

EXHIBIT A

TO

APPLICATION OF PUGET SOUND ENERGY FOR AN ORDER APPROVING A
SERVICE AGREEMENT WITH THE CITY OF CENTRALIA

CONTINUED

Service Area Agreement - Continued

EXHIBIT D to Service Area Agreement (Agreement for Transfer of Distribution
Facilities) - Continued

Attachment 5 to Agreement for Transfer of Distribution Facilities

Pole Attachment Agreement

POLE ATTACHMENT AGREEMENT

This Agreement, dated as of _____, 2004, made by and between the City of Centralia, a municipality within the State of Washington (the "City"), and Puget Sound Energy, Inc., a Washington corporation ("PSE").

City and PSE agree as follows:

Section 1. Scope

Pursuant to the terms and conditions of this Agreement, City grants to PSE the right to attach its electric distribution equipment, including electric distribution lines, cross-arms, guys and anchors, transformers, and related equipment (collectively, the "Equipment"), to the City's utility poles (individually a "Pole," collectively the "Poles").

Section 2. Attachment

2.1 PSE shall not attach any high voltage (i.e., for purposes of this agreement, greater than 49,999 volts) Equipment to any Pole without City's prior written consent, which consent shall not be unreasonably withheld.

2.2 PSE may attach with City's prior written consent, which consent shall not be unreasonably withheld, any low voltage (i.e., for the purposes of this agreement, equal to or less than 49,999 volts) to Equipment poles numbered 155 to 205.

Section 3 Maintenance

PSE shall maintain all Equipment attached to the Poles so they are in compliance with PSE's normal maintenance standards.

Section 4. Emergencies

In the event of an emergency, each party shall contact the other at the below phone number for instructions on how to proceed. If either party is unable to contact the other at the below numbers, such party may take reasonable action as may be necessary under the circumstances to remedy the emergency.

The parties' respective emergency phone numbers are as follows:

City: 360-330-7512 During normal working hours
360-736-7040 After 3:30, Saturday's, Sundays, and holidays

PSE: 888-225-5773

Each party shall promptly notify the other of any change in such party's emergency phone number.

Section 5. Relocation, Replacement, or Removal of Poles

If City plans to relocate or replace any Pole to which Equipment is attached, City shall provide PSE written notification regarding such relocation or replacement at least ninety (90) days prior to any relocation or replacement of any Pole. Notification requirement would not apply to storm or other emergency responses. If City replaces a Pole to which Equipment is attached, then (i) City shall perform such work without disturbing or interrupting the delivery of electric service to PSE's customers, and (ii) PSE shall be responsible for moving its Equipment from the replaced pole to the new pole, at its sole cost and expense.

Section 6. Abandonment of Poles

6.1 If City desires at any time to abandon their use and ownership of a Pole to which PSE's Equipment is attached (the "Abandoned Pole"), the City shall give PSE written notice by certified mail of such abandonment ("Abandonment Notice"). The Abandonment Notice shall provide:

- (a) City's intention to abandon the use and ownership of the Abandoned Pole; and
- (b) the date on which the City shall have removed all of its equipment from the Abandoned Pole, which date shall be not less than thirty (30) days from receipt of Abandonment Notice; and
- (c) a description of any communications attachments or other attachments to the Abandoned Pole.

6.2 PSE shall have the right of first refusal to acquire title to some or all of the Abandoned Pole(s). If PSE elects to exercise such right and accept title to some or all of the Abandoned Pole(s), PSE shall deliver written notice to the City prior to the Abandonment Date. If PSE exercises such right, title to the Abandoned Pole(s) shall automatically transfer from City to PSE upon the later of (i) the close of business on the Abandonment Date, or (ii) the date the City has removed all of its equipment from the Abandoned Pole(s), which shall in no event be later than sixty (60) days after the Abandonment Date.

Section 7. Term

7.1 The Term of this Agreement shall commence on the date of this Agreement and shall continue for fifteen (15) years thereafter (the "Initial Term"), unless sooner terminated or extended pursuant to the terms hereof. At the end

of the Initial Term, this Agreement shall automatically renew for successive ten (10) year terms unless either City or PSE provides written notice of termination to the other party no earlier than one (1) year and no later than six (6) months prior to the expiration of the Initial Term or any subsequent ten (10) year term(s). If this Agreement is terminated by such notice, the parties agree to negotiate a new agreement.

7.2 The City shall give written notice to PSE of any default or breach of this Agreement. Failure of PSE to correct such default or breach within sixty (60) days of the written notice will entitle the City to terminate this Agreement. Such sixty (60) day correction period will be extended as reasonably necessary to permit PSE to complete the corrections so long as PSE commences corrections within the sixty (60) day period and thereafter continuously and diligently pursues and completes such corrections.

7.3 If the City terminates this Agreement, PSE shall remove all of its Equipment from the Poles within One-hundred-eighty (180) days after receipt of notice of termination.

