

2014 Annual Report of Essential Utilities Services Contracts

Essential Service Vendor ⁽¹⁾	Annual Budget	Actual Payments	Type of Contract(s)	Essential Obligations	Length of Contract
BONNEVILLE POWER ADMINISTRATION (BPA)	REDACTED		Transmission Capacity Ownership Rights	PSE purchased capacity ownership rights in the Alternating Current (AC) Intertie into California from BPA in 1996 and pays its allocated operation and maintenance costs to BPA.	1996 - life of facilities
			Transmission	PSE purchases rights to use BPA transmission and BPA receives power from PSE at the Points of Integration or Receipt and delivers power to PSE at the Points of Delivery.	Various - termination dates through 2035
			Transfer	BPA serves PSE loads and PSE delivers replacement power to BPA.	09/1974 - BPA three years notice to terminate, PSE one year notice to terminate
			Transfer	Parties commit to build transmission and provide excess capability to the other party. Each party commits to operate and maintain certain facilities.	Various - termination dates through 2018
			Operations & Maintenance	BPA operates and maintains PSE facilities in BPA substations.	Various from 04/1968 - life of facilities
BP CANADA ENERGY GROUP ULC	REDACTED		WNP-3 Settlement Exchange Agreement	PSE receives exchange energy based on the average availability and cost of several surrogate nuclear units similar in design to the WNP-3 Nuclear Unit. BPA may request power from PSE during certain months, if available.	12/1986 – 6/2018
			North American Energy Standards Board (NAESB) Agreement	The NAESB Master Agreement enables short and long-term gas supply purchases to be made under a confirmation process. Each transaction terminates upon completion of delivery.	2/2004 – various lengths
CHELAN COUNTY PUBLIC UTILITY DISTRICT NO. 1	REDACTED		Long-term, Take-or-Pay, Purchase Power Agreement	The PUD operates and maintains the Rock Island and Rocky Reach Hydro Projects and delivers to PSE, at specified points of delivery, PSE’s contractual percentage share of the output of the Project. PSE pays the PUD on a “cost of service” basis.	11/2011 - 11/2031

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CONOCOPHILLIPS CANADA	REDACTED		North American Energy Standards Board (NAESB) Agreement	The NAESB Master Agreement enables short and long-term gas supply purchases to be made under a confirmation process. Each transaction terminates upon completion of delivery.	8/2004 – various lengths
INFRA SOURCE CONSTRUCTION LLC			Gas Engineering and Construction Services	PSE pays per contract/services provided for engineering and construction on the company's gas systems.	1/2011 - 12/2015
J ARON AND COMPANY			North American Energy Standards Board (NAESB) Agreement	The NAESB Master Agreement enables short and long-term gas supply purchases to be made under a confirmation process. Each transaction terminates upon completion of delivery.	8/2004 – various lengths
			Western System Power Pool (WSPP) Purchase Power Agreement	The WSPP Agreement is a standardized contract among members of the WSPP for electric power sales and physical power options. Members enter into numerous individual power transactions using standard schedules under the Agreement. A confirmation process follows the transactions. Each transaction terminates upon completion of delivery.	5/2007 – various lengths
			International Swaps and Derivatives Master Agreement (ISDA)	The ISDA is a standard industry contract enabling agreement for any financially derived transaction but is usually limited to specific commodities or products that are relevant to the intended business of the counterparties.	1/2004—various lengths
JP MORGAN VENTURES ENERGY CORP			Gas Industry Standards Board (GISB)	The GISB Master Agreement Gas Industry Standards Board (GISB) is an industry standard enabling agreement to enable short and long-term gas supply purchases to be made under a confirmation process. Each transaction terminates upon completion of delivery. It is the predecessor to the NAESB.	11/2002 – various lengths

