**Schedule 451 Large Customer Retail Wheeling Service Agreement,**

**dated as of the 7th day of October, 2016,**

**by and between**

**Microsoft Corporation**

**and**

**Puget Sound Energy**

**SCHEDULE 451**

**LARGE CUSTOMER RETAIL WHEELING SERVICE AGREEMENT**

**Attachment “A” – Service Agreement**

This Schedule 451 Large Customer Retail Wheeling Service Agreement (“Service Agreement”), dated as of the 7th day of October, 2016, is made by and between Microsoft Corporation, a Washington corporation (“Customer”) and Puget Sound Energy, a Washington corporation (“Company”), for service under the Company’s Electric Tariff G Schedule 451. Defined terms in Schedule 451 (“Schedule” or “Schedule 451”) shall have the same meanings where used in this Service Agreement.

**RECITALS**

A. The Company is a public service company engaged in the sale and delivery of electric Energy and, pursuant to its Electric Tariff G, offers service under Schedule 451.

B. Customer desires to obtain service under Schedule 451.

**AGREEMENT**

1. **Request**. Customer requests service under Schedule 451.

2. **Service**. The Company agrees to provide, and Customer agrees to purchase, service under the rates, terms and conditions of (i) Schedule 451 as it may be revised from time to time and (ii) this Service Agreement as it may be revised from time to time.

3. **Location**. The Location(s) for service under this Service Agreement are identified in Exhibit A to this Service Agreement (additional Locations may be added to this Service Agreement as provided in Section 1 of Schedule 451).

4. **Term**. The Term of this Service Agreement shall (i) commence at 0000 hours on \_\_\_\_\_\_\_\_\_\_\_\_, 20\_\_; and (ii) terminate at 2400 hours on \_\_\_\_\_\_\_\_\_\_\_\_, 20\_\_, unless sooner terminated in its entirety pursuant to Section 3.5 or Section 9.3 of Schedule 451. For avoidance of doubt, termination of service to a Location will not terminate this Service Agreement unless service to all other Locations has been terminated.

5. **Assumption of Power Supplier and Price Risk**. Customer understands, acknowledges and agrees that it is assuming Power Supplier and price risks by choosing to take service under Schedule 451. Customer understands that depending on a number of uncertain factors, including but not limited to the market for power (including supply and price), Customer may (i) experience a shortage of electricity or (ii) pay more for electricity than it would have otherwise. Customer has had an opportunity, which it has exercised, to consult with its own energy experts and with counsel experienced in energy issues in its evaluation of the risks associated with taking service under Schedule 451.

6. **Non-core Status**. Customer acknowledges that, by taking service under this Service Agreement and Schedule 451, it is and will be a Non-core Customer of the Company with respect to service at the Locations as provided in Section 14.1 of Schedule 451, and is and will be bound by its acknowledgment of non-core status contained therein. Customer further acknowledges that it is and will be bound by the provisions of Sections 14.1 through 14.6 of Schedule 451 concerning the implications of non-core status with respect to service at the Locations.

7. **Other Schedules**. Schedule 451 is incorporated herein by this reference. This Service Agreement is subject to the General Rules and Provisions as set forth in Schedule 80 (and is subject to other schedules of Electric Tariff G that may apply) as such schedules may be revised from time to time. Any conflict between this Service Agreement and the Company's Electric Tariff G schedules shall be resolved in favor of this Service Agreement.

8. **Purchased Power Supply**. Prior to the initiation of service under Schedule 451, Customer shall arrange to purchase Supplied Power from one or more Power Suppliers as provided in Section 2 of Schedule 451.

9. **Schedule 451 Charges**. The rates and charges paid by Customer to the Company for each Month during the Term shall equal an amount equal to the sum of the components for such Month identified in Exhibit B to this Service Agreement.

