

2019 Annual Report of Essential Utilities Services Contracts

Essential Service Vendor <sup>(1)</sup>	Annual Budget	Actual Payments	Type of Contract(s)	Essential Obligations	Length of Contract
BONNEVILLE POWER ADMINISTRATION (BPA)	REDACTED		Transmission	PSE purchases rights to use BPA's Eastern Intertie in Montana.	4/1981 – 9/2027
			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.	9/1974 - BPA three years notice to terminate, PSE one year notice to terminate
			Operations & Maintenance	BPA maintains PSE facilities in BPA substations.	Various from 4/1968 - life of facilities
			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.	Various lengths
CHELAN COUNTY PUD	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 Projects. PSE pays the PUD on a "cost of service" basis.	11/2011 - 11/2031

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CONOCOPHILLIPS CANADA MARKETING & TRADING ULC			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
INFRASOURCE SERVICES LLC			Gas Engineering and Construction Services	Contract/services provided for engineering and construction on the company’s gas systems.	1/2013 - 6/2021
J ARON AND COMPANY LLC			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
			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
LANDIS + GYR TECHNOLOGY INC			Network Meter Information Services Agreement	Provides AMR and AMI services.	1/2017 – 3/2026
NORTHWEST PIPELINE LLC		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	

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POWEREX CORP	<b>REDACTED</b>		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.	9/1999-various lengths
QUANTA SERVICES INC			Electric Engineering and Construction Services	Contract/services provided for engineering and construction on the company's electric systems.	2/2002 - 6/2021
TALEN MONTANA LLC			Operations & Maintenance	PSE reimburses Talen-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 7/1971 - 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 7/1971 - 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
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
			Coal Transition Power Purchase		

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TRANSALTA CENTRALIA GENERATION LLC	REDACTED	REDACTED	and Sale Agreement	Power purchase and sale agreement enabled by Washington State Legislature's 2011 bill which allows TransAlta Centralia Generation LLC to engage in long term power contracts in exchange for phasing out coal-fired generation by 2025.	7/2012 – 12/2025
TRANSALTA ENERGY MARKETING US INC			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.	Various lengths
WESTERN ENERGY COMPANY			Coal Purchase & Sale Agreement	PSE's share of coal delivered to Colstrip steam-electric-generating Unit Nos. 1 and 2.	Units 1 & 2; 1/2010 – 12/2019
			Amended & Restated Coal Supply Agreement	PSE's share of coal delivered to Colstrip steam-electric-generating Unit Nos. 3 and 4.	Units 3 & 4; 7/1980 – 12/2019

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