

BEFORE THE  
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of the Application of  
PUGET SOUND ENERGY, INC.

For An Order Approving an Amendment to  
the Service Area Agreement with the  
PORT OF SEATTLE

DOCKET NO. UE-060169

APPLICATION

1. Puget Sound Energy, Inc. (the "Company" or "PSE") hereby requests an order from the Washington Utilities and Transportation Commission (the "Commission" or "UTC") approving the following amendment to the service area agreement between the Company and the Port of Seattle, (the "Port"):

The First Amendment to Service Area Agreement between Puget Sound Energy, Inc. and the Port of Seattle dated as of June 15, 2012, attached hereto as Exhibit A ("First Amendment").

2. In accordance with WAC 480-07-395(c)(ii), the name and address of the Company is shown below. Please direct all correspondence related to this Application as follows:

Tom DeBoer  
Director, Federal & State Regulatory Affairs  
Puget Sound Energy, Inc.  
10885 NE 4th Street  
P.O. Box 97034  
Bellevue WA 98009-9734  
Telephone: (425) 462-3495  
Facsimile: (425) 462-3414

3. This Application may bring into issue the following statutes and rules:  
RCW 80.04.010, RCW 54.48.010, RCW 54.48.020 and RCW 54.48.030.

### **I. BACKGROUND**

4. The Company is a "public service company" and an "electrical company" as those terms are defined in RCW 80.04.010, and as those terms otherwise may be used in Title 80 RCW. The Company is engaged in Washington State in the business of supplying utility services and commodities to the public for compensation. The Company is subject to the regulatory authority of the Commission as to its rates, services, facilities, accounting and practices.

5. The Port is a municipal corporation organized under the laws of the State of Washington. The Port owns and operates an electric distribution system and distributes and sells electricity to the public located in certain areas of King County, State of Washington.

6. PSE and the Port entered into a Service Area Agreement dated January 10, 2006, which was approved by the Commission on March 15, 2006 ("SAA"). The SAA commenced on the date of approval by the UTC, has a term of 25 years, and will terminate in 2031, unless earlier terminated pursuant to the terms of the SAA or by the UTC. The SAA establishes a boundary between the service territory of PSE and the service territory of Port in King County, State of Washington.

7. In conjunction with the First Amendment, PSE and the Port will enter into a long-term ground lease ("Lease") whereby PSE will lease a portion of the Des Moines Creek Business Park site located at 24th Avenue S. and S. 216th Street in Des Moines, as legally described on Exhibit A to the First Amendment (the "Property"). The Property is located

within the Industrial Development District or "IDD" (as defined in the SAA), which is the Port's service area. As between PSE and the Port, except as provided otherwise in section 2.2 of the SSA or as agreed otherwise, the Port currently has the sole and exclusive right to provide electric service at retail to any and all Customers located at the Property. The Property is currently undeveloped and unoccupied and the Port does not serve any customers at the Property.

8. PSE intends to develop and use the Property for an emergency operations center and certain other uses more particularly described in the Lease. The initial term of the Lease ends in 2032 (after the SAA is set to terminate).

9. In conjunction with the Lease, the Port and PSE agreed to modify the SAA so that PSE can provide electric service to the Property it is leasing. Specifically, PSE and the Port have agreed in the First Amendment, conditional upon approval by the UTC, that Attachment 1 to Exhibit A of the SAA would be amended to include the Property on the list of PSE's customers within the IDD, such that PSE would have the sole and exclusive right to provide electric service to the Property.

10. Section 2.3 of the SAA provides that, upon written agreement between PSE and the Port that PSE will serve a new Customer or Customers within the IDD, PSE and the Port shall promptly modify Attachment 1 to Exhibit A of the SAA, which will constitute an amendment to the SAA, provided that the amendment is approved by the Commission.

## **II. REQUEST FOR APPROVAL OF THE AGREEMENT**

11. Chapter 54.48 RCW authorizes public utilities to enter into agreements for the designation of boundaries of adjoining service areas. RCW 54.48.010(1) defines the

term "public utility" as "any privately owned public utility company engaged in rendering electric service to the public for hire . . . and any city or town engaged in the electric business." The Company and the Port are "public utilities" within the meaning of RCW 54.48.010(1).

12. RCW 54.48.030 provides that participation in such agreement by "any public utility which is an electrical company under RCW 80.04.010, excepting cities and towns, shall be approved by the [Commission]." RCW 80.04.010 defines an "electrical company" as "any corporation . . . owning, operating or managing any electric plant for hire within this state." The Company is an "electrical company" under RCW 80.04.010.

13. In enacting Chapter 54.48 RCW, the legislature declared that it is in the public interest for public utilities to enter into service area agreements for the purpose of avoiding or eliminating duplication of the electric lines and service of such public utilities. *See* RCW 54.48.020.

14. The First Amendment is consistent the legislative purpose for Chapter 54.48 and with section 2.3 of the SAA. The First Amendment is appropriate to address the new ground lease of the Property between PSE and the Port. Approval by the Commission is in the public interest.

15. The Company is not seeking Commission approval of any transfers of utility property, and is not seeking Commission approval to discontinue service to any of its customers or to transfer any customers to the Port. This Application is limited solely to seeking approval of the Commission pursuant to Chapter 54.48 RCW for the Company's participation in the First Amendment.

**III. PRAYER FOR RELIEF**

The Company respectfully requests that the Commission enter an Order in the form attached as Exhibit B approving the First Amendment.

DATED this 18<sup>th</sup> day of June, 2012.

**PUGET SOUND ENERGY**

By Tom DeBoer  
Tom DeBoer  
Director, Federal & State  
Regulatory Affairs

**VERIFICATION**

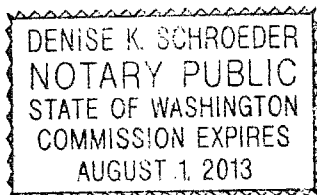
STATE OF WASHINGTON )  
 )  
COUNTY OF KING ) ss.

Tom DeBoer, being first duly sworn, on oath deposes and says:

That he is the Director, Federal & State Regulatory Affairs for Puget Sound Energy, Inc.; that he has read the foregoing Application of Puget Sound Energy, Inc. for an Order Approving an Amendment to the Service Area Agreement with the Port of Seattle; that he knows the contents thereof and hereby certifies that the information set forth in the foregoing Application is true and correct to the best of the signer's information and belief under penalty of perjury as set forth in RCW 9A.72.085.

Tom DeBoer  
Tom DeBoer  
Director, Federal & State Regulatory Affairs  
Puget Sound Energy, Inc.  
10885 NE 4th Street  
P.O. Box 97034  
Bellevue WA 98009-9734

SUBSCRIBED and SWORN to before me this \_\_\_ day of \_\_\_\_\_, 2012.



Denise K Schroeder  
Print Name: Denise K Schroeder  
Notary Public in and for the State of  
Washington, residing at Snoqualmie  
My commission expires 8-1-13