

PUGET SOUND ENERGY, INC.

**SCHEDULE 448
SERVICE AGREEMENT**

This Service Agreement, dated as of the ____ day of _____, 200_, is made by and between _____ ("Customer") and Puget Sound Energy, Inc., a Washington corporation ("Company"), for service under the Company's Electric Tariff G Schedule 448. Defined terms in Schedule 448 shall have the same meanings where used in this Service Agreement.

RECITALS

- A. The Company is a public service company engaged in the sale and delivery of electric energy and, pursuant to its Electric Tariff G, offers service under Schedule 448.
- B. Customer desires to obtain service under Schedule 448.

AGREEMENT

- 1. **Request.** Customer requests service under Schedule 448.
- 2. **Service.** The Company agrees to provide, and Customer agrees to purchase, service under the rates, terms and conditions of (i) Schedule 448 as it may be revised from time to time ("Schedule" or "Schedule 448") and (ii) this Service Agreement as it may be revised from time to time ("Service Agreement").
- 3. **Location.** The Location for service under this Service Agreement is as follows (additional Locations may be added to this Service Agreement as provided in Section 1 of Schedule 448):
_____.
- 4. **Term.** The Term of this Service Agreement shall (i) commence at 0000 hours on _____; and (ii) terminate at 2400 hours on _____, unless sooner terminated pursuant to Sections 3.5 and 8.3 of Schedule 448.
- 5. **Assumption of Power Supplier and Price Risk.** Customer understands, acknowledges and agrees that it is assuming Power Supplier and price risks by choosing to take service under Schedule 448. Customer understands that depending on a number of uncertain factors, including but not limited to the market for power (including supply and price), Customer may (i) experience a shortage of electricity or (ii) pay more for electricity than it would have otherwise. Customer has had an opportunity, which it has exercised, to consult with its own energy experts and with counsel experienced in energy issues in its evaluation of the risks associated with taking service under Schedule 448.
- 6. **Non-core Status.** Customer acknowledges that, by taking service under this Service Agreement and Schedule 448, it is and will be a Non-core Customer of the Company as provided in Section 13.1 of Schedule 448, and is and will be bound by its acknowledgment of non-core status contained therein. Customer further acknowledges that it is and will be bound by the provisions of Sections 13.1 through 13.7 of Schedule 449 concerning the implications of non-core status.
- 7. **Other Schedules.** Schedule 448 is incorporated herein by this reference. This Service Agreement is subject to the General Rules and Provisions as set forth in Schedule 80 (and is subject to other schedules of Electric Tariff G that may apply) as such schedules may be revised from time to time. Any conflict between this Service Agreement and the Company's Electric Tariff G schedules shall be resolved in favor of this Service Agreement.

PUGET SOUND ENERGY, INC.

8. **Buy/Sell Supply Contracts.** The Customer shall arrange for a Power Supplier (other than the Company) to enter into a Buy/Sell Supply Contract for each Buy/Sell Transaction during the Term, which contract shall be consistent with Schedule 448; shall include the following provisions (i), (ii), (iii) and (iv); and shall if the Company so elects include the following provisions (v) and (vi):
- (i) The Company shall agree to purchase and take delivery of the Supplied Power. The Power Supplier(s) shall agree to deliver to the Company, at the Transmission Point(s) of Receipt, Supplied Power.
 - (ii) Any Power Supplier may agree (in one or more Buy/Sell Supply Contracts) to provide Supplied Power for one or more Customers or Locations; provided, that all Power Supply Charges under any such Buy/Sell Supply Contract shall be allocable among such Customers and Locations.
 - (iii) Power Suppliers shall agree to bear the cost of any third-party control area service required at the Transmission Point of Receipt in connection with delivery to, or receipt by, the Company of Supplied Power (e.g., the cost of Mid-Columbia control area services, if required for such deliveries to and receipt by the Company at the Mid-Columbia).
 - (iv) Upon any termination of the Term of a Customer's Service Agreement pursuant to Section 8.3 of Schedule 448, the Company may at its option assign to such Customer any then existing rights and obligations of the Company under any Buy/Sell Supply Contract for such Customer, and the Company shall upon such assignment be released from all such obligations under such Buy/Sell Supply Contract.
 - (v) The Company shall be entitled to terminate the Buy/Sell Supply Contract if the Customer fails to make any payment of any Power Supply Charge then due and payable under Schedule 448 or this Service Agreement within ten (10) days after written notice to the Customer from the Company.
 - (vi) Power Supplier shall look to the Customer rather than the Company for credit support for the Buy/Sell Supply Contract.

