

BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of the Application of

PUGET SOUND ENERGY, INC.

For An Order Approving an Agreement for
Transfer of Distribution Facilities and
Associated Customers' Service to the CITY
OF ELLENSBURG

DOCKET NO. UE-_____

APPLICATION FOR AN ORDER
APPROVING AGREEMENT

1. Puget Sound Energy, Inc. (the "Company") hereby requests an order from the Washington Utilities and Transportation Commission (the "Commission") that approves the following agreement for the transfer of distribution facilities and associated customers' service from the Company to the City of Ellensburg, Washington ("Ellensburg"):

The Agreement for Transfer of Distribution Facilities between Puget Sound Energy, Inc. and the City of Ellensburg dated as of October 16, 2006, attached hereto as Exhibit A ("Agreement").

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:

Thomas A. DeBoer
Director, Rates and 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

2. 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

3. 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 currently furnishes electric service to approximately 1,030,000 customers located in certain areas of Kittitas County and the Puget Sound region of the State of Washington. The Company is subject to the regulatory authority of the Commission as to its rates, services, facilities, accounting and practices.

4. Ellensburg is a municipal corporation organized under the laws of the State of Washington. Ellensburg owns and operates an electric distribution system and distributes and sells electricity to the public located in certain areas of Kittitas County, State of Washington, in and in the vicinity of Ellensburg.

5. The current service areas of the Company and Ellensburg are contiguous and overlapping at certain locations, and service by the Company and Ellensburg in these locations can result in costly duplication of electric facilities and unnecessary hazards to public safety, discourage investment in permanent underground facilities, be unattractive and otherwise inconsistent with sound and efficient utility operation and therefore contrary to the public interest.

6. The Company and Ellensburg have entered into the Agreement subject and pursuant to RCW 54.48.030. The purpose of the Agreement is to reduce the instances within their respective service territories where they are maintaining duplicative electric

facilities capable of service to the same customers in certain areas where Ellensburg annexed territory more than seven years ago.

7. The Agreement between the Company and Ellensburg provides for the transfer of distribution facilities related to customers whose service is to be transferred from the Company to Ellensburg as a result of the facilities transfer. Attachment 2 of the Agreement, attached hereto, lists the seventy-one (71) customer accounts to be transferred, and Attachment 3 of the Agreement, describes in detail the facilities to be transferred. The term of the Agreement is twenty-five (25) years.

II. REQUEST FOR APPROVAL OF THE AGREEMENT

8. 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 Ellensburg are "public utilities" within the meaning of RCW 54.48.010(1).

9. Chapter 54.48.030 RCW authorizes public utilities to enter into agreements with other public utilities for the acquisition or disposal by purchase or sale of duplicating utility facilities.

10. RCW 54.48.030 further 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.

11. In enacting Chapter 54.48 RCW, the legislature declared that it is in the public interest for public utilities to enter into agreements for the purpose of avoiding or

eliminating duplication of the electric lines and service of such public utilities. See RCW 54.48.020.

12. The Agreement is consistent with, and fulfills the policies embodied in, Chapter 54.48 RCW, and its approval by the Commission is in the public interest.

13. The Company and Ellensburg have not reached an agreement on the terms of a comprehensive Service Area Agreement. However, the Company and Ellensburg have reached agreement with respect to service and customer issues in the specific areas of Ellensburg that are described in the Agreement. Therefore, this Application is limited to seeking approval of the Commission pursuant to Chapter 54.48 RCW for the Company's transfer of PSE's distribution facilities and associated service related to the seventy-one (71) accounts of customers whose service is to be transferred from the Company to Ellensburg as a result of the facilities transfer. This Agreement furthers the purposes of Chapter 54.48 RCW by avoiding or eliminating duplication of the electric lines and service of such public utilities within these specific areas of the City.

III. PRAYER FOR RELIEF

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

DATED this 6th day of November 2006.

PUGET SOUND ENERGY, INC.

By Tom DeBoer
Thomas A. DeBoer
Director, Rates and Regulatory Affairs

VERIFICATION

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

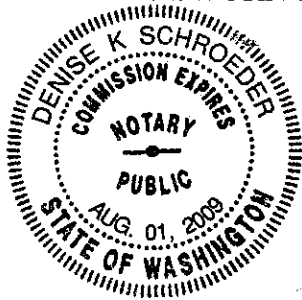
Thomas A. DeBoer, being first duly sworn, on oath deposes and says:

That he is the Director, Rates and Regulatory Affairs for Puget Sound Energy, Inc.; that he has read the foregoing Application of Puget Sound Energy, Inc. for an Order Approving an Agreement for the Transfer of Distribution Facilities with the City of Ellensburg, Washington; 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.

