

**EXH. CLS-12C
DOCKET UE-20____
2020 PSE PCORC
WITNESS: CINDY L. SONG**

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

PUGET SOUND ENERGY,

Respondent

Docket UE-20____

**ELEVENTH EXHIBIT (CONFIDENTIAL) TO THE
PREFILED DIRECT TESTIMONY OF**

CINDY L. SONG

ON BEHALF OF PUGET SOUND ENERGY

**REDACTED
VERSION**

DECEMBER 9, 2020

Morgan Stanley

Morgan Stanley Capital Group Inc.

Attn: Commodities
1585 Broadway | 3rd Floor
New York, New York 10036

Date: February 28, 2020

To: Puget Sound Energy, Inc.

Attention: Colin Crowley
Phone No.: 425.462.3692
Email: colin.crowley@pse.com

Contact: Commodity Confirms
Phone: 914-225-4300
Fax: 914-750-0445
Email: CommodConfisNY@morganstanley.com

Reference No.:

This electronic communication and any attachments hereto, are intended only for use by the addressee(s) named herein and may contain legally privileged and/or confidential information, which is exempt from disclosure under applicable law. If you are not the intended recipient of this electronic communication, you are hereby notified that any examination, dissemination, disclosure, distribution, or copying of, or reliance on or use of this electronic communication, and any attachments hereto, is strictly prohibited. If you have received this electronic communication in error, please notify me immediately on the above telephone number and permanently destroy all copies of this electronic communication.

This confirmation letter ("Confirmation") is being provided pursuant to and in accordance with the WSPP Agreement effective as of September 24, 2019, including the Service Schedules and Exhibits thereto, (as modified by the Master Confirmation Agreement to WSPP Agreement dated as of August 1, 2006 between Buyer and Seller, collectively, the "Master Agreement") between Puget Sound Energy, Inc. ("PSE") and Morgan Stanley Capital Group Inc. ("MSCGI"), and constitutes part of and is subject to all the terms and provisions of such Master Agreement; provided, however, that, to the extent there is a conflict between a provision of the Master Agreement and this Confirmation, the terms of this Confirmation shall control for the purposes of this Transaction. Terms used but not defined herein shall have the meaning ascribed to them in the Master Agreement.

This Confirmation confirms the terms of agreement regarding the purchase and sale of firm electric power, including firm capacity with associated reserves (the "Transaction") between the Parties. The terms are as follows:

Buyer:	PSE
Seller:	MSCGI
Term:	January 3, 2022 through to December 31, 2026
Product:	WSPP Schedule C Firm Power
Contract Quantity:	<p>100 MWh delivered during On-Peak Hours each calendar day during January, February and March ("<u>Q1</u>") and October, November, December ("<u>Q4</u>") of each calendar year during the Term.</p> <p>The parties agree that no Product will be delivered in April, May, June, July, August and September of each calendar year during the Term.</p> <p>"On-Peak Hours" means Hour Ending (HE) 0700 Pacific Prevailing Time (PPT) through HE 2200 PPT, Monday through Saturday, excluding NERC holidays.</p>
Energy Price:	USD \$ [REDACTED] /MWh
Delivery Point:	BPAT.PSEI or mutually agreed alternative Delivery Point.
Scheduling:	Seller will schedule the Product on a day-ahead basis. Energy will be prescheduled in accordance to Western Energy Coordinating Council (" <u>WECC</u> ") Pre-Schedule Calendar found at https://www.wecc.biz/Reliability (" <u>WECC Calendar</u> ").
Payment:	<p>Each calendar month during the Term, Seller shall prepare an invoice to Buyer detailing the "<u>Settlement Amount</u>" for the preceding month, which amount shall be equal to the product of (i) the Contract Quantity delivered in such month multiplied by (ii) the Energy Price.</p> <p>Buyer shall pay the Settlement Amount in accordance with the Master Agreement.</p>
Transmission:	Seller is responsible at its own cost to make all arrangements necessary to deliver the Product (including Energy scheduled under this agreement to the Delivery Point).
Special Conditions:	<ol style="list-style-type: none"> 1. This purchase and sale of energy is Firm (LD). The parties agree to notify each other as soon as possible of any interruption or curtailment affecting this Transaction. 2. During the period January 1, 2025 to December 31, 2026 only, Seller shall not deliver Product from any Energy source(s) that is a coal-fired resource, as such is defined by RCW 19.405.020(7).


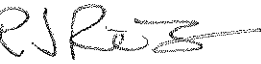
Morgan Stanley Real-Time Communications and Scheduling

Western Prescheduling: 604-658-8116
Real Time (24 hour): 604-658-8120

The Parties agree that this Transaction is a Forward Contract within the meaning of the U.S. Commodity Exchange Act. The Parties make the following representations, as of the date the Transaction is entered into:

- a) Buyer is an electric generation and transmission, consumer-owned utility that is purchasing the specified commodity and is entering into the Transaction to serve its native load in the course of conducting its core business;
- b) Seller is a commercial market participant with respect to the specified commodity and is entering into the Transaction in connection with its business; and
- c) It intends to make or take physical delivery of the specified commodity.

If PSE disagrees with any of the terms summarized herein, it shall promptly notify MSCGI by telephone and facsimile transmission. Failure by PSE to execute and return this Confirmation or to notify MSCGI of its disagreement within three (3) Business Days of receiving this Confirmation constitutes PSE's agreement to the terms set forth herein. Please confirm that terms stated herein accurately reflect the agreement reached between PSE and MSCGI by returning an executed copy of this Confirmation Letter. (Fax: 914-750-0445)

<p>Yours Sincerely,</p>  Parker Corbin Vice President Morgan Stanley Capital Group Inc.	<p>Confirmed as of the date first written above:</p> <p>Puget Sound Energy, Inc.</p> <p>By: </p> <p>Name: R.J. ROBERTO</p> <p>Title: DIR. GEN + GAS STORAGE</p>
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