

STATE OF WASHINGTON

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

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February 14, 2008

Duane Henderson, P.E. Director, Operations Services Puget Sound Energy PO Box 90868 MS: XRD-LL Bellevue, Washington 98009-0868

Dear Mr. Henderson:

Subject: Critical Bond Program (Docket Nos. UG-941394, PG-030080 and PG-030128)

Thank you for your letter dated January 31, 2008, notifying us of revisions made to the company's Critical Bond Program (Program) related to the removal of pipeline valves from the initial scope of work. We accept the revisions made to the Program and look forward to working with PSE in the development of a mutually acceptable plan for incorporating and establishing timeframes for completion of this element of the Program.

If we may be of further assistance or if you have any questions, please contact Scott Rukke at (360) 664-1241.

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Sincerely,

Carole J. Washburn Executive Secretary