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PUGET SOUND ENERGY

SCHEDULE 153

QUALIFYING FACILITY TRANSMISSION INTERCONNECTION SERVICE (Continued)

Attachment "C" – Qualifying Facility Transmission Interconnection Agreement

QUALIFYING FACILITY TRANSMISSION INTERCONNECTION AGREEMENT

PUGET SOUND ENERGY

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QUALIFYING FACILITY TRANSMISSION INTERCONNECTION AGREEMENT

THIS QUALIFYING FACILITY TRANSMISSION INTERCONNECTION AGREEMENT ("Agreement") is made and entered into this ____ day of _____, 20__, by and between _____, a _____ organized and existing under the laws of the State/Commonwealth of _____ ("Interconnection Customer" with a Qualifying Facility), and Puget Sound Energy, a corporation organized and existing under the laws of the State of Washington ("Company"). Interconnection Customer and Company each may be referred to as a "Party" or collectively as the "Parties."

Recitals

WHEREAS, Company operates the Transmission System; and

WHEREAS, Interconnection Customer intends to own, lease and/or control and operate the Qualifying Facility identified in Appendix C to this Agreement; and,

WHEREAS, Interconnection Customer has completed the process with FERC for certifying the Qualifying Facility as either a Cogeneration Facility or a Small Power Production Facility; and

WHEREAS, WUTC has jurisdiction to establish minimum criteria that a Cogeneration Facility or Small Power Production Facility must meet in order to operate in Washington; and

WHEREAS, Interconnection Customer and Company have agreed to enter into this QFTIA for the purpose of interconnecting the Qualifying Facility with the Transmission System;

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein, it is agreed:

Article 1. Definitions

When used in this QFTIA, terms with initial capitalization have the meanings specified in Schedule 153 Attachment "A", Definitions, and Schedule 80, section 2, Definitions.

Article 2. Effective Date, Term, and Termination

2.1. Effective Date. This QFTIA shall become effective upon execution by the Parties.

2.2. Term of Agreement. Subject to the provisions of Article 2.3, this QFTIA shall remain in effect for a period of ten (10) years from the Effective Date or such other longer period as agreed upon by the Parties.

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2.3. Termination Procedures

2.3.1. Written Notice. This QFTIA may be terminated by Interconnection Customer after giving Company ninety (90) Calendar Days advance written email notice, or by Company notifying WUTC after the Qualifying Facility permanently ceases Commercial Operation.

2.3.2. Default. Either Party may terminate this QFTIA in accordance with Article 17.

2.3.3. Change in Qualifying Facility Status. Interconnection Customer has represented that its Qualifying Facility is a "qualifying facility" within the meaning of C.F.R. Sections 201 and 210. WUTC has regulatory authority over the interconnection of the Qualifying Facility with Company's Transmission System. If, at any time during the term of this QFTIA, all or a portion of the output of the Qualifying Facility is scheduled to be, or is, sold to someone other than Company, then regulatory authority for this interconnection will fall under the jurisdiction of the FERC and this QFTIA shall terminate upon the date such electric output from the Qualifying Facility is first produced for sale to such other party, and no later than sixty (60) days prior to such termination date, Interconnection Customer shall enter into a new Small or Large Generator Interconnection Agreement with Company pursuant to Company's OATT. Interconnection Customer acknowledges and agrees that it may take substantially more than sixty (60) days to submit an interconnection request and complete any required portions of the interconnection process under the Company's OATT before the Company can offer the Interconnection Customer a new Small or Large Generator Interconnection Agreement under the OATT. Interconnection Customer is responsible for initiating the interconnection process under the Company's OATT early enough to allow for completion of the interconnection process before the Interconnection Customer requires a new Small or Large Generator Interconnection Agreement under this Article 2.3.3.

Notwithstanding Articles 2.3.1, 2.3.2, and 2.3.3, no termination shall become effective until the Parties have complied with all Applicable Laws and Regulations applicable to such termination.

2.4. Termination Costs. If a Party elects to terminate this QFTIA pursuant to Article 2.3 above, each Party shall pay all costs incurred (including any cancellation costs relating to orders or contracts for Interconnection Facilities and equipment) or charges assessed by the other Party, as of the date of the other Party's receipt of such notice of termination, that are the responsibility of the Terminating Party under this QFTIA. In the event of termination by a Party, the Parties shall use commercially Reasonable Efforts to mitigate the costs, damages and charges arising as a consequence of termination. Upon termination of this QFTIA, unless otherwise ordered or approved by WUTC:

2.4.1. With respect to any portion of Company's Interconnection Facilities that have not yet been constructed or installed, Company shall to the extent possible and

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with Interconnection Customer's authorization cancel any pending orders of, or return, any materials or equipment for, or contracts for construction of, such facilities; provided that in the event Interconnection Customer elects not to authorize such cancellation, Interconnection Customer shall assume all payment obligations with respect to such materials, equipment, and contracts, and Company shall deliver such material and equipment, and, if necessary, assign such contracts, to Interconnection Customer as soon as practicable, at Interconnection Customer's expense. To the extent that Interconnection Customer has already paid Company for any or all such costs of materials or equipment not taken by Interconnection Customer, Company shall promptly refund such amounts to Interconnection Customer, less any costs, including penalties incurred by Company to cancel any pending orders of or return such materials, equipment, or contracts.

If an Interconnection Customer terminates this QFTIA, it shall be responsible for all costs incurred in association with that Interconnection Customer's interconnection, including any cancellation costs relating to orders or contracts for Interconnection Facilities and equipment, and other expenses including any Network Upgrades for which Company has incurred expenses and has not been reimbursed by Interconnection Customer.

Company may, at its option, retain any portion of such materials, equipment, or facilities that Interconnection Customer chooses not to accept delivery of, in which case Company shall be responsible for all costs associated with procuring such materials, equipment, or facilities.

With respect to any portion of the Interconnection Facilities, and any other facilities already installed or constructed pursuant to the terms of this QFTIA, Interconnection Customer shall be responsible for all costs associated with the removal, relocation or other disposition or retirement of such materials, equipment, or facilities.

2.5. Disconnection. Upon termination of this QFTIA, the Parties will take all appropriate steps to disconnect the Qualifying Facility from the Transmission System. All costs required to effectuate such disconnection shall be borne by the terminating Party, unless such termination resulted from the non-terminating Party's Default of this QFTIA or such non-terminating Party otherwise is responsible for these costs under this QFTIA.

2.6. Survival. This QFTIA shall continue in effect after termination to the extent necessary (a) to provide for final billings and payments and for costs incurred hereunder, including billings and payments pursuant to this QFTIA; (b) to permit the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while this QFTIA was in effect; and (c) to permit each Party to have access to the lands of the other Party pursuant to this QFTIA or other applicable agreements, to disconnect, remove or salvage its own facilities and equipment.

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Article 3. Regulatory Filings

3.1. Filing. Any QFTIA that adheres to this pro forma interconnection agreement need not be filed with the Commission. Company shall file any non-standard QFTIA (and any amendments thereto) with the Commission. Interconnection Customer may request that any information so provided be subject to the confidentiality provisions of Article 22. If Interconnection Customer has executed this QFTIA, or any amendment thereto, Interconnection Customer shall reasonably cooperate with Company with respect to such filing and to provide any information reasonably requested by Company needed to comply with applicable regulatory requirements.

Article 4. Scope of Service

4.1. Qualifying Facility Transmission Interconnection Service. Interconnection Customer will be provided Qualifying Facility Transmission Interconnection Service under this QFTIA.

4.1.1. The Product. Company must conduct the necessary studies and construct the Network Upgrades needed to integrate the Qualifying Facility in a manner that ensures the Facility is Fully Deliverable at all points on the Company's system. Qualifying Facility Transmission Interconnection Service is comparable to that in which the Company integrates its generating facilities to service native load customers, however, in certain Reliability Conditions, Qualifying Facility Transmission Interconnection Service allows for the Interconnection Customer to be curtailed instead of having to build additional Network Upgrades. In other situations, except for those narrowly defined as Reliability Conditions, the Interconnection Customer may be responsible for other Network Upgrades necessary for interconnection and system reliability.

4.1.2. Transmission Delivery Service Implications. Qualifying Facility Transmission Interconnection Service allows Interconnection Customer's Qualifying Facility to be Fully Deliverable to all points on Company's Transmission System. Subject to System Emergency or Reliability Conditions, the Qualifying Facility Transmission Interconnection Service shall be fully Deliverable at all times on the Company's Transmission System. A Qualifying Facility receiving Qualifying Facility Transmission Interconnection Service may also be used to provide Ancillary Services after technical studies and/or periodic analyses are performed with respect to the Qualifying Facility's ability to provide any applicable Ancillary Services.

4.2. Provision of Service. Company shall provide Qualifying Facility Transmission Interconnection Service for the Qualifying Facility at the Point of Interconnection.

4.3. Performance Standards. Each Party shall perform all of its obligations under this QFTIA in accordance with Applicable Laws and Regulations, Applicable Reliability

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Standards, and Good Utility Practice, and to the extent a Party is required or prevented or limited in taking any action by such regulations and standards, such Party shall not be deemed to be in Breach of this QFTIA for its compliance therewith. If such Party is Company, then that Party shall amend the QFTIA and if required by WUTC, submit the amendment to WUTC for approval.

4.4. No Transmission Delivery Service; No Agreement to Purchase Output. The execution of this QFTIA does not constitute a request for, nor the provision of, any transmission delivery service under Company's OATT, and does not convey any right to deliver electricity to any specific customer or Point of Delivery. Additionally, the execution of the QFTIA does not constitute an agreement to purchase the Net Output or any portion of the output of the Qualifying Facility, which is considered separately through an agreed upon power purchase agreement under Company's electric schedules 91 or 92.

4.5. Interconnection Customer Provided Services. The services provided by Interconnection Customer under this QFTIA are set forth in Article 9.6 and Article 13.4.1. Interconnection Customer shall be paid for such services in accordance with Article 11.6.

Article 5. Interconnection Facilities Engineering, Procurement, and Construction

5.1. Options. Unless otherwise mutually agreed to between the Parties, Interconnection Customer shall select the In-Service Date, Initial Synchronization Date, and Commercial Operation Date; and either Standard Option or Alternate Option set forth below, for completion of Company's Interconnection Facilities and Network Upgrades as set forth in Appendix A, Interconnection Facilities and Network Upgrades, and such dates and selected option shall be set forth in Appendix B, Milestones.

5.1.1. Standard Option. Company shall design, procure, and construct Company's Interconnection Facilities and Network Upgrades, using Reasonable Efforts to complete Company's Interconnection Facilities and Network Upgrades by the dates set forth in Appendix B, Milestones. Company shall not be required to undertake any action which is inconsistent with its standard safety practices, its material and equipment specifications, its design criteria and construction procedures, its labor agreements, and Applicable Laws and Regulations. In the event Company reasonably expects that it will not be able to complete Company's Interconnection Facilities and Network Upgrades by the specified dates, Company shall promptly provide written notice to Interconnection Customer and shall undertake Reasonable Efforts to meet the earliest dates thereafter.

5.1.2. Alternate Option. If the dates designated by Interconnection Customer are acceptable to Company, Company shall so notify Interconnection Customer within thirty (30) Calendar Days, and shall assume responsibility for the design, procurement and construction of Company's Interconnection Facilities by the designated dates.

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If Company subsequently fails to complete Company's Interconnection Facilities by the In-Service Date, to the extent necessary to provide back feed power; or fails to complete Network Upgrades by the Initial Synchronization Date to the extent necessary to allow for Trial Operation at full power output, unless other arrangements are made by the Parties for such Trial Operation; or fails to complete the Network Upgrades by the Commercial Operation Date, as such dates are reflected in Appendix B, Milestones; Company shall pay Interconnection Customer liquidated damages in accordance with Article 5.3, Liquidated Damages, provided, however, the dates designated by Interconnection Customer shall be extended day for day for each day that the applicable RTO or ISO refuses to grant clearances to install equipment.

5.1.3. Option to Build. If the dates designated by Interconnection Customer are not acceptable to Company, Company shall so notify Interconnection Customer within thirty (30) Calendar Days, and unless the Parties agree otherwise, Interconnection Customer shall have the option to assume responsibility for the design, procurement and construction of Company's Interconnection Facilities and Stand Alone Network Upgrades on the dates specified in Article 5.1.2. Company and Interconnection Customer must agree as to what constitutes Stand Alone Network Upgrades and identify such Stand Alone Network Upgrades in Appendix A. Except for Stand Alone Network Upgrades, Interconnection Customer shall have no right to construct Network Upgrades under this option.

5.1.4. Negotiated Option. If Interconnection Customer elects not to exercise its option under Article 5.1.3, Option to Build, Interconnection Customer shall so notify Company within thirty (30) Calendar Days, and the Parties shall in good faith attempt to negotiate terms and conditions (including revision of the specified dates and liquidated damages, the provision of incentives or the procurement and construction of a portion of Company's Interconnection Facilities and Stand Alone Network Upgrades by Interconnection Customer) pursuant to which Company is responsible for the design, procurement and construction of Company's Interconnection Facilities and Network Upgrades. If the Parties are unable to reach agreement on such terms and conditions, Company shall assume responsibility for the design, procurement and construction of Company's Interconnection Facilities and Network Upgrades pursuant to Article 5.1.1, Standard Option.

5.2. General Conditions Applicable to Option to Build. If Interconnection Customer assumes responsibility for the design, procurement and construction of Company's Interconnection Facilities and Stand Alone Network Upgrades,

(1) Interconnection Customer shall engineer, procure equipment, and construct Company's Interconnection Facilities and Stand Alone Network Upgrades (or portions thereof) using Good Utility Practice and using standards and specifications provided in advance by Company;

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(2) Interconnection Customer's engineering, procurement and construction of Company's Interconnection Facilities and Stand Alone Network Upgrades shall comply with all requirements of law and Applicable Reliability Standards to which Company would be subject in the engineering, procurement or construction of Company's Interconnection Facilities and Stand Alone Network Upgrades;

(3) Company shall review and approve the engineering design, equipment acceptance tests, and the construction of Company's Interconnection Facilities and Stand Alone Network Upgrades;

(4) prior to commencement of construction, Interconnection Customer shall provide to Company a schedule for construction of Company's Interconnection Facilities and Stand Alone Network Upgrades, and shall promptly respond to requests for information from Company;

(5) at any time during construction, Company shall have the right to gain unrestricted access to Company's Interconnection Facilities and Stand Alone Network Upgrades and to conduct inspections of the same;

(6) at any time during construction, should any phase of the engineering, equipment procurement, or construction of Company's Interconnection Facilities and Stand Alone Network Upgrades not meet the standards and specifications provided by Company, Interconnection Customer shall be obligated to remedy deficiencies in that portion of Company's Interconnection Facilities and Stand Alone Network Upgrades;

(7) Interconnection Customer shall indemnify Company for claims arising from Interconnection Customer's construction of Company's Interconnection Facilities and Stand Alone Network Upgrades under the terms and procedures applicable to Article 18.1 Indemnity;

(8) Interconnection Customer shall transfer control of Company's Interconnection Facilities and Stand Alone Network Upgrades to Company;

(9) Unless Parties otherwise agree, Interconnection Customer shall transfer ownership of Company's Interconnection Facilities and Stand-Alone Network Upgrades to Company;

(10) Company shall approve and accept for operation and maintenance Company's Interconnection Facilities and Stand Alone Network Upgrades to the extent engineered, procured, and constructed in accordance with this Article 5.2; and

(11) Interconnection Customer shall deliver to Company "as-built" drawings, information, and any other documents that are reasonably required by Company to assure

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that the Interconnection Facilities and Stand-Alone Network Upgrades are built to the standards and specifications required by Company.

