

## SECOND AMENDMENT TO SCHEDULE 449 SERVICE AGREEMENT

This Second Amendment to Schedule 449 Service Agreement, dated as of May 1, 2014, is made by and between Tesoro Refining & Marketing Company LLC, formerly known as Tesoro Refining and Marketing Company and Tesoro Northwest Company (“Customer”) and Puget Sound Energy, Inc., a Washington corporation (“Company” or “PSE”).

### RECITALS

- A. The Company and Customer entered into a Schedule 449 Service Agreement dated November 1, 2001, for service under Schedule 449 (the “Service Agreement”). The original Service Agreement included Exhibits A, B, and C thereto (collectively, the “Original Exhibits”).
- B. The Service Agreement’s initial Term terminated at 2400 hours on October 31, 2006.
- C. In the First Amendment to Schedule 449 Service Agreement, dated November 1, 2006 (the “First Amendment”), the Company and Customer agreed to extend the Service Agreement’s Term by an additional term of five (5) years and to update the service information in the Original Exhibits. The First Amendment included Exhibits A, B, and C thereto (collectively the “First Updated Exhibits”).
- D. In the Extension of Schedule 449 Service Agreement, dated November 1, 2011, (the “First Extension”), the Company and Customer agreed to extend the Service Agreement’s Term by an additional term of six (6) months and to update the service information in the First Updated Exhibits. The First Extension included Exhibits A, B, and C thereto (collectively, the “Second Updated Exhibits”).
- E. In the Extension of Schedule 449 Service Agreement, dated May 1, 2012, (the “Second Extension”), the Company and Customer agreed to extend the Service Agreement’s Term, as amended by the First Amendment, the First Extension, and the Second Extension, by an additional term of six (6) months and to update the service information in the Second Updated Exhibits. The Second Extension included Exhibits A, B, and C thereto (collectively, the “Third Updated Exhibits”).
- F. In the Extension of Schedule 449 Service Agreement, dated November 1, 2012, (the “Third Extension”), the Company and Customer agreed to extend the Service Agreement’s Term, as amended by the First Amendment, the First Extension, the Second Extension, and the Third Extension, by an additional term of six (6) months and to update the service information in the Third Updated Exhibits. The Third Extension included Exhibits A, B, and C thereto (collectively, the “Fourth Updated Exhibits”).

- G. In the Extension of Schedule 449 Service Agreement, dated May 1, 2013, (the "Fourth Extension"), the Company and Customer agreed to extend the Service Agreement's Term, as amended by the First Amendment, the First Extension, the Second Extension, the Third Extension, and the Fourth Extension by an additional term of six (6) months and to update the service information in the Fourth Updated Exhibits. The Fourth Extension included Exhibits A, B, and C thereto (collectively, the "Fifth Updated Exhibits").
- H. In the Extension of Schedule 449 Service Agreement, dated November 1, 2013, (the "Fifth Extension"), the Company and Customer agreed to extend the Service Agreement's Term, as amended by the First Amendment, the First Extension, the Second Extension, the Third Extension, the Fourth Extension, and the Fifth Extension by an additional term of six (6) months and to update the service information in the Fifth Updated Exhibits. The Fifth Extension included Exhibits A, B, and C thereto (collectively, the "Sixth Updated Exhibits").
- I. The Service Agreement's Term, as amended by the First Amendment, the First Extension, the Second Extension, the Third Extension, the Fourth Extension, and the Fifth Extension terminates at 2400 hours on April 30, 2014, unless sooner terminated pursuant to Sections 3.5 and 9.3 of Schedule 449.
- J. Customer and PSE desire to further extend the Service Agreement's Term, as amended by the First Amendment, the First Extension, the Second Extension, the Third Extension, the Fourth Extension, and the Fifth Extension by five (5) years and to update the service information in the Sixth Updated Exhibits.
- K. Entire Agreement. This Second Amendment to Schedule 449 Service Agreement contains the entire understanding between and among the undersigned parties in connection with the subject matter addressed herein. It supersedes and replaces any and all prior negotiations, agreements, discussions, representations, statements and promises, whether oral or written. Each Party hereby acknowledges that no promise, representation or warranty whatsoever, express or implied, has been made by any other Party or agent or attorney of any other Party to induce it to execute this document, other than the terms expressly stated in this written Second Amendment to Schedule 449 Service Agreement.

**AGREEMENT**

1. **Extension of Term.** The Company and Customer agree to further extend the Service Agreement's Term for an additional term of five (5) years to terminate at 2400 hours on April 30, 2019 unless sooner terminated pursuant to Sections 3.5 and 9.3 of Schedule 449.

2. **Updated Service Information.** The Company and Customer agree to update the service information in the Sixth Updated Exhibits by replacing the Sixth Updated Exhibits with the attached forms of Exhibits A, B, and C (the "Seventh Updated Exhibits"). The Seventh Updated Exhibits shall take effect as part of the Service Agreement at 0000 hours on May 1, 2014, unless otherwise specified in the Seventh Updated Exhibits.

3. **Continuation of Service Agreement.** The Service Agreement remains in full force and effect according to its original terms as amended.

DATED EFFECTIVE: May 1, 2014

**Company:**  
**PUGET SOUND ENERGY, INC.**

By: Will Silvestri  
Director, Business Services and Economic Development

Date Signed: May 9, 2014

**Customer:**  
**TESORO REFINING & MARKETING COMPANY LLC**

By: Brian Cyman

Its: SVP Refining

Date Signed: 4/24/14

