

PUGET SOUND ENERGY

**TRANSPORTATION SERVICE AGREEMENT
Rate Schedule No. 41T**

THIS TRANSPORTATION SERVICE AGREEMENT ("Agreement") dated _____ is made between **PUGET SOUND ENERGY, INC.** (the "Company") and _____ (the "Customer"), on the following terms and conditions:

1. **AGREEMENT TERM:** The initial term for service under this Agreement ("Transportation Service") is one (1) year and begins on _____ and continues through _____. The Agreement continues in effect thereafter until written notice of termination is given by either party at least (i) 30 days prior to the expiration of the initial term or (ii) 30 days prior to the requested termination date during any subsequent annual term.
 - a. **Renewal.** The Customer may renew this Agreement for a period of one year by giving the Company a minimum of thirty (30) days written notice prior to the expiration of the initial term or (if applicable) any subsequent renewal term.
 - b. **Conversion to Sales Service.** At the expiration of the initial Agreement term or at any time during a subsequent renewal, the Customer may convert from Transportation Service to gas sales service under the Company's tariffed rate schedules if 1) the Customer gives the Company a minimum of thirty (30) days written notice prior to the expiration of the initial term of the Agreement or thirty (30) days written notice prior to the requested termination date during any subsequent term of the Customer's intent to convert, and 2) gas sales service is available under the requested rate schedule. The written notice shall specify the requested rate schedule. The Company may impose a conversion fee to compensate the Company for the costs it deems necessary to acquire incremental supply and deliverability resources to serve the Customer. The Customer agrees to pay such conversion fee, if imposed. In accordance with Rule 4, the Customer may not change rate schedules again within one year. In accordance with Rules 4, 7, and 29 additional charges will be applied as appropriate.
 - c. **Early Conversion.** The terms for early conversion shall be as provided for in Rule 29.
 - d. **Failure to Renew.** At the expiration of the Agreement term, if the Agreement has not been renewed, the term shall be extended for a period of one (1) year without changes to the agreement. An executed renewal Agreement will supersede any extended Agreement.
2. **NATURE OF TRANSPORTATION SERVICE:** Transportation Service under this Agreement is firm as provided in Exhibit "A". The Customer acknowledges that the Company may require a contribution to capital improvement costs as a condition to providing firm Transportation Service.
3. **DAILY AND HOURLY QUANTITIES:** Subject to the terms of this Agreement, the Company agrees to transport gas to the Customer ("Transported Gas") at the rates of flow specified in Exhibit "A".
4. **CUSTOMER-OWNED GAS:** The Customer agrees to acquire Customer-owned gas subject to this Agreement and to cause it to be delivered to the location determined by the Company and specified in Exhibit "A" (the "Receipt Point").
5. **DELIVERY POINT/METERING:** The Company shall deliver the Transported Gas to the Customer at the delivery point specified in Exhibit "A" to this Agreement (the "Delivery Point"). Company-specified metering/telemetering equipment or data transmission equipment must be installed at the Delivery Point before Transportation Service may commence under this Agreement.
6. **CONSTRAINT PERIODS:** Transportation Service is subject to constraint periods that may be declared in the Company's sole determination as described in Rule 29. The Company reserves the right to declare these periods at such time and for such duration as the Company deems necessary in order to manage its gas distribution system.
7. **RATES AND CHARGES:** The Customer agrees to pay for Transportation Service according to the rates and charges in the applicable rate schedules in effect at the time of billing.
8. **GAS QUALITY:** The Customer represents that Customer-owned gas acquired by it and delivered to the Receipt Point, shall meet the quality standards of gas delivered to the Company for the Company's own account and shall in all respects be interchangeable and compatible with the Company's gas supply. The Customer further represents that the Customer-owned gas shall be free and clear of all adverse claims, liens, encumbrances and rights of others, and agrees to indemnify, defend, and hold the Company harmless from all claims, losses, and expenses (including without limitation attorneys' fees) arising at any time from or out of any such liens, claims, and encumbrances.
9. **BALANCING SERVICE:** This service provides balancing equivalent to the difference between the Customer's daily confirmed nominations and the daily delivered volumes.
10. **MONTHLY BALANCING:** All daily delivered volumes during a billing period are subject to the monthly balancing provisions contained in Rule 29. If the total delivered volumes do not equal the total confirmed nominations, then the overrun or underrun provisions of Rule 29 shall apply to the difference (as applicable). A Customer with meters at multiple sites may

PUGET SOUND ENERGY

aggregate such meters for the purpose of determining balancing service charges subject to the provisions of Rule 29, Section 12.

