



Puget Sound Energy, Inc.
P.O. Box 97034
Bellevue, WA 98009-9734

September 30, 2008

VIA E-MAIL

Ms. Michelle Manary, PFE-6
Bonneville Power Administration
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Portland, OR 97208-3621
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Re: Puget Sound Energy, Inc.'s Filing of FY 2009 ASC Appendix 1 and Related Materials

Dear Ms. Manary:

Pursuant to the Residential Exchange Program ("REP") under section 5(c) of the Pacific Northwest Electric Power Planning and Conservation Act ("Northwest Power Act"), Puget Sound Energy, Inc. ("PSE") hereby submits to BPA for filing its initial Average System Cost ("ASC") Appendix 1 for the initial Exchange Period, FY 2009.

The initial ASC filing of PSE for Fiscal Year ("FY") 2009 will be used in calculation of PSE's ASC under the REP for FY 2009, which begins October 1, 2008. For the October 1 ASC filing, BPA has required PSE to submit:

1. Appendix 1 using the 2008 ASCM Appendix 1 Template
2. ASC Forecast Model
3. Utility Specific NLSL Model
4. NLSL Data and Procedures
5. Utility Specific Price Spread
6. Chief Financial Officer Attestation
7. Exchange Load Forecast

This initial Appendix 1 filing uses BPA's Excel models for FY 2009 and calculates PSE's base year ASC using 2006 FERC Form 1 data and BPA's 2008 Average System Cost Methodology ("ASCM").

The ASC Forecast Model uses BPA's Excel model (BPA's ASC Forecast Model Master, which includes BPA's forecast of market prices) to calculate the FY 2009 ASC. Included in the ASC Forecast Model is certain new resource data provided by PSE, some of which

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PSE is submitting as confidential. Accordingly PSE is submitting two versions of the ASC Forecast Model. The first version includes confidential new resource data on the New Resource tab in the ASC Forecast Model, and the second version includes only non-confidential data.

Attached as Attachment A is the FY 2009 Appendix 1 filing for PSE using the 2008 ASCM Appendix 1 Template. Attached as Attachment B1 is the FY 2009 ASC Forecast Model that includes confidential new resource data on the New Resource tab in the ASC Forecast Model. Attached as Attachment B2 is the FY 2009 ASC Forecast Model that includes only non-confidential data. Attached as Attachment C is the Utility Specific NLSL model. Attached as Attachment D1 is PSE's NLSL data. Attached as Attachment D2 is PSE's NLSL Procedures. Attached as Attachment E is the Utility Specific Price Spread. Attached as Attachment F is the Chief Financial Officer Attestation. Attached as Attachment G is the Exchange Load forecast. Also included are related workpapers.

PSE submits Attachment B1 to this letter pursuant to (i) exemption 4 of the Freedom of Information Act, 5 U.S.C. § 552(b)(4), relating to privileged or confidential commercial or financial information and (ii) BPA's customer letter and its accompanying enclosure dated March 20, 2008, and titled, "Guidelines for Submitting Confidential and Proprietary Information in Bonneville Power Administration Average System Cost Filing Reviews", which relates to privileged or confidential commercial information. For purposes of convenience, PSE submits two versions of Attachment B – a confidential version (Attachment B1) that includes privileged or confidential commercial or financial information and a public version (Attachment B2) with the privileged or confidential commercial or financial information redacted.

PSE has included in this filing the utility-specific NLSL model for PSE provided by BPA. PSE notes that most if not all the data in this model was selected and input into the model by BPA.

By return e-mail, please confirm BPA's receipt of PSE's FY 2009 ASC Appendix 1 filing.

Sincerely,



Puget Sound Energy, Inc.

By Sara J. Johnson

Title Regulatory Policy Analyst