

Puget Sound Energy P.O. Box 97034 Bellevue, WA 98009-9734 PSE.com

Filed via Web Portal

November 30, 2020

Mr. Mark L. Johnson, Executive Director and Secretary Washington Utilities and Transportation Commission 621 Woodland Square Loop SE Lacey, Washington 98503

## Re: Amended and Restated Joint Ownership and Operating Agreement Docket UG-151663

Dear Mr. Johnson:

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").

Paragraph 94 in Order 10 provides, in part, that Puget Sound Energy ("PSE") would need to file an O&M Services Agreement for Commission approval under RCW 80.16.020 as an affiliated transaction based on the assumption, at that time, that there would be such an agreement between PSE and Puget LNG, LLC ("Puget LNG") pursuant to which PSE would be providing those services:

There will be an Operations and Maintenance (O&M) Services Agreement between Puget LNG and PSE, as distinct from the JOA. Mr. Kuzma confirmed that the O&M Services Agreement also falls within the definitions in RCW 80.16.020, and so, it would also have to be brought to the Commission for approval. It is also PSE's understanding that any amendments to such agreement also would have to be brought to the Commission for approval.

Order 10 at ¶ 94 (footnote omitted).

At the time of the issuance of Order 10 in 2016, PSE anticipated that PSE employees operate the Tacoma LNG Facility under an O&M Services Agreement between PSE and Puget LNG that would be considered an affiliated transaction subject to Commission approval under RCW 80.16.020. This is no longer the case, and PSE has instead entered into an O&M Services Agreement with a third party, North American Energy Services (NAES). On September 30, 2020, PSE submitted a letter in Docket UG-151663 that informed the Commission that there is no affiliated transaction for the Commission to review and approve.

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At the time of the filing of the letter on November 30, 2020, PSE and Puget LNG were in the process of amending and restating the Joint Ownership Agreement that PSE filed as a compliance filing in Docket UG-151663 on March 23, 2017. In the letter dated September 30, 2020, PSE informed the Commission that it planned to file the Amended and Restated Joint Ownership and Operating Agreement in November of 2020. Accordingly, PSE submits the following for filing in Docket UG-151663

- Attached as Exhibit A to this letter is a copy of the Amended and Restated Joint Ownership and Operating Agreement as executed by PSE and Puget LNG.
- Attached as Exhibit B to this letter is a comparison of the Amended and Restated Joint Ownership and Operating Agreement (attached to this letter as Exhibit A) against the Joint Ownership and Operating Agreement that PSE filed as a compliance filing in Docket UG-151663 on March 23, 2017.

Please note that certain information in each of Exhibit A and Exhibit B is marked as HIGHLY CONFIDENTIAL per Protective Order in Docket UG-151663. Such HIGHLY CONFIDENTIAL information contains valuable commercial information, including trade secrets or confidential marketing, cost, or financial information, of PSE and NAES and, pursuant to RCW 80.04.095, is not subject to inspection or copying under Chapter 42.56 RCW.

If you have any questions about the information contained in this filing, please contact Chris Schaefer at 425-456-2932 or <u>chris.schaefer@pse.com</u>. If you have any other questions please contact me at (425) 456-2142.

Sincerely,

/s/ Susan Free

Susan E. Free Director, Revenue Requirements & Regulatory Compliance Puget Sound Energy PO Box 97034, EST-07W Bellevue, WA 98009-9734 425-456-2105 susan.free@pse.com

Enclosures (Exhibit A and Exhibit B)

cc: Service List in Docket UG-151663