

On October 5, 2007, PSE submitted a filing under section 205 of the Federal Power Act, (Docket No. ER08-28). In that filing, as set forth in Order No. 890, PSE proposed to add provisions its OATT for unreserved use penalties. On December 4, 2007 the Commission accepted in part and rejected in part PSE's proposed revisions. As directed by FERC, PSE submitted a compliance filing on January 3, 2008 to address FERC's findings. PSE's January 3, 2008 compliance filing has not yet been approved by FERC.

Therefore, the assessment of any unreserved use penalties to any Transmission Customer will be delayed until the compliance filing has been reviewed by FERC and the proper unreserved use penalty rate is determined. In the interim, any unreserved use incurred by the Transmission Customer will be recorded by PSE and any penalties for such unreserved use will be assessed when the rate is approved. There will be no additional penalties to the Transmission Customer due to any resulting delay in billing for any unreserved use .