10. **Power Supply Stranded Cost**. Customer shall pay a Power Supply Stranded Cost Charge of $23,685,000.00 to Company on the first day of the first calendar month following the month in which Customer commences service under Schedule 451.

11. **Transmission Service**. Prior to the initiation of service under Schedule 451, Customer, or its Power Supplier (subject to applicable creditworthiness requirements as provided in the Open Access Transmission Tariff (“OATT”)), shall take transmission service and required Ancillary Services pursuant to the Company’s OATT, as provided in Section 4.1 of Schedule 451.

12. **Metering**. Prior to the initiation of service under Schedule 451, Customer shall arrange with the Company to have Load served under Schedule 451 be separately metered by meters capable of measuring and recording kW Demands (and kVAR demands) on a fifteen (15) or thirty (30) minute integrated basis and measuring Energy on a kWh basis, as provided in Section 8.1 of Schedule 451.

13. **Scheduling**. Customer shall follow the power scheduling and interchange procedures that are specified in Section 6.1 of Schedule 451. Customer shall designate a Scheduling Agent in Exhibit C to this Service Agreement and will advise the Company in writing of any change in Scheduling Agent. Scheduling Agent will be responsible for scheduling power to Transmission Point(s) of Receipt.

14. **Termination; Costs for Dedicated Facilities**. Upon written notice from the Customer to the Company to terminate service at a Location pursuant to Sections 3.5 and 9.3 of Schedule 451, Customer shall have the right to terminate service under this Service Agreement, subject to payment of any remaining costs for the Dedicated Facilities serving applicable Locations that are listed in Exhibit C to this Service Agreement, and further subject to payment of any amounts owed under the OATT. For any termination pursuant to Sections 3.5 and 9.3 of Schedule 451, termination shall be effective at the earlier of (a) the shutdown date specified in Customer’s notice; or (b) the end of the first full calendar month following the Company’s receipt of written notice.

15. **No Authorization of Self-Generation Interconnection**. Nothing in this Service Agreement or in Schedule 451 authorizes Customer to interconnect any generating facilities with, or operate any generating facilities in parallel with, the Company’s system. Any such interconnection or parallel operation shall only be pursuant to Section 3.1 of Schedule 451 and a separate, prior, written agreement between Customer and Company, which shall not be unreasonably refused by the Company. Nothing in this Service Agreement or in Schedule 451 limits Customer’s authority to install storage or efficiency facilities on Customer’s side of its meters.

16. **Location of Self-Generation**. Any self-generation or energy storage by Customer shall be at the Location of the Load it is serving unless otherwise specified in Exhibit C to this Service Agreement.

17. **Distribution Service**. Distribution service (including service voltage) shall be as provided in Section 5 of Schedule 451 at the voltage(s) specified in Exhibit A to this Service Agreement.

18. **Dedicated Facilities; Coordination**.

18.1 Any new or existing facilities owned by the Company and dedicated to use by Customer shall be as specified in Exhibit C to this Service Agreement and covered by a separate special equipment lease or other agreement between Customer and the Company.

18.2 Company will continue to maintain all Company-owned transformers at Customer’s Locations and will manage any outages on the high voltage side of such Company-owned transformers. Company will use its best efforts to respond promptly to and to notify Customer of any outages affecting Customer’s Locations.

19. **Dispute Resolution**. Prior to commencing any complaint or court proceedings regarding any dispute between Customer and the Company arising under this Service Agreement, (i) Customer and the Company shall each make good faith efforts to resolve such dispute pursuant to alternative dispute resolution (ADR) procedures consistent with WAC 480-07-700 through -750, and (ii) pursuant to the foregoing, Customer and the Company shall make use of ADR procedures to the maximum extent practicable in resolving such dispute.

