PUGET SOUND ENERGY

SCHEDULE 70 CONVERSION TO UNDERGROUND SERVICE FOR CUSTOMERS OTHER THAN GOVERNMENT ENTITIES

Electric Tariff G

1. AVAILABILITY

The Company shall, in accordance with the Company's applicable standards and specifications (and subject to the other provisions of this Schedule), design and install an Underground Distribution System in the Conversion Area and remove from the Conversion Area the existing overhead electric distribution system of 15,000 volts or less together with Company-owned poles following removal of all utility wires therefrom under this Schedule when all of the following conditions are met:

- a. Sufficient materials and equipment are available.
- b. The Customer has requested the Company to install an Underground Distribution System, and the Customer and the Company have entered into a Schedule 70 Underground Conversion Agreement in the form set forth in Attachment A to this Schedule.
- c. The Company has the right to install, construct, operate, repair and maintain an electrical distribution system (including an Underground Distribution System) in the Conversion Area (i) regarding the portions of such system to be installed in a Public Thoroughfare, pursuant to a franchise granted by the applicable Government Entity and executed by the Company, or, if there is no such franchise, pursuant to some other grant of rights mutually agreed upon by the Company and such Government Entity, and (ii) regarding any other portion of such system, pursuant to a grant of rights agreed upon by the Company.
- d. All customers served by the Company within the Conversion Area will receive electric service through Underground Service Lines from the Underground Issued: November 26, 2001 Effective: December 27, 2001 Advice No. 2001-48

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 By:

 Vice President, Rates & Regulation

 Kimberly Harris

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e. The Customer reques	sting service under this Schedule is not a Government Entit	

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Customers that are eligible to receive service under this Schedule are not eligible for service under Schedule 71 of the Company's Electric Tariff G.

2. NON-ELIGIBLE CONVERSIONS IF PERMITTED BY THE COMPANY:

Conversions of existing overhead distributions systems or portions thereof that do not meet the availability requirements of Section 1 of this Schedule shall be accomplished at the sole discretion of the Company and after payment by the Customer to the Company of one hundred percent (100%) of the Company's estimated design and construction costs to perform such conversion. Non-eligible conversions, if accomplished by the Company, shall be subject to Sections 3 through 13 of this Schedule.

3. CUSTOMER OBLIGATIONS

- a. The Customer shall, at its expense, perform the following within the Conversion Area, all in accordance with the Company's specifications:
 - (1) Trenching and Restoration, together with all coordination required for the installation of the Underground Distribution System; and
 - (2) surveying for alignment and grades for vaults and ducts.

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- b. The Customer shall pay to the Company the entire amount of all of the costs described below in this Section 3.b. The Customer shall pay to the Company, prior to the Company's commencing any work under this Agreement, an amount equal to the Company's estimate of the design and construction costs for the conversion project to be accomplished by the Company pursuant to Schedule 70. If the actual costs of any amounts payable by the Customer to the Company pursuant to Schedule 70 are different from such estimate, the Company shall refund any excess payment to the Customer or bill (and be entitled to collect from) the Customer the appropriate amount in the case of any underpayment of actual costs by the Customer, such bill to be paid by the Customer within thirty (30) days.
 - (1) the actual costs to the Company for labor, materials and overheads and all other costs for design of the Underground Distribution System;
 - (2) the actual costs to the Company for labor, materials and overheads and all other costs to construct and install the Underground Distribution System;
 - (3) the actual design costs to the Company (including costs for labor, materials and overheads and all other costs), and the actual construction and installation costs to the Company (including costs for labor, materials and overheads and all other costs), less the salvage value (if any) to the Company of the facilities removed, for removal of the existing electrical facilities; and
 - (4) the costs, if any, incurred by the Company to obtain the Operating Rights;

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- (5) the incremental costs incurred by the Company to implement any Customer Requested Changes (including, without limitation, any overtime labor costs);
- (6) the costs incurred by the Company due to delays in the Company's installation of the Underground Distribution System attributable to the acts or omissions of the Customer, its contractors or other parties the Customer allows to use the trench for the Underground Distribution System (including, without limitation, any overtime labor costs); and
- (7) the costs of (i) cancellation as provided herein; (ii) any facilities installed at the time of the conversion to provide Temporary Service, as provided for herein; and (iii) removal of any facilities installed to provide Temporary Service (less salvage value of removed equipment).

