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May 26, 2016

Mr. Steven V. King
Executive Director and Secretary
Washington Utilities and Transportation Commission
P.O. Box 47250
Olympia, Washington 98504-7250

**RE: Receipt Service Agreement
Filed Electronically and via Overnight Courier**

Dear Mr. King:

Pursuant to WAC 480-80-143, please find enclosed for filing and approval a proposed Receipt Service Agreement (the "Agreement") between Puget Sound Energy ("PSE") and a customer of PSE (the "Customer"). This single Receipt Service Agreement reflects a specific agreement with this particular Customer and is a response to Customer's request for service from PSE and direct requirements. Pursuant to WAC 480-80-141, please find enclosed the Safety Service Contract (the "Contract") between PSE and Customer. Per WAC 480-80-141, the Safety Service Contract does not require Commission approval, and is being provided as a sample of the Contract consistent with the rule.

The purpose of this filing is to provide Customer an option to inject biomethane onto PSE's distribution system and then sell the biomethane to an end-use customer. This service is not currently addressed in PSE's natural gas tariff. The basis for using a special contract rather than a filed tariff is to allow Customer to move forward with commercial activities that are dependent upon Customer having an arrangement in place with PSE.

The pricing for service under the Agreement is mutually agreeable between PSE and Customer; it covers all costs to provide the service, and will also contribute to and cover associated fixed costs. The pricing includes three components, (1) a Basic Charge aligned with Schedule 41T, Distribution System Transportation Service (Firm-Large Volume High Load), (2) a Monthly Gas Quality Monitoring Charge, and (3) payment of any costs related to the purchase, installation, operation, maintenance or repair of PSE equipment dedicated to Customer. In addition, the end-use customer of the biomethane will take service under an

Mr. Steven V. King
May 26, 2016

2

existing PSE transportation schedule. As such, and in accordance with RCW 80.28.090 and RCW 80.28.100, the Agreement grants neither unreasonable preference nor results in rate discrimination.

Certain portions of the Agreement and the Contract are marked as "Confidential per WAC 480-07-160" and pursuant to WAC 480-07-160, the Company requests that the marked portions be accorded confidential treatment. The Agreement and the Contract contain valuable commercial information which is defined as confidential in WAC 480-07-160(2)(c). The Company's ability to effectively negotiate future agreements for the receipt of biomethane could be impaired by disclosure of this information. Although the entire Agreement and Contract could in and of themselves be considered trade secrets since their development required a significant investment of time and expenses by both PSE and Customer, PSE is seeking confidential treatment of only the marked portions.

As required by WAC 480-07-160, the Company identifies the following entities which might be directly affected by disclosure of the confidential information: Customer; all of the Company's customers, as the Company's ability to effectively negotiate in the renewable gas market could be impaired; and the Company's shareholders, as the Company's ability to provide competitive service could be impaired.

In accordance with WAC 480-07-160, portions of the Agreement and the Contract submitted herewith have been marked "Confidential per WAC 480-07-160," and in accordance with WAC 480-07-160(3)(b)(ii) the confidential versions will be submitted separately from the public versions through the Commission's web portal accompanied by this cover letter.

PSE respectfully requests that the Commission issue an order approving the Agreement at its July 7, 2016 Open Meeting, in order for the Agreement to become effective on July 8, 2016.

Please contact Julie Waltari at (425) 456-2945 or julie.waltari@pse.com for additional information about this filing. If you have any other questions please contact me at (425) 456-2110.

Sincerely,



Ken Johnson
Director, State Regulatory Affairs

Enclosures

cc: Simon J. ffitich, Public Counsel
Pamela Anderson, Perkins Coie
Sheree Carson, Perkins Coie