Section 8. Performance of Work

8.1 The attachment, maintenance, repair, relocation, and removal of Equipment to and from the Poles and other work performed in connection with this Agreement shall be referred to herein as the "Work".

8.2 PSE shall furnish all personnel, supervision, labor, transportation, tools, equipment and materials for performance of the Work. PSE shall expeditiously and efficiently perform the Work in accordance with the provisions of this Agreement.

8.3 PSE shall perform the Work pursuant to PSE's normal work standards and applicable law.

Section 9. Protection of Property and Persons

PSE shall take reasonable precautions so that the City's transmission line is not damaged, altered, removed or interrupted in connection with the performance of the Work or the operation of the Equipment. Except for emergency repairs necessitating a temporary outage, if PSE requires a temporary outage of the transmission line, PSE shall request City's approval thereof at least seventy-two (72) hours in advance of the time it requires the outage. PSE shall perform the Work requiring the outage only after such approval has been obtained and on such days and at such hours as the City may reasonably direct.

Section 10. Cooperation and Coordination

If any part of the Work depends upon the results of other work by City or others, PSE shall, prior to commencing such Work, notify City of any actual or apparent deficiencies or defects in such other work that render it unsuitable for performance of the Work.

Section 11. Compliance with Law

In the performance of the Work and this Agreement, PSE shall comply with all applicable:

- (a) Laws, ordinances, rules, regulations, orders, licenses, permits and other requirements, now or hereafter in effect, of any governmental authority; and
- (b) Industry standards and codes.

Section 12. Taxes

PSE shall pay (except as otherwise required by law) all taxes applicable to or incurred in connection with the Work, the Equipment or the system of which the Equipment constitutes a part ("PSE's System").

Section 13. Permits

PSE shall obtain and comply with all permits, licenses, franchises, rights-of-way, easements and other rights required to perform the Work and operate the Equipment and PSE's System in accordance with this Agreement.

Section 14. Release, Indemnity; and Hold Harmless

PSE shall defend, indemnify and hold harmless City from any and all third party claims, losses, costs, liabilities, damages and expenses (including, but not limited to, reasonable attorneys' fees), to the extent such claim is caused by the negligence or willful misconduct of PSE in its performance of the Work or the operation of the Equipment or PSE's System. However, PSE shall not be required to defend, indemnify, or hold harmless the City from any and all claims, losses, costs, liabilities, damages, or expenses arising from the fault, negligence or willful misconduct of the City, its respective directors, officers, employees, contractors, subcontractors, and agents.

Section 15. Risk of Loss

PSE shall be responsible for and shall bear any and all risk of loss, deterioration, theft, vandalism or destruction of or damage to PSE's Equipment and anything used (or to be used or consumed) in connection with the Work.

Section 16. Notices and Other Communications

Any notice, request, approval, consent, instruction, direction or other communication given by either party to the other party shall be in writing and shall be delivered in person or mailed, properly addressed and stamped with the required postage, to the intended recipient at the address and to the attention of the person specified next to the parties' respective signatures at the end of this Agreement. Either party may from time to time change such address by giving the other party notice of such change in accordance with the provisions of this section.

Section 17. Regulatory Approvals

If this Agreement is subject to the authority of regulatory agencies having jurisdiction over the parties, or either of them, with respect thereto, then each party shall promptly submit this Agreement to the regulatory agencies having such jurisdiction over such party and shall take such additional action as may be reasonably be required to promptly obtain any required approvals or other action by such agencies.

Section 18. Miscellaneous

18.1 The rights and obligations of the parties hereunder shall be subject to and governed by this Agreement. This Agreement sets forth the entire agreement of the parties, and supersedes any and all prior agreements, with respect to the attachment of the Equipment to the Poles.

18.2 This Agreement may not be modified except by a writing executed contemporaneously herewith or subsequent hereto signed by both parties.

18.3 Each party shall take such action (including, but not limited to, the execution, acknowledgment and delivery of documents) as may reasonably be requested by the other party for the implementation or continuing performance of this Agreement.

18.4 The invalidity or unenforceability of any provision of this Agreement shall not affect the other provisions hereof, and this Agreement shall be construed in all respects as if such invalid or unenforceable provisions were omitted.

18.5 The headings of sections and paragraphs of this Agreement are for convenience of reference only and are not intended to restrict, effect or be of any

weight in the interpretation or construction of the provisions of such sections or paragraphs.

Section 19. Applicable Law

This Agreement shall in all respects be interpreted, construed and enforced in accordance with the laws of the State of Washington.

City: City of Centralia	PSE: Puget Sound Energy, Inc.
By: _____ J.D. Fouts	By: _____ Marty O'Connor
Its: City Manager	Its: Manager Communications & Siting Services
Date Signed: _____	Date Signed: _____
Address: 118 West Maple Street P.O. Box 609 Centralia, WA 98531	Address: Attn. Joint Facilities Administrator P.O. Box 90868 GEN-02W Bellevue, WA 98009-0868