4. GENERAL

- a. Ownership of Facilities: Except as otherwise provided in the Company's Electric Tariff G, the Company shall own, operate, and maintain the Underground Distribution System installed or provided pursuant to this Schedule.
- b. Prior Contracts: Nothing herein contained shall affect the rights or obligations of the Company under any previous agreements pertaining to existing or future facilities of greater than 15,000 Volts within any Conversion Area.
- c. Temporary Service: Temporary Service shall not exceed a term of 18 months from the date of completion of the conversion to an Underground Distribution System, unless the Company agrees to extend such term. If a Temporary Service is not

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disconnected or removed within such time approved by the Company acting reasonably, the Customer shall pay, without duplication of any amounts previously paid by the Customer Issued: November 26, 2001 Effective: December 27, 2001 Advice No. 2001-48 Issued By Puget Sound Energy, Inc. Vice President, Rates & Regulation Kimberly Harris

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pursuant to this Schedule, either (i) 100% of the costs for the entire Underground Distribution System or (ii) 100% of the costs of converting only the Temporary Service to underground, whichever the Customer may elect.

5. USE BY OTHER UTILITIES OF TRENCHES PROVIDED BY THE CUSTOMER

Other utilities may be permitted by the Customer to use trenches provided by the Customer pursuant to this Schedule for the installation of such other utilities' facilities, so long as such facilities, or the installation thereof, do not interfere (as determined pursuant to the Company's electrical standards) with the installation, operation or maintenance of the Company's Facilities located within such trenches. Any change to the Company's design to accommodate such use shall be deemed to be a Customer Requested Change.

6. CANCELLATION:

If a Customer cancels or takes any other action that has substantially the same effect as cancellation regarding a conversion project undertaken under this Schedule prior to completion of the conversion to an Underground Distribution System, the Customer shall pay the Company all of the costs incurred by the Company to the date of such cancellation or other action, plus any future costs of the Company that may not be reasonably avoided. If on account of any Customer action or failure to act construction of a conversion project has not commenced within one year after the Company has provided an estimate of the costs for such project to the Customer, such conversion project shall be deemed to be cancelled. The Customer shall pay all design and construction costs incurred by the Company on account of cancellation (or any other action that has substantially the same effect as cancellation) within thirty (30) days after receipt of the Company's invoice therefor.

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7. INSTALLATION AND OPERATING RIGHTS:

- a. The Company shall, at the Customer's expense, obtain all rights to space and all legal and other rights necessary, in the Company's sole judgment, for the safe and efficient installation, operation, repair and maintenance of all of the Facilities within the Conversion Area; provided, that with the prior written consent of the Company, the Customer may, at its expense, obtain all or part of such rights. Expenses for which the Customer shall be liable pursuant to this section include, but are not limited to, Company staff costs (including overheads) and the actual costs of any easement, fee, permit, survey and reasonable attorneys' fees.
- b. If any Operating Rights are not available to the Company in a timely manner, service under this Schedule may be delayed or canceled at the discretion of the Company.

8. STREET LIGHTING

Removal and replacement of existing street lighting or installation of new street lighting within the Conversion Area suitable for service from the Underground Distribution System installed pursuant to this Schedule shall be arranged separately as provided in the Company's Electric Tariff G.

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9. UNDERGROUND SERVICE LINES

Underground Service Lines shall be installed, owned, and maintained as provided in the Company's Electric Tariff G.

10. DESIGN AND COSTS

The Company exclusively shall determine the appropriate design, phase, voltage and capacity of the Underground Distribution System and appropriate costs using its cost estimating system in conjunction with sound engineering practices. The Company shall provide estimates of its design and construction costs to perform the conversion; provided, that (a) estimates shall be provided for planning purposes only, and may differ from the actual costs of conversion, and (b) the Company may, at its option, require the Customer to pay in advance the Company's cost of providing such estimates. Upon request, the Company shall provide (but not more frequently than once in any calendar month) a report of progress identifying work completed to date, work yet to be completed and an estimate regarding whether the conversion project is on target with respect to estimated budget and schedule.