Thomas A. DeBoer

Thomas A. DeBoer
Director, Rates and 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 6th day of November 2006.



Denise K Schroeder

Print Name: DENISE K SCHROEDER
Notary Public in and for the State of
Washington, residing at SNOQUALMIE, WA
My commission expires: AUG 1, 2006

EXHIBIT A

TO

APPLICATION FOR AN ORDER APPROVING AGREEMENT

**AGREEMENT FOR TRANSFER OF DISTRIBUTION
FACILITIES**

This Agreement ("Agreement"), dated as of October 16 2006, is made and entered into by and between PUGET SOUND ENERGY, INC., a Washington corporation ("PSE") and the CITY OF ELLENSBURG, a municipal corporation (the "City").

RECITALS

- A. PSE is a public utility company engaged in the business of rendering electrical service to the public located in certain areas of the State of Washington (including, but not limited to, certain areas of Kittitas County adjacent to and within the incorporated limits of the City).
- B. The City is also engaged in the business of rendering electrical service to the public located within certain areas of Kittitas County adjacent to and within the incorporated limits of the City.
- C. The current areas in which PSE and the City provide electrical service are contiguous and overlapping at certain locations and extension of service by the parties in these locations can result in costly duplication of electric facilities, unnecessary hazards to public safety, discourage investment in permanent underground facilities, be unattractive and otherwise inconsistent with sound and efficient utility operation, and therefore contrary to public interest.
- D. In Chapter 54.48 RCW, the legislature of the State of Washington declared that it is in the public interest for public utilities to enter into service area agreements, in order to avoid or eliminate duplication of electric facilities, by establishing boundaries between contiguous service areas.
- E. Subject and pursuant to RCW 54.48.030, the City and PSE desire to reduce the instances within their respective service territories where they are maintaining duplicative electric facilities capable of serving the same customers in certain areas where (a) the City annexed territory more than seven years ago or (b) residents outside of the City in proposed annexation areas have requested City electrical service.
- F. In connection with this Agreement, the parties desire that PSE transfer to and convey certain "Distribution Facilities" (defined below) to the City.

AGREEMENT

PSE and the City hereby agree as follows:

Section 1. Definitions

As used in this Agreement:

1.1 "PSE Distribution Facilities" means PSE's Distribution Facilities that are to be transferred to the City pursuant to this Agreement, as depicted on Attachment 1 hereto.

1.2. "Term" means the period commencing on the date of the WUTC written approval of this Agreement upon terms and conditions acceptable to PSE and ending upon the twenty fifth (25th) anniversary of the date of such approval (the "Term").

1.3 "Transfer Period" means that time between execution of this Agreement and actual connection of the customers to be transferred to the City's electrical system, which Transfer Period shall in no event be longer than one (1) year following approval by the WUTC, unless the delay is due to causes outside the control of the parties, such as weather, permitting, strikes, action or inaction of governmental authority, availability of materials or acts of God.

1.4. "WUTC" means the Utilities and Transportation Commission of the State of Washington.

Section 2. Transfer of PSE Distribution Facilities

2.1 Transfer of PSE Distribution Facilities. PSE hereby conveys and quitclaims to the City, and the City hereby accepts from PSE, the PSE Distribution Facilities.

2.2 Transfer of PSE Customers' Service. Transfer of the PSE Distribution Facilities results in the transfer of service to 69 metered accounts described in Attachment 2, which are currently PSE Customers that will become City Customers.

2.2.1 Transfer of Customers' Service.

2.2.1 Transfer of Service. PSE shall, prior to the expiration of the Transfer Period, transfer and assign to the City, and the City shall accept and assume from PSE, the obligation and right to serve those Customers set forth in

Attachment 2 attached hereto. Upon each Customer's transfer and assignment, PSE shall cease providing electric service to such Customer and the City shall commence providing electric service to such Customer.

2.2.2 Customer Billing and Meters. Upon the transfer of service to each such customer, representatives of the City and PSE shall jointly record the Customer's name, mailing address, service address, meter number and meter reading. On the basis of such meter reading, PSE shall close such Customer's account and render a closing bill to such Customer. Credit balances, if any, shall be refunded to Customers by PSE. Both PSE and the City shall maintain records of service with respect to the Customers whose service has been transferred.

2.2.3 Meters. This transaction does not include the transfer of any PSE transformers or meters to the City. Upon the transfer of service to each such Customer, PSE and the City shall coordinate the removal of PSE's electric meters and the placement of the City's electric meters. PSE shall incur all costs to remove its old electric meters and the City shall incur all costs to install its new electric meters.