5.3. Liquidated Damages. The actual damages to Interconnection Customer, in the event Company's Interconnection Facilities or Network Upgrades are not completed by the dates designated by Interconnection Customer and accepted by Company pursuant to subparagraphs 5.1.2 or 5.1.4, above, may include Interconnection Customer's fixed operation and maintenance costs and lost opportunity costs. Such actual damages are uncertain and impossible to determine at this time. Because of such uncertainty, any liquidated damages paid by Company to Interconnection Customer in the event that Company does not complete any portion of Company's Interconnection Facilities or Network Upgrades by the applicable dates, shall be an amount equal to ½ of 1 percent per day of the actual cost of Company's Interconnection Facilities and Network Upgrades, in the aggregate, for which Company has assumed responsibility to design, procure and construct.

However, in no event shall the total liquidated damages exceed 20 percent of the actual cost of Company's Interconnection Facilities and Network Upgrades for which Company has assumed responsibility to design, procure, and construct. The foregoing payments will be made by Company to Interconnection Customer as just compensation for the damages caused to Interconnection Customer, which actual damages are uncertain and impossible to determine at this time, and as reasonable liquidated damages, but not as a penalty or a method to secure performance of this QFTIA. Liquidated damages, when the Parties agree to them, are the exclusive remedy for the Company's failure to meet its schedule.

No liquidated damages shall be paid to Interconnection Customer if: (1) Interconnection Customer is not ready to commence use of Company's Interconnection Facilities or Network Upgrades to take the delivery of power for the Qualifying Facility's Trial Operation or to export power from the Qualifying Facility on the specified dates, unless Interconnection Customer would have been able to commence use of Company's Interconnection Facilities or Network Upgrades to take the delivery of power for Qualifying Facility's Trial Operation or to export power from the Qualifying Facility, but for Company's delay; (2) Company's failure to meet the specified dates is the result of the action or inaction of Interconnection Customer or any other Interconnection Customer who has entered into a QFTIA under Schedule 153 or a Large Generator Interconnection Agreement or a Small Generator Interconnection Agreement under the Company's OATT or any cause beyond Company's reasonable control or reasonable ability to cure; (3) the Interconnection Customer has assumed responsibility for the design, procurement and construction of Company's Interconnection Facilities and Stand Alone Network Upgrades; or (4) the Parties have otherwise agreed.

5.4. Power System Stabilizers. The Interconnection Customer shall procure, install, maintain and operate Power System Stabilizers in accordance with the guidelines and procedures established by the Applicable Reliability Council. Company reserves the right to reasonably establish minimum acceptable settings for any installed Power System Stabilizers, subject to the design and operating limitations of the Qualifying Facility. If the Qualifying Facility's Power

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System Stabilizers are removed from service or not capable of automatic operation, Interconnection Customer shall immediately notify Company's system operator, or its designated representative. The requirements of this paragraph shall not apply to wind generators.

5.5. Equipment Procurement. If responsibility for construction of Company's Interconnection Facilities or Network Upgrades is to be borne by Company, then Company shall commence design of Company's Interconnection Facilities or Network Upgrades and procure necessary equipment as soon as practicable after all of the following conditions are satisfied, unless the Parties otherwise agree in writing:

Company has completed the Facilities Study pursuant to the Facilities Study Agreement;

Company has received written authorization to proceed with design and procurement from Interconnection Customer by the date specified in Appendix B, Milestones; and

Interconnection Customer has provided security to Company in accordance with Article 11.5 by the dates specified in Appendix B, Milestones.

5.6. Construction Commencement. Company shall commence construction of Company's Interconnection Facilities and Network Upgrades for which it is responsible as soon as practicable after the following additional conditions are satisfied:

Approval of the appropriate Governmental Authority has been obtained for any facilities requiring regulatory approval;

Necessary real property rights and rights-of-way have been obtained, to the extent required for the construction of a discrete aspect of Company's Interconnection Facilities and Network Upgrades;

Company has received written authorization to proceed with construction from Interconnection Customer by the date specified in Appendix B, Milestones; and

Interconnection Customer has provided security to Company in accordance with Article 11.5 by the dates specified in Appendix B, Milestones.

5.7. Work Progress. The Parties will keep each other advised periodically as to the progress of their respective design, procurement and construction efforts. Either Party may, at any time, request a progress report from the other Party. If, at any time, Interconnection Customer determines that the completion of Company's Interconnection Facilities will not be required until after the specified In-Service Date, Interconnection Customer will provide written notice to Company of such later date upon which the completion of Company's Interconnection Facilities will be required.

5.8. Information Exchange. As soon as reasonably practicable after the Effective Date, the Parties shall exchange information regarding the design and compatibility of the

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Parties' Interconnection Facilities and compatibility of the Interconnection Facilities with Company's Transmission System, and shall work diligently and in good faith to make any necessary design changes.

5.9. Limited Operation. If any of Company's Interconnection Facilities or Network Upgrades are not reasonably expected to be completed prior to the Commercial Operation Date of the Qualifying Facility, Company shall, upon the request and at the expense of Interconnection Customer, perform operating studies on a timely basis to determine the extent to which the Qualifying Facility and Interconnection Customer's Interconnection Facilities may operate prior to the completion of Company's Interconnection Facilities or Network Upgrades consistent with Applicable Laws and Regulations, Applicable Reliability Standards, Good Utility Practice, and this QFTIA. Company shall permit Interconnection Customer to operate the Qualifying Facility and Interconnection Customer's Interconnection Facilities in accordance with the results of such studies.

5.10. Interconnection Customer's Interconnection Facilities ("ICIF"). Interconnection Customer shall, at its expense, design, procure, construct, own and install the ICIF, as set forth in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades.

5.10.1. Interconnection Customer's Interconnection Facility Specifications. Interconnection Customer shall submit initial specifications for the ICIF, including System Protection Facilities, to Company at least one hundred eighty (180) Calendar Days prior to the Initial Synchronization Date; and final specifications for review and comment at least ninety (90) Calendar Days prior to the Initial Synchronization Date. Company shall review such specifications to ensure that the ICIF are compatible with the technical specifications, operational control, and safety requirements of Company and comment on such specifications within thirty (30) Calendar Days of Interconnection Customer's submission. All specifications provided hereunder shall be deemed confidential.

5.10.2. Company's Review. Company's review of Interconnection Customer's final specifications shall not be construed as confirming, endorsing, or providing a warranty as to the design, fitness, safety, durability or reliability of the Qualifying Facility, or the ICIF. Interconnection Customer shall make such changes to the ICIF as may reasonably be required by Company, in accordance with Good Utility Practice, to ensure that the ICIF are compatible with the technical specifications, operational control, and safety requirements of Company.

5.10.3. ICIF Construction. The ICIF shall be designed and constructed in accordance with Good Utility Practice. Within one hundred twenty (120) Calendar Days after the Commercial Operation Date, unless the Parties agree on another mutually acceptable deadline, Interconnection Customer shall deliver to Company "as-built" drawings, information and documents for the ICIF, such as: a one-line diagram, a site

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plan showing the Qualifying Facility and the ICIF, plan and elevation drawings showing the layout of the ICIF, a relay functional diagram, relaying AC and DC schematic wiring diagrams and relay settings for all facilities associated with Interconnection Customer's step-up transformers, the facilities connecting the Qualifying Facility to the step-up transformers and the ICIF, and the impedances (determined by factory tests) for the associated step-up transformers and the Qualifying Facility. The Interconnection Customer shall provide Company specifications for the excitation system, automatic voltage regulator, Qualifying Facility control and protection settings, transformer tap settings, and communications, if applicable.

5.11. Company's Interconnection Facilities Construction. Company's Interconnection Facilities shall be designed and constructed in accordance with Good Utility Practice. Upon request, within one hundred twenty (120) Calendar Days after the Commercial Operation Date, unless the Parties agree on another mutually acceptable deadline, Company shall deliver to Interconnection Customer the "as-built" drawings, information and documents for Company's Interconnection Facilities if requested by the Interconnection Customer.

Company will obtain control of Company's Interconnection Facilities and Stand Alone Network Upgrades upon completion of such facilities.

5.12. Access Rights. Upon reasonable notice and supervision by a Party, and subject to any required or necessary regulatory approvals, a Party ("Granting Party") shall furnish at no cost to the other Party ("Access Party") any rights of use, licenses, rights of way and easements with respect to lands owned or controlled by the Granting Party, its agents (if allowed under the applicable agency agreement), or any Affiliate, that are necessary to enable the Access Party to obtain ingress and egress to construct, operate, maintain, repair, test (or witness testing), inspect, replace or remove facilities and equipment to: (i) interconnect the Qualifying Facility with the Transmission System; (ii) operate and maintain the Qualifying Facility, the Interconnection Facilities and the Transmission System; and (iii) disconnect or remove the Access Party's facilities and equipment upon termination of this QFTIA. In exercising such licenses, rights of way and easements, the Access Party shall not unreasonably disrupt or interfere with normal operation of the Granting Party's business and shall adhere to the safety rules and procedures established in advance, as may be changed from time to time, by the Granting Party and provided to the Access Party.

5.13. Lands of Other Property Owners. If any part of Company's Interconnection Facilities and/or Network Upgrades is to be installed on property owned by persons other than Interconnection Customer or Company, Company shall at Interconnection Customer's expense use efforts, similar in nature and extent to those that it typically undertakes on its own behalf or on behalf of its Affiliates, including use of its eminent domain authority, and to the extent consistent with state law, to procure from such persons any rights of use, licenses, rights of way and easements that are necessary to construct, operate, maintain, test, inspect, replace or remove Company's Interconnection Facilities and/or Network Upgrades upon such property.

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5.14. Permits. Company and Interconnection Customer each shall be responsible for obtaining all permits, licenses and authorizations that are necessary to construct the Interconnection Facilities, Distribution Facilities, Stand Alone Network Upgrades, or Network Upgrades for which it has construction responsibility under this QFTIA in compliance with Applicable Laws and Regulations. Company and Interconnection Customer shall cooperate with each other in good faith in obtaining any such permits, licenses and authorizations.

5.15. Early Construction of Base Case Facilities. Interconnection Customer may request Company to construct, and Company shall construct, using Reasonable Efforts to accommodate Interconnection Customer's In-Service Date, all or any portion of any Network Upgrades required for Interconnection Customer to be interconnected to the Transmission System which are included in the Base Case of the Facilities Study for Interconnection Customer, and which also are required to be constructed for another Interconnection Customer, but where such construction is not scheduled to be completed in time to achieve Interconnection Customer's In-Service Date.

5.16. Suspension. Interconnection Customer reserves the right, upon written notice to Company, to suspend at any time all work by Company associated with the construction and installation of Company's Interconnection Facilities and/or Network Upgrades required under this QFTIA with the condition that Transmission System shall be left in a safe and reliable condition in accordance with Good Utility Practice and Company's safety and reliability criteria. In such event, Interconnection Customer shall be responsible for all reasonable and necessary costs which Company (i) has incurred pursuant to this QFTIA prior to the suspension and (ii) incurs in suspending such work, including any costs incurred to perform such work as may be necessary to ensure the safety of persons and property and the integrity of the Transmission System during such suspension and, if applicable, any costs incurred in connection with the cancellation or suspension of material, equipment and labor contracts which Company cannot reasonably avoid; provided, however, that prior to canceling or suspending any such material, equipment or labor contract, Company shall obtain Interconnection Customer's authorization to do so.

Company shall invoice Interconnection Customer for such costs pursuant to Article 12 and shall use due diligence to minimize its costs. In the event Interconnection Customer suspends work by Company required under this QFTIA pursuant to this Article 5.16, and has not requested Company to recommence the work required under this QFTIA on or before the expiration of three (3) years following commencement of such suspension, this QFTIA shall be deemed terminated. The three-year period shall begin on the date the suspension is requested, or the date of the written notice to Company, if no effective date is specified.

5.17. Taxes

5.17.1. Interconnection Customer Payments Not Taxable. The Parties intend that all payments or property transfers made by Interconnection Customer to Company for the installation of Company's Interconnection Facilities and the Network Upgrades

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shall be non-taxable, either as contributions to capital, or as an advance, in accordance with the Internal Revenue Code and any applicable state income tax laws and shall not be taxable as contributions in aid of construction or otherwise under the Internal Revenue Code and any applicable state income tax laws.

5.17.2. Representations and Covenants. In accordance with IRS Notice 2016-36, Interconnection Customer represents and covenants that (i) ownership of the electricity generated at the Qualifying Facility will pass to another party prior to the transmission of the electricity on the Transmission System, (ii) for income tax purposes, the amount of any payments and the cost of any property transferred to Company for Company's Interconnection Facilities will be capitalized by Interconnection Customer as an intangible asset and recovered using the straight-line method over a useful life of twenty (20) years, and (iii) any portion of Company's Interconnection Facilities that is a "dual-use intertie," within the meaning of IRS Notice 2016-36, is reasonably expected to carry only a de minimis amount of electricity in the direction of the Qualifying Facility. For this purpose, "de minimis amount" means no more than 5 percent of the total power flows in both directions, calculated in accordance with the "5 percent test" set forth in IRS Notice 2016-36. This is not intended to be an exclusive list of the relevant conditions that must be met to conform to IRS requirements for non-taxable treatment and is subject to change to comply with any new laws, court rulings or IRS guidance.

At Company's request, Interconnection Customer shall provide Company with a report from an independent engineer confirming its representation in clause (iii), above. Company represents and covenants that the cost of Company's Interconnection Facilities paid for by Interconnection Customer will have no net effect on the base upon which rates are determined.

5.17.3. Indemnification for the Cost Consequences of Current Tax Liability Imposed Upon the Company. Notwithstanding Article 5.17.1, Interconnection Customer shall protect, indemnify and hold harmless Company from the cost consequences of any current tax liability imposed against Company as the result of payments or property transfers made by Interconnection Customer to Company under this QFTIA for Interconnection Facilities, as well as any interest and penalties, other than interest and penalties attributable to any delay caused by Company.

Company shall not include a gross-up for the cost consequences of any current tax liability in the amounts it charges Interconnection Customer under this QFTIA unless (i) Company has determined, in good faith, that the payments or property transfers made by Interconnection Customer to Company should be reported as income subject to taxation or (ii) any Governmental Authority directs Company to report payments or property as income subject to taxation; provided, however, that Company may require Interconnection Customer to provide security for Interconnection Facilities, in a form reasonably acceptable to Company (such as a parental guarantee or a letter of credit), in an amount equal to the cost consequences of any current tax liability under this

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Article 5.17. Interconnection Customer shall reimburse Company for such costs on a fully grossed-up basis, in accordance with Article 5.17.4, within thirty (30) Calendar Days of receiving written notification from Company of the amount due, including detail about how the amount was calculated.

The indemnification obligation shall terminate at the earlier of (1) the expiration of the ten year testing period and the applicable statute of limitation, as it may be extended by Company upon request of the IRS, to keep these years open for audit or adjustment, or (2) the occurrence of a subsequent taxable event and the payment of any related indemnification obligations as contemplated by this Article 5.17.

5.17.4. Tax Gross-Up Amount. Interconnection Customer's liability for the cost consequences of any current tax liability under this Article 5.17 shall be calculated on a fully grossed-up basis based upon Company's electric Schedule 87.

5.17.5. Private Letter Ruling or Change or Clarification of Law. At Interconnection Customer's request and expense, Company shall file with the IRS a request for a private letter ruling as to whether any property transferred or sums paid, or to be paid, by Interconnection Customer to Company under this QFTIA are subject to federal income taxation. Interconnection Customer will prepare the initial draft of the request for a private letter ruling, and will certify under penalties of perjury that all facts represented in such request are true and accurate to the best of Interconnection Customer's knowledge.