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11. STANDARD PRACTICES

The manner and type of construction of any Underground Distribution System or Underground Service Lines installed under this Schedule shall be determined by the Company in its sole judgment consistent with its standard practices. In the event that the applicable government authority or law requires any type of construction that results in any increase in costs over the costs that would have been incurred for design and construction pursuant to the Company's standard practices, any such increase in costs shall be paid in full by the Customer to the extent that such increased costs are not paid to the Company by the applicable Government Entity or other person or entity.

12. GENERAL RULES AND PROVISIONS

Service under this Schedule is subject to the General Rules and Provisions contained in Schedule 80 of the Company's Electric Tariff G.

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13. DEFINITIONS

The following terms when used in this Schedule shall, solely for purposes of this Schedule, have the meanings given below:

- a. Conversion Area: The geographical area in which the Company replaces its overhead electric distribution system with an Underground Distribution System.
- b. Customer Requested Change: Any change requested or caused by the Customer in the engineering, design, construction and installation plan or in the Trenching and Restoration plan of the Underground Distribution System. Customer Requested Changes may include, but are not limited to, re-routing or re-locating the Underground Distribution System, use of different or non-standard equipment, installation of equipment in indoor vault rooms, expedited installation of the Underground Distribution System or use of Customer-provided contractors to perform work that would otherwise be performed by the Company under this Schedule. Customer Requested Changes do not include any change in the size of the Conversion Area.
- c. Facilities: All components of the Underground Distribution System, including but not limited to, primary voltage cables, secondary voltage cables, connections, terminations, pad-mounted transformers, pad-mounted switches, ducts, vaults and other associated components.

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- d. Government Entity: Any municipality, county or other government entity having authority over the Public Thoroughfare in the Conversion Area.
- e. Operating Rights: Any of the rights to space or other rights referred to in Section 7.a of this Schedule.
- f. Public Thoroughfare: Any municipal, county, state, federal or other public road, highway or throughway, or other public right-of-way or other public real property rights allowing for electric utility use.
- g. Temporary Service: Temporary Service shall have the meaning set forth in the General Rules and Provisions of the Company's Electric Tariff G and, in addition, shall mean (i) limited overhead facilities that, at the request of a Government Entity, the Company may elect in its sole discretion to leave in place within the Conversion Area after installation of the Underground Distribution System and/or (ii) limited overhead or underground facilities that, at the request of a Government Entity, the Company may elect in its sole discretion to install concurrently with the installation of the Underground Distribution System, and that, in each case, shall be used to provide overhead distribution service within the Conversion Area for such period as may be approved by the Company acting reasonably under the circumstances, (e.g., to accommodate other demolition or construction projects within the Conversion Area).
- h. Trenching and Restoration: Includes, but is not limited to, any or all of the following, whether in Public Thoroughfares or on other property: breakup of sidewalks, driveways, street surfaces and pavements; disturbance or removal of landscaping; excavating for vaults; trenching for ducts or cable; shoring, flagging,

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	Filling; installation of select backfill or concrete tion; and restoration of Public Thoroughfares a	
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- i. Underground Distribution System: An underground electric distribution system, excluding "Underground Service Lines" as such term is defined herein, that is comparable to the overhead distribution system being replaced. The Underground Distribution System includes the Facilities as defined herein. For purposes of this Schedule, a "comparable" system shall include, unless the Government Entity and the Company otherwise agree, the number of empty ducts (not to exceed two (2), typically having a diameter of 6" or less) of such diameter and number as may be specified and agreed upon in the Design Agreement and Construction Agreement necessary to replicate the load-carrying capacity (system amperage class) of the overhead system being replaced.
- j. Underground Service Lines: The underground electric cables and associated components extending from the service connections at the outside of the customers' structures to the designated primary voltage or secondary voltage service connection points of an Underground Distribution System.