The Customer shall advise the Company in writing of the following additional terms to be reflected in each Buy/Sell Supply Contract: (a) the identity of the Power Supplier; (b) the date of the commencement and amount and duration of the Supplied Power purchase from and sale by the Power Supplier, and (c) the prices to be paid by the Company to the Power Supplier. Following the Company's receipt of such additional terms, the Company shall offer to enter with the Power Supplier into a Buy/Sell Transaction that is in form and substance commercially reasonable with respect to the rights and obligations of the Company and that is in accordance with the provisions of Schedule 448 and this Service Agreement.

9. **Transmission Service.** The Company shall purchase for Customer transmission service and ancillary services pursuant to the Company's OATT, as provided in Section 4 of Schedule 448.
10. **Scheduling.** Customer shall provide the Company with written estimates of anticipated amounts of hourly Loads in accordance with Section 6.1 of Schedule 448. Customer shall follow the power scheduling and interchange procedures that are specified in Section 6.2 of Schedule 448.

PUGET SOUND ENERGY, INC.

- 11. **Costs for Dedicated Facilities.** Upon written notice from the Customer to the Company that the facilities at a Location have been permanently shut down and have ceased all operations, Customer shall have the right to terminate service under this Service Agreement as to such Location, effective at the end of the first full calendar month following the Company's receipt of written notice of such shut-down, subject to payment of any remaining costs for the Dedicated Facilities that are listed in Exhibit A to this Service Agreement, and further subject to payment of any amounts owed under the OATT.
- 12. **No Authorization of Self-Generation Interconnection.** Nothing in this Service Agreement or in Schedule 448 authorizes Customer to interconnect any generating facilities with, or operate any generating facilities in parallel with, the Company's system. Any such interconnection or parallel operation shall only be pursuant to Section 3.1 of Schedule 448 and a separate, prior, written agreement between Customer and Company, which shall not be unreasonably refused by the Company.
- 13. **Delivery of Self-Generation.** Any self-generation by Customer shall be at the Location of the Load it is serving unless otherwise specified in Exhibit A to this Service Agreement or as provided in Section 3.3 of Schedule 448.
- 14. **Distribution Service.** Distribution service (including service voltage) shall be as provided in Section 5 of Schedule 448 at the voltage specified in Exhibit A to this Service Agreement.
- 15. **Special Facilities.** Any new or existing facilities owned by the Company and dedicated to use by Customer shall be as specified in Exhibit A to this Service Agreement and covered by a separate special-facility lease between Customer and the Company.
- 16. **Dispute Resolution.** Prior to commencing any complaint or court proceedings regarding any dispute between Customer and the Company arising under this Service Agreement, (i) Customer and the Company shall each make good faith efforts to resolve such dispute pursuant to alternative dispute resolution (ADR) procedures consistent with WAC 480-09-465, and (ii) pursuant to the foregoing, Customer and the Company shall make use of ADR procedures to the maximum extent practicable in resolving such dispute.
- 17. **Notices.** For purposes of all notices under this Service Agreement and Schedule 448, including notices regarding estimated Loads, scheduling, and transfer of Load control under Sections 6.1, 6.2, and 6.3 of Schedule 448, the Company and Customer each designate the following respective person(s) (and contact information) for such notices to or by such party and acknowledge the authority of such person to act on its respective behalf for purposes of such notices:

For Company:

For Customer:

Phone(s)_____

Phone(s)_____

Fax _____

Fax _____

E-Mail _____

E-Mail _____

PUGET SOUND ENERGY, INC.

Notices shall be considered effective upon receipt. Customer or the Company may change its respective person designated above by giving written notice of such change to the person designated above for the other party.

- 18. **Successors and Assigns.** This Service Agreement shall be binding upon and shall inure to the benefit of the Company and Customer and their respective successors, assigns, purchasers, and transferees.
- 19. **Headings.** The headings in this Service Agreement are for convenience only and do not modify the substantive terms herein.

Company:

Customer:

Puget Sound Energy, Inc.

By: _____

By: _____

Its: _____

Its: _____

Date Signed: _____

Date Signed: _____

PUGET SOUND ENERGY, INC.

EXHIBIT A TO SCHEDULE 448 SERVICE AGREEMENT

1. **Dedicated Facilities.** The following facilities are dedicated to Customer (See Service Agreement, Section 11):

[STATE FACILITIES]

2. **Location of Self-Generation.** Customer's self-generation is at the following location (See Service Agreement, Section 13):

[STATE LOCATION]

3. **Delivery Voltage.** Customer shall take delivery of electric power at ____ voltage.

4. **Aggregation of Loads.** The following represent the terms and billing arrangements that implement the aggregation of loads, as provided in Section 2.4 of Schedule 448:

[STATE TERMS AND BILLING ARRANGEMENTS]

5. **Dynamic Scheduling.** The following represent the arrangements for dynamic scheduling, as provided in Section 6.3 of Schedule 448:

[STATE ARRANGEMENTS]