



STATE OF WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION
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November 06, 2017

Ken Johnson
Director, State Regulatory Affairs
Puget Sound Energy
P. O. Box 97034
Bellevue, WA 98009-9734

RE: In the Matter of the Puget Sound Energy Notice of Internal Reorganization of Upstream Owners of Puget Holdings LLC, Docket UE-171039.

Dear Mr. Johnson:

On October 11, 2017, Puget Sound Energy (PSE) notified the Washington Utilities and Transportation Commission (Commission) of an internal reorganization of the upstream owners of Puget Holdings LLC (Puget Holdings). The internal reorganization transfers 9.9 percent of the equity ownership of Puget Holdings held by MIP II Washington Holdings, L.P. (MIP II) to MIP Padua Holdings, L.P. (MIP Padua). “MIP” stands for Macquarie Infrastructure Partners Inc.

Puget Holdings is a consortium of investors, and Macquarie entities hold the largest percentage of Puget Holdings. In 2008, the Commission approved the acquisition of Puget Sound Energy, Inc. (PSE) by Puget Holdings.¹ In its order approving the transaction, the Commission approved multiple commitments by the applicants including ring-fencing and other mechanisms designed to protect ratepayers and the public interest.

One of these commitments, Commitment 26(b), provides that Puget Holdings and PSE will notify the Commission if there is a “change in effective control or acquisition of any material part of PSE.” The Commission modified this commitment in its order by “clarifying that the term ‘material part of PSE’ means any sale or transfer of stock representing 10 percent of the equity ownership of Puget

¹ *In the Matter of the Joint Application of Puget Holdings LLC and Puget Sound Energy, Inc., for an Order Authorizing Proposed Transaction*, Docket U-072375, Order 08 (Dec. 30, 2008) (Order 08).

Holdings or PSE, and that any acquisition of a material part (i.e., 10 percent or more) of PSE or any change in effective control of PSE requires Commission approval.”²

The Commission has reviewed PSE’s notice filing and has concluded that the transfer of 9.9 percent of Puget Holdings equity ownership from MIP II to MIP Padua falls just below the 10 percent threshold and does not result in a change in the effective control of PSE. Further, the transaction does not weaken or otherwise affect the ring-fencing and other provisions in Order 08 that protect ratepayers and the public interest. With this letter, the Commission acknowledges the Notice that Puget Sound Energy filed on October 11, 2017, and requires no further action at this time.

Sincerely,

STEVEN V. KING
Executive Director and Secretary

cc: Public Counsel Unit of the Washington State Office of the Attorney General

² Order 08 at ¶ 86.