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Attachment "A" - Conversion Agreement		
SCHEDULE 70 UNDERGROUND CONVERSION AGREEMENT		
THIS SCHEDULE 70 UNDERGROUND CONVERSION AGREEMENT ("Agreement"), dated as of, 20, is made and entered into by and between (the "Customer") and PUGET SOUND ENERGY, INC. (the "Company").		
RECITALS		
A. The Company is a public service company engaged in the sale and distribution of electric energy and currently distributes electricity to the Customer.		
B. The area to be converted from an overhead distribution system to an underground distribution system is [INSERT DESCRIPTION OF CONVERSION AREA], such area being more specifically identified on Company work order(s) [INSERT WORK SKETCH NUMBERS] ("Conversion Area"). The Conversion Area includes [INSERT BRIEF DESCRIPTION OF STREET AND/OR STREET LIGHT IMPROVEMENT PROGRAM].		
C. The Customer has requested that the Company convert the existing overhead distribution system within the Conversion Area to a comparable underground distribution system using above-ground transformers and switchgears. Although overhead and underground distribution systems are inherently different, the underground system to be		
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installed is to be the operational equivalent of the existing overhead distribution system.

D. The parties desire to execute this agreement in accordance with Schedule 70 of the Company's Electric Tariff G ("Schedule 70") to govern the installation of such underground distribution system.

AGREEMENT

The Company and the Customer therefore agree as follows:

- 1. Capitalized terms used in this Agreement, unless otherwise defined herein, have the meanings set forth in Schedule 70.
- 2. The Customer represents and warrants to the Company that all persons and entities within the Conversion Area have agreed to convert service to such persons and entities from overhead distribution service to underground distribution service. The parties acknowledge that single-family residences within the Conversion Area must (a) provide a service trench and conduit, in accordance with the Company's specifications, from the underground meter base to the point of service provided during the conversion, and (b) pay for the Underground Service Lines as defined in Schedule 85 of the Company's Electric Tariff G (as revised form time to time upon approval of the Washington Utilities and Transportation Commission). The Customer agrees that it is responsible for ensuring that all persons and entities within the Conversion Area provide such trench and conduit and convert from overhead distribution service to Underground Service Lines. Should any person or entity in the Conversion Area fail to convert to Underground Service Lines, the conversion shall be deemed to be a non-eligible conversion pursuant to Section 2 of Schedule 70.
- 3. The parties acknowledge that under Schedule 70, if the owners of real property to be swerved from the Underground Distribution System are participants in the conversion through a Local Improvement District ("LID") or other similar process, such owners must provide to the Company, at their expense, all rights to space and all legal and other rights necessary, in the Company's sole judgment, for the safe and efficient installation, operation, repair and maintenance of all of the Facilities within the Conversion Area.
- 4. The Customer shall be responsible for coordinating all work to be performed in connection with any street improvement program within the Conversion Area. The Company shall not be required to install the Underground Distribution System until the area in which the Underground Distribution System is to be installed has been established to

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final grade. Upon performance by the Customer of the necessary preliminary work, the Customer shall give the Company not less than ten (10) working days' advance notice thereof, and shall request in such notice that the Company commence installation of the Underground Distribution System. The Customer shall schedule such construction to minimize interference from the installation of other improvements.

- 5. The Company shall use reasonable efforts to coordinate timing, scheduling and cost control mechanisms for Company crews and sub-contractors performing work pursuant to this Agreement. The Company shall use reasonable diligence in commencing and performing work hereunder, but the Company shall not be liable for any delays resulting from circumstances beyond its control, including, but not limited to, failure to receive necessary Operating Rights. The Customer agrees that work to be performed by the Company shall be scheduled to avoid premium labor charges to the Company. Any overtime provided by the Company at the request of the Customer shall be deemed to be a Customer Requested Change and to the cost thereof shall be charged to the Customer.
- 6. The Customer releases and shall defend, indemnify and hold harmless the Company from all claims, losses, harm, liabilities, damages, costs and expenses (including, but not limited to, reasonable attorneys' fees) caused by, arising out of or in connection with the performance by the Customer, or the Customer's failure to perform, any of its obligations under this Agreement. The employees of the Customer or its contractors shall at no time be deemed to be the employees of the Company.
- 7. This Agreement is subject to the General Rules and Provisions set forth in Schedule 80 of the Company's Electric Tariff G and to Schedule 70 of such tariff, as such schedules may be revised from time to time upon approval of the Washington Utilities and Transportation Commission; provided, however, if either of the foregoing schedules are revised, any price set forth in this Agreement will not be changed for sixty (60) days following such revision. Any conflict in terms between this Agreement and the Company's Schedules 70 and 80 of its tariffs shall be resolved in favor of such schedules.

CUSTOMER	PUGET SOUND ENERGY, INC.
[ENTITY]	
By	By
Its	Its
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