PUGET SOUND ENERGY Electric Tariff G

SCHEDULE 459 BACK-UP DISTRIBUTION SERVICE

AVAILABILITY:

- This schedule establishes a charge for use of the Company's distribution system by Non-Core Customers taking service under Schedule 449 and whose electrical energy and/or capacity service requirements are met, in whole or in part, from Self-Generation. This schedule does not cover energy or capacity services. A Non-Core Customer who purchases back-up distribution service for its load at a location pursuant to this schedule shall not be required to purchase distribution service pursuant to Schedule 449 for the same load at the same location.
- 2. This schedule is not applicable to the extent Self-Generation is employed only for emergency supply during utility outage.
- 3. Back-up distribution service shall be made available at the Non-Core Customer's Point(s) of Delivery, at the Company's applicable available voltage. The Company will stand ready to provide back-up distribution service at all times, including during Scheduled Outage Periods. The Company may, in its discretion, make back-up distribution service available at more than one Point of Delivery or at more than one voltage and phase, but such service may be separately metered and billed. Separate or combined billing will be at the discretion of the Company. Back-up distribution service is not available for resale, shared service, intermittent or highly fluctuating loads, or seasonal use.
- 4.__Unless otherwise provided as a result of a case before the Washington Utilities and Transportation Commission concerning the Company's rates and tariffs of general applicability ("General Rate Case"), this schedule shall not be available after the conclusion of the General Rate Case.

RATES AND CHARGES:

The Back-Up Distribution Service Charge to be paid by the Non-Core Customer to the Company for each billing month during the Term shall be an amount equal to the sum of the results of the following two ealculations for such month for each Non-Core Customer location:

(a) <u>Self-Generation-Total Customer</u> Demand <u>Component</u> * Schedule 449 Distribution Service Charge * <u>Reliability Adjustment Factor</u>;

plus

(b) Net Demand Component * Schedule 449 Distribution Service Charge;

where

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By Authority of the Washington Utilities and Transportation Commission in Docket Nos. UE-011570 & UG-011571

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Self-Generation Component = the lesser of (i) Customer Demand at a Non-Core Customer location during a given month and (ii) the total nameplate rating of Non-Core Customer's Self-Generation (expressed in kVa) installed at that location;

Net Demand Component = any difference between (i) Customer Demand at a Non-Core Customer location during a given month minus (ii) the total nameplate rating of Non-Core Customer's Self-Generation (expressed in kVa) installed at that location (if such difference is negative, it shall be deemed to equal zero for purposes of calculating charges under this schedule);

Forecasted Load = the forecast of the highest 15-minute energy demand (measured in kVa) metered or derived for all of the Non-Core Customer's load during a given month, irrespective of the source of electrical supply of such load.;

<u>Total</u> Customer Demand = for a given month, the greater of (a) the Non-Core Customer's most recent Forecasted Load for such month and (b) the highest 1530-minute energy demand (measured in kVa) metered or derived for all of the Non-Core Customer's load, irrespective of the source of electrical supply of such load, at a Non-Core Customer location during such month;

Schedule 449 Distribution Service Charge = the Distribution Service charge set forth in Schedule 449., which, pursuant to Schedule 449, is net of amounts paid by the Non-Core Customer under the Company's Open Access Transmission Tariff for Transmission and Ancillary Services; and

Reliability Adjustment Factor = the reliability adjustment factor applicable to Self-Generation, as described below, applicable for such month.

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<u>Reliability Adjustment Factor</u>: This factor is applicable only to the Self-Generation Component, as defined above. The Factor is linked to the number of Single Mode Failure Protected units that comprise the Self-Generation. The Factor is 100% for one (1) Single Mode Failure Protected unit, 98% for two (2) Single Mode Failure Protected units and 95% for three (3) or more Single Mode Failure Protected units. This factor is subject to the Company's upward adjustment due to actual experiences that impact reliability and the increased risk of Self-Generation outages. These adjustments will be based on the Non-Core Customer's results of operation on an annual basis. These adjustments will be submitted to the Commission for review.

OTHER CHARGES:

Dedicated Facility Charges:

Dedicated facilities, including, but not limited to, interconnection facilities constructed for the Non-Core Customer or extra meters <u>and communication lines</u> needed to measure the Non-Core Customer's Self-Generation will, to the extent not charged for under Schedule 449, be charged to the Non-Core Customer separately. Revenue associated with service under this schedule is not eligible for inclusion in the calculation of the <u>estimated annual revenue allowance</u>, (i.e., revenue credits) provision-<u>margin allowance</u> under Schedule 85-Line Extensions.

