

March 24, 2017

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VIA WEB PORTAL AND OVERNIGHT DELIVERY

Mr. Steven V. King
Executive Director and Secretary
Washington Utilities and Transportation Commission
1300 S. Evergreen Park Drive, SW
Olympia, WA 98504

Re: *In the Matter of the Petition of Puget Sound Energy for (i) Approval of a Special Contract for Liquefied Natural Gas Fuel Service with Totem Ocean Trailer Express, Inc. and (ii) a Declaratory Order Approving the Methodology for Allocating Costs Between Regulated and Non-regulated Liquefied Natural Gas Services, Docket UG-151663*

Dear Mr. King:

On October 31, 2016, the Commission issued Order 10 (Final Order Approving and Adopting Settlement Stipulation; Reopening Record and Amending Order 08 in Docket U-072375) in Docket UG-151663 (“Order 10”). Among other things, the Commission approved in Order 10 the formation by Puget Energy of a wholly-owned subsidiary named Puget LNG, LLC (“Puget LNG”) and allocation of the capital costs of the Tacoma LNG Facility between Puget Sound Energy (“PSE”).

Paragraph 61 in the Order 10 in Docket UG-151663 provides as follows:

Within 90 days after the establishment of Puget LNG, PSE will assign Puget LNG’s Ownership Shares of the components of the Tacoma LNG Facility to Puget LNG and pay PSE an amount equal to the product of (a) PSE’s total capital expenditures for the Tacoma LNG Facility as of the assignment date and (b) Puget LNG’s projected common capital costs allocation of fifty-seven percent (57%).

Order 10 at ¶ 61. On December 5, 2016, PSE assigned Puget LNG’s Ownership Shares of the components of the Tacoma LNG Facility to Puget LNG, and PSE was reimbursed \$12,479,146.83 for Puget LNG’s pro rata share of the capital expenditures for the Tacoma LNG Facility as of such date.

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Since December 5, 2016, PSE has been reimbursed for Puget LNG's pro rata share of the capital expenditures for the Tacoma LNG Facility as such capital expenditures have become payable by PSE. Specifically, PSE was reimbursed for Puget LNG's pro rata share of the capital expenditures for the Tacoma LNG Facility in the following amounts and on the following dates:

- (i) \$5,682,125.39 on February 6, 2017; and
- (ii) \$4,951,320.68 on March 6, 2017.

Included as Exhibit A to this letter is the Affidavit of Daniel A. Doyle, Senior Vice President and Chief Financial Officer for each of Puget Energy and PSE, that affirms that (i) PSE has assigned Puget LNG's Ownership Shares of the components of the Tacoma LNG Facility to Puget LNG and (ii) PSE has been reimbursed for Puget LNG's shares of the capital expenditures for the Tacoma LNG Facility.

If you have any questions, please contact the undersigned at 425-635-1416 or jkuzma@perkinscoie.com.

Very truly yours,

A handwritten signature in black ink that reads "Jason T. Kuzma". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Jason Kuzma

JTK
Attachments
Cc: Service List in Docket UG-15166

Exhibit A

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**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Petition of

Puget Sound Energy

for (i) Approval of a Special Contract for
Liquefied Natural Gas Fuel Service with
Totem Ocean Trailer Express, Inc. and
(ii) a Declaratory Order Approving the
Methodology for Allocating Costs
Between Regulated and Non-regulated
Liquefied Natural Gas Services

Docket UG-151663

Affidavit of Daniel A. Doyle in Compliance
with the Conditions of Order 10 Final Order
Approving and Adopting Settlement
Stipulation; Reopening Record and
Amending Order 08 in Docket U-072375

3 STATE OF WASHINGTON)
4) ss.
5 COUNTY OF KING)

6 DANIEL A. DOYLE, being first duly sworn on oath, deposes and says:

7 1. I am Senior Vice President and Chief Financial Officer for each of Puget
8 Energy and Puget Sound Energy (“PSE”). I make this Affidavit on behalf of Puget Energy
9 and PSE in compliance with the conditions of Order 10 Final Order Approving and
10 Adopting Settlement Stipulation; Reopening Record and Amending Order 08 in Docket U-
11 072375 (the “Final Order”) in Docket UG-151663 in a manner provided by law. I am over
12 the age of eighteen (18) years and make this Affidavit based on personal knowledge, and am
13 competent to do so.

1 2. Paragraph 61 in the Final Order in Docket UG-151663 provides as follows:

2 Within 90 days after the establishment of Puget LNG, PSE will assign
3 Puget LNG's Ownership Shares of the components of the
4 Tacoma LNG Facility to Puget LNG and pay PSE an amount equal to
5 the product of (a) PSE's total capital expenditures for the Tacoma
6 LNG Facility as of the assignment date and (b) Puget LNG's
7 projected common capital costs allocation of fifty-seven
8 percent (57%).

9 Final Order at ¶ 61.

10 3. This Affidavit affirms that (i) PSE has assigned Puget LNG's Ownership
11 Shares of the components of the Tacoma LNG Facility to Puget LNG and (ii) PSE has been
12 reimbursed for Puget LNG's shares of the capital expenditures for the Tacoma LNG
13 Facility. On December 5, 2016, PSE assigned Puget LNG's Ownership Shares of the
14 components of the Tacoma LNG Facility to Puget LNG, and PSE was reimbursed
15 \$12,479,146.83 for Puget LNG's pro rata share of the capital expenditures for the
16 Tacoma LNG Facility as of such date.

17 4. Since December 5, 2016, PSE has been reimbursed for Puget LNG's pro rata
18 share of the capital expenditures for the Tacoma LNG Facility as such capital expenditures
19 have become payable by PSE. Specifically, PSE was reimbursed for Puget LNG's pro rata
20 share of the capital expenditures for the Tacoma LNG Facility in the following amounts and
21 on the following dates:


22 (i) \$5,682,125.39 on February 6, 2017; and

23 (ii) \$4,951,320.68 on March 6, 2017.

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5. I have carefully read this Affidavit, and the contents of the foregoing are true and correct to the best of my knowledge and belief.

DATED this 24th day of March, 2017.

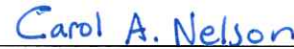


DANIEL A. DOYLE

SUBSCRIBED and SWORN to me this 24th day of March, 2017, by Daniel A. Doyle.



(Signature of Notary)



(Print Name of Notary)



NOTARY PUBLIC in and for
the State of Washington.
My Appointment Expires: 7-20-17

CERTIFICATE OF SERVICE

DOCKET NO. UG-151663

I hereby certify that I have this day served the foregoing, in accordance with WAC 480-07-150(6), to the following persons via email and U.S. Mail:

Commission Staff:

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Brett Shearer
Jeff Roberson
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Dated in Bellevue this 24th day of March, 2017.



Jason Kuzma