2.2.4 Transfer of PSE Distribution Facilities. Where PSE Distribution Facilities serving Customers (including service lines) are to be transferred to the City or where PSE transformers are to be replaced with City transformers, PSE and the City shall coordinate the cut-over from PSE's electrical system to the City's electrical system with PSE doing the work on the PSE electrical system and the City doing the work on the City electrical system and, once de-energized, on the PSE Distribution Facilities to be transferred.

2.3. Compensation. As compensation for the PSE Distribution Facilities and all the parts and equipment related thereto more particularly identified on Attachment 3, the City shall pay the PSE Twenty Nine Thousand One Hundred Twenty Six and 73/100 Dollars (\$29,126.73), due no later than thirty (30) days after completing the transfer of the Customers pursuant to paragraph 2.1.

2.4 Taxes. PSE shall promptly pay any and all real estate excise taxes, property taxes, and any other taxes, if any, resulting from the transfer of the PSE Distribution Facilities.

2.5 Condition of the PSE Distribution Facilities.

2.5.1 Inspection. The City has fully inspected and satisfied itself as to the nature, characteristics, condition, quality and other aspects of the PSE Distribution Facilities. The locations of which are shown on Attachment 1

2.5.2 Disclaimer. The PSE Distribution Facilities are transferred, assigned, and conveyed pursuant to this Agreement "AS IS," "WHERE IS" and "WITH ALL FAULTS AND DEFECTS." PSE makes no warranties or representations, express or implied of any kind regarding the PSE Distribution Facilities. Any descriptions of the PSE Distribution Facilities contained in this Agreement are solely for identification purposes and do not constitute any warranty or representation that the same conform to any such description.

2.5.3. Indemnity.

(a) PSE releases and shall defend, indemnify and hold harmless the City, its successors and assigns, and the respective directors, officers, employees and agents of the City and its successors and assigns (collectively, the "City Indemnitees") from liability to third parties for bodily injury or property damage (and from reasonable attorneys' fees incurred in the defense thereof) caused by or resulting from the negligent acts or omissions of the PSE with respect to the PSE Distribution Facilities prior to the date the City takes possession and control of the PSE Distribution Facilities. However, PSE shall not be required to so defend, indemnify or hold harmless the City Indemnitees from any claim, loss, harm, liability, damage, cost or expense to the extent caused by or resulting from the negligence or willful misconduct of such City Indemnitees.

(b) The City releases and shall defend, indemnify and hold harmless PSE, its successors and assigns, and the respective directors, officers, employees and agents of the PSE and its successors and assigns (collectively, the "PSE Indemnitees") from liability to third parties for bodily injury or property damage (and from reasonable attorneys' fees incurred in the defense thereof) caused by or resulting from the condition or functionality of the PSE Distribution Facilities or the negligent acts or omissions of the City with respect to the PSE Distribution Facilities on or after the date the City takes possession and control of the PSE Distribution Facilities. However, the City shall not be required to so defend, indemnify or hold harmless the PSE Indemnitees from any claim, loss, harm, liability, damage, cost or expense to the extent caused by or resulting from the negligence or willful misconduct of such PSE Indemnitees.

Section 3. Miscellaneous

3.1 Necessary Approvals. This Agreement, and PSE's obligations under this Agreement other than those set forth in this Section 3.1, are contingent and shall become effective only upon the WUTC's written consent to this Agreement upon terms and conditions acceptable to PSE. Upon execution of this Agreement, PSE shall apply for such written consent and, if and to the extent requested by PSE, the City shall cooperate with PSE's efforts to obtain such approval. PSE shall provide notification of the proceeding and the proposed transfer of customers' service to the affected Customers. If PSE does not, in its sole discretion, find the terms and conditions of any WUTC order requested by PSE under this Section 3.1 to be acceptable to PSE, PSE shall notify the City within thirty (30) days following the issuance of such WUTC order. If PSE provides the City with such notice within the foregoing time period, this Agreement, this Agreement shall terminate and be of no further force or effect.

3.2. No Partnership. This Agreement shall not be interpreted or construed to create an association, joint venture or partnership between the City and PSE or to impose any partnership obligation or liability upon either party.

3.3. Specific Performance. If either the City or PSE hereto shall institute an action or proceeding to specifically enforce the provisions of Section 2; the party against whom such action or proceeding is brought hereby waives the claim or defense in such action that the party bringing such action has an adequate remedy at law or in damages, and will not raise in any such action or proceeding the claim or defense that such remedy at law or in damages exists.

