



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

Jason T. Kuzma
PHONE: (425) 635-1416
FAX: (425) 635-2416
EMAIL: Jkuzma@perkinscoie.com

August 18, 2008

VIA ELECTRONIC FILING

The Honorable Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426

**Re: Puget Sound Energy, Inc.,
Compliance Filing in Docket No. OA07-52**

Dear Secretary Bose:

Pursuant to section 206 of the Federal Power Act,¹ Order No. 890, *et al.*,² and the order of the Federal Energy Regulatory Commission (“Commission”) in *Puget Sound Energy, Inc.*, 123 FERC ¶ 61,026 (Apr. 10, 2008) (the “April 10 Order”), Puget Sound Energy, Inc. (“PSE”) hereby tenders for filing revised tariff sheets to PSE’s Open Access Transmission Tariff (“OATT”) to comply with such April 10 Order and reflect the Commission’s Order No. 890 rollover reforms. PSE designates the enclosed revisions as FERC Electric Tariff Eighth Revised Volume No. 7, Third Revised Sheet No. 23 and Fourth Revised Sheet No. 24. PSE respectfully requests the revised tariff sheets be accepted for filing, effective August 18, 2008.

A. Contents of Filing

PSE respectfully tenders for filing the following documents:

1. This transmittal letter;

¹ 16 U.S.C. § 824e (2000).

² *Preventing Undue Discrimination and Preference in Transmission Service*, Order No. 890, 72 Fed. Reg. 12,266 (Mar. 15, 2007), FERC Stats. & Regs. ¶ 31,241 (2007), *order on reh’g*, Order No. 890-A, 73 Fed. Reg. 2,984 (Jan. 16, 2008), FERC Stats. & Regs. ¶ 31,261 (2007), *order on reh’g*, Order No. 890-B, 73 Fed. Reg. 39092 (July 8, 2008), 123 FERC ¶ 61,299 (2008).

2. Attachment A, a clean copy of PSE's FERC Electric Tariff Eighth Revised Volume No. 7, Third Revised Sheet No. 23 and Fourth Revised Sheet No. 24; and
3. Attachment B, a redline copy of PSE's FERC Electric Tariff Eighth Revised Volume No. 7, Third Revised Sheet No. 23 and Fourth Revised Sheet No. 24.

B. Description and Basis for this Filing

In Order No. 890, the Commission established a series of compliance deadlines to implement the reforms adopted in Order No. 890. Transmission providers, such as PSE, that have not been approved as independent system operators (ISO) or regional transmission organizations (RTO), and whose transmission facilities are not under the control of an ISO or RTO, were directed to submit, within 120 days from publication of Order No. 890 in the *Federal Register* (i.e., July 13, 2007), section 206 compliance filings that conform the non-rate terms and conditions of their OATTs to those of the *pro forma* OATT, as reformed in Order No. 890.³

On July 13, 2007, pursuant to section 206 of the Federal Power Act, PSE submitted its compliance filing as required by Order No. 890. In such compliance filing, PSE proposed certain revisions to its OATT as directed or permitted by the terms of Order No. 890, including, among other things, changes to section 2.2 of the OATT regarding rollover rights.⁴

In the April 10 Order, the Commission addressed, in relevant part, PSE's Order No. 890 compliance filing made in Docket No. OA07-52. In the April 10 Order, the Commission stated the following with respect to the Order No. 890 rollover reforms in section 2.2 of OATT:

PSE has included the rollover reforms in section 2.2 of its revised tariff sheets, with a requested effective date of July 13, 2007. However, PSE's Attachment K setting forth its transmission planning process, which was filed December 7, 2007 in Docket No. OA08-26-000, has not yet been accepted. This is contrary to Order No. 890's requirement that rollover reforms are not to become effective until after a transmission provider's Attachment K is accepted. Therefore, we direct PSE to file, within 30 days of the date of this order, a revised tariff sheet that reflects the previous language of section 2.2. PSE should re-file the rollover reform language established in Order No. 890 within 30 days after acceptance of

³ The original 60-day compliance deadline provided for in Order No. 890 was extended by the Commission in a subsequent order. See *Preventing Undue Discrimination and Preference in Transmission Service*, 119 FERC ¶ 61,037 (2007).

⁴ Docket No. OA07-52, "Puget Sound Energy, Inc. Compliance Filing," July 13, 2007.

The Honorable Kimberly D. Bose
August 18, 2008
Page 3

its Attachment K, requesting an effective date commensurate with the date of that filing.

April 10 Order at ¶ 40. Based on the Commission's April 10 Order, PSE revised its OATT to reflect the pre-Order No. 890 rollover language in its compliance filing, dated May 12, 2008, in Docket No. OA07-52.

