



Puget Sound Energy  
P.O. Box 97034  
Bellevue, WA 98009-9734  
PSE.com

April 9, 2019

Ms. Malisa Files  
Finance Director  
City of Redmond Finance Department  
mfiles@redmond.gov

Re: **Notice to Relevant Jurisdictions of Tax Consequences of Microsoft Special Contract**  
– Sent *via* email

Dear Ms. Files:

Pursuant to a Washington Utilities and Transportation Commission (“WUTC”) Order approving a Settlement Stipulation and a Special Contract with Microsoft (“Special Contract”), PSE is notifying all relevant jurisdictions of the potential municipal tax consequences of certain Microsoft locations changing their power supplier. While PSE cannot provide customer-specific information such as specific customer-related energy usage or specific customer-related revenues, we can provide a high-level description of the municipal tax consequences of certain Microsoft locations purchasing their electric commodity from an alternative power supplier. The likely primary consequence is that PSE’s gross receipts subject to electric B&O tax under Redmond, Code § 5.44.050 will likely decrease.

Microsoft commenced service under the Special Contract on April 1, 2019. The Microsoft Special Contract was approved by the WUTC and is publically available on the WUTC website. For your convenience, we can provide you a copy of the Special Contract, if requested. The Special Contract, approved by the WUTC and publically available, lists two contacts for Microsoft:

Mr. Jim Stanton  
Senior Community Affairs Manager  
Microsoft Global Real Estate & Facilities  
jstanton@microsoft.com

Mr. Mohan Reddy Guttapalem  
Senior Facilities Manager  
Microsoft Global Real Estate & Facilities  
moreddy@microsoft.com

Please contact me at mark.salama@pse.com for additional information about this notice.

Sincerely,

*/s/ Mark Salama*

Mark Salama  
Supervisor of Tax  
Puget Sound Energy

cc: Regulatory Compliance c/o Chris Schaefer  
Major Accounts Executive, Business Services c/o John Campion  
Jason Kuzma, Perkins Coie