Company and Interconnection Customer shall cooperate in good faith with respect to the submission of such request.

Company shall keep Interconnection Customer fully informed of the status of such request for a private letter ruling and shall execute either a privacy act waiver or a limited power of attorney, in a form acceptable to the IRS, that authorizes Interconnection Customer to participate in all discussions with the IRS regarding such request for a private letter ruling. Company shall allow Interconnection Customer to attend all meetings with IRS officials about the request and shall permit Interconnection Customer to prepare the initial drafts of any follow-up letters in connection with the request.

5.17.6. Subsequent Taxable Events. If, within 10 years from the date on which the relevant Company's Interconnection Facilities are placed in service, (i) "disqualification event" occurs within the meaning of IRS Notice 2016-36, or (ii) this QFTIA terminates and Company retains ownership of the Interconnection Facilities and Network Upgrades, Interconnection Customer shall pay a tax gross-up for the cost consequences of any current tax liability imposed on Company, calculated using the methodology described in Article 5.17.4 and in accordance with IRS Notice 90-60.

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5.17.7. Contests. In the event any Governmental Authority determines that Company's receipt of payments or property constitutes income that is subject to taxation, Company shall notify Interconnection Customer, in writing, within thirty (30) Calendar Days of receiving notification of such determination by a Governmental Authority. Upon the timely written request by Interconnection Customer and at Interconnection Customer's sole expense, Company may appeal, protest, seek abatement of, or otherwise oppose such determination. Upon Interconnection Customer's written request and sole expense, Company may file a claim for refund with respect to any taxes paid under this Article 5.17, whether or not it has received such a determination. Company reserves the right to make all decisions with regard to the prosecution of such appeal, protest, abatement or other contest, including the selection of counsel and compromise or settlement of the claim, but Company shall keep Interconnection Customer informed, shall consider in good faith suggestions from Interconnection Customer about the conduct of the contest, and shall reasonably permit Interconnection Customer or an Interconnection Customer representative to attend contest proceedings.

Interconnection Customer shall pay to Company on a periodic basis, as invoiced by Company, Company's documented reasonable costs of prosecuting such appeal, protest, abatement or other contest. At any time during the contest, Company may agree to a settlement either with Interconnection Customer's consent or after obtaining written advice from nationally-recognized tax counsel, selected by Company, but reasonably acceptable to Interconnection Customer, that the proposed settlement represents a reasonable settlement given the hazards of litigation. Interconnection Customer's obligation shall be based on the amount of the settlement agreed to by Interconnection Customer, or if a higher amount, so much of the settlement that is supported by the written advice from nationally-recognized tax counsel selected under the terms of the preceding sentence. The settlement amount shall be calculated on a fully grossed-up basis to cover any related cost consequences of the current tax liability. Any settlement without Interconnection Customer's consent or such written advice will relieve Interconnection Customer from any obligation to indemnify Company for the tax at issue in the contest.

5.17.8. Refund. In the event that (a) a private letter ruling is issued to Company which holds that any amount paid or the value of any property transferred by Interconnection Customer to Company under the terms of this QFTIA is not subject to federal income taxation, (b) any legislative change or administrative announcement, notice, ruling or other determination makes it reasonably clear to Company in good faith that any amount paid or the value of any property transferred by Interconnection Customer to Company under the terms of this QFTIA is not taxable to Company, (c) any abatement, appeal, protest, or other contest results in a determination that any payments or transfers made by Interconnection Customer to Company are not subject to federal income tax, or (d) if Company receives a refund from any taxing authority for any overpayment of tax attributable to any payment or property transfer made by

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Interconnection Customer to Company pursuant to this QFTIA, Company shall promptly refund to Interconnection Customer the following:

- (i) any payment made by Interconnection Customer under this Article 5.17 for taxes that is attributable to the amount determined to be non-taxable, together with interest thereon,
- (ii) interest on any amounts paid by Interconnection Customer to Company for such taxes which Company did not submit to the taxing authority, calculated in accordance with the methodology set forth in FERC's regulations at 18 C.F.R. § 35.19a(a)(2)(iii) from the date payment was made by Interconnection Customer to the date Company refunds such payment to Interconnection Customer, and
- (iii) with respect to any such taxes paid by Company, any refund or credit Company receives or to which it may be entitled from any Governmental Authority, interest (or that portion thereof attributable to the payment described in clause (i), above) owed to Company for such overpayment of taxes (including any reduction in interest otherwise payable by Company to any Governmental Authority resulting from an offset or credit); *provided, however*, that Company will remit such amount promptly to Interconnection Customer only after and to the extent that Company has received a tax refund, credit or offset from any Governmental Authority for any applicable overpayment of income tax related to Company's Interconnection Facilities.

The intent of this provision is to leave the Parties, to the extent practicable, in the event that no taxes are due with respect to any payment for Interconnection Facilities and Network Upgrades hereunder, in the same position they would have been in had no such tax payments been made.

5.17.9. Taxes Other Than Income Taxes. Upon the timely request by Interconnection Customer, and at Interconnection Customer's sole expense, Company may appeal, protest, seek abatement of, or otherwise contest any tax (other than federal or state income tax) asserted or assessed against Company for which Interconnection Customer may be required to reimburse Company under the terms of this QFTIA. Interconnection Customer shall pay to Company on a periodic basis, as invoiced by Company, Company's documented reasonable costs of prosecuting such appeal, protest, abatement, or other contest.

Interconnection Customer and Company shall cooperate in good faith with respect to any such contest. Unless the payment of such taxes is a prerequisite to an appeal or abatement or cannot be deferred, no amount shall be payable by Interconnection Customer to Company for such taxes until they are assessed by a final, non-appealable order by any court or agency of competent jurisdiction. In the event that a tax payment is

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withheld and ultimately due and payable after appeal, Interconnection Customer will be responsible for all taxes, interest and penalties, other than penalties attributable to any delay caused by Company.

5.18. Tax Status. Each Party shall cooperate with the other to maintain the other Party's tax status. Nothing in this QFTIA is intended to adversely affect any Company's tax exempt status with respect to the issuance of bonds including, but not limited to, local furnishing bonds.

5.19. Modification

5.19.1. General. Either Party may undertake modifications to its facilities. If a Party plans to undertake a modification that reasonably may be expected to affect the other Party's facilities, that Party shall deliver electronically to the other Party sufficient information regarding such modification so that the other Party may evaluate the potential impact of such modification prior to commencement of the work. Such information shall be deemed to be confidential hereunder and shall include information concerning the timing of such modifications and whether such modifications are expected to interrupt the flow of electricity from the Qualifying Facility. The Party desiring to perform such work shall provide the relevant drawings, plans, and specifications to the other Party at least ninety (90) Calendar Days in advance of the commencement of the work or such shorter period upon which the Parties may agree, which agreement shall not unreasonably be withheld, conditioned or delayed.

In the case of Qualifying Facility modifications that do not require Interconnection Customer to submit an Interconnection Request, Company shall provide, within thirty (30) Calendar Days (or such other time as the Parties may agree), an estimate of any additional modifications to the Transmission System, Company's Interconnection Facilities or Network Upgrades necessitated by such Interconnection Customer modification and a good faith estimate of the costs thereof.

5.19.2. Standards. Any additions, modifications, or replacements made to a Party's facilities shall be designed, constructed and operated in accordance with this QFTIA, Applicable Reliability Standards and Good Utility Practice.

5.19.3. Modification Costs. Interconnection Customer shall not be directly assigned for the costs of any additions, modifications, or replacements that Company makes to Company's Interconnection Facilities or the Transmission System to facilitate the interconnection of a third party to Company's Interconnection Facilities or the Transmission System, or to provide transmission service to a third party under Company's OATT. Interconnection Customer shall be responsible for the costs of any additions, modifications, or replacements to Interconnection Customer's Interconnection Facilities that may be necessary to maintain or upgrade such Interconnection Customer's

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Interconnection Facilities consistent with Applicable Laws and Regulations, Applicable Reliability Standards or Good Utility Practice.

Article 6. Testing and Inspection

6.1. Pre-Commercial Operation Date Testing and Modifications. Prior to the Commercial Operation Date, Company shall test Company's Interconnection Facilities and Network Upgrades and Interconnection Customer shall test the Qualifying Facility and Interconnection Customer's Interconnection Facilities to ensure their safe and reliable operation. Similar testing may be required after initial operation. Each Party shall make any modifications to its facilities that are found to be necessary as a result of such testing. Interconnection Customer shall bear the cost of all such testing and modifications. Interconnection Customer shall generate test energy at the Qualifying Facility only if it has arranged for the delivery of such test energy.

6.2. Post-Commercial Operation Date Testing and Modifications. Each Party shall perform routine inspection and testing of its facilities and equipment in accordance with Good Utility Practice as may be necessary to ensure the continued interconnection of the Qualifying Facility with the Transmission System in a safe and reliable manner. Each Party shall have the right, upon advance written notice, to require reasonable additional testing of the other Party's facilities, at the requesting Party's expense, as may be in accordance with Good Utility Practice. Interconnection Customer shall bear the cost of all testing and modifications required under this Article 6.2.

6.3. Right to Observe Testing. Each Party shall notify the other Party in advance of its performance of tests of its Interconnection Facilities. The other Party has the right, at its own expense, to observe such testing.

6.4. Right to Inspect. Each Party shall have the right, but shall have no obligation to: (i) observe the other Party's tests and/or inspection of any of its System Protection Facilities and other protective equipment, including Power System Stabilizers; (ii) review the settings of the other Party's System Protection Facilities and other protective equipment; and (iii) review the other Party's maintenance records relative to the Interconnection Facilities, the System Protection Facilities and other protective equipment. A Party may exercise these rights from time to time as it deems necessary upon reasonable notice to the other Party. The exercise or non-exercise by a Party of any such rights shall not be construed as an endorsement or confirmation of any element or condition of the Interconnection Facilities or the System Protection Facilities or the Power System Stabilizers or other protective equipment or the operation thereof, or as a warranty as to the fitness, safety, desirability, or reliability of same. Any information that a Party obtains through the exercise of any of its rights under this Article 6.4 shall be deemed to be Confidential Information and treated pursuant to Article 22 of this QFTIA.

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Article 7. Metering

7.1. General. Each Party shall comply with the Applicable Reliability Council requirements regarding metering. Company shall install Metering Equipment at the Point of Interconnection prior to any operation of the Qualifying Facility and shall own, operate, test and maintain such Metering Equipment. Power flows to and from the Qualifying Facility shall be measured at or, at Company's option, compensated to, the Point of Interconnection. Company shall provide metering quantities, in analog and/or digital form, to Interconnection Customer upon request. Interconnection Customer shall bear all reasonable documented costs associated with the purchase, installation, operation, testing and maintenance of the Metering Equipment.

7.2. Station Power Metering. To the extent the Qualifying Facility relies, or may need to rely, on Station Power not generated by the Qualifying Facility itself, the Parties shall agree to and provide for the installation of Metering Equipment at such locations as necessary to meter the quantities of Station Power delivered to and used by the Qualifying Facility.

The intent of such Metering Equipment is to allow the Parties to accurately meter Station Power so that the Net Output of the Qualifying Facility can be accurately ascertained on an hourly basis. Unless otherwise agreed by the Parties, the Company shall install the Metering Equipment required by this Article 7.2 at such location or locations as necessary to meter Station Power for the purposes of this Article 7.2 and Company shall own, operate, test and maintain such Station Power Metering Equipment. Interconnection Customer shall bear all reasonable documented costs associated with the purchase, installation, operation, testing and maintenance of the Metering Equipment required by this Article 7.2.

7.3. Check Meters. Interconnection Customer, at its option and expense, may install and operate, on its premises and on its side of the Point of Interconnection, one or more check meters to check Company's meters. Such check meters shall be for check purposes only and shall not be used for the measurement of power flows for purposes of this QFTIA, except as provided in Article 7.5 below. The check meters shall be subject at all reasonable times to inspection and examination by Company or its designee. The installation, operation and maintenance thereof shall be performed entirely by Interconnection Customer in accordance with Good Utility Practice.

7.4. Standards. Company shall install, calibrate, and test revenue quality Metering Equipment in accordance with applicable American National Standards Institute ("ANSI") standards.

7.5. Testing of Metering Equipment. Company shall, at Interconnection Customer's expense, inspect and test all Company-owned Metering Equipment upon installation and at least once every two (2) years thereafter. If requested to do so by Interconnection Customer, Company shall, at Interconnection Customer's expense, inspect or test Metering Equipment more frequently than every two (2) years. Company shall give reasonable notice of the time when any inspection or test shall take place, and Interconnection Customer may have representatives

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present at the test or inspection. If at any time Metering Equipment is found to be inaccurate or defective, it shall be adjusted, repaired or replaced at Interconnection Customer's expense, in order to provide accurate metering, unless the inaccuracy or defect is due to Company's failure to maintain, then Company shall pay. If Metering Equipment fails to register, or if the measurement made by Metering Equipment during a test varies by more than two percent from the measurement made by the standard meter used in the test, Company shall adjust the measurements by correcting all measurements for the period during which Metering Equipment was in error by using Interconnection Customer's check meters, if installed. If no such check meters are installed or if the period cannot be reasonably ascertained, the adjustment shall be for the period immediately preceding the test of the Metering Equipment equal to one-half the time from the date of the last previous test of the Metering Equipment.

7.6. Metering Data. At Interconnection Customer's expense, the metered data shall be telemetered to one or more locations designated by Company and one or more locations designated by Interconnection Customer. Such telemetered data shall be used, under normal operating conditions, as the official measurement of the amount of energy delivered from the Qualifying Facility to the Point of Interconnection.

Article 8. Communications

8.1. Interconnection Customer Obligations. Interconnection Customer shall maintain satisfactory operating communications with Company's Transmission System dispatcher or representative designated by Company. Interconnection Customer shall provide standard voice line, dedicated voice line and facsimile communications at its Qualifying Facility control room or central dispatch facility through use of either the public telephone system, or a voice communications system that does not rely on the public telephone system.

Interconnection Customer shall also provide the dedicated data circuit(s) necessary to provide Interconnection Customer data to Company as set forth in Appendix D, Security Arrangements Details. The data circuit(s) shall extend from the Qualifying Facility to the location(s) specified by Company. Any required maintenance of such communications equipment shall be performed by Interconnection Customer. Operational communications shall be activated and maintained under, but not be limited to, the following events: system paralleling or separation, scheduled and unscheduled shutdowns, equipment clearances, and hourly and daily load data. Interconnection Customer shall bear all costs associated with obtaining and maintaining the communication services and equipment required by this Article 8 including the cost of any ground potential rise or other communication-related study or testing required by a telecommunications provider or required by Good Utility Practice.

8.2. Remote Terminal Unit. Prior to the Initial Synchronization Date of the Qualifying Facility, a Remote Terminal Unit, or equivalent data collection and transfer equipment acceptable to the Parties, shall be installed by Interconnection Customer, or by Company at Interconnection Customer's expense, to gather accumulated and instantaneous data to be telemetered to the location(s) designated by Company through use of a dedicated point-to-

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point data circuit(s) as indicated in Article 8.1. The communication protocol for the data circuit(s) shall be specified by Company. Instantaneous bi-directional analog real power and reactive power flow information must be telemetered directly to the location(s) specified by Company.

Each Party will promptly advise the other Party if it detects or otherwise learns of any metering, telemetry or communications equipment errors or malfunctions that require the attention and/or correction by the other Party. The Party owning such equipment shall, at Interconnection Customer's expense, correct such error or malfunction as soon as reasonably feasible.

