



PUGET SOUND ENERGY

The Energy To Do Great Things

Puget Sound Energy
P.O. Box 97034
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PSE.com

STATE OF WASHINGTON
UTILITY AND TRANSPORTATION
COMMISSION
2012 FEB 21 AM 9:45

February 23, 2012

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

**Re: Docket No. U-072375
Annual Certificate Pursuant to Commitment Number 35 of Appendix A
to the Multiparty Settlement Stipulation**

Dear Mr. Danner:

Puget Sound Energy, Inc. ("PSE") and Puget Holdings LLC hereby submit to the Washington Utilities and Transportation Commission an original and twelve copies of an executed Certificate of Compliance for 2012 (the "Certificate") certifying that neither Puget Holdings, LLC nor Puget Sound Energy, Inc. is prohibited from undertaking the transactions described in Commitment 35. The Certificate is provided to satisfy Commitment 35(ii) in Appendix A to the Multiparty Settlement Stipulation as approved in Order No. 08 in Docket No. U-072375.

If you have any questions about the Certificate or require further information, please call me at (425) 462-3495.

Sincerely,

Tom DeBoer
Director, Federal & State Regulatory Affairs

Enclosure
cc: Service List U-072375


CERTIFICATE OF SERVICE

Docket No. U-072375

I hereby certify that I have this day served the foregoing to the following parties via first-class U.S. mail:

<u>Attorneys for Commission Staff: (HC)</u> Robert D. Cedarbaum Donald T. Trotter 1400 S. Evergreen Park Dr. S.W. P.O. Box 40128 Olympia, WA 98504-0128	<u>Attorneys for Public Counsel: (HC)</u> Simon J. ffitc Public Counsel Section Office of Attorney General 800 Fifth Avenue, Suite 2000 Seattle, WA 98104-3188
<u>Attorneys for ICNU: (C)</u> Melinda J. Davison Davison Van Cleve PC 333 SW Taylor, Ste 400 Portland, OR 97204	<u>Attorneys for NWIGU: (C)</u> Chad Stokes & Tommy Brooks Cable Huston Benedict Haagensen & Lloyd LLP 1001 SW Fifth Avenue, Suite 2000 Portland, OR 97204-1136
<u>Attorneys for Kroger: (P)</u> Mike Kurtz & Kurt Boehm Boehm, Kurtz and Lowry 36 East Seventh St., Suite 1510 Cincinnati, OH 45202	<u>Attorneys for Energy Project: (C)</u> Ronald L. Roseman Attorney at Law 2011 – 14th Avenue East Seattle, WA 98112
<u>Attorneys for FEA: (P)</u> Scott Johansen, Associate Counsel Department of the Navy 1220 Pacific Highway San Diego, CA. 92132	<u>Attorneys for FEA: (P)</u> Norman Furuta, Associate Counsel Department of the Navy 1455 Market Street, Suite 1744 San Francisco, CA. 94103-1399
<u>Attorneys for Cogeneration Coalition of Washington: (C)</u> Donald Brookhyser & Michael P. Alcantar Alcantar & Kahl LLP 1300 SW Fifth, Suite 1750 Portland, OR 97201	<u>Attorneys for NWEC: (HC)</u> Danielle Dixon & David S. Johnson NW Energy Coalition 811 1st Avenue, Suite 305 Seattle, WA 98104
<u>Company Representative for NWIGU: (C)</u> Paula E. Pyron, Executive Director Northwest Industrial Gas Users 4113 Wolf Berry Court Lake Oswego, OR 97035-1827	

Dated at Bellevue, Washington, this 23rd day of February, 2012.



Chris Schaefer
Manager, Regulatory Planning & Compliance
Puget Sound Energy, Inc.

**COMPLIANCE CERTIFICATE OF PUGET HOLDINGS, LLC
and
PUGET SOUND ENERGY, INC.
for calendar year 2012**

In compliance with the Multiparty Settlement in WUTC Docket No. U-072375, Attachment B, Commitment 35, this is to certify that neither Puget Holdings, LLC nor Puget Sound Energy, Inc. is prohibited from undertaking the transactions described in Commitment 35.

35. Joint Applicants commit that as of the closing of the transaction (or within sixty (60) days thereof), PSE will have a common equity ratio of not less than 50 percent. Joint Applicants commit that at all times thereafter, PSE will have a common equity ratio of not less than 44 percent, except to the extent a lower equity ratio is established for ratemaking purposes by the Commission. Joint Applicants represent that Puget Holdings is not prohibited from issuing new equity to third parties. Joint Applicants will not amend the LLC Agreement or other transaction documents to prohibit Puget Holdings from issuing new equity to third parties (including public markets). The transaction documents also permit PSE to issue certain hybrid securities to third parties (including public markets) and Puget Holdings. If Puget Holdings makes a new equity issuance for the purpose of (i) contributing the proceeds thereof (through its relevant subsidiaries) to Puget Energy or PSE, or (ii) applying the proceeds thereof toward the purchase from PSE of hybrid securities that are permitted to be issued under the transaction documents, the proceeds of any such new equity issuances by Puget Holdings shall be used for such purpose. **Joint Applicants will provide an annual certificate of an officer of Puget Holdings certifying that neither Puget Holdings nor PSE is prohibited from undertaking the transactions described above.**

[emphasis added]

Dated this 21st day of February, 2012.

PUGET HOLDINGS, LLC

By: 

Donald E. Gaines
Vice President Finance & Treasurer and
Principal Financial Officer