

**BEFORE THE
WASHINGTON UTILITIES & TRANSPORTATION COMMISSION**

In the Matter of the Application of

PUGET SOUND ENERGY

For an Order authorizing the sale of Shuffleton surplus property and for an Accounting Order authorizing treatment of the net gain from the sale.

Docket No. UE- _____

APPLICATION

I. INTRODUCTION

1. Puget Sound Energy ("PSE" or the "Company") plans to sell a portion of its 10.09 acre Shuffleton holdings located at 1095 Lake Washington Boulevard, Renton Washington. PSE is proposing to sell 7.74 acres ("Shuffleton Surplus Property") and retain 2.35 acres for continuing operation of the Shuffleton Switching Station. A site plan showing the Shuffleton Surplus Property and the Shuffleton Switching station property is included as Exhibit 3 to this application. The background regarding the proposed sale is included as Exhibit 2 to this application. PSE files this Application to obtain the Commission's approval of the proposed sale pursuant to WAC 480-143-180 and to obtain an Accounting Order authorizing treatment of the resulting gain to be recorded in FERC Account 254, consistent with the FERC Uniform System of Accounts instruction.

2. This Application brings into issue the following statutes and regulations: WAC 480-143-180, and WAC 480-143-190.

II. THE TRANSACTION

3. PSE is an investor-owned electric and gas utility serving electric customers

and natural gas customers primarily in Western Washington. The full and correct name and business address for PSE are as follows:

Puget Sound Energy
355 110th Avenue NE
P.O. Box 97034
Bellevue, WA 98009

4. PSE requests that all notices, correspondence and pleadings with respect to this Application be sent to:

Susan E. Free
Manager of Revenue Requirement
Puget Sound Energy
P.O. Box 97034 EST-07
Bellevue, WA 98009
Email: Susan.Free@pse.com

III. JURISDICTION AND AUTHORITY REGARDING SALE

Commission Approval of the Sale of the Shuffleton Surplus Property

5. WAC 480-143-180 provides:

WAC 480-143-180 Disposal and determination of necessary or useful property. A public service company must not dispose of any property necessary or useful to perform its public duties unless it first applies for, and obtains, written authority from the commission.

Necessary or useful includes all property except items that:

- (1) Are substituted with or replaced by items of equal or greater value or usefulness;
- (2) Are surplus and unneeded assets for which full value is received;
- (3) Are obsolete; or
- (4) Are excluded from the public service company's rate base by commission order, or otherwise.

The public service company must file an application for commission determination that the property is not necessary or

useful, prior to disposing of such property, if the property to be disposed of has a market value that exceeds the greater of .1% of the public service company's rate base (for the applicable utility service) last established by commission order, or \$20,000.

6. The Shuffleton Surplus Property is surplus and unneeded assets for which full value will be received (WAC 480-143-180 criterion 2). Further, City of Renton land use code renders the property and improvements obsolete.

7. PSE is filing a request for a determination by the Commission that the Shuffleton Surplus Property will no longer be necessary or useful. The negotiated sales price for the Shuffleton Surplus Property exceeds "the greater of 0.1% of the public service company's rate base (for the applicable utility service) last established by commission order, or \$20,000." WAC 480-143-180.

8. The negotiated sales price of the Shuffleton Surplus Property is \$13,500,000 which is above the threshold.

IV. ACCOUNTING TREATMENT

9. The resulting gain will be recorded in FERC Account 254 (Other Regulatory Liabilities) consistent with the FERC Uniform System of Accounts instruction and the Stipulation and Order of Dismissal dated May 26, 1992, Washington Court of Appeals, No. 29404-1.

V. EXHIBITS

Exhibits to Application

10. The exhibits that accompany this Application are:

- (a) Application Exhibit No. 1: Purchase and Sale Agreement between PSE and Southport West LLC dated November 27, 2018 and:

- (i) Amendment 1 to the Purchase and Sale Agreement dated March 4, 2019;
 - (ii) Amendment 2 to the Purchase and Sale Agreement dated April 18, 2019;
 - (iii) Amendment 3 to the Purchase and Sale Agreement dated April 30, 2019;
 - (iv) Amendment 4 to the Purchase and Sale Agreement dated May 5, 2019; and
 - (v) Amendment 5 to the Purchase and Sale Agreement dated May 31, 2019.
- (b) Application Exhibit No. 2: Shuffleton Surplus Property sale background discussion.
 - (c) Application Exhibit No. 3: Shuffleton site plan showing Shuffleton Surplus Property as Lot 1 and Shuffleton Switching Station retained property as Lot 2.
 - (d) Application Exhibit No. 4: Letter from Mr. Wayne Gould, PSE's Director Corporate Shared Services, to Mr. Jay B. Covington, Chief Administrative Officer City of Renton, dated February 6, 2017.
 - (e) Application Exhibit No. 5: Acquisition Value, Accumulated Depreciation and Net Book Value of Assets to be Transferred; and

VI. REQUEST

11. PSE requests a Commission order:
 - (a) Determining that the Shuffleton Surplus Property will no longer be necessary or useful.
 - (b) Approving the accounting treatment proposed by PSE, whereby the resulting gain will be recorded in FERC Account 254 (Other Regulatory Liabilities).

VERIFICATION

STATE OF WASHINGTON)
)
County of King)

Katherine J. Barnard, being first duly sworn on oath, deposes and says: That she is a Director, Revenue Requirement and Compliance, for Puget Sound Energy and makes this verification for and on behalf of said corporation, being thereto duly authorized;

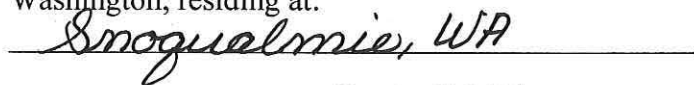
That she has read the foregoing Application, knows the contents thereof, and believes the same to be true.



SIGNED AND SWORN to before me on this 16 day of July, 2019



NOTARY PUBLIC in and for the State of
Washington, residing at:



Commission Expires: 8-1-2021