

[Service Date February 5, 2009]

February 5, 2009

*RE: In re the Joint Application of Puget Holdings LLC and Puget Sound Energy, Inc.,  
Docket U-072375*

TO ALL PARTIES:

The Commission entered its Order 08, Final Order Approving and Adopting Settlement Stipulation; Authorizing Transaction Subject to Conditions in Docket U-072375 on December 30, 2008. The order, among other things, approved and adopted subject to conditions a Settlement Stipulation proposed by all parties except Public Counsel, and authorized Puget Holdings LLC (Puget Holdings) to acquire Puget Energy, Inc. (Puget Energy), and its wholly-owned subsidiary Puget Sound Energy, Inc. (PSE). Order 08 required by its terms that Puget Holdings and PSE make certain compliance filings prior to closing the transaction, including filing new tariff sheets to implement rate credits for PSE's customers. The order authorized the Commission's Executive Director and Secretary to approve the required compliance filings, by letter, if they complied with the terms of the order.

On February 3, 2009, Puget Holdings and PSE filed revised tariff sheets and other documents required by Order 08. A list of the tariff sheets and other filings is attached to this letter. The Commission has examined the filings and it appears the applicants have fully complied with the terms of the order.

Therefore, pursuant to terms of the Commission's Order 08 in this proceeding, the tariff sheets indicated on the attachment to this letter will become effective as filed with an effective date of February 13, 2009, and the other filings are accepted as fulfilling the requirements of Order 08.

Sincerely,

DAVID W. DANNER  
Executive Director and Secretary

Attachment

**Attachment**

Re: *In re the Joint Application of Puget Holdings LLC and Puget Sound Energy, Inc.*,  
Docket U-072375

**TARIFF SHEETS FILED IN COMPLIANCE WITH THE COMMISSION'S  
ORDER 08 IN DOCKET U-072375**

**WN U-60, Electric Tariff:**

|               |             |   |
|---------------|-------------|---|
| 36th Revision | Sheet 2-a   | Index (Continued)                             |
| Original      | Sheet 132   | Schedule 132 – Merger Rate Credit             |
| Original      | Sheet 132-a | Schedule 132 – Merger Rate Credit (Continued) |
| Original      | Sheet 132-b | Schedule 132 – Merger Rate Credit (Continued) |
| Original      | Sheet 132-c | Schedule 132 – Merger Rate Credit (Continued) |
| Original      | Sheet 132-d | Schedule 132 – Merger Rate Credit (Continued) |
| Original      | Sheet 132-e | Schedule 132 – Merger Rate Credit (Continued) |
| Original      | Sheet 132-f | Schedule 132 – Merger Rate Credit (Continued) |

**WN U-2, Natural Gas Tariff:**

|               |              |   |
|---------------|--------------|---|
| 30th Revision | Sheet 4      | Natural Gas Tariff Index (Continued)          |
| 13th Revision | Sheet 5      | Natural Gas Tariff Index (Continued)          |
| Original      | Sheet 1132   | Schedule 132 – Merger Rate Credit             |
| Original      | Sheet 1132-A | Schedule 132 – Merger Rate Credit (Continued) |

**“COMMITMENTS” FILED IN COMPLIANCE WITH THE COMMISSION’S  
ORDER 08 IN DOCKET U-072375**

- (1) **Affidavit of Christopher J. Leslie on behalf of Puget Holdings (Attachment C to the applicant’s filing letter).**

This affidavit complies with the Commission’s Second Condition. It affirms that the capital expenditure credit facilities described in Commitment 3 have been secured on terms substantively identical to the credit agreement in Exhibit 424.

- (2) **Affidavit of Christopher J. Leslie on behalf of Puget Holdings (Attachment D to the filing letter), and Affidavit of Stephen P. Reynolds on behalf of Puget Energy, Inc. (“Puget Energy”) (Attachment E to the applicant’s filing letter).**

These affidavits comply with the Commission’s Third Condition: 1) Mr. Leslie’s affidavit affirms that neither Puget Holdings, nor any of its subsidiaries, will seek to include PSE in a bankruptcy proceeding without the unanimous consent of PSE’s board of directors including PSE’s independent director; and 2) Mr. Reynolds’ affidavit makes the same affirmation for PSE and its subsidiaries.

- (3) **A form of notice to prospective lenders regarding the ring-fencing provisions included in Commitment Nos. 8, 9, 10, 24, 35, 36, 37, 39, and 40 (Attachment F to the applicant’s filing letter).**

This form of notice complies with Commitment 26, as clarified by the Commission in Attachment B to Order 08. The proposed notice states that the ring-fencing provisions in Commitment Nos. 8, 9, 10, 24, 35, 36, 37, 39, and 40 provide no recourse to PSE assets as collateral or security for debt issued by Puget Energy or Puget Holdings, and that any change in control of Puget Holdings or change in ownership of ten percent or more of Puget Holdings, including lenders taking equity interest, requires Commission approval.

- (4) **The final Limited Liability Company Agreement of Puget Holdings (the “LLC Agreement”) (Attachment G to the applicant’s filing letter) (Confidential).**

This filing complies with the Commission’s Fifth Condition. It requires Puget Holdings to file a copy of its final Corporate Bylaws prior to closing, with the governance being on terms substantively the same as presented in Exhibit 63HC, including an Independent Manager as clarified in Exhibit 408. As an LLC, Puget Holdings literally does not have “bylaws,” it has filed the functional equivalent: a Limited Liability Company Agreement. The governance provisions are contained in Article IV, which appears to be substantively the same as Exhibit 63HC, including the Independent Manager clarified in Exhibit 408.

- (5) **Affidavit of Christopher J. Leslie on behalf of Puget Holdings (Attachment H to the applicant's filing letter).**

This affidavit complies with the Commission's Eleventh Condition. It affirms that Puget Holdings will submit to the jurisdiction of Washington state courts for enforcement of the Commission's orders adopting the Commitments and all subsequent orders affecting PSE.