PSE's Attachment K was accepted by the Commission in a July 17, 2008 Order in Docket No. OA08-26, *et al.*⁵ Accordingly, PSE submits the instant filing to reflect the Order No. 890 rollover reform language in section 2.2 of the PSE OATT. PSE notes that the language proposed includes the Commission's most recent changes adopted in Order No. 890-A and Order No. 890-B.⁶

C. Proposed Designation of Tariff Changes

In accordance with the Commission's Order No. 614, *Designation of Electric Rate Schedule Sheets*, Order No. 614, 65 Fed. Reg. 18,221 (Apr. 7, 2000), FERC Stats. & Regs. ¶ 31,096 (2000), PSE has designated the enclosed revisions to PSE's OATT as FERC Electric Tariff Eighth Revised Volume No. 7, Third Revised Sheet No. 23 and Fourth Revised Sheet No. 24.

D. Persons Served

PSE has served this submittal of August 18, 2008, upon each of the persons designated on the official service list compiled by the Secretary in this proceeding.

E. Effective Date

The April 10 Order states that "PSE should re-file the rollover reform language established in Order No. 890 within 30 days after acceptance of its Attachment K, requesting an effective date commensurate with the date of that filing." April 10 Order at ¶ 40. Consistent with such April 10 Order, PSE has indicated an effective date of August 18, 2008, on the enclosed tariff sheets.

F. Conclusion

For the reasons set forth above, PSE respectfully requests that the Commission accept the enclosed revisions to PSE's OATT for filing with an effective date of August 18, 2008.

⁵ *United States Department of Energy – Bonneville Power Administration, et al.*, 124 FERC ¶ 61,054 (July 17, 2008).

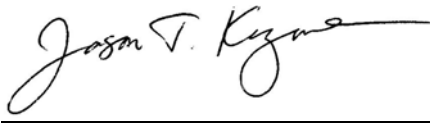
⁶⁶ Order No. 890-A at ¶¶ 632-695; Order No. 890-B at ¶¶ 148-154.

The Honorable Kimberly D. Bose
August 18, 2008
Page 4

Thank you for your consideration of the documents submitted herewith.

Respectfully submitted,

PERKINS COIE LLP

By: 

Donald G. Kari
Jason Kuzma
Perkins Coie LLP
The PSE Building
10885 NE 4th Street, Suite 700
Bellevue, WA 98004
Telephone: (425) 635-1416
Facsimile: (425) 635-2416
Email: dkari@perkinscoie.com
jkuzma@perkinscoie.com

Attorneys for Puget Sound Energy, Inc.

Attachment A

May 13, 1997, will be deemed to have been filed simultaneously. A lottery system conducted by an independent party shall be used to assign priorities for Completed Applications filed simultaneously. All Completed Applications for firm transmission service received after the initial sixty (60) day period shall be assigned a priority pursuant to Section 13.2.

2.2 Reservation Priority For Existing Firm Service Customers

Existing firm service customers (wholesale requirements and transmission-only, with a contract term of five years or more), have the right to continue to take transmission service from the Transmission Provider when the contract expires, rolls over or is renewed. This transmission reservation priority is independent of whether the existing customer continues to purchase capacity and energy from the Transmission Provider or elects to purchase capacity and energy from another supplier. If at the end of the contract term, the Transmission Provider's Transmission System cannot accommodate all of the requests for transmission service, the existing firm service customer must agree to accept a contract term at least equal to the longest competing request by any new Eligible Customer and to pay the current just and reasonable rate, as approved by the Commission, for such service; provided that, the firm service customers shall have a right of first refusal at the end of such service only if the new contract is for five years or more. The existing firm service customer must provide notice to the Transmission Provider whether it will exercise its right of first refusal no less than one year prior to the expiration date of its transmission service agreement.

end of all firm contract terms of five years or longer. Service agreements subject to a right of first refusal entered into prior to August 18, 2008 or associated with a transmission service request received prior to July 13, 2007, unless terminated, will become subject to the five year/one year requirement on the first rollover date after August 18, 2008; provided that, the one-year notice requirement shall apply to such service agreements with five years or more left in their terms as of August 18, 2008.

3 Ancillary Services

Ancillary Services are needed with transmission service to maintain reliability within and among the Control Areas affected by the transmission service. The Transmission Provider is required to provide (or offer to arrange with the local Control Area operator as discussed below), and the Transmission Customer is required to purchase, the following Ancillary Services (i) Scheduling, System Control and Dispatch, and (ii) Reactive Supply and Voltage Control from Generation or Other Sources.