- 11. **NOTICES:** Except as otherwise provided below, all notices, nominations, confirmations, billing statements, payments, correspondence, and other communications relating to this Agreement shall be sent by registered, certified, or ordinary mail, by facsimile or by telecopy and will be considered effective upon receipt. They shall be addressed as follows:

To Company:

For Gas Transportation Issues:

PUGET SOUND ENERGY
P. O. Box 90868
Bellevue, WA 98009-0868
Phone: 425-462-3040
Fax: 425-462-3158
Attn: Gas Transportation

For Agreement Renewals and Conversions:

PUGET SOUND ENERGY
P. O. Box 90868
Bellevue, WA 98009-0868
Phone: 425-462-3111
Fax: 425-462-3496
Attn:

To Customer:

For Gas Transportation Issues:

Customer name
Address
City, State, Zip
Phone:
Fax:
Attn:

For Agreement Renewals and Conversions:

Customer name
Address
City, State, Zip
Phone:
Fax:
Attn:

Notices with respect to the initiation of constraint periods or the restoration of deliveries shall be sufficient if given by the Company in writing, telecopy, electronically, orally in person, or by telephone to one of the persons designated in the Authorized Overrun/Underrun Entitlement Personnel List,(Exhibit "B"), which the Customer agrees to complete and update upon change and at least annually and provide to the Company.

- 12. **DELAYS:** The Company shall not be liable for delays in providing Transportation Service when such delays are not reasonably within the Company's control. Examples of such delays (not intended to be limiting) include delays caused by an inability to secure necessary material, supplies, or distribution system capacity; breakages or accidents to the Company's distribution system; and communication problems with suppliers, pipeline, or transporters. Delays subject to this paragraph shall not be deemed a breach of any Company obligation under this Agreement.
- 13. **APPLICABLE RULES AND TARIFFS:** The provisions in the Company's Rate Schedule No. 41T, Rule Nos. 23 and 29 and all other applicable rules and rate schedules apply to this Agreement, and are hereby incorporated herein. The Customer agrees to comply with all such provisions and with all applicable rules and regulations filed with or adopted by the Washington Utilities and Transportation Commission from time to time. In the event of a conflict between this Agreement and an applicable rule, regulation, or tariff, the provisions of the rule, regulation, or tariff shall control.
- 14. **SUCCESSORS AND ASSIGNS:** This Agreement shall not be assignable by the Customer in whole or in part without the Company's prior written consent. The provisions of this Agreement extend to and bind the parties and their respective successors and permitted assigns.
- 15. **MISCELLANEOUS PROVISIONS:** (a) This Agreement together with the applicable rate schedules constitutes the entire agreement between the parties, and expressly supersedes all prior and contemporaneous communications concerning the provisions of service under this Agreement; (b) This Agreement shall not be binding upon the Company until approved and accepted on its behalf by an authorized representative in the space provided below.

COMPANY

By _____

Its _____

Dated _____

CUSTOMER

By _____

Its _____

Dated _____

Office Use Only			
PSE REPRESENTATIVE	ACCOUNT #	ID #	DATE

PUGET SOUND ENERGY

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TRANSPORTATION SERVICE AGREEMENT: Exhibit "A"
Rate Schedule No. 41T

CUSTOMER	
Customer Name:	
Customer ID #:	
AGREEMENT TERMS	
Delivery Point (Service Address):	
Receipt Point:	Gate Station
Transportation Terms – Firm:	Daily:
Contracted Delivery Pressure:	PSIG
Daily Balancing Service Election:	
Gas Delivery:	7:00 a.m. to 7:00 a.m., Pacific Prevailing Time or as deemed necessary by Puget Sound Energy, Inc. to conform to Williams Gas Pipeline West's operational requirements

SPECIAL CONDITIONS APPLICABLE TO CUSTOMER'S OPERATION (if any): None

At this time there are no applicable special conditions, however this could change depending on the nature of the contract and service.

PUGET SOUND ENERGY

Company

By: _____

Its: _____

Dated: _____

_____ *Customer*

By: _____

Its: _____

Dated: _____

Office Use Only			
PSE Representative	Account #	ID #	Date

PUGET SOUND ENERGY

TRANSPORTATION SERVICE AGREEMENT: Exhibit "B"
Authorized Overrun/Underrun Entitlement Personnel List

PSE Business Account Services: (425) 462-3111
 Fax: (425) 462-3496

<i>Office Use Only</i>	
Customer ID:	
Firm Max Day: _____	PH
_____	PH

Customer Name: _____

Mailing Address:

Service Address:

Gas Usage Information:

Equipment using Firm Gas Service: _____

Overrun/Underrun Entitlement Personnel

Below are listed the names of people authorized to receive the notice of Overrun/Underrun Entitlement periods for transportation Gas Service. Each of them understands that service may be subject to Overrun or Underrun Entitlement at any time during the day or night and each is authorized to handle all operations of the above named organization under the terms and conditions of the Transportation Service Agreement. Please prioritize your personnel list below, and report any changes affecting this list to Puget Sound Energy at once.

Person to notify	Work Phone - Ext	Fax Number	Cell Phone	Home Phone
#1.	()	()	()	()
#2.	()	()	()	()
#3.	()	()	()	()
#4.	()	()	()	()
#5.	()	()	()	()

E-Mail Addresses: «#1 _____» «#2 _____» «#3 _____» «#4 _____» «#5 _____»

CERTIFICATION

I understand that as a transporter, during periods of Overrun Entitlement, only that natural gas I have nominated for the day may be used and that during periods of Underrun Entitlement, natural gas I have nominated for the day must be used.

Signed: _____ Title: _____ Date: _____