3.4. Successors and Assigns; Assignment. This Agreement shall be fully binding upon, inure to the benefit of and be enforceable by the City, PSE and their respective successors, assigns and legal representatives; provided however, that neither party may assign or otherwise transfer this Agreement without the prior written consent of the other party.

3.5. Non Waiver. The failure of either the City or PSE to insist upon or enforce performance of any of the provisions of this Agreement shall not be construed as a waiver or relinquishment to any extent of such party's right to assert or rely upon any such provisions or rights in that or any other instance; rather, the same shall be and remain in full force and effect.

3.6. Entire Agreement. This Agreement sets forth the entire agreement of the City and PSE with respect to the transfer of the Distribution Facilities. No change, amendment or modification of any provision of this Agreement shall be valid unless set forth in a written instrument signed by both the City and PSE, and consented to by the WUTC, if such consent is required.

3.7. No Third-Party Beneficiary. There are no third-party beneficiaries of this Agreement. This Agreement shall not confer any right or remedy upon any person or entity other than the parties and their respective successors and assigns. No action may be commenced or prosecuted against any party by any third party claiming as a third-party beneficiary of this Agreement or the transactions contemplated hereby. This Agreement shall not release or discharge any obligation or liability of any third party to any party or give any third party any right of subrogation or action over or against any party.

3.8 Governing Law/Interpretation. This Agreement shall be interpreted, construed and enforced in accordance with the laws of the State of Washington or the laws of the United States of America, whichever is applicable. The venue of any legal action taken by either party under this Agreement shall be in the courts of Kittitas County, Washington. Prior drafts of this and related Agreements are not admissible, by addition, deletion or other modification, as evidence of the intent of the parties in any proceeding to interpret this Agreement, and neither this Agreement nor any provision of this Agreement shall be interpreted for or against a party because that party may have proposed the language at issue, but rather the Agreement and its provisions shall be interpreted fairly.

EXECUTED as of the day and year first above written.

CITY OF ELLENSBURG

PUGET SOUND ENERGY, INC.

By Chris D. O'Brien
Title: Mayor
Date Signed: 10-16-06


By Sue McLean
Title: Senior Vice President, Operations
Date Signed: 10-06-06

ATTEST: Chris D. O'Brien



City Clerk

APPROVED AS TO FORM:



City Attorney

STATE OF WASHINGTON

)
) ss.
)

COUNTY OF King

On this 6th day of October 2006, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Sue McLain, to me known to be the person who signed as Sr. Vice President Operation, of PUGET SOUND ENERGY, INC., the corporation that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said corporation for the uses and purposes therein mentioned, and on oath stated that she was duly elected, qualified and acting as said officer of the corporation that she was authorized to execute said instrument and that the seal affixed, if any, is the corporate seal of said corporation.

WITNESS my hand and official seal hereto affixed the day and year in this certificate above written.



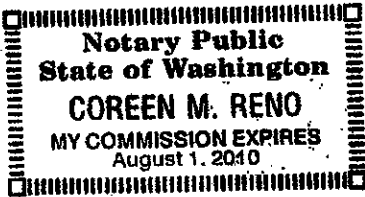
Carol A. Nelson

NOTARY PUBLIC in and for the State of
Washington, residing at Redmond, WA
My appointment expires 7-20-09

STATE OF WASHINGTON)
) ss.
COUNTY OF Kittitas)