8.3. No Annexation. Any and all equipment placed on the premises of a Party shall be and remain the property of the Party providing such equipment regardless of the mode and manner of annexation or attachment to real property, unless otherwise mutually agreed by the Parties.

8.4. Provision of Data from a Variable Energy Resource. The Interconnection Customer whose Qualifying Facility is a Variable Energy Resource shall provide meteorological and forced outage data to Company to the extent necessary for Company's development and deployment of power production forecasts for that class of Variable Energy Resources. The Interconnection Customer with a Variable Energy Resource having wind as the energy source, at a minimum, will be required to provide Company with site-specific data including: temperature, wind speed, wind direction, and atmospheric pressure. The Interconnection Customer with a Variable Energy Resource having solar as the energy source, at a minimum, will be required to provide Company with site-specific meteorological data including: temperature, atmospheric pressure, and irradiance. Company and Interconnection Customer whose Qualifying Facility is a Variable Energy Resource shall mutually agree to any additional meteorological data that are required for the development and deployment of a power production forecast. The Interconnection Customer whose Qualifying Facility is a Variable Energy Resource also shall submit data to Company regarding all forced outages to the extent necessary for Company's development and deployment of power production forecasts for that class of Variable Energy Resource. The exact specifications of the meteorological and forced outage data to be provided by the Interconnection Customer to Company, including the frequency and timing of data submittals, shall be made taking into account the size and configuration of the Variable Energy Resource, its characteristics, location, and its importance in maintaining generation resource adequacy and transmissions system reliability in its area. All requirements for meteorological and forced outage data must be commensurate with the power production forecasting employed by Company. Such requirements for meteorological and forced outage data are set forth in Appendix C, Interconnection Details, of this QFTIA, as they may change from time to time.

Article 9. Operations

9.1. General. Each Party shall comply with the Applicable Reliability Council requirements. Each Party shall provide to the other Party all information that may reasonably be

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required by the other Party to comply with Applicable Laws and Regulations and Applicable Reliability Standards.

9.2. Company Obligations. Company shall cause the Transmission System and Company's Interconnection Facilities to be operated, maintained and controlled in a safe and reliable manner and in accordance with this QFTIA. Company may provide operating instructions to Interconnection Customer consistent with this QFTIA and Company's operating protocols and procedures as they may change from time to time. Company will consider changes to its operating protocols and procedures proposed by Interconnection Customer.

9.3. Interconnection Customer Obligations. Interconnection Customer shall at its own expense operate, maintain and control the Qualifying Facility and Interconnection Customer's Interconnection Facilities in a safe and reliable manner and in accordance with this QFTIA. Interconnection Customer shall operate the Qualifying Facility and Interconnection Customer's Interconnection Facilities in accordance with all applicable requirements of Company's Control Area, as such requirements are set forth in Appendix C, Interconnection Details, of this QFTIA. Appendix C, Interconnection Details, will be modified to reflect changes to the requirements as they may change from time to time. Either Party may request that the other Party provide copies of the requirements set forth in Appendix C, Interconnection Details, of this QFTIA.

9.4. Start-Up and Synchronization. Consistent with the Parties' mutually acceptable procedures, Interconnection Customer is responsible for the proper synchronization of the Qualifying Facility to Company's Transmission System.

9.5. Reactive Power and Primary Frequency Response

9.5.1. Power Factor Design Criteria. Interconnection Customer shall design the Qualifying Facility to maintain a composite power delivery at continuous rated power output at the Point of Interconnection at a power factor within the range of 0.95 leading to 0.95 lagging, unless the Company has established different requirements that apply to all synchronous generators in the Control Area on a comparable basis. The requirements of this paragraph shall not apply to wind generators.

9.5.1.1. Non-Synchronous Generation. Interconnection Customer shall design the Qualifying Facility to maintain a composite power delivery at continuous rated power output at the high-side of the generator substation at a power factor within the range of 0.95 leading to 0.95 lagging, unless the Company has established a different power factor range that applies to all non-synchronous generators in the Control Area on a comparable basis. This power factor range standard shall be dynamic and can be met using, for example, power electronics designed to supply this level of reactive capability (taking into account any limitations due to voltage level, real power output, etc.) or fixed and switched capacitors, or a combination of the two. This requirement shall only apply to

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newly interconnecting non-synchronous generators that have not yet executed a Facilities Study Agreement as of the effective date of the Final Rule establishing this requirement (FERC Order No. 827).

9.5.2. Voltage Schedules. Once Interconnection Customer has synchronized the Qualifying Facility with the Transmission System, Company shall require Interconnection Customer to operate the Qualifying Facility to produce or absorb reactive power within the design limitations of the Qualifying Facility set forth in Article 9.6.1 (Power Factor Design Criteria). Company's voltage schedules shall treat all sources of reactive power in the Control Area in an equitable and not unduly discriminatory manner. Company shall exercise Reasonable Efforts to provide Interconnection Customer with such schedules at least one (1) day in advance, and may make changes to such schedules as necessary to maintain the reliability of the Transmission System. Interconnection Customer shall operate the Qualifying Facility to maintain the specified output voltage or power factor at the Point of Interconnection within the design limitations of the Qualifying Facility set forth in Article 9.6.1 (Power Factor Design Criteria). If Interconnection Customer is unable to maintain the specified voltage or power factor, it shall promptly notify Company.

9.5.2.1. Governors and Regulators. Whenever the e Qualifying Facility is operated in parallel with the Transmission System and the speed governors (if installed on the generating unit pursuant to Good Utility Practice) and voltage regulators are capable of operation, Interconnection Customer shall operate the Qualifying Facility with its speed governors and voltage regulators in automatic operation. If the Qualifying Facility's speed governors and voltage regulators are not capable of such automatic operation, Interconnection Customer shall immediately notify Company's system operator, or its designated representative, and ensure that such Qualifying Facility's reactive power production or absorption (measured in MVARs) are within the design capability of the Qualifying Facility's generating unit(s) and steady state stability limits. Interconnection Customer shall not cause its Qualifying Facility to disconnect automatically or instantaneously from the Transmission System or trip any generating unit comprising the Qualifying Facility for an under or over frequency condition unless the abnormal frequency condition persists for a time period beyond the limits set forth in ANSI/IEEE Standard C37.106, or such other standard as applied to other generators in the Control Area on a comparable basis.

9.5.3. Payment for Reactive Power. Company is required to pay Interconnection Customer for reactive power that Interconnection Customer provides or absorbs from the Qualifying Facility when Company requests Interconnection Customer to operate its Qualifying Facility outside the range specified in Article 9.6.1, provided that if Company pays its own or affiliated generators for reactive power service within the specified range, it must also pay Interconnection Customer. Payments shall be

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pursuant to Article 11.6 or such other agreement to which the Parties have otherwise agreed.

9.5.4. Primary Frequency Response. Interconnection Customer shall ensure the primary frequency response capability of its Qualifying Facility by installing, maintaining, and operating a functioning governor or equivalent controls. The term "functioning governor or equivalent controls" as used herein shall mean the required hardware and/or software that provides frequency responsive real power control with the ability to sense changes in system frequency and autonomously adjust the Qualifying Facility's real power output in accordance with the droop and deadband parameters and in the direction needed to correct frequency deviations. Interconnection Customer is required to install a governor or equivalent controls with the capability of operating: (1) with a maximum 5 percent droop and ± 0.036 Hz deadband; or (2) in accordance with the relevant droop, deadband, and timely and sustained response settings from an approved NERC Reliability Standard providing for equivalent or more stringent parameters. The droop characteristic shall be: (1) based on the nameplate capacity of the Qualifying Facility, and shall be linear in the range of frequencies between 59 to 61 Hz that are outside of the deadband parameter; or (2) based on an approved NERC Reliability Standard providing for an equivalent or more stringent parameter. The deadband parameter shall be: the range of frequencies above and below nominal (60 Hz) in which the governor or equivalent controls is not expected to adjust the Qualifying Facility's real power output in response to frequency deviations. The deadband shall be implemented: (1) without a step to the droop curve, that is, once the frequency deviation exceeds the deadband parameter, the expected change in the Qualifying Facility's real power output in response to frequency deviations shall start from zero and then increase (for under-frequency deviations) or decrease (for over-frequency deviations) linearly in proportion to the magnitude of the frequency deviation; or (2) in accordance with an approved NERC Reliability Standard providing for an equivalent or more stringent parameter. Interconnection Customer shall notify Company that the primary frequency response capability of the Qualifying Facility has been tested and confirmed during commissioning. Once Interconnection Customer has synchronized the Qualifying Facility with the Transmission System, Interconnection Customer shall operate the Qualifying Facility consistent with the provisions specified in Sections 9.6.4.1 and 9.6.4.2 of this Agreement. The primary frequency response requirements contained herein shall apply to both synchronous and non-synchronous generating facilities.

9.5.4.1. Governor or Equivalent Controls. Whenever the Qualifying Facility is operated in parallel with the Transmission System, Interconnection Customer shall operate the Qualifying Facility with its governor or equivalent controls in service and responsive to frequency. Interconnection Customer shall, in coordination with Company and/or the relevant balancing authority, set the deadband parameter to: (1) a maximum of ± 0.036 Hz and set the droop parameter to a maximum of 5 percent; or (2) implement the relevant droop

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and deadband settings from an approved NERC Reliability Standard that provides for equivalent or more stringent parameters. Interconnection Customer shall be required to provide the status and settings of the governor or equivalent controls to Company and/or the relevant balancing authority upon request. If Interconnection Customer needs to operate the Qualifying Facility with its governor or equivalent controls not in service, Interconnection Customer shall immediately notify Company and the relevant balancing authority, and provide both with the following information: (1) the operating status of the governor or equivalent controls (i.e., whether it is currently out of service or when it will be taken out of service); (2) the reasons for removing the governor or equivalent controls from service; and (3) a reasonable estimate of when the governor or equivalent controls will be returned to service. Interconnection Customer shall make Reasonable Efforts to return its governor or equivalent controls into service as soon as practicable. Interconnection Customer shall make Reasonable Efforts to keep outages of the Qualifying Facility's governor or equivalent controls to a minimum whenever the Qualifying Facility is operated in parallel with the Transmission System.

9.5.4.2. Timely and Sustained Response. Interconnection Customer shall ensure that the Qualifying Facility's real power response to sustained frequency deviations outside of the deadband setting is automatically provided and shall begin immediately after frequency deviates outside of the deadband, and to the extent the Qualifying Facility has operating capability in the direction needed to correct the frequency deviation. Interconnection Customer shall not block or otherwise inhibit the ability of the governor or equivalent controls to respond and shall ensure that the response is not inhibited, except under certain operational constraints including, but not limited to, ambient temperature limitations, physical energy limitations, outages of mechanical equipment, or regulatory requirements. The Qualifying Facility shall sustain the real power response at least until system frequency returns to a value within the deadband setting of the governor or equivalent controls. A WUTC-approved Reliability Standard with equivalent or more stringent requirements shall supersede the above requirements.

9.5.4.3. Exemptions. Generating facilities that are regulated by the United States Nuclear Regulatory Commission shall be exempt from Sections 9.5.4, 9.5.4.1, and 9.5.4.2 of this Agreement. Generating facilities that are behind the meter generation that is sized-to-load (i.e., the thermal load and the generation are near-balanced in real-time operation and the generation is primarily controlled to maintain the unique thermal, chemical, or mechanical output necessary for the operating requirements of its host facility) shall be required to install primary frequency response capability in accordance with the droop and deadband capability requirements specified in Section 9.5.4, but shall be otherwise exempt

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from the operating requirements in Sections 9.5.4, 9.5.4.1, 9.5.4.2, and 9.5.4.4 of this Agreement.

9.5.4.4. Electric Storage Resources. Interconnection Customer interconnecting an electric storage resource shall establish an operating range in Appendix C of its QFTIA that specifies a minimum state of charge and a maximum state of charge between which the electric storage resource will be required to provide primary frequency response consistent with the conditions set forth in Sections 9.5.4, 9.5.4.1, 9.5.4.2 and 9.5.4.3 of this Agreement. Appendix C shall specify whether the operating range is static or dynamic, and shall consider (1) the expected magnitude of frequency deviations in the interconnection; (2) the expected duration that system frequency will remain outside of the deadband parameter in the interconnection; (3) the expected incidence of frequency deviations outside of the deadband parameter in the interconnection; (4) the physical capabilities of the electric storage resource; (5) operational limitations of the electric storage resource due to manufacturer specifications; and (6) any other relevant factors agreed to by Company and Interconnection Customer, and in consultation with the relevant transmission owner or balancing authority as appropriate. If the operating range is dynamic, then Appendix C must establish how frequently the operating range will be reevaluated and the factors that may be considered during its reevaluation.

Interconnection Customer's electric storage resource is required to provide timely and sustained primary frequency response consistent with Section 9.5.4.2 of this Agreement when it is online and dispatched to inject electricity to the Transmission System and/or receive electricity from the Transmission System. This excludes circumstances when the electric storage resource is not dispatched to inject electricity to the Transmission System and/or dispatched to receive electricity from the Transmission System. If Interconnection Customer's electric storage resource is charging at the time of a frequency deviation outside of its deadband parameter, it is to increase (for over-frequency deviations) or decrease (for under-frequency deviations) the rate at which it is charging in accordance with its droop parameter. Interconnection Customer's electric storage resource is not required to change from charging to discharging, or vice versa, unless the response necessitated by the droop and deadband settings requires it to do so and it is technically capable of making such a transition.

9.6. Outages and Interruptions

9.6.1. Outages

9.6.1.1. Outage Authority and Coordination. Each Party may in accordance with Good Utility Practice in coordination with the other Party remove from service any of its respective Interconnection Facilities or Network

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Upgrades that may impact the other Party's facilities as necessary to perform maintenance or testing or to install or replace equipment. Absent an Emergency Condition, the Party scheduling a removal of such facility(ies) from service will use Reasonable Efforts to schedule such removal on a date and time mutually acceptable to the Parties. In all circumstances, any Party planning to remove such facility(ies) from service shall use Reasonable Efforts to minimize the effect on the other Party of such removal.

9.6.1.2. Outage Schedules. Company shall post scheduled outages of its transmission facilities on OASIS. Interconnection Customer shall submit its planned maintenance schedules for the Qualifying Facility to Company for a minimum of a rolling twenty-four month period. Interconnection Customer shall update its planned maintenance schedules as necessary.

Company may request Interconnection Customer to reschedule its maintenance as necessary to maintain the reliability of the Transmission System; provided, however, adequacy of generation supply shall not be a criterion in determining Transmission System reliability. Company shall compensate Interconnection Customer for any additional direct costs that Interconnection Customer incurs as a result of having to reschedule maintenance, including any additional overtime, breaking of maintenance contracts or other costs above and beyond the cost Interconnection Customer would have incurred absent Company's request to reschedule maintenance.

Interconnection Customer will not be eligible to receive compensation, if during the twelve (12) months prior to the date of the scheduled maintenance, Interconnection Customer had modified its schedule of maintenance activities.

9.6.1.3. Outage Restoration. If an outage on a Party's Interconnection Facilities or Network Upgrades adversely affects the other Party's operations or facilities, the Party that owns or controls the facility that is out of service shall use Reasonable Efforts to promptly restore such facility(ies) to a normal operating condition consistent with the nature of the outage. The Party that owns or controls the facility that is out of service shall provide the other Party, to the extent such information is known, information on the nature of the Emergency Condition, an estimated time of restoration, and any corrective actions required. Initial verbal notice shall be followed up as soon as practicable with written notice explaining the nature of the outage.

