



November 21, 2012

Mr. David Danner, Secretary
Washington Utilities and Transportation Commission
PO Box 47250
Olympia, WA 98504-7250

Re: Planned Transaction - New \$1.0 billion Credit Facilities

Dear Mr. Danner:

Puget Sound Energy (the "Company" or "PSE") furnishes the following information, in compliance with RCW 80.08.040, (1), (2) and (3), with respect to two new 5-year credit facilities totaling \$1 billion.

At present, PSE has credit facilities totaling \$1.15 billion, consisting of a \$400 million capital expenditure facility, a \$400 million working cap facility and a \$350 million hedging facility, all expiring Feb 6, 2014. At their meeting on November 2, 2012, the PSE Board of Directors authorized management to negotiate and enter into new replacement credit facilities totaling \$1.0 billion. The new \$1 billion credit facility will consist of a \$650 million liquidity facility for general corporate purposes and a \$350 million hedging facility.

In Dockets UE-060266 and UG-060267 (consolidated), the Company requested, and was granted, approval to recover costs of a separate credit facility to support its hedging activities through the PGA and PCA mechanisms. As described above, the new \$1 billion credit facility will include a new \$350 million hedging facility to support PSE's hedging activities.

The following documents are attached in support of this filing:

Attachment A - One page summary describing the planned transaction, provided to the Board of Directors at the November 2, 2012 board meeting.

Attachment B - Minutes of the November 2, 2012 Board of Directors meeting authorizing the Company to proceed with the planned transaction.

Attachment C - Indicative term sheet for the new \$1 billion facility

Attachment C has been marked confidential and is proprietary in nature as certain components contain commercially sensitive information. Accordingly, with regard to the contents, the Company claims confidentiality and protection from inspection or copying under WAC 480-07-160. We further understand that, prior to any release of this material, the Company will be notified in order to allow the Company to invoke any and all statutory procedures for securing a court order protecting the materials as proprietary and confidential.

As required by WAC 480-07-160, the Company identifies itself and its shareholders as the entities that might be directly affected by disclosure of the confidential information. Also, conforming to WAC 480-

07-160, the confidential pages submitted herewith have been sealed in an envelope clearly marked "confidential per WAC 480-07-160", and each page of the filing containing confidential information has been so marked.

The new credit facilities are in the public interest inasmuch as they allow the Company to: 1) access short-term borrowings and provide letters of credit on reasonable terms to fund its public service obligations, 2) provide collateral to support the Company's hedging activities, if and when needed, to reduce commodity cost volatility and 3) replace the existing facilities, which mature in one year, with new facilities that will expire in five years from the closing date.

The Company, having provided herewith all information and statements required by subsections (1), (2), and (3) of RCW 80.08.040, does NOT request an order affirming that it has complied with such requirements as part of these planned securities transactions.

Thank you for your assistance.

Sincerely,

PUGET SOUND ENERGY

By 

Donald E. Gaines

Vice President Finance & Treasurer

Attachments

cc: Simon ffitc