



## Department of Energy

Bonneville Power Administration  
P.O. Box 61409  
Vancouver, WA 98666-1409

TRANSMISSION SERVICES

June 1, 2015

In reply refer to: TSE/TPP-2

Ms. Booga Gilbertson  
Senior Vice President Operations  
Services  
Puget Sound Energy, Inc.  
335 110<sup>th</sup> Avenue NE  
EST-6E  
Bellevue, WA 98004

Mr. Philip West  
Customer Service and Energy Delivery  
Officer  
The City of Seattle, City Light Department  
700 Fifth Avenue, Suite 3200  
Seattle, WA 98104-5031

Dear Ms. Gilbertson and Mr. West:

Enclosed for your records is one fully executed original Memorandum of Agreement No.

14TX-16060.

If you have any questions please call me at (360) 619-6015.

Sincerely,

A handwritten signature in blue ink that reads "Toni L. Timberman".

Toni L. Timberman  
Senior Transmission Account Executive  
Transmission Sales

Enclosure

**Department of Energy**

Bonneville Power Administration  
P.O. Box 61409  
Vancouver, WA 98666-1409

TRANSMISSION SERVICES

April 21, 2015

In reply refer to: TSE/TPP-2

Contract No. 14TX-16060  
Letter Agreement

Ms. Booga Gilbertson  
Senior Vice President Operations  
Services  
Puget Sound Energy, Inc.  
P.O. Box 90868  
Bellevue, WA 98009-0868

Mr. Philip West  
Customer Service and Energy Delivery  
Officer  
The City of Seattle, City Light Department  
700 Fifth Avenue, Suite 3200  
Seattle, WA 98104-5031

Dear Ms. Gilbertson and Mr. West:

The Bonneville Power Administration (BPA), Puget Sound Energy, Inc. (PSE), and The City of Seattle, City Light Department (SCL) are parties to the Memorandum of Agreement (MOA), Contract No. 11TX-15450, relating to the Preferred Puget Sound Area Plan of Service Projects and Cost Allocation. The parties to the MOA are currently in the initial stages of implementing their respective obligations under the MOA. As this has progressed, certain aspects of the MOA were identified that the parties believe need to be clarified.

This Letter Agreement describes these MOA clarifications to which the parties have agreed. As a convenience to the parties, the following clarifications to the MOA are organized by the section of the MOA in which they are located.

**MOA Section 3**

Concerning the Covington 500 kV Transformer Addition Project identified in Section 3(a) of the MOA, the parties agree that the transformer that would have been added at the Covington Substation will instead be added at the Raver Substation. There is no change in financial responsibility under the MOA due to this relocation.

Concerning the Puget Preferred Plan Projects identified in Section 3(b) of the MOA, the parties agree that the BPA funding originally intended for these projects will instead be directed under separate agreement to PSE's Whatcom County Transformer project. Accordingly, the parties acknowledge that BPA is not involved in any manner or capacity in PSE's Sammamish to Lakeside to Talbot Rebuild Project or its Lakeside 230 kV Transformer Addition Project.

Concerning the Bothell to SnoKing Reconductor Project identified in Section 3(c) of the MOA, this project was identified in the MOA as an SCL project. However, during subsequent discussions it was discovered that BPA owns the first ½ mile of these lines on the SnoKing end. The parties therefore agree that BPA will rebuild its owned portion of these lines at its cost, including any necessary replacement of equipment within SnoKing Substation associated with these lines. BPA will mitigate any additional scope at the interconnection between the BPA rebuild project and the SCL reconductor project that may impact SCL's scope and cost.

#### MOA Section 7

Section 7, Payment Schedule, of the MOA states that cost share payments under the MOA will be made at the completion of individual projects, but also provides that the parties will subsequently agree to the actual method and schedule for these payments. Accordingly, the parties agree to the following billing provisions:

1. Each party's cost obligation for performance of the duties associated with construction of each Preferred Plan Project shall be as specified in Sections 4 and 5 of the MOA. The cost of performing such duties shall be the actual cost of doing the work including overheads.

2. SCL Preferred Plan Projects

Upon completion of the SCL projects, SCL shall submit final invoices to BPA and Puget associated with construction of the SCL Preferred Plan Projects. BPA and PSE shall remit payment to SCL within 30 days following receipt of the invoices.