Unit Management Services Charges:

Any costs incurred by the Company, at the request of the Non-Core Customer, in providing engineering, analytical, accounting, operating, maintenance or other services will be charged to the Non-Core Customer separately. These costs may include, but are not limited to, costs associated with data retrieval and preparation, engineering and operations analysis and applicable associated overheads.

DEFINED TERMS:

1. **Non-Core Customer** - A Customer of the Company who has forever released, relinquished, and discharged any right to, claim to, or benefits of the Company's generation resources, including the right to power produced by such resources, whether or not priced at the Company's cost of producing such power, at one or more of the Customer's facilities. Non-Core Customers shall be served under Schedule 448, or Schedule 449-or the Small Customer Special Contract.

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- 2. **Self-Generation** One or more sources of electrical energy and/or capacity installed and operated by the Non-Core Customer pursuant to Section 3 of Schedule 449. For purposes of this Schedule, Self-Generation does not include electrical energy and/or capacity generated by Non-Core Customer for delivery to or use by any person or entity other than the Non-Core Customer.
- 3.Single Mode Failure Protected With respect to multiple Self-Generating units of equivalent size, no single, credible occurrence or event, excepting loss of fuel supply, would cause loss of more than one such unit.
- <u>4.3.</u>**Point(s) of Delivery** The location(s) on the Non-Core Customer's premises where the Company's system and Non-Core Customer's circuits are interconnected.
- 5.4. Scheduled Outage Period A period of time used for routine, prescheduled maintenance of one or more Self-Generation units by the Non-Core Customer, where the Company provides some or all of the Non-Core Customer's electric energy service requirements. Scheduled Outage Periods must be scheduled at least one month in advance and be at times mutually agreeable to the Non-Core Customer and the Company to coincide with Company non-peak periods. During this time period the Non-Core Customer will be charged the Demand Ceharge of the applicable standard schedule of this tariff for Mmaintenance Demand.
- <u>6.5.</u> Unscheduled Outage Period Any period of time, other than a Scheduled Outage Period, where the Company provides some or all of the Non-Core Customer's electric energy and/or capacity service requirements due to unscheduled outage of any Self-Generation unit.
- <u>7.6.</u> **Term** the period including the initial term and any renewal term of the Back-Up Distribution Service Agreement.

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BACK-UP DISTRIBUTION SERVICE AGREEMENT:

Non-Core Customers receiving service under this schedule shall execute a Back-Up Distribution Service Agreement with the Company prior to initiation of its service under this schedule. The term of the Back-Up Distribution Service Agreement shall be for a period equal to the term of service for service under Schedule 449 agreed to by the Non-Core Customer and the Company. The Back-Up Distribution Service Agreement shall require (among other things) that the Company receive notice from the Non-Core Customer:

- a minimum of ninety (90) days prior to expiration of the Back-Up Distribution Service Agreement in the event the Non-Core Customer elects to renew the Back-Up Distribution Service Agreement for a period equal to the period of renewal service under Schedule 449;
- a minimum of one hundred eighty (180) days prior to expiration of the Back Up Distribution Service Agreement for conversion from Back-Up Distribution Service to the applicable rate schedule for high voltage or primary voltage general or interruptible service. A conversion fee may be imposed by the Company for failure to provide the required notice to compensate the Company for costs of acquiring incremental generation and transmission resources.

CONDITIONS OF SERVICE:

- Within ten (10) business days following commencement of service under this schedule and within ten (10) business days following the beginning of each month during the Term (excluding the month in which service commences under this schedule), the Non-Core Customer must provide to the Company a forecast of Fforecasted Lload for each of its locations for each month during the next succeeding twelvemonth period.
- 2. The Non-Core Customer must notify the Company of all outage periods; both Scheduled Outage Periods and Unscheduled Outage Periods.
- 3. The Non-Core Customer is responsible for all interconnection, <u>metering</u>, and <u>communication line</u> costs for parallel operation.

4. The Non-Core Customer must meet all interconnection standards specified by the Company, <u>.</u>, <u>5. Aas</u> otherwise provided in the Non-Core Customer's parallel operation agreement with the Company.

ADJUSTMENTS:

Rates in this schedule are subject to adjustment by such other schedules in this tariff as may apply.

GENERAL RULES AND PROVISIONS:

Service under this schedule is subject to the General Rules and Provisions contained in this tariff.

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