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MORGAN STANLEY CAPITAL GROUP INC	REDACTED		Western System Power Pool (WSPP) Purchase Power Agreement	The WSPP Agreement is a standardized contract among members of the WSPP for electric power sales and physical power options. Members enter into numerous individual power transactions using standard schedules under the Agreement. A confirmation process follows the transactions. Each transaction terminates upon completion of delivery.	1996 – until a notice is given
			International Swaps and Derivatives Master Agreement (ISDA)	The ISDA is a standard industry contract enabling agreement for any financially derived transaction but is usually limited to specific commodities or products that are relevant to the intended business of the counterparties.	4/2004 – various lengths
			Western System Power Pool (WSPP) Purchase Power Agreement	The WSPP Agreement is a standardized contract among members of the WSPP for electric power sales and physical power options. Members enter into numerous individual power transactions using standard schedules under the Agreement. A confirmation process follows the transactions. Each transaction terminates upon completion of delivery.	2/2005—various lengths
			International Swaps and Derivatives Master Agreement (ISDA)	The ISDA is a standard industry contract enabling agreement for any financially derived transaction but is usually limited to specific commodities or products that are relevant to the intended business of the counterparties.	10/1996—various lengths
			Contracting Party Agreement	The Contracting Party Agreement provides access to the Natural Gas Exchange (NGX) and Intercontinental Exchange Inc. (ICE), with NGX serving as a clearinghouse concerning the natural gas and electric transactions executed on the exchange.	10/2007 – various lengths
NATURAL GAS EXCHANGE INC					
NOBLE AMERICAS GAS & POWER CORP			International Swaps and Derivatives Master Agreement (ISDA)	The ISDA is a standard industry contract enabling agreement for any financially derived transaction but is usually limited to specific commodities or products that are relevant to the intended business of the counterparties. This ISDA includes a Power Annex, to transact physical power.	7/2011 – various lengths
			North American Energy	The NAESB Master Agreement enables short and long-term	

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NORTHWEST PIPELINE GP	REDACTED	REDACTED	Standards Board (NAESB) Agreement	gas supply purchases to be made under a confirmation process. Each transaction terminates upon completion of delivery.	12/2010 – various lengths
			Long-term Transportation and Storage Contracts	Northwest Pipeline provides firm transportation capacity and storage service to PSE on the gas pipeline under long term contracts. PSE pays fixed monthly demand charges for the right, but not the obligation, to transport specified quantities of gas from receipt points to delivery points on the pipeline each day.	Predating 1989 - various termination dates through 2044
PPL-MONTANA, LLC	REDACTED	REDACTED	Operations & Maintenance	PSE reimburses PPL-Montana for PSE's share of operation and maintenance expenses for Unit Nos. 1, 2, 3 and 4 of the Colstrip steam-electric-generating plant.	Various from 07/1971 - as long as any part of the units are used or useful for the generation of electricity or the end of the period permitted by applicable law
			Capital Additions	PSE reimburses PPL-Montana for PSE's share of capital additions made to Unit Nos. 1, 2, 3 and 4 of the Colstrip steam-electric-generating plant.	Various from 07/1971 - as long as any part of the units are used or useful for the generation of electricity or the end of the period permitted by applicable law
QUANTA SERVICES INC			Electric Engineering and Construction Services	PSE pays per contract/services provided for engineering and construction on the company's electric systems.	2/2007 - 12/2014
TD ENERGY TRADING INC			North American Energy Standards Board (NAESB) Agreement	The NAESB Master Agreement enables short and long-term gas supply purchases to be made under a confirmation process. Each transaction terminates upon completion of delivery.	7/2003 – various lengths
TRANSALTA ENERGY			North American Energy	The NAESB Master Agreement enables short and long-term gas supply purchases to be made under a confirmation	11/2011 – various lengths

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MARKETING US INC	<div style="border: 1px solid black; background-color: #cccccc; padding: 5px; text-align: center;"> <p>REDACTED</p> </div>		Standards Board (NAESB) Agreement.	process. Each transaction terminates upon completion of delivery.	
WESTERN ENERGY COMPANY			Coal Supply Agreement	PSE pays for its share of coal delivered to Colstrip steam-electric-generating Unit Nos. 1, 2, 3 and 4.	Units 1 & 2; 1/2010 – 12/2019 Units 3 & 4: 7/1980 – 12/2019

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