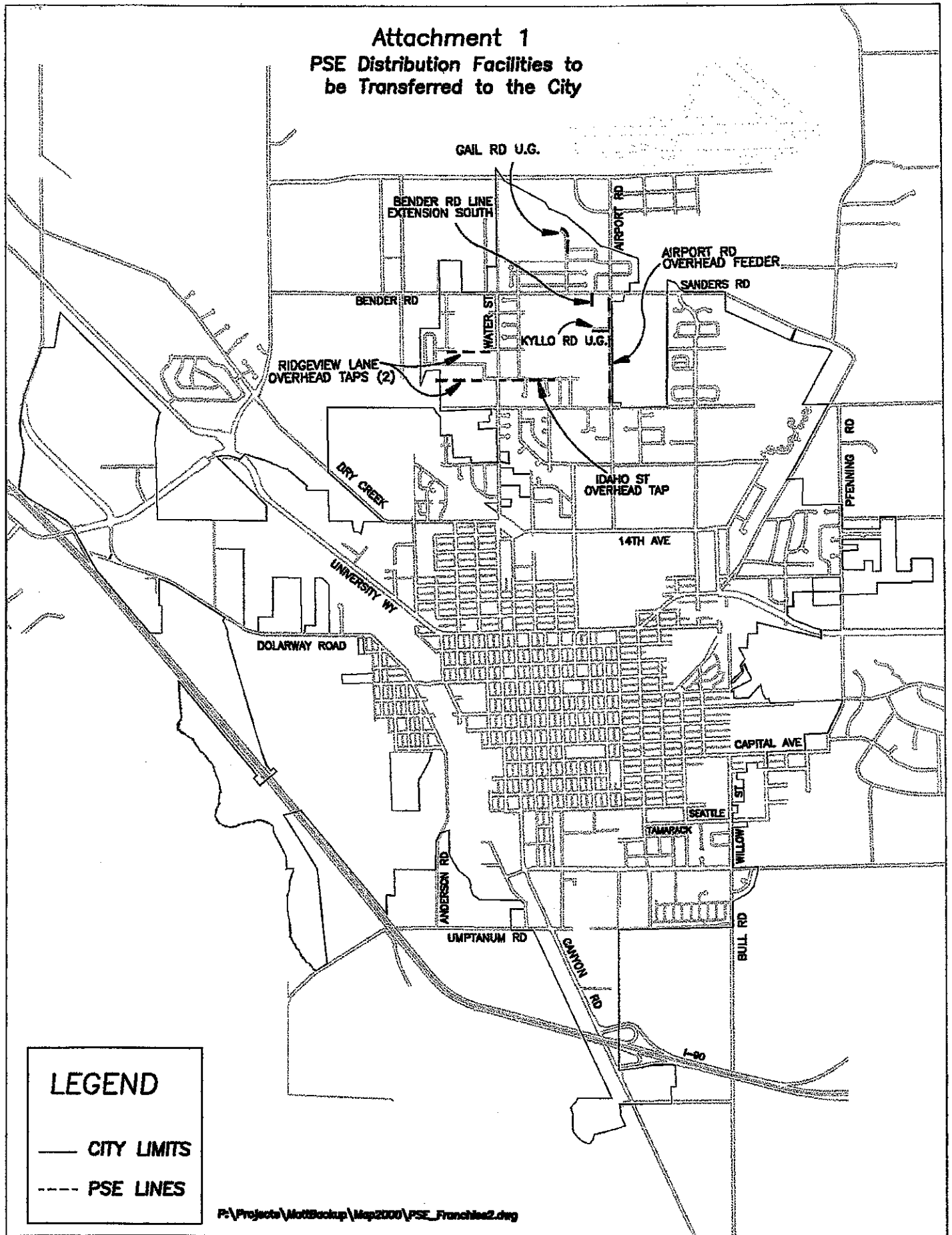
On this 16th day of October 2006, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Obie DJ O'Brien, to me known to be the person who signed as Mayor, of the CITY OF ELLENSBURG, the municipal corporation that executed the within and foregoing instrument and acknowledge said instrument to be the free and voluntary act and deed of said municipal corporation for the uses and purposes therein mentioned, and on oath stated that he was duly elected, qualified and acting as said officer of the municipal corporation, that he was authorized to execute said instrument and that the seal affixed, if any, is the corporate seal of said municipal corporation.

WITNESS my hand and official seal hereto affixed the day and year in this certificate above written.



Coreen M. Reno
NOTARY PUBLIC in and for the State of
Washington, residing at Ellensburg
My appointment expires 8-1-10