9.6.2. Interruption of Service. If required by Good Utility Practice to do so or if Reliability Conditions exist, Company may require Interconnection Customer to interrupt or reduce deliveries of electricity if such delivery of electricity could adversely affect Company's ability to perform such activities as are necessary to safely and reliably

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operate and maintain the Transmission System. The following provisions shall apply to any interruption or reduction permitted under this Article 9.6.2:

The interruption or reduction shall continue only for so long as reasonably necessary under Good Utility Practice or if Reliability Conditions exist;

Any such interruption or reduction shall be made on an equitable, non-discriminatory basis with respect to all Qualifying Facility generating facilities directly connected to the Transmission System;

When the interruption or reduction must be made under circumstances which do not allow for advance notice, Company shall notify Interconnection Customer by telephone as soon as practicable of the reasons for the curtailment, interruption, or reduction, and, if known, its expected duration. Telephone notification shall be followed by electronic notification as soon as practicable;

Except during the existence of an Emergency Condition, when the interruption or reduction can be scheduled without advance notice, Company shall notify Interconnection Customer in advance regarding the timing of such scheduling and further notify Interconnection Customer of the expected duration. Company shall coordinate with Interconnection Customer using Good Utility Practice to schedule the interruption or reduction during periods of least impact to Interconnection Customer and Company;

The Parties shall cooperate and coordinate with each other to the extent necessary in order to restore the Qualifying Facility, Interconnection Facilities, and the Transmission System to their normal operating state, consistent with system conditions and Good Utility Practice.

9.6.3. Under-Frequency and Over Frequency Conditions. The Transmission System is designed to automatically activate a load-shed program as required by the Applicable Reliability Council in the event of an under-frequency system disturbance. Interconnection Customer shall implement under-frequency and over-frequency relay set points for the Qualifying Facility as required by the Applicable Reliability Council to ensure "ride through" capability of the Transmission System. The Qualifying Facility response to frequency deviations of pre-determined magnitudes, both under-frequency and over-frequency deviations, shall be studied and coordinated with Company in accordance with Good Utility Practice. The term "ride through" as used herein shall mean the ability of a Qualifying Facility to stay connected to and synchronized with the Transmission System during system disturbances within a range of under-frequency and over-frequency conditions, in accordance with Good Utility Practice.

9.6.4. System Protection and Other Control Requirements

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9.6.4.1. System Protection Facilities. Interconnection Customer shall, at its expense, install, operate and maintain System Protection Facilities as a part of the e Qualifying Facility or Interconnection Customer's Interconnection Facilities. Company shall install at Interconnection Customer's expense any System Protection Facilities that may be required on Company's Interconnection Facilities or the Transmission System as a result of the interconnection of the Qualifying Facility and Interconnection Customer's Interconnection Facilities.

Each Party's protection facilities shall be designed and coordinated with other systems in accordance with Good Utility Practice.

Each Party shall be responsible for protection of its facilities consistent with Good Utility Practice.

Each Party's protective relay design shall incorporate the necessary test switches to perform the tests required in Article 6. The required test switches will be placed such that they allow operation of lockout relays while preventing breaker failure schemes from operating and causing unnecessary breaker operations and/or the tripping of Interconnection Customer's units.

Each Party will test, operate and maintain System Protection Facilities in accordance with Good Utility Practice.

Prior to the In-Service Date, and again prior to the Commercial Operation Date, each Party or its agent shall perform a complete calibration test and functional trip test of the System Protection Facilities. At intervals suggested by Good Utility Practice and following any apparent malfunction of the System Protection Facilities, each Party shall perform both calibration and functional trip tests of its System Protection Facilities. These tests do not require the tripping of any in-service generation unit. These tests do, however, require that all protective relays and lockout contacts be activated.

9.6.5. Requirements for Protection. In compliance with Good Utility Practice, Interconnection Customer shall provide, install, own, and maintain relays, circuit breakers and all other devices necessary to remove any fault contribution of the Qualifying Facility to any short circuit occurring on the Transmission System not otherwise isolated by Company's equipment, such that the removal of the fault contribution shall be coordinated with the protective requirements of the Transmission System. Such protective equipment shall include, without limitation, a disconnecting device or switch with load-interrupting capability located between the Qualifying Facility and the Transmission System at a site selected upon mutual agreement (not to be unreasonably withheld, conditioned or delayed) of the Parties. Interconnection Customer shall be responsible for protection of the Qualifying Facility and Interconnection Customer's other equipment from such conditions as negative sequence currents, over- or under-frequency, sudden load rejection, over- or under-voltage, and generator loss-of-field. Interconnection Customer shall be solely responsible to disconnect the Qualifying

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Facility and Interconnection Customer's other equipment if conditions on the Transmission System could adversely affect the Qualifying Facility.

9.6.6. Power Quality. Neither Party's facilities shall cause excessive voltage flicker nor introduce excessive distortion to the sinusoidal voltage or current waves as defined by ANSI Standard C84.1-1989, in accordance with IEEE Standard 519, or any applicable superseding electric industry standard. In the event of a conflict between ANSI Standard C84.1-1989, or any applicable superseding electric industry standard, ANSI Standard C84.1-1989, or the applicable superseding electric industry standard, shall control.

9.7. Switching and Tagging Rules. Each Party shall provide the other Party a copy of its switching and tagging rules that are applicable to the other Party's activities. Such switching and tagging rules shall be developed on a non-discriminatory basis. The Parties shall comply with applicable switching and tagging rules, as amended from time to time, in obtaining clearances for work or for switching operations on equipment.

9.8. Use of Interconnection Facilities by Third Parties

9.8.1. Purpose of Interconnection Facilities. Except as may be required by Applicable Laws and Regulations, or as otherwise agreed to among the Parties, the Interconnection Facilities shall be constructed for the sole purpose of interconnecting the Qualifying Facility to the Transmission System and shall be used for no other purpose.

9.8.2. Third Party Users. If required by Applicable Laws and Regulations or if the Parties mutually agree, such agreement not to be unreasonably withheld, to allow one or more third parties to use Company's Interconnection Facilities, or any part thereof, Interconnection Customer will be entitled to compensation for the capital expenses it incurred in connection with the Interconnection Facilities based upon the pro rata use of the Interconnection Facilities by Company, all third party users, and Interconnection Customer, in accordance with Applicable Laws and Regulations or upon some other mutually-agreed upon methodology. In addition, cost responsibility for ongoing costs, including operation and maintenance costs associated with the Interconnection Facilities, will be allocated between Interconnection Customer and any third party users based upon the pro rata use of the Interconnection Facilities by Company, all third party users, and Interconnection Customer, in accordance with Applicable Laws and Regulations or upon some other mutually agreed upon methodology. If the issue of such compensation or allocation cannot be resolved through such negotiations, it shall be submitted to WUTC for resolution.

9.9. Disturbance Analysis Data Exchange. The Parties will cooperate with one another in the analysis of disturbances to either the Qualifying Facility or Company's Transmission System by gathering and providing access to any information relating to any disturbance, including information from oscillography, protective relay targets, breaker

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operations and sequence of events records, and any disturbance information required by Good Utility Practice.

Article 10. Maintenance

10.1. Company Obligations. Company shall maintain the Transmission System and Company's Interconnection Facilities in a safe and reliable manner and in accordance with this QFTIA.

10.2. Interconnection Customer Obligations. Interconnection Customer shall maintain the Qualifying Facility and Interconnection Customer's Interconnection Facilities in a safe and reliable manner and in accordance with this QFTIA.

10.3. Coordination. The Parties shall confer regularly to coordinate the planning, scheduling and performance of preventive and corrective maintenance on the Qualifying Facility and the Interconnection Facilities.

10.4. Secondary Systems. Each Party shall cooperate with the other in the inspection, maintenance, and testing of control or power circuits that operate below 600 volts, AC or DC, including, but not limited to, any hardware, control or protective devices, cables, conductors, electric raceways, secondary equipment panels, transducers, batteries, chargers, and voltage and current transformers that directly affect the operation of a Party's facilities and equipment which may reasonably be expected to impact the other Party. Each Party shall provide advance notice to the other Party before undertaking any work on such circuits, especially on electrical circuits involving circuit breaker trip and close contacts, current transformers, or potential transformers.

10.5. Operating and Maintenance Expenses. Subject to the provisions herein addressing the use of facilities by others, and except for operations and maintenance expenses associated with modifications made for providing interconnection or transmission service to a third party and such third party pays for such expenses, Interconnection Customer shall be responsible for all reasonable actual expenses including overheads, associated with: (1) owning, operating, maintaining, repairing, and replacing Interconnection Customer's Interconnection Facilities; and (2) operation, maintenance, repair and replacement of Company's Interconnection Facilities.

Article 11. Performance Obligation

11.1. Interconnection Customer Interconnection Facilities. Interconnection Customer shall design, procure, construct, install, own and/or control Interconnection Customer Interconnection Facilities described in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades, at its sole expense.

11.2. Company's Interconnection Facilities. In accordance with Good Utility Practice, Company shall design, procure, construct, install, own and/or control the Company's

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Interconnection Facilities described in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades, at the sole expense of the Interconnection Customer.

11.3. Network Upgrades and Distribution Upgrades. Company shall design, procure, construct, install, and own the Network Upgrades and Distribution Upgrades described in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades. The Interconnection Customer shall be responsible for all costs related to Distribution Upgrades. Unless Company elects to fund the capital for the Network Upgrades, they shall be solely funded by Interconnection Customer.

11.4. Special Provisions for Affected Systems The Interconnection Customer shall be responsible for all costs related to Network Upgrades required on Affected Systems.

11.5. Provision of Security. At least thirty (30) Calendar Days prior to the commencement of the design, procurement, installation, or construction of a discrete portion of a Company's Interconnection Facilities, Network Upgrades, or Distribution Upgrades, Interconnection Customer shall provide Company, at Interconnection Customer's option, a guarantee, a surety bond, letter of credit or other form of security that is reasonably acceptable to Company and is consistent with the Uniform Commercial Code of the jurisdiction identified in Article 14.2.1. Such security for payment shall be in an amount sufficient to cover the costs for constructing, designing, procuring and installing the applicable portion of Company's Interconnection Facilities, Network Upgrades, or Distribution Upgrades and shall be reduced on a dollar-for-dollar basis for payments made to Company for these purposes.

In addition:

The guarantee must be made by an entity that meets the creditworthiness requirements of Company, and contain terms and conditions that guarantee payment of any amount that may be due from Interconnection Customer, up to an agreed-to maximum amount.

The letter of credit must be issued by a financial institution reasonably acceptable to Company and must specify a reasonable expiration date.

The surety bond must be issued by an insurer reasonably acceptable to Company and must specify a reasonable expiration date.

11.6. Interconnection Customer Compensation. If Company requests or directs Interconnection Customer to provide a service pursuant to Articles 9.5.3 (Payment for Reactive Power), or 13.4.1 of this QFTIA, Company shall compensate Interconnection Customer in accordance with Interconnection Customer's applicable rate schedule then in effect unless the provision of such service(s) is subject to an RTO or ISO FERC-approved rate schedule. Interconnection Customer shall serve Company or RTO or ISO with any filing of a proposed rate schedule at the time of such filing with FERC. To the extent that no rate schedule is in effect at the time the Interconnection Customer is required to provide or absorb any Reactive Power under

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this QFTIA, Company agrees to compensate Interconnection Customer in such amount as would have been due Interconnection Customer had the rate schedule been in effect at the time service commenced; provided, however, that such rate schedule must be filed at FERC or other appropriate Governmental Authority within sixty (60) Calendar Days of the commencement of service.

11.6.1. Interconnection Customer Compensation for Actions during System Emergency. Company or RTO or ISO shall compensate Interconnection Customer for its provision of real and reactive power and other System Emergency services that Interconnection Customer provides to support the Transmission System during a System Emergency in accordance with Article 11.65.

Article 12. Invoice

12.1. General. Each Party shall submit to the other Party, on a monthly basis, invoices of amounts due for the preceding month. Each invoice shall state the month to which the invoice applies and fully describe the services and equipment provided. The Parties may discharge mutual debts and payment obligations due and owing to each other on the same date through netting, in which case all amounts a Party owes to the other Party under this QFTIA, including interest payments or credits, shall be netted so that only the net amount remaining due shall be paid by the owing Party.

12.2. Final Invoice. Within six months after completion of the construction of Company's Interconnection Facilities and the Network Upgrades, Company shall email an invoice of the final cost of the construction of Company's Interconnection Facilities and the Network Upgrades and shall set forth such costs in sufficient detail to enable Interconnection Customer to compare the actual costs with the estimates and to ascertain deviations, if any, from the cost estimates. Company shall refund to Interconnection Customer any amount by which the actual payment by Interconnection Customer for estimated costs exceeds the actual costs of construction within thirty (30) Calendar Days of the issuance of such final construction invoice.

12.3. Payment. Invoices shall be rendered to the paying Party at the address specified in Appendix F. The Party receiving the invoice shall pay the invoice within thirty (30) Calendar Days of receipt. All payments shall be made by ACH or by wire transfer to a bank named and account designated by the invoicing Party. Payment of invoices by either Party will not constitute a waiver of any rights or claims either Party may have under this QFTIA.

12.4. Disputes. In the event of a billing dispute between Company and Interconnection Customer, Company shall continue to provide Interconnection Service under this QFTIA as long as Interconnection Customer: (i) continues to make all payments not in dispute; and (ii) pays to Company or into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If Interconnection Customer fails to meet these two requirements for continuation of service, then Company may provide notice to Interconnection Customer of a Default pursuant to Article 17. Within thirty (30) Calendar Days after the resolution of the

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dispute, the Party that owes money to the other Party shall pay the amount due with interest calculated in accord with the methodology set forth in FERC's regulations at 18 C.F.R. § 35.19a(a)(2)(iii).

Article 13. Emergencies

13.1. Obligations. Each Party shall comply with the System Emergency procedures of the applicable ISO/RTO, NERC, Reliability Council, Laws and Regulations, including WUTC, and any emergency procedures agreed to by the Parties.

13.2. Notice. Company shall notify Interconnection Customer promptly when it becomes aware of a System Emergency that affects Company's Interconnection Facilities or the Transmission System that may reasonably be expected to affect Interconnection Customer's operation of the Qualifying Facility or Interconnection Customer's Interconnection Facilities. Interconnection Customer shall notify Company promptly when it becomes aware of a System Emergency that affects the Qualifying Facility or Interconnection Customer's Interconnection Facilities that may reasonably be expected to affect the Transmission System or Company's Interconnection Facilities. To the extent information is known, the notification shall describe the Emergency Condition, the extent of the damage or deficiency, the expected effect on the operation of Interconnection Customer's or Company's facilities and operations, its anticipated duration and the corrective action taken and/or to be taken. The initial notice shall be followed as soon as practicable with written notice via email.

13.3. Immediate Action. Unless, in Interconnection Customer's reasonable judgment, immediate action is required, Interconnection Customer shall obtain the consent of Company, such consent to not be unreasonably withheld, prior to performing any manual switching operations at the Qualifying Facility or Interconnection Customer's Interconnection Facilities in response to a System Emergency either declared by Company or otherwise regarding the Transmission System.

13.4. Company Authority

13.4.1. General. Company may take whatever actions or inactions with regard to the Transmission System or Company's Interconnection Facilities it deems necessary during System Emergency or Reliability Conditions in order to (i) preserve public health and safety, (ii) preserve the reliability of the Transmission System or Company's Interconnection Facilities, (iii) limit or prevent damage, and (iv) expedite restoration of service.