- (a) SCL shall notify BPA and PSE as soon as practicable, if, at any time during the course of the project, SCL project estimates are exceeding the estimates described in Section 3 (c) of the MOA.
- (b) Pursuant to Section 5 SCL will provide supporting documentation showing estimate details.
- (c) Updated Projected Completion for all SCL Preferred Plan Projects is 2017, applicable to Section 3 (c) of the MOA.

3. Puget Preferred Plan Projects

- (a) Upon completion of the Puget Projects, PSE shall submit an invoice or payment to SCL for the SCL cost obligations associated with construction of the Puget Preferred Plan Projects.
- (b) Updated Projected Completion for all PSE Preferred Plan Projects is 2018, applicable to Section 3 (b) of the MOA.



4. Billing Addresses:

Bonneville Power Administration  
 ATTN: Transmission Account Executive  
 for The City of Seattle, City Light Department  
 TSE/TPP-2  
 P.O. Box 61409  
 Vancouver, WA 98666-1409

Puget Sound Energy, Inc.  
 ATTN: Manager, Transmission Contracts  
 P.O. Box 97034, EST-06E  
 Bellevue, WA 98009-9734

The City of Seattle, City Light Department  
 ATTN: System Planning Manager  
 700 Fifth Ave, Suite 3200  
 Mailstop SMT-3616  
 P.O. Box 34023  
 Seattle, WA 98124-4023

MOA Section 8

Concerning the description of National Environmental Policy Act (NEPA) considerations in Section 8 of the MOA, the parties acknowledge that BPA, as a Federal agency, has certain obligations and responsibilities under NEPA and other federal laws (collectively the NEPA review process) that it must fulfill before it can make a final decision concerning whether to participate in implementation of certain Preferred Plan Projects described in Section 3 of the MOA and the capital cost allocation described in Sections 4 and 5 of the MOA. The parties agree that nothing in the MOA shall be construed as obligating or committing BPA to make a final decision concerning any of the Preferred Plan Projects and capital cost allocation before completing the NEPA review process. In addition, BPA reserves the right to determine the appropriate NEPA and other environmental compliance strategies for its actions under the MOA, and to choose any alternatives considered in the NEPA process, including the no-action alternative.

Furthermore, the parties acknowledge and agree that while the MOA identifies a number of Preferred Plan Projects to be undertaken by the parties, each of these projects could proceed independently from the others and that no single project is contingent or dependent upon another in the goal of relieving transmission congestion in the Puget Sound Area.

Please sign all originals of this Letter Agreement, retain one executed original for your records, and return the remaining originals to the attention of Toni Timberman at one of the following addresses at your earliest convenience, but not later than Close of Business on May 6, 2015:

First Class Mail

Bonneville Power Administration  
Mail Stop: TSE/TPP-2  
P.O. Box 61409  
Vancouver, WA 98666-1409

Overnight Delivery Service

Bonneville Power Administration  
Mail Stop: TSE/TPP-2  
7500 NE 41<sup>st</sup> Street – Suite 130  
Vancouver, WA 98662

BPA will ensure that PSE and SCL have a full set of original signature pages.

If you have any questions, please call Toni Timberman at (360) 619-6015.

Sincerely,

*Toni L. Timberman*

for

Hardev S. Juj  
Vice President, Planning and Asset Management

CONCUR:

PUGET SOUND ENERGY, INC.

By: *Booga Gilbertson*

Name: Booga Gilbertson

Title: Senior Vice President Operations Services

Date: *May 12 2015*

THE CITY OF SEATTLE,  
CITY LIGHT DEPARTMENT

By: \_\_\_\_\_

Name: Philip West

Title: Customer Service and Energy Delivery Officer

Date: \_\_\_\_\_

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Vancouver, WA 98666-1409

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7500 NE 41<sup>st</sup> Street – Suite 130  
Vancouver, WA 98662

BPA will ensure that PSE and SCL have a full set of original signature pages.

If you have any questions, please call Toni Timberman at (360) 619-6015.

Sincerely,

*Toni L. Timberman*

*for*

Hardev S. Jui  
Vice President, Planning and Asset Management

CONCUR:

PUGET SOUND ENERGY, INC.

By: \_\_\_\_\_

Name: Booga Gilbertson

Title: Senior Vice President Operations Services

Date: \_\_\_\_\_

THE CITY OF SEATTLE,  
CITY LIGHT DEPARTMENT

By: *Philip West*

Name: Philip West

Title: Customer Service and Energy Delivery Officer

Date: *4/24/2015*