Attachment 1 PSE Distribution Facilities to be Transferred to the City



LEGEND

— CITY LIMITS

- - - PSE LINES

ATTACHMENT 2
Identification of Customer Accounts to be Transferred

Site Address	Acct #	Meter Number
Ridgeview Lane		
509 Ridgeview Lane	929-507-210	A091632383
509 Ridgeview Lane	929-507-210	A091622367
505 Ridgeview Lane	453-831-100	A091628573
505 Ridgeview Lane	266-174-055	A091622369
501 RidgeView Lane	587-609-000	A091628798
417 Ridgeview Lane	449-908-100	A091628795
417 Ridgeview Lane	449-908-100	A091628794
413 Ridgeview Lane	387-609-000	A091628576
409 Ridgeview Lane	287-609-000	A091628572
401 Ridgeview Lane	576-570-400	A091624396
317 Ridgeview Lane	087-609-000	A091624428
309 Ridgeview Lane	457-240-000	A091624430
508 Ridgeview Lane	987-609-000	A091622370
500 Ridgeview Lane	627-947-238	A091622368
416 Ridgeview Lane	197-609-000	A091624399
412 Ridgeview Lane	297-609-000	A091624398
408 Ridgeview Lane	397-609-000	A091624397
404 Ridgeview Lane	318-646-100	A091624395
404 Ridgeview Lane	318-646-100	A091624401
2309 Ridgeview Lane	897-609-000	A091624427
307 Ridgeview Lane	834-831-100	A091624384
Idaho Street:		
2216 N. Water Street	017-609-000	A091624383
205 E. Idaho Street	367-737-281	A091628834
104 West Idaho Street	809-418-187	A091628790
109 A East Idaho Street	939-591-067	A091628833
109 B East Idaho Street	369-520-112	A091628791
201 East Idaho Street	157-240-000	A091629016
108 West Idaho Street	286-261-901	A091628518
211 East Idaho Street A	984-497-872	A091625805
211 East Idaho Street B	294-232-012	A091625807
300 Idaho Street	826-928-100	A091625808
111 ½ Idaho Street	456-888-790	A091625806

Site Address	Acct #	Meter Number
Bender Road		
310 Bender Road	576-609-000	A091625833
404 Bender Road	676-609-000	A091625860
404 Bender Road	667-697-100	A091625858
410 Bender Road	776-609-000	A091629023
414 Bender Road	876-609-000	A091629021
416 Bender Road	Open	A091629024
510 E Bender Road	292-950-680	A091625831
510 W Bender	186-609-000	A091629022
Airport Road		
2519 #2 Airport Road	246-385-770	A091629011
2517 #1 Airport Road	630-560-446	A091629009
2501 Airport Road	670-984-223	A091625811
2415 Airport Road	670-984-223	A091625810
2415 Airport Road	670-984-223	A091628985
2413 Airport Road	896-609-000	A091628990
2411 Airport Road	996-609-000	J058105796
2409 Airport Road	890-338-158	A091629065
2407 Airport Road	107-609-000	A091629010
2319 Airport Road	200-195-710	A091629066
2317 Airport Road	245-140-000	A091629063
2313 Airport Road	414-394-830	A091929062
2307 Airport Road	807-609-000	A091625812
Kyllo Road		
518 Kyllo Road	848-447-100	A091625823
519 Kyllo Road	286-486-100	A091629014
519 Kyllo Road	286-486-100	A091625822
610 Kyllo Road	922-557-100	A091625821
611 Kyllo Road	951-927-100	A091625824
2709 North Airport Road	146-872-669	A091629026
2712 Airport Road	911-051-917	A091629025
Gail Road		
430 Gail Road	285-938-100	H094138952
430 Gail Road Pump Service	474-710-413	A091625839
340 Gail Road	193-736-568	A091625840
270 Gail Road	867-263-699	A091625837

Site Address**Acct #****Meter Number**

Site Address	Acct #	Meter Number
	West Helena	
503 West Helena	887-787-100	A091625510
501 West Helena	413-136-224	A091625508
411 West Helena	628-609-000	A091625512
401 West Helena	821-259-738	A091629527
315 West Helena	218-609-000	A091629522
313 West Helena	599-726-512	A091629529
311 West Helena	345-328-000	A091629528

