



PUGET SOUND ENERGY

*Puget Sound Energy, Inc.
P.O. Box 97034
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*Stephen P. Reynolds
Chairman, President and
Chief Executive Officer*

November 8, 2006

Mr. Brian Cladoosby
Chairman
Swinomish Indian Tribal Community
P. O. Box 817
LaConner, Washington 98257

Dear Mr. Cladoosby:

Thank you for your letter dated October 31, 2006, expressing your concerns regarding the flood control legislation that Congressman Rick Larsen introduced earlier this year. Puget Sound Energy appreciates the long-term working relationship we have had with the Swinomish Tribe, and we look forward to working in partnership with you and the other members of the tribe on the implementation of our Baker River hydroelectric license and other matters of mutual interest.

In order to provide you with the best possible response to your letter, I have asked Eric Markell, Senior Vice President of Energy Resources, to call you to further discuss this matter. Eric has represented PSE in the negotiations of the settlement agreement and he manages our hydroelectric facilities. Again, I appreciate your willingness to share your concerns with me.

Sincerely,

Stephen P. Reynolds
Chairman, President and
Chief Executive Officer