

PUGET SOUND ENERGY
Electric Tariff G

SCHEDULE 91
COGENERATION AND SMALL POWER PRODUCTION
 (Single Phase or Three Phase)

AVAILABILITY –

- | | |
|--|-----------------------------|
| 1. This schedule applies to any person or entity, hereinafter referred to as the Customer-Generator, who owns Qualifying Facilities that are located within the Company's electric service area, the output of which is offered to the Company pursuant to WAC 480-107-095(2) and is of two (2) MW or less. | (C)
(C)(N)
(N)
(C) |
| 2. Customer-Generators are required to enter into a written power purchase agreement for the sale of energy produced and for interconnection to the Company's electric distribution system prior to interconnection. (A copy of such agreement is on file with the Washington Utilities and Transportation Commission as a part of this tariff.) | (N)

 |
| 3. Customer-Generators are Customers and must comply with all of the Terms and Conditions contained in this Schedule. |
(N) |

MONTHLY RATE - A basic charge equal to the basic charge of an electric service schedule as listed below will be paid by the Customer-Generator to the Company. This will be in addition to the basic charge for electric service at the Customer-Generator's facility as specified in the Company's applicable tariff. (C)
(C)

Nameplate		
<u>Size of Generator</u>	<u>Voltage of Connection</u>	<u>Basic Charge equal to</u>
50 kW or less	Secondary	Schedule 24
51 kW to 350 kW	Secondary	Schedule 25
More than 350 kW	Secondary	Schedule 26
0 kW or more	Primary	Schedule 31

RATES FOR PURCHASE OF ENERGY – For the term of the power purchase agreement, the monthly rate per kWh which the Company will pay for energy supplied to the Company by the Customer-Generator, at Customer-Generator's one-time choice, will be (1) a) the Production Proxy Price or, b) the Market Price, whichever is lower, less 5.0% for balancing costs or (2) the Fixed Price per MWh as specified below which reflects a 5% reduction for balancing costs. (C)
| (K)
| (N)
(C) | (N)

The Production Proxy Price is the Heat Rate of a combustion turbine times the Forward Gas Price divided by 1000, where the Heat Rate is equal to 10.2, and the Forward Gas Price is equal to the "first of the month" index price for Northwest Pipeline – Sumas as reported in Inside FERC Gas Market Report.

The Market Price is the hour-weighted average of the "Non-Firm On-Peak", "Non-Firm Off-Peak" and "Sunday and NERC Holidays" of the Dow Jones Mid-Columbia Electricity Price Index for each day of the relevant billing Month divided by 1000. (K)

(K) Transferred to Sheet No. 91-a

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By: Tom DeBoer Tom DeBoer

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The Fixed Price is the Energy Rate in dollars per MWh as described below. The Fixed Prices below shall apply during each respective year for the term of the power sales agreement regardless of any revision in this tariff sheet. The revision of this tariff sheet in effect on the date the power sale agreement is fully executed shall be attached as an exhibit to the power sales agreement to reflect the rates to be paid during each year of the term of the power sales agreement.

Energy Rate – dollars per MWh generated – to be paid monthly:

Energy rates for agreements entered into between September 3, 2007 – December 31, 2008 (N)

2008	2009	2010	2011	2012
\$76.04	\$72.66	\$70.16	\$68.02	\$77.37
2013	2014	2015	2016	2017
\$78.80	80.63	\$80.49	\$80.65	\$84.97

Energy rates for agreements entered into between January 1, 2009 – December 31, 2009 (N)

2009	2010	2011	2012	2013	2014
\$82.88	\$76.74	\$75.80	\$98.32	\$101.86	\$98.16

2015	2016	2017	2018	2019
\$102.61	\$105.99	\$111.81	\$116.74	\$121.30

(N)

DEFINITIONS - The term "Qualifying Facilities" as used in this schedule shall have the same meaning as in Chapter 480-107-007 of the Washington Administrative Code

TERMS AND CONDITIONS:

1. The Customer-Generator will be required to enter into a written power purchase agreement in a form satisfactory to the Company prior to interconnection of Company and Customer-Generator's facilities. The minimum term of the power sale agreement shall be five (5) years.
2. All costs of interconnection of the Customer-Generator's facilities with the Company's system will be borne by the Customer-Generator. Such costs will include the initial cost of interconnection and those costs incurred by the Company from time to time with respect to the Customer-Generator's facilities and the interconnection with the Company's system. Interconnection shall comply with PSE's standards for interconnection. To the extent that interconnection of the Project is provided for in Schedule 80 of this tariff, the terms and provisions of such Schedule shall govern and control. (K)
3. The Customer-Generator shall indemnify and hold harmless the Company from any and all liability arising from the operation and interconnection of the Customer-Generator's facilities. The Company will require evidence of insurance to this effect. (K)

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- 4. The Customer-Generator shall provide a lockable disconnect switch to isolate the Customer-Generator's generation from the Company's system. Such switch shall be accessible to the Company and the Company shall have the right to lock such disconnect switch open whenever necessary to maintain safe electrical operating conditions, or whenever the Customer-Generator's facilities adversely affect the Company's system. (M)
- 5. Except for the metering, the Customer-Generator shall own and maintain all facilities on the Customer-Generator's side of a single point of delivery as specified in the Power Sales Agreement or Parallel Operation Agreement. The Customer-Generator's system, including interconnecting equipment, shall be inspected and approved by the state electrical inspector and any other public authority having jurisdiction before any connection is made to the Company's system.
- 6. The Company will purchase the entire output from the Customer-Generator's facility, or if the Customer-Generator wishes to reduce his net delivery and billing from the Company, the Company will purchase the net output from the Customer-Generator's facility. The metering configuration to measure such purchases will be specified in the Power Sales Agreement. The Company may apply an adjustment factor to compensate for losses if the metering is installed at the Customer-Generator's facility.
- 7. In the event that the Customer-Generator does not provide for separate metering of deliveries to the Company, the Customer-Generator will not be compensated for unmetered incidental flows to the Company. The service meter in this instance shall be ratcheted to prevent reverse registration, and no additional monthly basic charge will be applied.
- 8. Individual generator units larger than 7.5 KW shall be three phase unless otherwise agreed to by the Company.
- 9. The Customer-Generator shall provide the Company with verification that Customer-Generator's facility has secured Qualifying Facility status from the Federal Energy Regulatory Commission.
- 10. Pursuant to the power purchase agreement, the Customer-Generator shall offer the Company the right to purchase of the Renewable Energy Credits (as defined in Schedule 135 of this tariff) associated with the energy produced by Customer-Generator's generating facility.

GENERAL RULES AND PROVISIONS – Service under this schedule is subject to the General Rules and Provisions contained in this tariff.

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