

STATE OF WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION 1300 S. Evergreen Park Dr. S.W., P.O. Box 47250 • Olympia, Washington 98504-7250 (360) 664-1160 • TTY (360) 586-8203

June 30, 2017

RE: In the Matter of the Petition of Puget Sound Energy, Inc., for Approval of a Power Purchase Agreement for Acquisition of Coal Transition Power, as Defined in RCW 80.80.010, and the Recovery of Related Acquisition Costs Docket UE-121373

TO ALL PARTIES:

On January 9, 2013, the Washington Utilities and Transportation Commission (Commission) entered Order 03, Final Order Granting Petition, Subject to Conditions (Order 03), in the above-referenced docket. Order 03 approved the Coal Transition Power Purchase Agreement between TransAlta Centralia Generation LLC and Puget Sound Energy, Inc. (Agreement), which required, among other things, that Puget Sound Energy (PSE or Company) file annual reports that include data showing "plant operations and the sources of power from which TransAlta satisfies its delivery obligations to PSE under the Coal Transition PPA, and information concerning the payments and disposition of payments as required under the Memorandum of Agreement between the Governor's Office and TransAlta Centralia entered into on December 23, 2011."

On March 15, 2017, PSE submitted its 2016 Annual Compliance Report for the period December 1, 2015, through December 31, 2016. On June 22, 2017, Commission Staff (Staff) notified the Commission that Staff reviewed the filing and stated that report complies with the requirements of Order 03.

The Commission has reviewed the compliance filing and accepts it as meeting the annual reporting requirement of Order 03.

Sincerely,

STEVEN V. KING Executive Director and Secretary