



STATE OF WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION

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July 22, 2019

Mark L. Johnson, Executive Director and Secretary
Washington Utilities and Transportation Commission
P. O. Box 47250
Olympia, Washington 98504-7250

RE: Microsoft Special Contract: State and Local Taxes – Schedule 81
Docket UE-161123

Dear Mr. Johnson:

On May 13, 2019, Puget Sound Energy (PSE or Company) filed notice they had notified all relevant jurisdictions of the potential municipal tax consequences of Microsoft changing its power provider. PSE's letters to the cities of Bellevue and Redmond, Washington indicated the likelihood that PSE's utility tax revenue to both municipalities would decrease. The Company's letters are pursuant to paragraph 18 of the Settlement Stipulation and Agreement in the above-referenced docket.¹

Commission Staff (Staff) reviewed the compliance filing provided by PSE dated May 13, 2019. After checking with various stakeholders (e.g., Public Counsel), who recommended this municipal tax notification as part of the original settlement agreement, Staff determined this filing contained sufficient detail with respect to the Company notifying relevant jurisdictions of the potential municipal tax consequences of Microsoft changing its power provider. Therefore, Staff believes the filing complies with the Commission's Order 06, entered July 13, 2017.

Sincerely,

Jim Woodward
Regulatory Analyst

¹ Docket UE-161123, Order 06, state and local tax notification stipulation found in Full Settlement Stipulation ¶ 18.

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