Attachment B

May 13, 1997, will be deemed to have been filed simultaneously. A lottery system conducted by an independent party shall be used to assign priorities for Completed Applications filed simultaneously. All Completed Applications for firm transmission service received after the initial sixty (60) day period shall be assigned a priority pursuant to Section 13.2.

2.2 Reservation Priority For Existing Firm Service Customers

Existing firm service customers (wholesale requirements and transmission-only, with a contract term of ~~one~~^{five} years or more), have the right to continue to take transmission service from the Transmission Provider when the contract expires, rolls over or is renewed. This transmission reservation priority is independent of whether the existing customer continues to purchase capacity and energy from the Transmission Provider or elects to purchase capacity and energy from another supplier. If at the end of the contract term, the Transmission Provider's Transmission System cannot accommodate all of the requests for transmission service, the existing firm service customer must agree to accept a contract term at least equal to ~~the longest~~ competing request by any new Eligible Customer and to pay the current just and reasonable rate, as approved by the Commission, for such service; provided that, the firm service customers shall have a right of first refusal at the end of such service only if the new contract is for five years or more. The existing firm service customer must provide notice to the Transmission Provider whether it will exercise its right of first refusal no less than one year prior to the expiration date of its transmission service agreement.

end of all firm contract terms of ~~one~~^{five} years or longer. Service agreements subject to a right of first refusal entered into prior to August 18, 2008 or associated with a transmission service request received prior to July 13, 2007, unless terminated, will become subject to the five year/one year requirement on the first rollover date after August 18, 2008; provided that, the one-year notice requirement shall apply to such service agreements with five years or more left in their terms as of August 18, 2008.

3 Ancillary Services

Ancillary Services are needed with transmission service to maintain reliability within and among the Control Areas affected by the transmission service. The Transmission Provider is required to provide (or offer to arrange with the local Control Area operator as discussed below), and the Transmission Customer is required to purchase, the following Ancillary Services (i) Scheduling, System Control and Dispatch, and (ii) Reactive Supply and Voltage Control from Generation or Other Sources.

CERTIFICATE OF SERVICE

I hereby certify that on August 18, 2008, I served the foregoing document upon each of the following persons designated on the official service list compiled by the Secretary in this proceeding.

Michael Andrea
Avista Corporation
1411 East Mission
Spokane, WA 99220
michael.andrea@avistacorp.com

Gary Bachman
Van Ness Feldman P.C.
1050 Thomas Jefferson St. NW, Suite 700
Washington, D.C. 20007-3877
GDB@VNF.com

Tracey L Bradley
Bracewell & Giuliani LLP
2000 K Street, N.W., Suite 500
Washington, D.C. 20006
tracey.bradley@bgllp.com

Tracy C. Davis
Bracewell & Giuliani LLP
2000 K Street NW, Suite 500
Washington, D.C. 20006
tracy.davis@bgllp.com

Marc Donaldson
NorthWestern Corporation
40 East Broadway
Butte, MT 59701
marc.donaldson@northwestern.com

Sarah E. Edmonds
Pacifcorp
825 NE Multnomah, Suite 1800
Portland, OR 97232
sarah.edmonds@pacifcorp.com

Richard Garlish
Northwestern Corporation
40 E. Broadway
Butte, MT 59701
Richard.garlish@northwestern.com

Kenneth Houston
PacifiCorp
700 NE Multnomah Street, Suite 550
Portland, OR 97232
kenneth.houston@pacifcorp.com

Deanna King
Bracewell & Giuliani LLP
111 Congress Avenue, Suite 2300
Austin, TX 78701
deanna.king@bracewellgiuliani.com

Karen M. McDonald
Powerex Corp.
Suite 1400, 666 Burrard Street
Vancouver, B.C. V7K 1V2
karen.mcdonald@powerex.com

Tessia Rose Park
Idaho Power Company
P.O. Box 70
Boise, ID 83642
tpark@idahopower.com


Rob Potter
Portland General Electric Company
121 SW Salmon St, 1-WTC-0408
Portland, OR 97204
rob.potter@pgn.com

Denise Saunders
Portland General Electric Company
1765 NW Alta Vista Dr
Corvallis, OR 97330
denise.saunders@pgn.com

Jeff Schlect
Avista Corporation
PO Box 3727
Spokane, WA 99220-3727
jeff.schlect@avistacorp.com

James R Thompson
Idaho Power Company
P.O. Box 70
Boise, ID 83642
jthompson@idahopower.com

Dated at Bellevue, Washington, as of the 18th day of August, 2008.

By: 

Jason Kuzma
Perkins Coie LLP
The PSE Building
10885 NE 4th Street, Suite 700
Bellevue, WA 98004
Telephone: (425) 635-1416
Facsimile: (425) 635-2416
Email: jkuzma@perkinscoie.com