

1 strategic advice to Puget Holdings LLC ("Puget Holdings"). My business address is Level
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3 22, 125 West 55th Street, New York, New York 10019.
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5 2. I have personal knowledge of the facts stated herein, and am competent to
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7 testify to those facts.
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10 3. On or about December 17, 2007, Puget Holdings and PSE filed with the
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12 Commission a joint application for an order authorizing the proposed transfer of ownership
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14 and control of Puget Energy and its wholly owned subsidiary, PSE, to Puget Holdings. This
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16 is an active adverse matter before the Commission in which multiple parties have filed
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18 testimony, some of which has been marked as confidential and/or highly confidential.
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21 4. The documents marked confidential or highly confidential in the merger
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23 proceeding contain commercially sensitive information ("Confidential Information") and
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25 were filed with the Commission in compliance with and pursuant to the protections of
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27 RCW 80.04.095 and WAC 480-07-160.
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30 5. On January 18, 2008, the Commission issued a Protective Order to govern
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32 disclosure of confidential and proprietary information in the merger proceeding. The
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34 Protective Order specifically provides that "No Confidential Information distributed or
35
36 obtained pursuant to this Protective Order may be requested, reviewed, used or disclosed,
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38 directly or indirectly, by any party, expert or counsel or any other person having access
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40 pursuant to this Order, except for purposes of this proceeding" Furthermore, the parties
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42 in the proceeding entered into Agreements Concerning Confidential Information and Highly
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44 Confidential Information in order to review the confidential documents.
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AFFIDAVIT OF ROBINSON KUPCHAK – 2

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1 6. On or about July 25, 2008, the Commission received a request for public
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3 records from Dianne Woody. Ms. Woody requested copies of highly confidential testimony
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5 of Stephen G. Hill submitted by Simon ffitc on behalf of Public Counsel in Docket No. U-
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7 072375.
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10 7. The testimony of Stephen G. Hill, requested by Ms. Woody, is part of the
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12 current and contested proceeding before the Commission in Docket No. U-072375, and is
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14 protected from disclosure pursuant to the Protective Order entered by Administrative Law
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16 Judge, Dennis J. Moss on January 18, 2008.
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19 8. It is my understanding that the release of the Confidential Information to just
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21 one person not bound by Commission protective order could remove all protection from the
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23 Confidential Information, which would then become available to anyone who requested
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25 them. PSE and Puget Holdings have significant commercial interests in maintaining the
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27 confidentiality of information contained in the Confidential Information.
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30 9. In addition, PSE is a subsidiary of Puget Energy, Inc., a publicly-traded
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32 company. As a publicly-traded company, Puget Energy is subject to U.S. Securities and
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34 Exchange Commission ("SEC") regulations including "Regulation Fair Disclosure" ("Reg
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36 FD"). Regulation Fair Disclosure requires that when any non-public, material information is
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38 released, it must be done in such a way that the general public has access to it at the same
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40 time as institutional investors and analysts. Even if information is released through no fault
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42 of the company to specific parties, the company must disseminate that information widely
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44 within 24 hours.
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1 11. The requested information contains not only confidential non-public
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3 information regarding PSE and Puget Energy, but also sensitive competitive information
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5 relating to transaction structuring, business strategy, and financing strategy of Puget
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7 Holdings, such as: (1) highly confidential information from an offering document which has
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9 proprietary structuring and cost information used by a Puget Holdings investor for
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11 marketing purposes; (2) highly confidential information from an investor presentation
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13 containing material non-public information including financial projects relating to Puget
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15 Energy, a publicly traded company, as well as proprietary transaction structuring
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17 information which are trade secrets and the pricing of financing; (3) highly confidential
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19 information from a memorandum prepared for marketing purposes relating to the financing
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21 of, and in connection with, the Proposed Transaction. The information contains highly
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23 sensitive pricing, structuring, terms of financing, and trade secrets, as well as material non-
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25 public information, including financial projections relating to Puget Energy, a publicly
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27 traded company; (4) highly confidential and sensitive information from financing documents
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29 which contain proprietary terms, cost and other structuring information; (5) highly
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31 confidential information from non-public financial projections relating to Puget Energy, a
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33 publicly traded company and highly sensitive trade secrets of Puget Holdings and its
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35 financial advisor relating to financing costs and transaction structuring; (6) underlying
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37 documents which are subject to specific confidentiality restrictions and agreement which
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39 expressly forbid public disclosure of the documents and which contain material non-public
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41 information concerning Puget Energy, a publicly traded company; (7) research data and
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1 valuable formulae compiled by and/or obtained from Macquarie Capital (USA), Inc., Puget
2 Holdings' financial advisor, for the purpose of transaction structuring, business strategy, and
3 financing strategy of Puget Holdings; and (8) other highly confidential marketing,
4 structuring, trade secrets and cost information.
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10 12. The release of this information would cause private harm to Puget Holdings
11 and its investors as well as Macquarie Capital (USA), Inc., banks involved in financing the
12 Proposed Transaction, and other advisors because information expressly prohibited from
13 public disclosure by confidentiality and/or non-disclosure agreements were in the testimony
14 of Stephen Hill. Furthermore, proprietary marketing information terms of engagements for
15 advisors including but not limited to consultants, would also cause private harm to Puget
16 Holdings by disclosing information that provides competitive advantage. Finally, release of
17 the information would cause harm to PSE, which is responsible to the public to provide
18 electric and gas services to its customers (the general public) in the most efficient way, and
19 at the least possible cost to its customers. Release of the Confidential Information would
20 cause direct harm to the public - PSE's customers.
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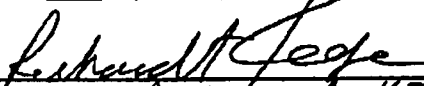
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DATED this 28th day of August, 2008.



Robinson K. Kupchak

SUBSCRIBED and SWORN to before me this 28th day of August, 2008.


Print Name: RICHARD A. KEEFE
Notary Public in and for the Province of NEW YORK
residing at 276 TRENTON ^{STATE} DRIVE NEW ROCKELLE NY
My commission expires: MARCH 21, 2009

RICHARD A. KEEFE
NOTARY PUBLIC, STATE OF NEW YORK
No. 01KE98124107
QUALIFIED IN WESTCHESTER COUNTY
MY COMMISSION EXPIRES MARCH 21, 2009

AFFIDAVIT OF ROBINSON KUPCHAK - 6

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