Company shall use Reasonable Efforts to minimize the effect of such actions or inactions on the Qualifying Facility or Interconnection Customer's Interconnection Facilities. Company may, on the basis of technical considerations, require the Qualifying Facility to mitigate System Emergency or Reliability Conditions by taking actions necessary and limited in scope to remedy the System Emergency or Reliability

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Conditions , including, but not limited to, directing Interconnection Customer to shut-down, start-up, increase or decrease the real or reactive power output of the Qualifying Facility; implementing a reduction or disconnection pursuant to Article 13.4.2; directing Interconnection Customer to assist with blackstart (if available) or restoration efforts; or altering the outage schedules of the Qualifying Facility and Interconnection Customer's Interconnection Facilities. Interconnection Customer shall comply with all of Company's operating instructions concerning Qualifying Facility real power and reactive power output within the manufacturer's design limitations of the Qualifying Facility's equipment that is in service and physically available for operation at the time, in compliance with Applicable Laws and Regulations.

13.4.2. Reduction and Disconnection. Company may reduce Interconnection Service or disconnect the Qualifying Facility or Interconnection Customer's Interconnection Facilities, when such, reduction or disconnection is necessary under Good Utility Practice due to System Emergencies. These rights are separate and distinct from any right of curtailment of Company pursuant to Company's OATT. When Company can schedule the reduction or disconnection in advance, Company shall notify Interconnection Customer of the reasons, timing and expected duration of the reduction or disconnection. Company shall coordinate with Interconnection Customer using Good Utility Practice to schedule the reduction or disconnection during periods of least impact to Interconnection Customer and Company. Any reduction or disconnection shall continue only for so long as reasonably necessary under Good Utility Practice. The Parties shall cooperate with each other to restore the Qualifying Facility, the Interconnection Facilities, and the Transmission System to their normal operating state as soon as practicable consistent with Good Utility Practice.

13.5. Interconnection Customer Authority. Consistent with Good Utility Practice and the QFTIA and the QFTIP, Interconnection Customer may take actions or inactions with regard to the Qualifying Facility or Interconnection Customer's Interconnection Facilities during a System Emergency in order to (i) preserve public health and safety, (ii) preserve the reliability of the Qualifying Facility or Interconnection Customer's Interconnection Facilities, (iii) limit or prevent damage, and (iv) expedite restoration of service. Interconnection Customer shall use Reasonable Efforts to minimize the effect of such actions or inactions on the Transmission System and Company's Interconnection Facilities. Company shall use Reasonable Efforts to assist Interconnection Customer in such actions.

13.6. Limited Liability. Except as otherwise provided in Article 11.6.1 of this Agreement, neither Party shall be liable to the other for any action it takes in responding to System Emergency or Reliability Conditions so long as such action is made in good faith and is consistent with Good Utility Practice.

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Article 14. Regulatory Requirements and Governing Law

14.1. Regulatory Requirements. Each Party's obligations under this QFTIA shall be subject to its receipt of any required approval or certificate from one or more Governmental Authorities in the form and substance satisfactory to the applying Party, or the Party making any required filings with, or providing notice to, such Governmental Authorities, and the expiration of any time period associated therewith. These regulatory requirements include, but are not limited to, certification of the Interconnection Customer's Qualifying Facility as a QF. Each Party shall in good faith seek and use its Reasonable Efforts to obtain such other approvals. Nothing in this QFTIA shall require Interconnection Customer to take any action that could result in its inability to obtain, or its loss of, status or exemption under the Federal Power Act, the Public Utility Holding Company Act of 1935, as amended, or the Public Utility Regulatory Policies Act of 1978.

14.2. Governing Law

The validity, interpretation and performance of this QFTIA and each of its provisions shall be governed by the laws of the state where the Point of Interconnection is located, without regard to its conflicts of law principles.

This QFTIA is subject to all Applicable Laws and Regulations.

Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, rules, or regulations of a Governmental Authority.

Article 15. Notices.

15.1. General. Unless otherwise provided in this QFTIA, any notice, demand or request required or permitted to be given by either Party to the other and any instrument required or permitted to be tendered or delivered by either Party in writing to the other shall be effective when delivered and may be so given, tendered or delivered, by recognized national courier, or by depositing the same with the United States Postal Service with postage prepaid, for delivery by certified or registered mail, addressed to the Party, or personally delivered to the Party, at the address set out in Appendix F, Addresses for Delivery of Notices and Billings.

Either Party may change the notice information in this QFTIA by giving five (5) Business Days written notice prior to the effective date of the change.

15.2. Billings and Payments. Billings and payments shall be sent to the ACH or wire transfer addresses set out in Appendix F.

15.3. Alternative Forms of Notice. Any notice or request required or permitted to be given by a Party to the other and not required by this QFTIA to be given in writing may be so

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given by telephone, facsimile or email to the telephone numbers and email addresses set out in Appendix F.

15.4. Operations and Maintenance Notice. Each Party shall notify the other Party by email of the identity of the person(s) that it designates as the point(s) of contact with respect to the implementation of Articles Article 9 and Article 10.

Article 16. Force Majeure

16.1. Force Majeure

Economic hardship is not considered a Force Majeure event.

Neither Party shall be considered to be in Default with respect to any obligation hereunder, (including obligations under Article 4), other than the obligation to pay money when due, if prevented from fulfilling such obligation by Force Majeure. A Party unable to fulfill any obligation hereunder (other than an obligation to pay money when due) by reason of Force Majeure shall give notice and the full particulars of such Force Majeure to the other Party in writing or by telephone as soon as reasonably possible after the occurrence of the cause relied upon. Telephone notices given pursuant to this article shall be confirmed in writing as soon as reasonably possible and shall specifically state full particulars of the Force Majeure, the time and date when the Force Majeure occurred and when the Force Majeure is reasonably expected to cease. The Party affected shall exercise due diligence to remove such disability with reasonable dispatch, but shall not be required to accede or agree to any provision not satisfactory to it in order to settle and terminate a strike or other labor disturbance.

Article 17. Default

17.1. Default

17.1.1. General. No Default shall exist where such failure to discharge an obligation (other than the payment of money) is the result of Force Majeure as defined in this QFTIA or the result of an act of omission of the other Party. Upon a Breach, the non-breaching Party shall give written notice of such Breach to the breaching Party. Except as provided in Article 17.1.2, the breaching Party shall have thirty (30) Calendar Days from receipt of the Default notice within which to cure such Breach; provided however, if such Breach is not capable of cure within thirty (30) Calendar Days, the breaching Party shall commence such cure within thirty (30) Calendar Days after notice and continuously and diligently complete such cure within ninety (90) Calendar Days from receipt of the Default notice; and, if cured within such time, the Breach specified in such notice shall cease to exist.

17.1.2. Right to Terminate. If a Breach is not cured as provided in this article, or if a Breach is not capable of being cured within the period provided for herein, the

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non-breaching Party shall have the right to declare a Default and terminate this QFTIA by written notice at any time until cure occurs, and be relieved of any further obligation hereunder and, whether or not that Party terminates this QFTIA, to recover from the breaching Party all amounts due hereunder, plus all other damages and remedies to which it is entitled at law or in equity. The provisions of this article will survive termination of this QFTIA.

Article 18. Indemnity, Consequential Damages and Insurance

18.1. Indemnity. The Parties shall at all times indemnify, defend, and hold the other Party harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party's action or inactions of its obligations under this QFTIA on behalf of the Indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnified Party.

18.1.1. Indemnified Person. If an Indemnified Person is entitled to indemnification under this Article 18 as a result of a claim by a third party, and the Indemnifying Party fails, after notice and reasonable opportunity to proceed under Article 18.1, to assume the defense of such claim, such Indemnified Person may at the expense of the Indemnifying Party contest, settle or consent to the entry of any judgment with respect to, or pay in full, such claim.

18.1.2. Indemnifying Party. If an Indemnifying Party is obligated to indemnify and hold any Indemnified Person harmless under this Article 18, the amount owing to the Indemnified Person shall be the amount of such Indemnified Person's actual Loss, net of any insurance or other recovery.

18.1.3. Indemnity Procedures. Promptly after receipt by an Indemnified Person of any claim or notice of the commencement of any action or administrative or legal proceeding or investigation as to which the indemnity provided for in Article 18.1 may apply, the Indemnified Person shall notify the Indemnifying Party of such fact. Any failure of or delay in such notification shall not affect a Party's indemnification obligation unless such failure or delay is materially prejudicial to the indemnifying Party.

The Indemnifying Party shall have the right to assume the defense thereof with counsel designated by such Indemnifying Party and reasonably satisfactory to the Indemnified Person. If the defendants in any such action include one or more Indemnified Persons and the Indemnifying Party and if the Indemnified Person reasonably concludes that there may be legal defenses available to it and/or other Indemnified Persons which are different from or additional to those available to the Indemnifying Party, the Indemnified Person shall have the right to select separate counsel to assert such legal defenses and to otherwise participate in the defense of such action on its own behalf. In

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such instances, the Indemnifying Party shall only be required to pay the fees and expenses of one additional attorney to represent an Indemnified Person or Indemnified Persons having such differing or additional legal defenses.

The Indemnified Person shall be entitled, at its expense, to participate in any such action, suit or proceeding, the defense of which has been assumed by the Indemnifying Party. Notwithstanding the foregoing, the Indemnifying Party (i) shall not be entitled to assume and control the defense of any such action, suit or proceedings if and to the extent that, in the opinion of the Indemnified Person and its counsel, such action, suit or proceeding involves the potential imposition of criminal liability on the Indemnified Person, or there exists a conflict or adversity of interest between the Indemnified Person and the Indemnifying Party, in such event the Indemnifying Party shall pay the reasonable expenses of the Indemnified Person, and (ii) shall not settle or consent to the entry of any judgment in any action, suit or proceeding without the consent of the Indemnified Person, which shall not be reasonably withheld, conditioned or delayed.

18.2. Consequential Damages. Other than the Liquidated Damages heretofore described, in no event shall either Party be liable under any provision of this QFTIA for any losses, damages, costs or expenses for any special, indirect, incidental, consequential, or punitive damages, including but not limited to loss of profit or revenue, loss of the use of equipment, cost of capital, cost of temporary equipment or services, whether based in whole or in part in contract, in tort, including negligence, strict liability, or any other theory of liability; provided, however, that damages for which a Party may be liable to the other Party under another agreement will not be considered to be special, indirect, incidental, or consequential damages hereunder.

18.3. Insurance. Each party shall, at its own expense, maintain in force throughout the period of this QFTIA, and until released by the other Party, the following minimum insurance coverages, with insurers authorized to do business in the state where the Point of Interconnection is located:

18.3.1. Employers' Liability and Workers' Compensation Insurance. Employers' Liability and Workers' Compensation Insurance providing statutory benefits in accordance with the laws and regulations of the state in which the Point of Interconnection is located.

18.3.2. Commercial General Liability Insurance. Commercial General Liability Insurance including premises and operations, personal injury, broad form property damage, broad form blanket contractual liability coverage (including coverage for the contractual indemnification) products and completed operations coverage, coverage for explosion, collapse and underground hazards, independent contractors coverage, coverage for pollution to the extent normally available and punitive damages to the extent normally available and a cross liability endorsement, with minimum limits of One Million Dollars (\$1,000,000) per occurrence/One Million Dollars (\$1,000,000)

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aggregate combined single limit for personal injury, bodily injury, including death and property damage.

18.3.3. Comprehensive Automobile Liability Insurance. Comprehensive Automobile Liability Insurance for coverage of owned and non-owned and hired vehicles, trailers or semi-trailers designed for travel on public roads, with a minimum, combined single limit of One Million Dollars (\$1,000,000) per occurrence for bodily injury, including death, and property damage.

18.3.4. Excess Public Liability Insurance. Excess Public Liability Insurance over and above the Employers' Liability Commercial General Liability and Comprehensive Automobile Liability Insurance coverage, with a minimum combined single limit of Twenty Million Dollars (\$20,000,000) per occurrence/Twenty Million Dollars (\$20,000,000) aggregate.

18.3.5. Additional Insureds. The Commercial General Liability Insurance, Comprehensive Automobile Insurance and Excess Public Liability Insurance policies shall name the other Party, its parent, associated and Affiliate companies and their respective directors, officers, agents, servants and employees ("Other Party Group") as additional insured. All policies shall contain provisions whereby the insurers waive all rights of subrogation in accordance with the provisions of this QFTIA against the Other Party Group and provide thirty (30) Calendar Days advance written notice to the Other Party Group prior to anniversary date of cancellation or any material change in coverage or condition.

The Commercial General Liability Insurance, Comprehensive Automobile Liability Insurance and Excess Public Liability Insurance policies shall contain provisions that specify that the policies are primary and shall apply to such extent without consideration for other policies separately carried and shall state that each insured is provided coverage as though a separate policy had been issued to each, except the insurer's liability shall not be increased beyond the amount for which the insurer would have been liable had only one insured been covered. Each Party shall be responsible for its respective deductibles or retentions.

The Commercial General Liability Insurance, Comprehensive Automobile Liability Insurance and Excess Public Liability Insurance policies, if written on a Claims First Made Basis, shall be maintained in full force and effect for two (2) years after termination of this QFTIA, which coverage may be in the form of tail coverage or extended reporting period coverage if agreed by the Parties.

The requirements contained herein as to the types and limits of all insurance to be maintained by the Parties are not intended to and shall not in any manner, limit or qualify the liabilities and obligations assumed by the Parties under this QFTIA.

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Within ten (10) days following execution of this QFTIA, and as soon as practicable after the end of each fiscal year or at the renewal of the insurance policy and in any event within ninety (90) days thereafter, each Party shall electronically transfer certification of all insurance required in this QFTIA, executed by each insurer or by an authorized representative of each insurer.

Notwithstanding the foregoing, each Party may self-insure to meet the minimum insurance requirements of Articles 18.3.2 through 18.3.8 to the extent it maintains a self-insurance program; provided that, such Party's senior secured debt is rated at investment grade or better by Standard & Poor's and that its self-insurance program meets the minimum insurance requirements of Articles 18.3.2 through 18.3.8. For any period of time that a Party's senior secured debt is unrated by Standard & Poor's or is rated at less than investment grade by Standard & Poor's, such Party shall comply with the insurance requirements applicable to it under Articles 18.3.2 through 18.3.8. In the event that a Party is permitted to self-insure pursuant to this article, it shall provide electronic notification to the other Party that it meets the requirements to self-insure and that its self-insurance program meets the minimum insurance requirements in a manner consistent with that specified in Article 18.3.9.

The Parties agree to report to each other in writing via email as soon as practical all accidents or occurrences resulting in injuries to any person, including death, and any property damage arising out of this QFTIA.

Article 19. Assignment

19.1. Assignment. This QFTIA may be assigned by either Party only with the written consent of the other; provided that either Party may assign this QFTIA without the consent of the other Party to any Affiliate of the assigning Party with an equal or greater credit rating and with the legal authority and operational ability to satisfy the obligations of the assigning Party under this QFTIA; and provided further that Interconnection Customer shall have the right to assign this QFTIA, without the consent of Company, for collateral security purposes to aid in providing financing for the Qualifying Facility, provided that Interconnection Customer will promptly notify Company of any such assignment. Any financing arrangement entered into by Interconnection Customer pursuant to this article will provide that prior to or upon the exercise of the secured party's, trustee's or mortgagee's assignment rights pursuant to said arrangement, the secured creditor, the trustee or mortgagee will notify Company of the date and particulars of any such exercise of assignment right(s), including providing the Company with proof that it meets the requirements of Articles 11.5 and 18.3. Any attempted assignment that violates this article is void and ineffective. Any assignment under this QFTIA shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, by reason thereof. Where required, consent to assignment will not be unreasonably withheld, conditioned or delayed.

