be adequately represented by any other party.

III. PacifiCorp’s Position With Respect to Matters in Controversy

6 Commitment No. 8 of the Proposed Transaction requires Puget Holdings to file a non-consolidation opinion with the Commission within ninety (90) days of the closing of the Proposed Transaction which will conclude that the proposed ring-fencing provisions are sufficient such that a bankruptcy court would not order the substantive consolidation of the assets and liabilities of PSE with those of Puget Energy or its affiliates or subsidiaries.

7 Because of this proposed Commitment No. 8, PacifiCorp anticipates that this proceeding will address ring-fencing provisions proposed by Puget Holdings and PSE. As such, this proceeding may establish precedent relating to ownership structure, including ring-fencing provisions. PacifiCorp, as a result of its ownership structure, has a direct and substantial interest in these proceedings. On February 21, 2006, the Commission issued an order approving the joint application of MidAmerican Energy Holdings Company (“MEHC”) and PacifiCorp authorizing MEHC’s proposed purchase of PacifiCorp from Scottish Power.¹ The commitments made in support of the joint application by MEHC and PacifiCorp included extensive ring-fencing provisions intended to provide meaningful protection for the regulated utility from financial risks associated with it becoming part of a holding company structure.

8

Accordingly, PacifiCorp has a direct and substantial interest in the outcome of this proceeding and which cannot be adequately represented by any other party. Moreover, the Commission has found intervention by a public service company to intervene in an acquisition proceeding to be in the public interest where the intervenor had a substantial interest in the development of the Commission's merger policies and would be affected by conditions imposed by the Commission which pertained to its future operations.²

IV. PacifiCorp Does Not Intend to Broaden the Issues in this Proceeding

9

PacifiCorp's intervention in this proceeding will not broaden or unnecessarily complicate the Commission's consideration of the Proposed Transaction. As described above, PacifiCorp's interest in these proceedings is limited to those issues which may establish policy and precedent relating to ownership structure, including ring-fencing provisions. In addition, PacifiCorp's own experience with ring-fencing provisions may serve to assist the Commission in resolving issues relating to this topic.

¹ *In the Matter of the Joint Application of MidAmerican Energy Holdings Company and PacifiCorp, d/b/a Pacific Power & Light Company For an Order Authorizing Proposed Transaction*, Docket UE-051090, Order 07 (Feb. 22, 2006), as amended, Order 08 (Mar. 9, 2006).

² *In the Matter of the Proposal by Puget Sound Power & Light Company to Transfer Revenues from PRAM Rates to General Rates*, Docket UE-951270, *In the Matter of the Application of Puget Sound Power & Light Company and Washington Natural Gas Company for an Order Authorizing Merger*, Docket UE-960195 (consolidated) (Jul. 10, 1996).

V. PacifiCorp's Attorney Representative

10 PacifiCorp will be represented in this proceeding by Sarah E. Edmonds. All documents relating to these proceedings should also be served on PacifiCorp's attorneys at the following address:

Sarah E. Edmonds
Legal Counsel
PacifiCorp
825 NE Multnomah, Suite 1800
Portland, OR 97232
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Email:sarah.edmonds@pacificorp.com

11 A notice of appearance will be separately filed.

VI. Conclusion

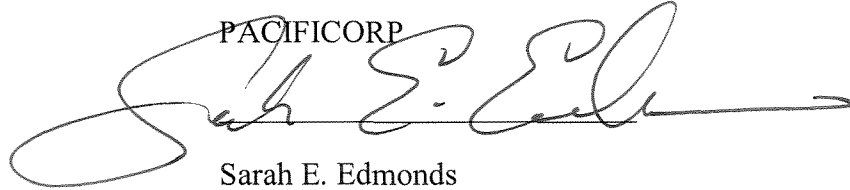
12 As described above, PacifiCorp has a direct and substantial interest in this proceeding that cannot be adequately represented by any other party, and may be affected by any Commission determination made in connection with this proceeding. Therefore, it is in the public interest to allow PacifiCorp to intervene in this proceeding.

WHEREFORE, PacifiCorp respectfully petitions the Commission for leave to intervene in this proceeding.

Dated in Portland, Oregon, this 8th day of January, 2008.

Respectfully submitted,

PACIFICORP

A handwritten signature in black ink, appearing to read "Sarah E. Edmonds", written over a horizontal line.

Sarah E. Edmonds
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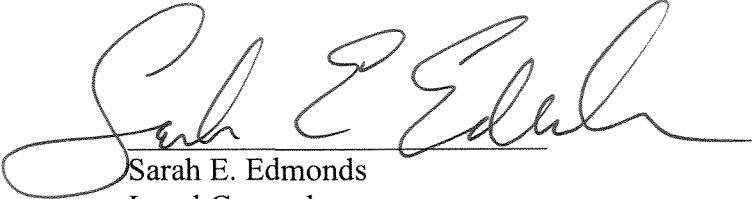
CERTIFICATE OF SERVICE

I certify that I have cause to be served the foregoing **PETITION FOR LEAVE TO INTERVENE** in WUTC Docket No. U-072375 by first class mail to the parties on the attached service list.

<p>TOM DEBOER DIRECTOR , RATES & REGULATORY AFFAIRS PUGET SOUND ENERGY (E012) PO BOX 97034, PSE-08N BELLEVUE WA 98009-9734 E-mail: tom.deboer@pse.com</p>	<p>CHRISTOPHER LESLIE PUGET HOLDINGS, LLC Representing Puget Holding, LLC 125 WEST 55TH STREET FL 22 NEW YORK NY 10019 E-mail: chris .leslie@macquarie.com</p>
<p>SHEREE CARSON PERKINS COIE Representing Joint counsel Applicants 10885 N.E. FOURTH STREET STE 700 BELLEVUE WA 98004-5579 E-mail: scarson@perkinscoie.com</p>	<p>JASON KUZMA PERKINS COIE L.L.P. Representing Joint counsel for Applicant 10885 N.E. FOURTH ST. STE 700 BELLEVUE WA 98004-5579 E-mail: JKuzma@perkinscoie.com</p>
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<p>THE KROGER CO. ATTN: CORPORATE ENERGY MANAGER (G09) 1014 VINE STREET CINCINNATI OH 45202 E-mail: dgeorge@kroger.com</p>	<p>NORMAN FURUTA ASSOCIATE COUNSEL DEPARTMENT OF THE NAVY Representing Federal Executive Agencies 1455 MARKET STREET STE 1744 SAN FRANCISCO CA 94103-1399 E-mail: norman.furuta@navy.mil</p>
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<p>SALLY BROWN ASSISTANT ATTORNEY GENERAL WUTC ATTORNEY GENERAL SECTION STATE MAIL STOP 40128 E-mail: sjohnston@wutc.wa.gov</p>	

DATED this 8th day of January, 2008.



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