

**BEFORE THE WASHINGTON STATE
UTILITIES AND TRANSPORTATION COMMISSION**

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| In the Matter of the Petition of |) | DOCKET UE-070643 |
| |) | |
| |) | ORDER 01 |
| |) | |
| PUGET SOUND ENERGY, INC., |) | |
| |) | ORDER AUTHORIZING |
| |) | DETERMINATION THAT THE |
| Petitioner, |) | SKAGIT SERVICE CENTER AND |
| |) | PROPERTY IS NOT NECESSARY OR |
| |) | USEFUL AND ACCOUNTING |
| For Authorization to sell the Skagit |) | TREATMENT OF THE GAIN FROM |
| Service Center and property |) | SALE OF PROPERTY |
| |) | |

BACKGROUND

1 On April 3, 2007, Puget Sound Energy, Inc. (PSE or the Company), filed a petition seeking an Order under WAC 480-143-180 requesting determination that the Skagit Service Center and property is no longer necessary or useful. The Company will sell the service center and property to The State of Washington Department of Transportation (“State”). In the alternative, DOT is proposing to acquire, under threat of condemnation, approximately 155,162 square feet of the land for a proposed State Route interchange, making the remaining property and facilities unusable for PSE’s needs. The gain from the sale will be recorded in Federal Energy Regulatory Commission (FERC) Account 254 (Other Regulatory Liabilities), consistent with the FERC Uniform System of Accounts.

FINDINGS AND CONCLUSIONS

- 2 (1) The Washington Utilities and Transportation Commission is an agency of the State of Washington vested by statute with the authority to regulate rates, rules, regulations, practices, accounts, securities, and transfers of public service companies, including electric companies. *RCW 80.01.040, RCW 80.04, RCW 80.28, RCW 80.08 and RCW 80.12.*
- 3 (2) PSE is an electric company and is a public service company subject to the jurisdiction of the Commission.

- 4 (3) WAC 480-143-180 requires companies to file a petition with the Commission for determination that property is no longer necessary or useful prior to disposal of the property.
- 5 (4) Staff has reviewed the petition in Docket UE-070643, including related workpapers. Staff believes the proposed “used and useful” determination requested by PSE is reasonable and should be approved. Staff also believes the accounting treatment proposed by PSE is appropriate.
- 6 (5) This matter was brought before the Commission at its regularly scheduled meeting on April 27, 2007.
- 7 (6) After examination of the petition filed in Docket UE-070643 by PSE on April 3, 2007, and giving due consideration to all relevant matters and for good cause shown, the Commission finds that the Petition filed should be approved.

ORDER

THE COMMISSION ORDERS:

- 8 (1) Puget Sound Energy, Inc., request to have the Company’s Skagit Service Center and property deemed no longer necessary or useful is approved.
- 9 (2) The Company will defer the gain from the sale of the property in FERC Account 254 (Other Regulatory Liabilities), consistent with the FERC Uniform System of Accounts instruction, upon closing of the sale.
- 10 (3) This Order shall in no way affect the authority of this Commission over rates, services, accounts, evaluations, estimates, or determination of costs on any matters whatsoever that may come before it, nor shall anything herein be construed as an acquiescence in any estimate or determination of costs claimed or asserted.
- 11 (4) The Commission retains jurisdiction over the subject matter and Puget Sound Energy, Inc., to effectuate the provisions of this Order.

The Commissioners, having determined this Order to be consistent with the public interest, directed the Secretary to enter this Order.

DATED at Olympia, Washington, and effective April 27, 2007.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

CAROLE J. WASHBURN, Executive Secretary