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Article 20. Severability

20.1. Severability. If any provision in this QFTIA is finally determined to be invalid, void or unenforceable by any court or other Governmental Authority having jurisdiction, such determination shall not invalidate, void or make unenforceable any other provision, agreement or covenant of this QFTIA; provided that if Interconnection Customer (or any third party, but only if such third party is not acting at the direction of Company) seeks and obtains such a final determination with respect to any provision of the Alternate Option (Article 5.1.2), or the Negotiated Option (Article 5.1.4), then none of these provisions shall thereafter have any force or effect and the Parties' rights and obligations shall be governed solely by the Standard Option (Article 5.1.1).

Article 21. Comparability

21.1. Comparability. The Parties will comply with all applicable comparability and code of conduct laws, rules and regulations, as amended from time to time.

Article 22. Confidentiality

22.1. Confidentiality. Confidential Information shall include, without limitation, all information relating to a Party's technology, research and development, business affairs, and pricing, and any information supplied by either of the Parties to the other prior to the execution of this QFTIA.

Information is Confidential Information only if it is clearly designated or marked in writing as confidential on the face of the document, or, if the information is conveyed orally or by inspection, if the Party providing the information orally informs the Party receiving the information that the information is confidential.

If requested by either Party, the other Party shall provide in writing via email, the basis for asserting that the information referred to in this Article 22 warrants confidential treatment, and the requesting Party may disclose such writing to the appropriate Governmental Authority. Each Party shall be responsible for the costs associated with affording confidential treatment to its information. The release of Confidential Information shall be subject to Applicable Laws and Regulations and Applicable Reliability Standards.

22.1.1. Term. During the term of this QFTIA, and for a period of three (3) years after the expiration or termination of this QFTIA, except as otherwise provided in this Article 22, each Party shall hold in confidence and shall not disclose to any person Confidential Information.

22.1.2. Scope. Confidential Information shall not include information that the receiving Party can demonstrate: (1) is generally available to the public other than as a result of a disclosure by the receiving Party; (2) was in the lawful possession of the

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receiving Party on a non-confidential basis before receiving it from the disclosing Party; (3) was supplied to the receiving Party without restriction by a third party, who, to the knowledge of the receiving Party after due inquiry, was under no obligation to the disclosing Party to keep such information confidential; (4) was independently developed by the receiving Party without reference to Confidential Information of the disclosing Party; (5) is, or becomes, publicly known, through no wrongful act or omission of the receiving Party or Breach of this QFTIA; or (6) is required, in accordance with Article 22.1.7 of the QFTIA, Order of Disclosure, to be disclosed by any Governmental Authority or is otherwise required to be disclosed by law or subpoena, or is necessary in any legal proceeding establishing rights and obligations under this QFTIA. Information designated as Confidential Information will no longer be deemed confidential if the Party that designated the information as confidential notifies the other Party that it no longer is confidential.

22.1.3. Release of Confidential Information. Neither Party shall release or disclose Confidential Information to any other person, except to its Affiliates (limited by the Standards of Conduct requirements), subcontractors, employees, consultants, or to parties who may be or considering providing financing to or equity participation with Interconnection Customer, or to potential purchasers or assignees of Interconnection Customer, on a need-to-know basis in connection with this QFTIA, unless such person has first been advised of the confidentiality provisions of this Article 22 and has agreed to comply with such provisions. Notwithstanding the foregoing, a Party providing Confidential Information to any person shall remain primarily responsible for any release of Confidential Information in contravention of this Article 22.

22.1.4. Rights. Each Party retains all rights, title, and interest in the Confidential Information that each Party discloses to the other Party. The disclosure by each Party to the other Party of Confidential Information shall not be deemed a waiver by either Party or any other person or entity of the right to protect the Confidential Information from public disclosure.

22.1.5. No Warranties. By providing Confidential Information, neither Party makes any warranties or representations as to its accuracy or completeness. In addition, by supplying Confidential Information, neither Party obligates itself to provide any particular information or Confidential Information to the other Party nor to enter into any further agreements or proceed with any other relationship or joint venture.

22.1.6. Standard of Care. Each Party shall use at least the same standard of care to protect Confidential Information it receives as it uses to protect its own Confidential Information from unauthorized disclosure, publication or dissemination. Each Party may use Confidential Information solely to fulfill its obligations to the other Party under this QFTIA or its regulatory requirements.

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22.1.7. Order of Disclosure. If a court or a Government Authority or entity with the right, power, and apparent authority to do so requests or requires either Party, by subpoena, oral deposition, interrogatories, requests for production of documents, administrative order, or otherwise, to disclose Confidential Information, that Party shall provide the other Party with prompt notice of such request(s) or requirement(s) so that the other Party may seek an appropriate protective order or waive compliance with the terms of this QFTIA. Notwithstanding the absence of a protective order or waiver, the Party may disclose such Confidential Information which, in the opinion of its counsel, the Party is legally compelled to disclose. Each Party will use Reasonable Efforts to obtain reliable assurance that confidential treatment will be accorded any Confidential Information so furnished.

22.1.8. Termination of Agreement. Upon termination of this QFTIA for any reason, each Party shall, within ten (10) Calendar Days of receipt of a written, emailed request from the other Party, use Reasonable Efforts to destroy, erase, or delete (with such destruction, erasure, and deletion certified in writing to the other Party) or return to the other Party, without retaining copies thereof, any and all written or electronic Confidential Information received from the other Party.

22.1.9. Remedies. The Parties agree that monetary damages would be inadequate to compensate a Party for the other Party's Breach of its obligations under this Article 22. Each Party accordingly agrees that the other Party shall be entitled to equitable relief, by way of injunction or otherwise, if the first Party Breaches or threatens to Breach its obligations under this Article 22, which equitable relief shall be granted without bond or proof of damages, and the receiving Party shall not plead in defense that there would be an adequate remedy at law. Such remedy shall not be deemed an exclusive remedy for the Breach of this Article 22, but shall be in addition to all other remedies available at law or in equity. The Parties further acknowledge and agree that the covenants contained herein are necessary for the protection of legitimate business interests and are reasonable in scope. No Party, however, shall be liable for indirect, incidental, or consequential or punitive damages of any nature or kind resulting from or arising in connection with this Article 22.

22.1.10. Disclosure to WUTC or its Staff. Notwithstanding anything in this Article 22 to the contrary, and pursuant to RCW 80.04.095 and WAC-80-07-160, if WUTC or its staff, during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to this QFTIA, the Party shall provide the requested information to WUTC or its staff, within the time provided for in the request for information. In providing the information to WUTC or its staff, the Party must request that the information be treated as confidential and non-public by WUTC and its staff and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party to this QFTIA prior to the release of the Confidential Information to WUTC or its staff. The Party shall notify via email the other Party to the QFTIA when it is

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notified by UTC or its staff that a request to release Confidential Information has been received by WUTC, at which time either of the Parties may respond before such information would be made public,

Subject to the exception in Article 22.1.10, any information that a Party claims is competitively sensitive, commercial or financial information under this QFTIA ("Confidential Information") shall not be disclosed by the other Party to any person not employed or retained by the other Party, except to the extent disclosure is (i) required by law; (ii) reasonably deemed by the disclosing Party to be required to be disclosed in connection with a dispute between or among the Parties, or the defense of litigation or dispute; (iii) otherwise permitted by consent of the other Party, such consent not to be unreasonably withheld; or (iv) necessary to fulfill its obligations under this QFTIA or as a transmission service provider or a Control Area operator including disclosing the Confidential Information to an RTO or ISO or to a regional or national reliability organization. The Party asserting confidentiality shall notify the other Party in writing via email of the information it claims is confidential. Prior to any disclosures of the other Party's Confidential Information under this subparagraph, or if any third party or Governmental Authority makes any request or demand for any of the information described in this subparagraph, the disclosing Party agrees to promptly notify the other Party in writing via email and agrees to assert confidentiality and cooperate with the other Party in seeking to protect the Confidential Information from public disclosure by confidentiality agreement, protective order or other reasonable measures.

Article 23. Environmental Releases

Each Party shall notify the other Party, first orally and then in writing via email, of the release of any Hazardous Substances, any asbestos or lead abatement activities, or any type of remediation activities related to the Qualifying Facility or the Interconnection Facilities, each of which may reasonably be expected to affect the other Party. The notifying Party shall: (i) provide the notice as soon as practicable, provided such Party makes a good faith effort to provide the notice no later than twenty-four hours after such Party becomes aware of the occurrence; and (ii) promptly furnish to the other Party copies of any publicly available reports filed with any Governmental Authorities addressing such events.

Article 24. Information Requirements

24.1. Information Acquisition. Company and Interconnection Customer shall submit specific information regarding the electrical characteristics of their respective facilities to each other as described below and in accordance with Applicable Reliability Standards.

24.2. Information Submission by Company. The initial information submission by Company shall occur no later than one hundred eighty (180) Calendar Days prior to Trial Operation and shall include Transmission System information necessary to allow Interconnection Customer to select equipment and meet any system protection and stability requirements, unless otherwise agreed to by the Parties. On a monthly basis Company shall provide Interconnection

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Customer a status report on the construction and installation of Company's Interconnection Facilities and Network Upgrades, including, but not limited to, the following information: (1) progress to date; (2) a description of the activities since the last report (3) a description of the action items for the next period; and (4) the delivery status of equipment ordered.

24.3. Updated Information Submission by Interconnection Customer. The updated information submission by Interconnection Customer, including manufacturer information, shall occur no later than one hundred eighty (180) Calendar Days prior to the Trial Operation. Interconnection Customer shall submit a completed copy of the Qualifying Facility data requirements contained in Appendix 1 to the QFTIP. It shall also include any additional information provided to Company for the Feasibility and Facilities Study. Information in this submission shall be the most current Qualifying Facility design or expected performance data. Information submitted for stability models shall be compatible with Company standard models. If there is no compatible model, Interconnection Customer will work with a consultant mutually agreed to by the Parties to develop and supply a standard model and associated information.

If Interconnection Customer's data is materially different from what was originally provided to Company pursuant to the Interconnection Study Agreement between Company and Interconnection Customer, then Company will conduct appropriate studies to determine the impact on Company Transmission System based on the actual data submitted pursuant to this Article 24.3. The Interconnection Customer shall not begin Trial Operation until such studies are completed.

24.4. Information Supplementation. Prior to the Commercial Operation Date, the Parties shall supplement their information submissions described above in this Article 24 with any and all "as-built" Qualifying Facility information or "as-tested" performance information that differs from the initial submissions or, alternatively, written confirmation that no such differences exist. The Interconnection Customer shall conduct tests on the Qualifying Facility as required by Good Utility Practice such as an open circuit "step voltage" test on the Qualifying Facility to verify proper operation of the Qualifying Facility's automatic voltage regulator.

Unless otherwise agreed, the test conditions shall include: (1) Qualifying Facility at synchronous speed; (2) automatic voltage regulator on and in voltage control mode; and (3) a five percent change in Qualifying Facility terminal voltage initiated by a change in the voltage regulators reference voltage. Interconnection Customer shall provide validated test recordings showing the responses of Qualifying Facility terminal and field voltages. In the event that direct recordings of these voltages is impractical, recordings of other voltages or currents that mirror the response of the Qualifying Facility's terminal or field voltage are acceptable if information necessary to translate these alternate quantities to actual Qualifying Facility terminal or field voltages is provided. Qualifying Facility testing shall be conducted and results provided to Company for each individual generating unit in a station.

Subsequent to the Commercial Operation Date, Interconnection Customer shall provide Company any information changes due to equipment replacement, repair, or adjustment.

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Company shall provide Interconnection Customer any information changes due to equipment replacement, repair or adjustment in the directly connected substation or any adjacent Company-owned substation that may affect Interconnection Customer's Interconnection Facilities equipment ratings, protection or operating requirements. The Parties shall provide such information no later than thirty (30) Calendar Days after the date of the equipment replacement, repair or adjustment.

Article 25. Information Access and Audit Rights

25.1. Information Access. Each Party (the "disclosing Party") shall make available to the other Party information that is in the possession of the disclosing Party and is necessary in order for the other Party to: (i) verify the costs incurred by the disclosing Party for which the other Party is responsible under this QFTIA; and (ii) carry out its obligations and responsibilities under this QFTIA. The Parties shall not use such information for purposes other than those set forth in this Article 25.1 and to enforce their rights under this QFTIA.

25.2. Reporting of Non-Force Majeure Events. Each Party (the "notifying Party") shall notify the other Party when the notifying Party becomes aware of its inability to comply with the provisions of this QFTIA for a reason other than a Force Majeure event. The Parties agree to cooperate with each other and provide necessary information regarding such inability to comply, including the date, duration, and reason for the inability to comply, and corrective actions taken or planned to be taken with respect to such inability to comply. Notwithstanding the foregoing, notification, cooperation or information provided under this article shall not entitle the Party receiving such notification to allege a cause for anticipatory breach of this QFTIA.

25.3. Audit Rights. Subject to the requirements of confidentiality under Article 22 of this QFTIA, each Party shall have the right, during normal business hours, and upon prior reasonable notice to the other Party, to audit at its own expense the other Party's accounts and records pertaining to either Party's performance or either Party's satisfaction of obligations under this QFTIA. Such audit rights shall include audits of the other Party's costs, calculation of invoiced amounts, Company's efforts to allocate responsibility for the provision of reactive support to the Transmission System, Company's efforts to allocate responsibility for interruption or reduction of generation on the Transmission System, and each Party's actions in System Emergency or Reliability Conditions. Any audit authorized by this article shall be performed at the offices where such accounts and records are maintained and shall be limited to those portions of such accounts and records that relate to each Party's performance and satisfaction of obligations under this QFTIA. Each Party shall keep such accounts and records for a period equivalent to the audit rights periods described in Article 25.4.

25.4. Audit Rights Periods

25.4.1. Audit Rights Period for Construction-Related Accounts and Records. Accounts and records related to the design, engineering, procurement, and construction of Company's Interconnection Facilities and Network Upgrades shall be

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subject to audit for a period of twenty-four months following Company's issuance of a final invoice in accordance with Article 12.2.

25.4.2. Audit Rights Period for All Other Accounts and Records. Accounts and records related to either Party's performance or satisfaction of all obligations under this QFTIA other than those described in Article 25.4.1 shall be subject to audit as follows: (i) for an audit relating to cost obligations, the applicable audit rights period shall be twenty-four months after the auditing Party's receipt of an invoice giving rise to such cost obligations; and (ii) for an audit relating to all other obligations, the applicable audit rights period shall be twenty-four months after the event for which the audit is sought.

25.5. Audit Results. If an audit by a Party determines that an overpayment or an underpayment has occurred, a notice of such overpayment or underpayment shall be given to the other Party together with those records from the audit which support such determination.

Article 26. Subcontractors

26.1. General. Nothing in this QFTIA shall prevent a Party from utilizing the services of any subcontractor as it deems appropriate to perform its obligations under this QFTIA; provided, however, that each Party shall require its subcontractors to comply with all applicable terms and conditions of this QFTIA in providing such services and each Party shall remain primarily liable to the other Party for the performance of such subcontractor.

26.2. Responsibility of Principal. The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this QFTIA. The hiring Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made; provided, however, that in no event shall Company be liable for the actions or inactions of Interconnection Customer or its subcontractors with respect to obligations of Interconnection Customer under Article 5 of this QFTIA. Any applicable obligation imposed by this QFTIA upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

26.3. No Limitation by Insurance. The obligations under this Article 26 will not be limited in any way by any limitation of subcontractor's insurance.

