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**PUGET SOUND ENERGY**

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**Attachment "H" Construction Agreement**

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**SCHEDULE 80  
CONSTRUCTION AGREEMENT**

**THIS CONSTRUCTION AGREEMENT** is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_ by and between \_\_\_\_\_, ("Interconnection Customer,") and Puget Sound Energy, Inc., (the "Company" or "PSE"). Interconnection Customer and PSE each may be referred to as a "Party," or collectively as the "Parties."

**RECITALS**

**WHEREAS**, Interconnection Customer is developing a Generating Facility or making a generating capacity addition to an existing Generating Facility consistent with the application completed by Interconnection Customer on \_\_\_\_\_; and

**WHEREAS**, Interconnection Customer desires to Interconnect the Generating Facility with the Company's transmission or distribution system; and

**WHEREAS**, Interconnection Customer has requested the Company to design, engineer and construct the necessary Company-owned transmission or distribution facilities to Interconnect the proposed Generating Facility with the Company's transmission or distribution system;

**NOW, THEREFORE**, in consideration of and subject to the mutual covenants contained herein the Parties agree as follows:

- 1.0 Definition  
When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated or the meanings specified in Schedule 80, or if not defined in Schedule 80, in the Small Generator Interconnection Procedures attached to the Company's Open Access Transmission Tariff.
- 2.0 Design, Engineering and Construction  
The Interconnection Customer elects and the Company shall cause to be performed the design, engineering and construction of the Interconnection Facilities that will be owned and operated by the Company.
- 3.0 Scope of Construction  
The scope of the construction shall be subject to the assumptions set forth in Attachment A to this Agreement.
- 4.0 Technical Information  
The construction shall be based on the technical information provided by the Interconnection Customer in the application, as may be modified as the result of the scoping meeting. The Company reserves the right to request additional technical information from the Interconnection Customer as may reasonably become necessary consistent with Good Utility Practice during the course of the engineering or construction. If the Interconnection

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Customer modifies its application, the time to complete the construction may be extended by agreement of the Parties.

5.0 Responsibility for Design, Engineering and Construction Costs

The Interconnection Customer shall be responsible for all costs associated with design, engineering, construction, operation and maintenance of the Interconnection Facilities to be owned and operated by the Company, including, without limitation, the costs associated with future upgrades or modifications required by changes made, or increased generating capacity.

6.0 Responsibility for Upgrade and Modification Costs

The Interconnection Customer shall also be responsible for all costs associated with future upgrades or modifications to the Generating Facility or the Interconnection Facilities that are made necessary by modifications the Company makes to its transmission or distribution system.

7.0 Deposit

A deposit of the lesser of 50 percent of good faith estimated design, engineering, construction, operation and maintenance costs or \$1,000 shall be required from the Interconnection Customer.

8.0 Construction Completion

Barring unusual circumstances, the construction is estimated to be completed and the final invoice transmitted within \_\_\_\_ Business Days of the Interconnection Customer's agreement and execution of this construction agreement.

9.0 Actual Costs

Any charges shall be based on the Company's actual costs and will be invoiced to the Interconnection Customer after the construction is completed.

10.0 Payments in Excess of Deposit

The Interconnection Customer must pay any construction costs that exceed the deposit without interest within 15 calendar days on receipt of the invoice or resolution of any dispute. If the deposit exceeds the invoiced fees, the Company shall refund such excess within 15 calendar days of the invoice without interest.

11.0 Governing Law, Regulatory Authority, and Rules

The validity, interpretation and enforcement of this Agreement and each of its provisions shall be governed by the laws of the state of Washington, without regard to its conflicts of law principles. This Agreement is subject to all Applicable Laws and Regulations. Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, or regulations of a Governmental Authority.

12.0 Amendment

The Parties may amend this Agreement by a written instrument duly executed by both Parties.

13.0 No Third-Party Beneficiaries

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This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and where permitted, their assigns.

**14.0 Waiver**

14.1 The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.

14.2 Any waiver at any time by either Party of its rights with respect to this Agreement shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, duty of this Agreement. Termination or default of this Agreement for any reason by Interconnection Customer shall not constitute a waiver of the Interconnection Customer's legal rights to obtain an interconnection from the Company. Any waiver of this Agreement shall, if requested, be provided in writing.

**15.0 Multiple Counterparts**

This Agreement may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.

**16.0 No Partnership**

This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

**17.0 Severability**

If any provision or portion of this Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction or other Governmental Authority, (1) such portion or provision shall be deemed separate and independent, (2) the Parties shall negotiate in good faith to restore insofar as practicable the benefits to each Party that were affected by such ruling, and (3) the remainder of this Agreement shall remain in full force and effect.

**18.0 Subcontractors**

Nothing in this Agreement shall prevent a Party from utilizing the services of any subcontractor as it deems appropriate to perform its obligations under this Agreement; provided, however, that each Party shall require its subcontractors to comply with all applicable terms and conditions of this Agreement in providing such services and each Party shall remain primarily liable to the other Party for the performance of such subcontractor.

18.1 The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this Agreement. The hiring Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor the hiring Party hires as if

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no subcontract had been made; provided, however, that in no event shall the Company be liable for the actions or inactions of the Interconnection Customer or its subcontractors with respect to obligations of the Interconnection Customer under this Agreement. Any applicable obligation imposed by this Agreement upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

18.2 The obligations under this article will not be limited in any way by any limitation of subcontractor's insurance.

19.0 Reservation of Rights

The Company shall have the right to make a unilateral filing with Washington Utilities and Transportation Commission ("WUTC") to modify this Agreement with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation and WUTC's rules and regulations, and the Interconnection Customer shall have the right to make a unilateral filing with WUTC under any applicable provision of the WUTC's rules and regulations (i.e. WAC 480-07-910 or WAC 480-07-370); provided that each Party shall have the right to protest any such filing by the other Party and to participate fully in any proceeding before WUTC in which such modifications, filing or complaint may be considered. Nothing in this Agreement shall limit the rights of the Parties or of WUTC under the Revised Code of Washington and WUTC's rules and regulations, except to the extent that the Parties otherwise agree as provided herein.

**IN WITNESS WHEREOF**, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

**Puget Sound Energy, Inc.**

**[Insert name of Interconnection Customer]**

Signed \_\_\_\_\_

Signed \_\_\_\_\_

Name (Printed):

Name (Printed):

\_\_\_\_\_

\_\_\_\_\_

Title \_\_\_\_\_

Title \_\_\_\_\_

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**Attachment A to  
Construction Agreement**

**Assumptions Used in Engineering and Construction**

The construction will be based upon the information set forth in the application and agreed upon in the scoping meeting held on \_\_\_\_\_:

- 1) Designation of Point of Interconnection.

1) is to be completed by the Interconnection Customer. Other assumptions (listed below) are to be provided by the Interconnection Customer and the Company.