

2018 Annual Report of Essential Utilities Services Contracts

Essential Service Vendor ⁽¹⁾	Annual Budget	Actual Payments	Type of Contract(s)	Essential Obligations	Length of Contract
ACCENTURE LLP	REDACTED		Information Technology Consulting Services	Planning, design and implementation of new technologies for multiple projects associated with the Get to Zero (GTZ) initiative.	Various – termination dates through 2019
BONNEVILLE POWER ADMINISTRATION (BPA)			Transmission	PSE purchases rights to use BPA's Eastern Intertie in Montana.	04/1981 – 09/2027
			Transmission Capacity Ownership Rights	PSE purchased capacity ownership rights in the Alternating Current (AC) Intertie into California from BPA in 1996 and pays its allocated operation and maintenance costs to BPA.	1996 - life of facilities
			Transmission	PSE purchases rights to use BPA transmission and BPA receives power from PSE at the Points of Integration or Receipt and delivers power to PSE at the Points of Delivery.	Various - termination dates through 2035
			Transfer	BPA serves PSE loads and PSE delivers replacement power to BPA.	09/1974 - BPA three years notice to terminate, PSE one year notice to terminate
			Transfer	Parties commit to build transmission and provide excess capability to the other party. Each party commits to operate and maintain certain facilities.	Various - termination dates through 2018
			Operations & Maintenance	BPA maintains PSE facilities in BPA substations.	Various from 04/1968 - life of facilities
			Western System Power Pool (WSPP) Purchase Power Agreement	The WSPP Agreement is a standardized contract among members of the WSPP for electric power sales and physical power options. Members enter into numerous individual power transactions using standard schedules under the Agreement. A confirmation process follows the transactions. Each transaction terminates upon completion of delivery.	Various lengths

(1) In each case the parties to the contract are the Vendor and Puget Sound Energy.

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CBI SERVICES INC			Engineering, Procurement, and Construction (EPC)	Design, procurement, and construction of the tank and process train for the Tacoma liquefied natural gas facility.	10/2016 – 3/2020
CHELAN COUNTY PUD			Long-term, Take-or-Pay, Purchase Power Agreement	The PUD operates and maintains the Rock Island and Rocky Reach Hydro Projects and delivers to PSE, at specified points of delivery, PSE's contractual percentage share of the output of the Projects. PSE pays the PUD on a "cost of service" basis.	11/2011 - 11/2031
		REDACTED	Western System Power Pool (WSPP) Purchase Power Agreement	The WSPP Agreement is a standardized contract among members of the WSPP for electric power sales and physical power options. Members enter into numerous individual power transactions using standard schedules under the Agreement. A confirmation process follows the transactions. Each transaction terminates upon completion of delivery.	Various lengths
CONOCOPHILLIPS CANADA MARKETING & TRADING ULC			North American Energy Standards Board (NAESB) Agreement	The NAESB Master Agreement enables short and long-term gas supply purchases to be made under a confirmation process. Each transaction terminates upon completion of delivery.	8/2004 – various lengths
INFRA SOURCE SERVICES LLC			Gas Engineering and Construction Services	Contract/services provided for engineering and construction on the company's gas systems.	1/2013 - 12/2020
NORTHWEST PIPELINE LLC			Long-term Transportation and Storage Contracts	Northwest Pipeline provides firm transportation capacity and storage service to PSE on the gas pipeline under long term contracts. PSE pays fixed monthly demand charges for the right, but not the obligation, to transport specified quantities of gas from receipt points to delivery points on the pipeline each day.	Predating 1989 - various termination dates through 2044
QUANTA SERVICES INC			Electric Engineering and Construction Services	Contract/services provided for engineering and construction on the company's electric systems.	2/2002 - 12/2020

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TALEN MONTANA LLC	REDACTED		Operations & Maintenance	PSE reimburses Talen-Montana for PSE's share of operation and maintenance expenses for Unit Nos. 1, 2, 3 and 4 of the Colstrip steam-electric-generating plant.	Various from 07/1971 - as long as any part of the units are used or useful for the generation of electricity or the end of the period permitted by applicable law
			Capital Additions	PSE reimburses PPL-Montana for PSE's share of capital additions made to Unit Nos. 1, 2, 3 and 4 of the Colstrip steam-electric-generating plant	Various from 07/1971 - as long as any part of the units are used or useful for the generation of electricity or the end of the period permitted by applicable law
TD ENERGY TRADING INC	REDACTED		North American Energy Standards Board (NAESB) Agreement	The NAESB Master Agreement enables short and long-term gas supply purchases to be made under a confirmation process. Each transaction terminates upon completion of delivery.	7/2003 – various lengths
TRANSALTA CENTRALIA GENERATION LLC			Coal Transition Power Purchase and Sale Agreement	Power purchase and sale agreement enabled by Washington State Legislature's 2011 bill which allows TransAlta Centralia Generation LLC to engage in long term power contracts in exchange for phasing out coal-fired generation by 2025.	7/2012 – 12/2025
TRANSALTA ENERGY MARKETING US INC	REDACTED		Western System Power Pool (WSPP) Purchase Power Agreement	The WSPP Agreement is a standardized contract among members of the WSPP for electric power sales and physical power options. Members enter into numerous individual power transactions using standard schedules under the Agreement. A confirmation process follows the transactions. Each transaction terminates upon completion of delivery.	Various lengths

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WESTERN ENERGY COMPANY	REDACTED		Coal Purchase & Sale Agreement	PSE's share of coal delivered to Colstrip steam-electric-generating Unit Nos. 1 and 2.	Units 1 & 2; 1/2010 – 12/2019
			Amended & Restated Coal Supply Agreement	PSE's share of coal delivered to Colstrip steam-electric-generating Unit Nos. 3 and 4.	Units 3 & 4; 7/1980 – 12/2019

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