



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

March 4, 2008

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

Re: Docket Number UE-070074, Petition for Accounting Order

Submitted via the Washington Utilities and Transportation Commission's Records Center Web Portal electronic-filing system and by US mail

Dear Ms. Washburn:

On February 28, 2007, under Docket Number UE-070074, the Washington Utilities and Transportation Commission ("the Commission") approved Puget Sound Energy, Inc.'s ("PSE" or "the Company") petition related to the accounting treatment of costs incurred by the Company for certain studies required by the Federal Energy Regulatory Commission ("FERC") under Title 18 of the Code of Federal Regulations, Part 12 Subpart B ("Part 12D"), Safety of Water Power Projects and Project Works, to maintain the Company's license for the Baker River hydro electric project. That petition was for actions recommended by FERC's Independent Consultant ("the Consultant") in the 2004 Part 12D report, which identified a number of actions to be completed by the Company.

The Commission, in its order, authorized PSE to defer a maximum amount of \$2.3 million in non-recurring regulatory study costs ultimately transferred from account 183 to account 182.2, and only for costs incurred between January 8, 2007, and December 31, 2007. As a result of the conclusions reached in the Probable Maximum Flood Study conducted in 2007, additional studies have been identified which will require additional time to complete. Additionally, FERC in January 2008, based on their review of previously submitted Part 12D structural studies, directed PSE to conduct additional structural studies as well.

The outcome of these studies may result in no action, further studies or significant capital expenditures. Per the attached, the Company herein submits this motion to the Commission to allow the Company to continue to defer in FERC Account 183 until December 31, 2010, the costs associated with the additional and remaining Part 12D studies required by FERC.

Upon notification that FERC requires no further actions as a result of the studies, these costs would then be amortized over five years in FERC Account 182.3, in accordance with the treatment provided such costs in the Commission's Order in Docket No. UE-070074 issued on February 28, 2007.

If you have any questions regarding this filing, please contact me at (425) 462-2797.

Sincerely,

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

Karl R. Karzmar
Director, Regulatory Relations

Enclosure