

BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of the Petition of

PUGET SOUND ENERGY, INC.

For a Declaratory Order Regarding the
Transfer of Assets to Jefferson County
Public Utility District.

Docket No. _____

DECLARATION OF KARL R. KARZMAR
IN SUPPORT OF PSE'S MOTION FOR
PROTECTIVE ORDER

1 I, Karl R. Karzmar, hereby declare under penalty of perjury under the laws of the
State of Washington that the following are true and correct:

2 I am Director of Regulatory Relations for Puget Sound Energy, Inc. ("PSE"). My
responsibilities include managing various regulatory matters, including the coordination and
or preparation of state regulatory filings prepared on behalf of PSE. I have also been
responsible for representing PSE's interests with regard to the efforts of Jefferson County
Public Utility District #1 ("JPUD") to take over PSE's service area in east Jefferson County
following the passage of Proposition 1 in November 2008.

3 PSE is requesting a protective order to protect certain material contained in its July
15, 2010 Petition for Declaratory Order filing because inappropriate release of that material
would impose a significant risk of competitive harm to PSE.

4 PSE's July 15, 2010 filing contains detailed, extensive information about PSE's
methodology for asset valuation of its electrical facilities. Such information is commercially
sensitive because potential counterparties to similar asset purchase agreements could obtain
PSE's confidential negotiating strategies and asset values. Further, the information provided

DECLARATION OF
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in PSE's filing contains confidential offers of compromise between PSE and JPUD in contemplation of litigation. Such information is not appropriate for public disclosure.

5 In recognition of the sensitivity of such information, PSE and JPUD entered into a Production and Confidentiality Agreement, under which PSE agreed to protect from inappropriate disclosure any confidential information submitted by entities during or related to settlement negotiations. This Motion for Protective Order reflects PSE's effort to protect against disclosure of the information to the public.


6 PSE and its customers also have an interest in protecting against disclosure of this confidential information in the event that the contemplated transactions do not close, and JPUD were to pursue acquisition of PSE's electrical facilities through condemnation. In such instance, PSE and JPUD seek to protect their rights under Rule of Evidence 408.

7 PSE respects concerns that the "confidential" designation should not be applied lightly. PSE has been careful in its filing to minimize the amount of information designated "confidential."

8 For these reasons, PSE is asking that the Commission issue a protective order that permits PSE to designate information as "confidential" in its petition, testimony, exhibits, workpapers, responses to data requests, briefing and in hearings.

9 Finally, with respect to treatment of "confidential" material, PSE is asking for limitations on copying and handling of such materials by parties who are entitled to access such materials in order to reduce the risk of inadvertent disclosure.

Executed this 9th day of July 2010, at Bellevue, Washington.



Karl R. Karzmar