

## ASSIGNMENT OF PERMITS

This Assignment of Permits ("Assignment") is made as of this 26<sup>th</sup> 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 ("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 Permits in accordance with the terms and conditions of this Assignment.

### 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 Permits. As of the Assignment Effective Date, Assignor hereby assigns to Assignee all of Assignor's rights, title and interest in, to and under the Permits. Assignee hereby accepts said assignment.
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 have 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: Mayor

**Assignee:**

**Puget Sound Energy, Inc.**, a Washington corporation

By: David A. Dyer  
Its: SVP & CFO