Article 27. Disputes

27.1. Submission. In the event either Party has a dispute, or asserts a claim, that arises out of or in connection with this QFTIA or its performance, such Party (the "disputing Party") shall provide the other Party with written notice of the dispute or claim ("Notice of Dispute"). Such dispute or claim shall be referred to a designated senior representative of each Party for resolution on an informal basis as promptly as practicable after receipt of the Notice of Dispute by the other Party. In the event the designated representatives are unable to resolve the claim or

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dispute through unassisted or assisted negotiations within thirty (30) Calendar Days of the other Party's receipt of the Notice of Dispute, such claim or dispute may, upon mutual agreement of the Parties, be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below. In the event the Parties do not agree to submit such claim or dispute to arbitration, each Party may exercise whatever rights and remedies it may have in equity or at law consistent with the terms of this QFTIA.

27.2. External Arbitration Procedures. Any arbitration initiated under this QFTIA shall be conducted before a single neutral arbitrator appointed by the Parties. If the Parties fail to agree upon a single arbitrator within ten (10) Calendar Days of the submission of the dispute to arbitration, each Party shall choose one arbitrator who shall sit on a three- member arbitration panel. The two arbitrators so chosen shall within twenty (20) Calendar Days select a third arbitrator to chair the arbitration panel. In either case, the arbitrators shall be knowledgeable in electric utility matters, including electric transmission and bulk power issues, and shall not have any current or past substantial business or financial relationships with any party to the arbitration (except prior arbitration). The arbitrator(s) shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association ("Arbitration Rules") and any applicable WUTC rules; provided, however, in the event of a conflict between the Arbitration Rules and the terms of this Article 27, the terms of this Article 27 shall prevail.

27.3. Arbitration Decisions. Unless otherwise agreed by the Parties, the arbitrator(s) shall render a decision within ninety (90) Calendar Days of appointment and shall notify the Parties in writing of such decision and the reasons therefor. The arbitrator(s) shall be authorized only to interpret and apply the provisions of this QFTIA and shall have no power to modify or change any provision of this QFTIA in any manner. The decision of the arbitrator(s) shall be final and binding upon the Parties, and judgment on the award may be entered in any court having jurisdiction. The decision of the arbitrator(s) may be appealed solely on the grounds that the conduct of the arbitrator(s), or the decision itself, violated the standards set forth in the Federal Arbitration Act or the Administrative Dispute Resolution Act.

27.4. Costs. Each Party shall be responsible for its own costs incurred during the arbitration process and for the following costs, if applicable: (1) the cost of the arbitrator chosen by the Party to sit on the three member panel and one half of the cost of the third arbitrator chosen; or (2) one half the cost of the single arbitrator jointly chosen by the Parties.

Article 28. Representations, Warranties, and Covenants

28.1. General. Each Party makes the following representations, warranties and covenants:

28.1.1. Good Standing. Such Party is duly organized, validly existing and in good standing under the laws of the state in which it is organized, formed, or incorporated, as applicable; that it is qualified to do business in the state or states in

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which the Qualifying Facility, Interconnection Facilities and Network Upgrades owned by such Party, as applicable, are located; and that it has the corporate power and authority to own its properties, to carry on its business as now being conducted and to enter into this QFTIA and carry out the transactions contemplated hereby and perform and carry out all covenants and obligations on its part to be performed under and pursuant to this QFTIA.

28.1.2. Authority. Such Party has the right, power and authority to enter into this QFTIA, to become a Party hereto and to perform its obligations hereunder. This QFTIA is a legal, valid and binding obligation of such Party, enforceable against such Party in accordance with its terms, except as the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization or other similar laws affecting creditors' rights generally and by general equitable principles (regardless of whether enforceability is sought in a proceeding in equity or at law).

28.1.3. No Conflict. The execution, delivery and performance of this QFTIA does not violate or conflict with the organizational or formation documents, or bylaws or operating agreement, of such Party, or any judgment, license, permit, order, material agreement or instrument applicable to or binding upon such Party or any of its assets.

28.1.4. Consent and Approval. Such Party has sought or obtained, or, in accordance with this QFTIA will seek or obtain, each consent, approval, authorization, order, or acceptance by any Governmental Authority in connection with the execution, delivery and performance of this QFTIA, and it will provide to any Governmental Authority notice of any actions under this QFTIA that are required by Applicable Laws and Regulations.

Article 29. Miscellaneous

29.1. Binding Effect. This QFTIA and the rights and obligations hereof, shall be binding upon and shall inure to the benefit of the successors and assigns of the Parties hereto.

29.2. Conflicts. In the event of a conflict between the body of this QFTIA and any attachment, appendices or exhibits hereto, the terms and provisions of the body of this QFTIA shall prevail and be deemed the final intent of the Parties.

29.3. Rules of Interpretation. This QFTIA, unless a clear contrary intention appears, shall be construed and interpreted as follows: (1) the singular number includes the plural number and vice versa; (2) reference to any person includes such person's successors and assigns but, in the case of a Party, only if such successors and assigns are permitted by this QFTIA, and reference to a person in a particular capacity excludes such person in any other capacity or individually; (3) reference to any agreement (including this QFTIA), document, instrument or tariff means such agreement, document, instrument, or tariff as amended or modified and in effect from time to time in accordance with the terms thereof and, if applicable, the terms hereof;

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(4) reference to any Applicable Laws and Regulations means such Applicable Laws and Regulations as amended, modified, codified, or reenacted, in whole or in part, and in effect from time to time, including, if applicable, rules and regulations promulgated thereunder; (5) unless expressly stated otherwise, reference to any Article, Section or Appendix means such Article of this QFTIA or such Appendix to this QFTIA, or such Section to the QFTIP or such Appendix to the QFTIP, as the case may be; (6) "hereunder", "hereof", "herein", "hereto" and words of similar import shall be deemed references to this QFTIA as a whole and not to any particular Article or other provision hereof or thereof; (7) "including" (and with correlative meaning "include") means including without limiting the generality of any description preceding such term; and (8) relative to the determination of any period of time, "from" means "from and including", "to" means "to but excluding" and "through" means "through and including".

29.4. Entire Agreement. This QFTIA, including all Appendices and Schedules attached hereto, constitutes the entire agreement between the Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings or agreements, oral or written, between the Parties with respect to the subject matter of this QFTIA. There are no other agreements, representations, warranties, or covenants which constitute any part of the consideration for, or any condition to, either Party's compliance with its obligations under this QFTIA.

29.5. No Third Party Beneficiaries. This QFTIA is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and, where permitted, their assigns.

29.6. Waiver. The failure of a Party to this QFTIA to insist, on any occasion, upon strict performance of any provision of this QFTIA will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.

Any waiver at any time by either Party of its rights with respect to this QFTIA shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, duty of this QFTIA. Termination or Default of this QFTIA for any reason by Interconnection Customer shall not constitute a waiver of Interconnection Customer's legal rights to obtain an interconnection from Company. Any waiver of this QFTIA shall, if requested, be provided in writing.

29.7. Headings. The descriptive headings of the various Articles of this QFTIA have been inserted for convenience of reference only and are of no significance in the interpretation or construction of this QFTIA.

29.8. Multiple Counterparts. This QFTIA may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.

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29.9. Amendment. The Parties may by mutual agreement amend this QFTIA by a written instrument duly executed by the Parties.

29.10. Modification by the Parties. The Parties may by mutual agreement amend the Appendices to this QFTIA by a written instrument duly executed by the Parties. Such amendment shall become effective and a part of this QFTIA upon satisfaction of all Applicable Laws and Regulations.

29.11. Reservation of Rights. Company shall have the right to make a unilateral filing with WUTC to modify this QFTIA with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation under applicable provision of the Federal or Washington law or WUTC's rules and regulations thereunder, and Interconnection Customer shall have the right to make a unilateral filing with WUTC to modify this QFTIA pursuant to any other applicable provision of Federal or Washington law or WUTC's rules and regulations thereunder; provided that each Party shall have the right to protest any such filing by the other Party and to participate fully in any proceeding before WUTC in which such modifications may be considered.

29.12. No Partnership. This QFTIA shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

IN WITNESS WHEREOF, the Parties have executed this QFTIA in duplicate originals, each of which shall constitute and be an original effective Agreement between the Parties.

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| | |
|--------|--------------|
| By: | By: _____ |
| Title: | Title: _____ |
| Date: | Date: _____ |

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[Insert name of Interconnection Customer]

By:

By: _____

Title:

Title: _____

Date:

Date: _____

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Appendix A to QFTIA

Interconnection Facilities, Network Upgrades and Distribution Upgrades

1. Interconnection Facilities:
 - (a) [insert Interconnection Customer's Interconnection Facilities]:
 - (b) [insert Company's Interconnection Facilities]:
2. Network Upgrades:
 - (a) [insert Stand Alone Network Upgrades]:
 - (b) [insert Other Network Upgrades]:
3. Distribution Upgrades:

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Appendix B to QFTIA

Milestones

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Appendix C to QFTIA

Interconnection Details

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Appendix D to QFTIA

Security Arrangements Details

Infrastructure security of Transmission System equipment and operations and control hardware and software is essential to ensure day-to-day Transmission System reliability and operational security. FERC and WUTC will expect all companies, market participants, and interconnection customers interconnected to the Transmission System to comply with the recommendations offered by the President's Critical Infrastructure Protection Board and, eventually, best practice recommendations from the electric reliability authority. All public utilities will be expected to meet basic standards for system infrastructure and operational security, including physical, operational, and cyber-security practices.

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Appendix D to QFTIA

Security Arrangements Details

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Appendix E to QFTIA

Commercial Operation Date

This Appendix E is a part of the QFTIA between Company and Interconnection Customer.

[Date]

[Company Address]

Re: Qualifying Facility

Dear _____:

On [Date] [Interconnection Customer] has completed Trial Operation of Unit No. _____. This letter confirms that [Interconnection Customer] commenced Commercial Operation of Unit No. _____ at the Qualifying Facility, effective as of [Date plus one day].

Thank you.

[Signature]

[Interconnection Customer Representative]

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Appendix F to QFTIA

Addresses for Delivery of Notices and Billings

Notices:

Puget Sound Energy:

[To be supplied.]

Interconnection Customer:

[To be supplied.]

Billings and Payments:

Puget Sound Energy: [Includes email, ACH and wire transfer instructions]

[To be supplied.]

Interconnection Customer:

[To be supplied.]

Alternative Forms of Delivery of Notices (telephone, facsimile or email):

Puget Sound Energy:

[To be supplied.]

Interconnection Customer:

[To be supplied.]

PUGET SOUND ENERGY**Appendix G to QFTIA****Interconnection Requirements for a Wind Generating Plant**

Appendix G sets forth requirements and provisions specific to a wind generating plant.

All other requirements of this QFTIA continue to apply to wind generating plant interconnections.

- A. Technical Standards Applicable to a Wind Generating Plant.
 - i. Low Voltage Ride-Through ("LVRT") Capability

A wind generating plant shall be able to remain online during voltage disturbances up to the time periods and associated voltage levels set forth in the standard below. The LVRT standard provides for a transition period and a post-transition standard.

Transition Period LVRT Standard

The transition period standard applies to wind generating plants subject to FERC Order 661 that have either: (i) interconnection agreements signed and filed with the Commission, filed with the Commission in unexecuted form, or filed with the Commission as non-conforming agreements between January 1, 2006 and December 31, 2006, with a scheduled in-service date no later than December 31, 2007, or (ii) wind generating turbines subject to a wind turbine procurement contract executed prior to December 31, 2005, for delivery through 2007.

1. Wind generating plants are required to remain in-service during three-phase faults with normal clearing (which is a time period of approximately 4 - 9 cycles) and single line to ground faults with delayed clearing, and subsequent post-fault voltage recovery to prefault voltage unless clearing the fault effectively disconnects the generator from the system. The clearing time requirement for a three-phase fault will be specific to the wind generating plant substation location, as determined by and documented by the Company. The maximum clearing time the wind generating plant shall be required to withstand for a three-phase fault shall be 9 cycles at a voltage as low as 0.15 p.u., as measured at the high side of the wind generating plant step-up transformer (i.e. the transformer that steps the voltage up to the transmission interconnection voltage or "GSU"), after which, if the fault remains following the location-specific normal clearing time for three-phase faults, the wind generating plant may disconnect from the transmission system.

2. This requirement does not apply to faults that would occur between the wind generator terminals and the high side of the GSU or to faults that would result in a voltage lower than 0.15 per unit on the high side of the GSU serving the facility.

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3. Wind generating plants may be tripped after the fault period if this action is intended as part of a special protection system.

4. Wind generating plants may meet the LVRT requirements of this standard by the performance of the generators or by installing additional equipment (e.g., Static VAR Compensator, etc.) within the wind generating plant or by a combination of generator performance and additional equipment.

5. Existing individual generator units that are, or have been, interconnected to the network at the same location at the effective date of the Appendix G LVRT Standard are exempt from meeting the Appendix G LVRT Standard for the remaining life of the existing generation equipment. Existing individual generator units that are replaced are required to meet the Appendix G LVRT Standard.

Post-transition Period LVRT Standard

All wind generating plants subject to FERC Order No. 661 and not covered by the transition period described above must meet the following requirements:

1. Wind generating plants are required to remain in-service during three-phase faults with normal clearing (which is a time period of approximately 4 - 9 cycles) and single line to ground faults with delayed clearing, and subsequent post-fault voltage recovery to prefault voltage unless clearing the fault effectively disconnects the generator from the system. The clearing time requirement for a three-phase fault will be specific to the wind generating plant substation location, as determined by and documented by the Company. The maximum clearing time the wind generating plant shall be required to withstand for a three-phase fault shall be 9 cycles after which, if the fault remains following the location-specific normal clearing time for three-phase faults, the wind generating plant may disconnect from the transmission system. A wind generating plant shall remain interconnected during such a fault on the transmission system for a voltage level as low as zero volts, as measured at the high voltage side of the wind GSU.

2. This requirement does not apply to faults that would occur between the wind generator terminals and the high side of the GSU.

3. Wind generating plants may be tripped after the fault period if this action is intended as part of a special protection system.

4. Wind generating plants may meet the LVRT requirements of this standard by the performance of the generators or by installing additional equipment (e.g., Static VAR Compensator) within the wind generating plant or by a combination of generator performance and additional equipment.

5. Existing individual generator units that are, or have been, interconnected to the network at the same location at the effective date of the Appendix G LVRT Standard are exempt

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from meeting the Appendix G LVRT Standard for the remaining life of the existing generation equipment. Existing individual generator units that are replaced are required to meet the Appendix G LVRT Standard.

ii. Power Factor Design Criteria (Reactive Power)

The following reactive power requirements apply only to a newly interconnecting wind generating plant that has executed a Facilities Study Agreement as of the effective date of the Final Rule establishing the reactive power requirements for non-synchronous generators in section 9.5.1 of this QFTIA. A wind generating plant to which this provision applies shall maintain a power factor within the range of 0.95 leading to 0.95 lagging, measured at the Point of Interconnection as defined in this QFTIA, if Company's System Impact Study shows that such a requirement is necessary to ensure safety or reliability. The power factor range standard can be met by using, for example, power electronics designed to supply this level of reactive capability (taking into account any limitations due to voltage level, real power output, etc.) or fixed and switched capacitors if agreed to by Company, or a combination of the two. The Interconnection Customer shall not disable power factor equipment while the wind plant is in operation. Wind plants shall also be able to provide sufficient dynamic voltage support in lieu of the power system stabilizer and automatic voltage regulation at the generator excitation system if the System Impact Study shows this to be required for system safety or reliability.

iii. Supervisory Control and Data Acquisition ("SCADA") Capability

The wind plant shall provide SCADA capability to transmit data and receive instructions from the Company to protect system reliability. The Company and the wind plant Interconnection Customer shall determine what SCADA information is essential for the proposed wind plant, taking into account the size of the plant and its characteristics, location, and importance in maintaining generation resource adequacy and transmission system reliability in its area.