Attachment 3 detailed list of parts

Corner of N Water St and Idaho St, east to end of PSE facilities							
From pole 261365-198786 to pole 261366-198903 single phase overhead wire - 1350' of 2 acsr, plus neutral = 2700'							
Pole Grid	Year	Height	Pole Class	Comm.	Cable	PSE Sec Svc's	Equipment
261366-198903	1951	40	unknown	Yes	Yes	n/a	1 ph DE arm(W), neut DE pole mt, pri. Down guy, anchor
261366-198834	1974	40	1	Yes	Yes	1ug, 1 oh	1ph PTP, neut., 15kva trf, 2" riser,
261363-198880	1967	30	4	Yes	Yes	1 oh	Service pole, rigid clevis
261366-198864	1968	40	5	Yes	Yes	2 oh	1ph, neut., 15kva trf.,
261372-198864	1967	30	4	n/a	n/a	1 oh	Service pole, rigid clevis
261365-198848	1968	40	3	Yes	Yes	2 oh	1 ph PTP, neut., 37.5kva trf,
261373-198848	1968	30	4	n/a	n/a	2 oh	Service pole, rigid clevis
261365-198830	1948	40	unknown	Yes	Yes	1 oh	1 ph PTP, neut., 10kva trf,
261362-198845	2004	35	2	Yes	Yes	1 oh	Service pole, rigid clevis, 100W area light
261365-198791	19507	40	1	Yes	Yes	4 oh	1 ph PTP, neut. 37.5kva trf,
261361-198799	1991	30	2	Yes	Yes	1 oh	Service pole, rigid clevis Dbl Pri dwn guys, 2 sidewalk anchors (no Neut guy's)
Corner of N Water St, West on Ridgeview Ln to end of PSE facilities							
From pole 261365-198903 to end poles 261444-198598 & 261363-198598 overhead wire footage							
1ph sections, plus neut = 1200' x 2 of #2acsr, + 1100' x 2 of #2acsr = 4600'							
Secondary Bus wire = 310' x 2 of #2/0 acsr = 620' - (1 run of 310' secondary counted as a neutral in line above)							
Starting at the North pole line - off Ridgeview Lane							
Pole Grid	Year	Height	Pole Class	Comm.	Cable	PSE Sec Svc's	Equipment
							34KV term brkt, 34Kv terms, 4" riser, Pri & Neut dwn guys, anchor Secondary Bus rack, w/ bus work
261444-198885	1965	40	2	Yes	Yes	2 oh	1 ph PTP, 25kva trf, secondary rack w/ bus work
261443-198863	1967	40	5	Yes	Yes	1 oh -span	1 ph PTP, 15kva trf, secondary rack(no bus work)
261425-198852	1978	30	1	Yes	Yes	2 oh	Service pole, rigid clevis
261444-198641	1967	40	3	Yes	Yes	1 oh -span	1 ph PTP, 25kva trf, secondary rack(no bus work)
261432-198639	1975	30	2	Yes	Yes	2 oh	Service pole, rigid clevis
261444-198618	1967	40	2	Yes	Yes	2oh (1span, 1svc)	1 ph PTP, 15kva trf, secondary rack(no bus work)
261434-198616	1976	30	3	Yes	Yes	2 oh	Service pole, rigid clevis
261444-198598	1967	40	2	Yes	Yes	1 oh, 1ug	1 ph Pri DE -pole, 25kva trf, Neut DE, Pri & Neut dwn guy Anchor, 2"/3" sec riser
Starting at the South Pole line - off Ridgeview lane							
Pole Grid	Year	Height	Pole Class	Comm.	Cable	PSE Sec Svc's	Equipment
261363-198598	1967	40	2	Yes	Yes	2 oh	1 ph Pri DE -pole, 25kva trf, Neut DE, Pri & Neut dwn guy, anchor
261362-198619	1967	40	2	Yes	Yes	1 ug	1 ph PTP, 37.5kva trf, secondary rack(no bus work), 3"sec riser
261363-198641	1962	40	2	Yes	Yes	1 ug	1 ph PTP, 25kva trf, secondary rack(no bus work), 3"sec riser
261363-198662	1962	40	2	Yes	Yes	2 oh	1 ph PTP, 25kva trf, secondary rack(no bus work), 3"sec riser
261363-198684	1967	40	3	Yes	Yes	n/a	1 ph PTP, secondary rack, no bus work Primary dwn guy, anchor
Corner of Bender Road and Airport Road - Starting at KX375 to end of PSE facilities							
From pole 261553-199019 to pole 261336-199021 overhead wire footage - B phase jumpered through, A & O not jumpered							
3 phase, plus neutral = 2151' x 4 of #4bc = 8453'							
Pole Grid	Year	Height	Pole Class	Comm.	Cable	PSE Sec Svc's	Equipment
261553-199019*	1972	40	2	Yes	Yes	n/a	3ph Dbl DE Arm -line, Dbl c/o arm, Neut DE-N,S, Pri Dwn Guy-S, Anch
261525-199020	n/a	40	2	Yes	Yes	1 oh -span	3ph Sgl arm-PTP, 25kva trf, rigid clevis
261545-199024	1972	40	3	n/a	n/a	1ug	Service pole, 3" riser, Rigid clevis
261513-199020	2004	40	4	Yes	Yes	1 oh	3ph Sgl arm-PTP, 15kva trf, rigid clevis
261494-199020	1975	40	4	Yes	Yes	n/a	3ph Sgl arm-PTP, rigid clevis
261474-199020	1990	40	2	Yes	Yes	n/a	3ph Sgl arm-PTP, c/o-arm mt, term, brkt, arrester, 3"riser, rigid clevis
261454-199020	1994	40	1	Yes	Yes	1 oh	3ph Sgl arm-PTP, 15kva trf, c/o-arm mt, 3"riser(svc), rigid clevis
261434-199020	1953	40	1	Yes	Yes	5 oh (1Span)	3ph Sgl arm-pins, 50kva trf, c/o-pole mt, 150w area light, Rigid clevis
261430-199024**	n/a	30	4	Yes	Yes	1 oh	Service pole, Rigid clevis, California top -
261415-199021	1953	40	1	Yes	Yes	2 oh	3ph Sgl arm-PTP, 25kva trf, c/o-pole mt, rigid clevis
261395-199021	1974	40	3	Yes	Yes	4 oh (1 Span)	3ph Sgl arm-PTP, 25kva, c/o-pole mt, rigid clevis
261375-199021	1974	40	4	Yes	Yes	1 oh	3ph Sgl arm-PTP, rigid clevis
261358-199021**	1994	40	2	Yes	Yes	n/a	3ph Sgl arm-PTP, rigid clevis -(Square pole tag -Pole MFG. SJT 46 DFP)
PSE stops, E'Burg starts							
261336-199021**	1994	40	1	Yes	Yes	n/a	3ph Dbl DE arm -line, Neut DE-N,S, (Pri Dwn Guy-N, Anch-E'Burg) E'Burg DE's on pole-South. (Square pole tag -Pole MFG. SJT 46 DFP)
* Pole to remain							
** Doesn't look to be a PSE pole, shown on u-maps							
KYLLO Road - Underground							
Pole 261474-199020 to Padmount transformer 261475-198892							
Underground cable installed in 1991 -34 KV Cable M5381-B (12.5KV) - 280'							
System looks to be in 3" conduit, pole to transformer							
25kva padmount transformer, 34" minipad vault							
GAIL Road - Underground, installed in 1994 - WO # 94-05058							
Cable length for cable 6008 = 765' Cable length for cable 6007 = 500' TOTAL length = 1265'							
Cable is in 3" conduit, as well as 2 crossings consisting of 2-3" road crossings (60'/ea) Approximate conduit = 1510'							
Pole/TRF Grid	Year	Height	Pole Class	Comm.	Cable	PSE Sec Svc's	Equipment
261641-198924	1994						25 kva trf, minipad vault - A.J6724
261698-198924	1994						37.5 kva trf, minipad vault- AL2613

