



Sheree Strom Carson
PHONE (425) 635-1422
FAX (425) 635-2422
EMAIL SCarson@perkinscoie.com

The PSE Building
10885 N.E. Fourth Street, Suite 700
Bellevue, WA 98004-5579
PHONE: 425.635.1400
FAX: 425.635.2400
www.perkinscoie.com

September 1, 2011

VIA WEB PORTAL AND OVERNIGHT MAIL

Mr. David Danner
Executive Director and Secretary
Washington Utilities and Transportation Commission
1300 S. Evergreen Park Drive SW
Olympia, Washington 98504-0128

**Re: Puget Sound Energy, Inc. 2011 General Rate Case, Supplemental Filing
Docket Nos. UE-111048 and UG-111049**

Dear Mr. Danner:

Enclosed please find the original and eighteen (18) copies of Puget Sound Energy, Inc's ("PSE") supplemental testimony updating power costs. Specifically, we are providing the following:

- Prefiled Supplemental Direct Testimony of John H. Story, Exhibit No. ___(JHS-11T) and Exhibit No. ___(JHS-12) through Exhibit No. ___(JHS-17); and
- Prefiled Supplemental Direct Testimony of David E. Mills, Exhibit No. ___(DEM-8T) and Exhibit No. ___(DEM-9) through Exhibit No. ___(DEM-10C).

We have enclosed three copies of the work papers for David Mills and John Story. We have also enclosed CD ROMs with electronic copies of these materials.

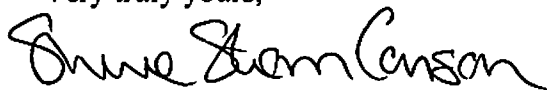
PSE does not intend to file optional supplemental testimony on the topic of the effect that PSE-sponsored energy efficiency has on its ability to recover its fixed costs, or optional supplemental testimony on decoupling as provided for in the Procedural Schedule, Appendix B to the Prehearing Conference Order. For the reasons discussed in the prefiled testimony, PSE continues to believe that its Conservation Savings Adjustment Rate proposals are consistent with the Commission's Report and Policy Statement on Regulatory Mechanisms, Including Decoupling, to Encourage Utilities to Meet or Exceed Their Conservation Targets and are the appropriate mechanisms for PSE at this time.

07771-0185/LEGAL21636059.1

Mr. David Danner
September 1, 2011
Page 2

If you have any questions, please contact either Sheree Strom Carson at (425) 635-1422 or Donna Barnett at (425) 635-1419.

Very truly yours,


Sheree Strom Carson

SSC:cgm
Enclosures
cc: Service List