

March 29, 2002

Ms. Carole J. Washburn, Executive Secretary
Washington Utilities and Transportation Commission
P.O. Box 47250
Olympia, Washington 98504-7250

Re: Docket Nos. UE-011570 and UE-011571
Compliance Filing
Advice No. 2002-08

Dear Ms. Washburn:

Pursuant to RCW 80.28.060 and WAC 480-80-040 and WAC 480-80-050, enclosed are an original and three copies of the following revised tariff sheets:

WN U-60, Tariff G - (Electric Tariff):

Original Sheet No. 119 - Schedule 119 Capital Structure Tracker Rate Adjustment
Original Sheet No. 119-a - Schedule 119 Capital Structure Tracker Rate Adjustment (Continued)

The purpose of this filing is to comply with the Commission's Ninth Supplemental Order: Rejecting Tariff Filing; Approving And Adopting Settlement Stipulation; Authorizing And Requiring Compliance Filing in Docket Nos. UE-011570 and UE-011571.

The enclosed tariff sheets reflect an issue date of March 29, 2002, and an effective date of April 1, 2002, by authority of the Washington Utilities and Transportation Commission in Docket Nos. UE-011570 and UE-011571.

Very truly yours,

Steve Secrist
Director, Rates and Regulation

Encl.

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Ms. Carole J. Washburn, Executive Secretary

March 28, 2002

cc: Simon J. ffitch

Mark Quehrn

Service List

PUGET SOUND ENERGY
Electric Tariff G

SCHEDULE 119
CAPITAL STRUCTURE TRACKER RATE ADJUSTMENT

(N)

1. PURPOSE:

The purpose of this schedule is to establish a mechanism to both verify and enforce the Company's obligation to achieve a specific equity capital ratio and to adjust rates if the Company fails to attain specific equity ratios in its capital structure, as required by the Settlement Stipulation in Docket Nos. UE-011570 and UG-011571, and as required in the 9th Supplemental Order accepting said Settlement Stipulation in those dockets.

2. MINIMUM CAPITAL STRUCTURE TARGETS

The following equity capital structure ratios, measured by year-end financial statements, will be applied for purposes of this tariff:

December 31, 2003, Minimum Equity Ratio:	34%
December 31, 2004, Minimum Equity Ratio:	36%
December 31, 2005, Minimum Equity Ratio:	39%
December 31 of Subsequent Years:	39%

3. DETERMINATION OF WHETHER RATE ADJUSTMENT APPLIES

No later than two days following the Company's release of Puget Sound Energy, Inc.'s, 10K filing with the SEC, the Company will provide such statements to the Commission, together with a calculation of the actual equity ratio reflected in the 10K as defined below. The actual equity ratio for comparison with the Minimum Capital Structure Targets defined in the section above will be calculated as follows: common equity will be divided by the sum of total capitalization and current liabilities consisting of short-term debt and current maturities of long-term debt. The terms used in the preceding calculation shall be as defined in the PSE 2001 10K.

The following provides a sample calculation based upon the Company's 2001 10K:

Common Equity	\$1,267,654,000
Total Capitalization	\$3,732,131,000
Current Maturity LT Debt	\$117,000,000
Short-Term Debt	<u>\$ 338,168,000</u>
Total:	\$4,187,299,000

Actual Equity Ratio Per Settlement Stipulation as of 12/31/2001: 30.3 %

(N)

Issued: March 29, 2002

Effective: April 1, 2002

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By Authority of the WA Utilities and Transportation Commission in Docket Nos. UE-011570 & UG-011571

Issued By Puget Sound Energy

By: _____



Steve Secrist

Director, Rates & Regulation

**PUGET SOUND ENERGY
Electric Tariff G**

**SCHEDULE 119
CAPITAL STRUCTURE TRACKER RATE ADJUSTMENT
(Continued)**

(N)

If the actual equity ratio so calculated is less than the Target Minimum Equity Ratios defined above, the rate adjustment, described below, will be applied on April 1 of that year. If a rate adjustment is required pursuant to this tariff, the Company will file a statement with the Commission confirming the date and amount by which customer bills have been adjusted to reflect the rate change.

4. RATE ADJUSTMENT

If a rate adjustment is applicable according to the Determination of Whether Rate Adjustment Applies section above, the Company's general rates for electric service shall be reduced by 2% on April 1 of that year and shall remain in effect for a full calendar year. This reduction shall be reflected in the energy, customer, basic, demand, and reactive energy charges as applicable for the following rate schedules: 7, 24, 25, 26, 29, 31, 35, 43, 46, 49, 50, 52, 53, 54, 55, 56, 57, 58, 59, 307, 324, 325, 326, 331, 448, 449, except that for under Schedules 448 and 449, the rate adjustment will not apply to energy or imbalance energy credit or surcharge rates. The actual adjustments per rate element per rate schedule will be set forth in a table below upon Commission approval of final rates in Docket No. UE-011571.

If the Company's 10K filing is delayed so as to prevent an April 1 rate adjustment, any rate adjustment required by the "Determination of Whether Rate Adjustment Applies" section of this tariff will be in effect for a full calendar year.

5. TABLE OF RATE ADJUSTMENTS PER SCHEDULE


(N)

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Director, Rates & Regulation