EXHIBIT B

TO

APPLICATION FOR AN ORDER APPROVING AGREEMENT

BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

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

For An Order Approving an Agreement for
Transfer of Distribution Facilities to the CITY
OF ELLENSBURG

NO.

PROPOSED ORDER

On _____, 2006, Puget Sound Energy, Inc. ("the Company") filed an Application pursuant to RCW 54.48.030 seeking Commission approval of an agreement for the transfer of distribution facilities and associated customers' service ("Agreement") between the Company and the City of Ellensburg, Washington ("Ellensburg"). The Agreement provides for the transfer of distribution facilities and associated accounts related to seventy-one (71) customers whose service is to be transferred from the Company to Ellensburg as a result of the facilities transfer. A copy of the Agreement is attached hereto and incorporated herein.

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.

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

The Company and Ellensburg have agreed to transfer certain distribution facilities and associated accounts related to seventy-one (71) customers in order to avoid or eliminate duplication of electric facilities. *See* Agreement, Recitals E and F. The legislature has declared that it is in the public interest for public utilities to enter into agreements for the purpose of avoiding or eliminating duplication of electric lines and service of public utilities. *See* RCW 54.48.020.

The Commission has authority and responsibility not only to approve agreements under Chapter 54.48 RCW, but also to hear and resolve disputes that arise under such agreements, or issue other "appropriate orders." Tanner Elec. Coop. v. Puget Sound Power & Light Co., 128 Wn.2d 656, 665, 911 P.2d 1301 (1996); RCW 54.48 *et seq.*

Having reviewed the Application and the exhibits attached thereto, the Commission is of the opinion that the transfer of distribution facilities and associated customers' service is consistent with the legislative policy enunciated in Chapter 54.48 RCW; that the objectives and purposes specified in that legislation would be reasonably achieved by approval of the Agreement, and that such approval is consistent with the public interest.

ORDER

WHEREFORE, IT IS HEREBY ORDERED that the Agreement for Transfer of Distribution Facilities attached to Puget Sound Energy, Inc.'s Application and the associated customers' service from the Company to Ellensburg is hereby approved pursuant to the provisions and requirements of RCW 54.48 *et seq.*

Nothing herein shall be construed to waive or otherwise impair the jurisdiction of this Commission over the rates, services, accounts and practices of Puget Sound Energy, Inc.

DATED at Olympia, Washington, and effective this ____ day of _____, 2006.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION