

ASSIGNMENT OF CONTRACTS

This Assignment of Contracts ("Assignment") is made as of this 26th day of June, 2014 ("Assignment Effective Date") by and between the City of Buckley, a municipal corporation of the State of Washington ("Assignor"), and Puget Sound Energy, Inc., a Washington corporation ("Assignee"). This Assignment is made with reference to the following facts:

RECITALS

A. Pursuant to an Asset Purchase Agreement by and between Assignor and Assignee, dated as of May 16, 2014 (the "Asset Purchase Agreement"), Assignor and Assignee have agreed to undertake certain obligations to facilitate the efficient transfer of natural gas distribution facilities from Assignor to Assignee.

B. In furtherance of such transaction, Assignor is willing to assign, and Assignee is willing to accept, the contracts more particularly described in the attached Schedule I ("Assigned Contracts").

AGREEMENT

IN CONSIDERATION of the mutual covenants hereinafter set forth, and for other good and valuable consideration, it is agreed as follows:

1. Assignment of Assigned Contracts. As of the Assignment Effective Date, Assignor hereby assigns to Assignee all of Assignor's right, title and interest in, to and under the Assigned Contracts. Assignee hereby accepts said assignment. By this Assignment, Assignee assumes no obligations under the Assigned Contracts to the extent such obligations accrue from, relate to or arise from or out of events, facts, circumstances or conditions existing at or prior to the Assignment Effective Date. Assignor hereby acknowledges and agrees that all such prior obligations remain obligations of Assignor and are included among Seller's Retained Liabilities pursuant to the Asset Purchase Agreement.

2. Terms of Assignment. This Assignment is subject to each and all of the terms and conditions of the Asset Purchase Agreement. All capitalized terms used in this Assignment but not defined herein shall leave the meanings given to them in the Asset Purchase Agreement. In the event of any conflict or inconsistency between the terms of this Assignment and the Asset Purchase Agreement, the terms of the Asset Purchase Agreement shall govern and control.

3. Binding Effect. This Assignment shall inure to the benefit of and shall be binding upon the Parties hereto and their respective successors and assigns.

[Signatures on Next Page.]

IN WITNESS WHEREOF, the Parties hereto have executed this Assignment on the date first set forth above.

Assignor:

City of Buckley, a municipal corporation of the State of Washington

By: Patricia Johnson
Its: Patricia Johnson

Assignee:

Puget Sound Energy, Inc., a Washington corporation

By: David A. Doyle
Its: JVP & LFO

SCHEDULE I

Assigned Contracts

1. The "Contract No. 100021, Rate Schedule TF-1 Service Agreement" dated July 7, 1993, as restated and amended on July 19, 2007, between the Northwest Pipeline Corporation and the City of Buckley, Washington, under which Northwest Pipeline Corporation provides natural gas transportation service to Buckley, shall be released by Buckley to Puget Sound Energy, Inc. pursuant to a pre-arranged permanent capacity release at the maximum tariff rate as of the effective date of transfer of the Buckley assets to Puget Sound Energy, Inc.