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| SCHEDULE NO. 75 |
| Equipment Lease Service (Continued) |

5. **Lease Terms and Conditions (Continued):**

**Lease Terms and Conditions**

8. **Equipment Replacement**. Any replacement of Equipment shall be determined by PSE at its sole discretion, as provided for below.

1. **Equipment failure during warranty period**. If the Equipment fails to operate in accordance with the manufacturer’s specifications and operation instructions during the Warranty Period (listed below), and the failure is not due to Customer’s misuse of the Equipment, then, subject to section 13, at Customer’s request and option (i) PSE will replace the Equipment with identical or similar equipment or (ii) the Customer may terminate this Agreement by exercising the “Option to Purchase” function as detailed in Section 9 below. If the Customer choses replacement Equipment, such replacement will be made as soon as is commercially reasonable after PSE is notified by Customer of the warranty issue. Upon installation of the new Equipment, this Agreement will continue without modification.
2. The warranty period for the Equipment will be set forth on the front of the Equipment Lease Agreement (the “Lease Warranty”). If not described on the Agreement, the Lease Warranty will be as set forth below:

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| --- | --- | --- |
| **Installation Location** | **Equipment** | **Warranty Period** |
| Residential | Natural Gas Furnace | 10 years |
| Electric Air-source Heat Pump | 10 years |
| Natural Gas Tank-Style Water Heater | 6 years |
| Electric Tank-Style Water Heater | 6 years |

 (Continued on Sheet No. 75-Q)