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January 16, 2009

VIA WEB PORTAL AND OVERNIGHT MAIL

David Danner, Executive Director and Secretary
Washington Utilities and Transportation Commission
1300 Evergreen Park Drive, SW
Olympia, WA 98504

**Re: In re the Joint Application of Puget Holdings LLC and Puget Sound Energy, Inc.
Docket No. U-072375**

Dear Mr. Danner:

Pursuant to the First Condition of Order No. 08 issued by the Commission on December 30, 2008 in the above referenced docket, this letter serves to advise you that Puget Holdings LLC ("Puget Holdings") and Puget Sound Energy, Inc. ("PSE") accept each of the conditions set forth in Attachment B to Order No. 08.

Puget Holdings and PSE anticipate that the proposed transaction will close on or before February 6, 2009. Prior to closing, the Joint Applicants will file with the Commission: corporate bylaws of Puget Holdings, a form of notice to prospective lenders, and affidavits as required by Order No. 08.

If you have any questions, please contact either Sheree Carson at (425) 635-1422 or Jason Kuzma at (425) 635-1416.

Very truly yours,

Sheree S. Carson

SSC:ssc

cc: Service List in Docket No. U-072375

CERTIFICATE OF SERVICE

Docket No. U-072375

I hereby certify that I have this day served the foregoing, in accordance with WAC 480-07-150(6)(b), to the following persons via email and overnight mail:

<p><u>Attorneys for Commission Staff: (HC)</u> Donald T. Trotter Robert D. Cedarbaum 1400 S. Evergreen Park Dr. S.W. P.O. Box 40128 Olympia, WA 98504-0128 Phone: 360-664-1188 Fax: 360-586-5522 Email: bcedarba@utc.wa.gov dtrotter@utc.wa.gov</p>	<p><u>Attorneys for Public Counsel: (HC)</u> Simon J. ffitich Public Counsel Section Office of Attorney General 800 Fifth Avenue, Suite 2000 Seattle, WA 98104-3188 Phone: 206-464-7744 Fax: 206-389-2058 Email: simonf@atg.wa.gov</p>
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<p><u>Attorneys for Cogeneration Coalition of Washington: (C)</u> Michael P. Alcantar Donald Brookhyser Alcantar & Kahl LLP 1300 SW Fifth, Suite 1750 Portland, OR 97201 503-402-9900 (Phone) 503-402-8882 (Fax) mpa@a-klaw.com deb@a-klaw.com</p>	<p><u>Attorneys for NWECC: (HC)</u> Danielle Dixon, Senior Policy Associate David S. Johnson, Attorney NW Energy Coalition 811 1st Avenue, Suite 305 Seattle, WA 98104 Phone: (206) 621-0094 Fax: (206) 621-0097 Email: danielle@nwenergy.org david@nwenergy.org</p>
<p><u>NWIGU: (C)</u> Paula E. Pyron Executive Director Northwest Industrial Gas Users 4113 Wolf Berry Court Lake Oswego, OR 97035-1827 Phone: (503) 636-2580 Fax: (503) 636-0703 Email: ppyron@nwigu.org</p>	

Dated at Bellevue, Washington, this 16th day of January, 2009.



Cindy Main