20. **Notices**. For purposes of all notices under this Service Agreement and Schedule 451, including notices regarding estimated Loads, scheduling, and transfer of Load control under Section 7 of Schedule 451, the Company and Customer each designate the following respective person(s) (and contact information) for such notices to or by such party and acknowledge the authority of such person to act on its respective behalf for purposes of such notices:

For Company: For Customer:

John Campion Jim Stanton
Major Accounts Executive Senior Community Affairs Manager
Business Services Microsoft Global Real Estate & Facilities
Phone: 425.456.2298 Phone: (425) 707-5076
E-Mail: john.campion@pse.com E-Mail: jstanton@microsoft.com

Notices shall be considered effective upon receipt. Customer or the Company may change its respective person designated above by giving written notice of such change to the person designated above for the other party.

21. **Successors and Assigns**. Unless otherwise provided in Schedule 451, this Service Agreement shall be binding upon and shall inure to the benefit of the Company and Customer and their respective successors, assigns, purchasers, and transferees.

22. **Headings**. The headings in this Service Agreement are for convenience only and do not modify the substantive terms herein.

**Company: Customer:**

**Puget Sound Energy Microsoft Corporation**

*/s/ Kenneth S. Johnson* */s/ Susan Wagner*
By: Ken Johnson By: Susan Wagner
Its: Director, State Regulatory Affairs Its: Real Estate & Facilities Senior Director,

 Puget Sound
Date Signed: October 7, 2016 Date Signed: October 7, 2016

**EXHIBIT A**

 **SCHEDULE 451 SERVICE AGREEMENT**

**LOCATIONS**

| **Location** | **Voltage (kV)** | **Basic Charges** |
| --- | --- | --- |
| Building 1 – Redmond Main Campus | 277/480 | 1 |
| Building 2 – Redmond Main Campus | 277/480 | 1 |
| Building 3 – Redmond Main Campus | 277/480 | 1 |
| Building 4 – Redmond Main Campus | 277/480 | 1 |
| Building 5 – Redmond Main Campus | 277/480 | 1 |
| Building 6 – Redmond Main Campus | 277/480 | 1 |
| Building 8 – Redmond Main Campus | 277/480 | 1 |
| Building 9 – Redmond Main Campus | 277/480 | 1 |
| Building 10 – Redmond Main Campus | 277/480 | 1 |
| Building 10 – Chiller Plant, Feed#B | 12.47 (3 phase) | 2 |
| Building 10 – Chiller Plant, Feed#A | 12.47 (3 phase) | 1 |
| Building 11 – Redmond Main Campus | 277/480 | 1 |
| Building 11A – Redmond Main Campus | 277/480 |  |
| Building 16 – Redmond Main Campus | 277/480 | 2 |
| Building 16 – Redmond Main Campus | 277/480 |  |
| Building 17 – Redmond Main Campus | 277/480 | 2 |
| Building 17 – Redmond Main Campus | 277/480 |  |
| Building 18 – Redmond Main Campus | 277/480 | 2 |
| Building 18 – Redmond Main Campus | 277/480 |  |
| Building 18 – Chiller Plant | 12.47 (3 phase) | 1 |
| Building 19 – Redmond Main Campus | 277/480 | 1 |
| Building 20 – Redmond Main Campus | 277/480 | 1 |
| Building 21 – Redmond Main Campus | 277/480 | 1 |
| Building 22 – Redmond Main Campus | 277/480 | 1 |
| Building 24 – Redmond Main Campus | 277/480 | 1 |
| Building 25 – Redmond Main Campus (B25N) | 277/480 | 1 |
| Building 25 – Redmond Main Campus (B25S) | 277/480 |  |
| Building 26 – Redmond Main Campus | 277/480 | 1 |
| Building 26 – Redmond Main Campus | 277/480 | 1 |
| Building 27 – Redmond Main Campus | 12.47 (3 phase) | 1 |
| Building 28 – Redmond Main Campus | 12.47 (3 phase) |  |
| Building 30 – Pebble Beach | 12.47 (3 phase) | 2 |
| Building 31 – Pebble Beach | 12.47 (3 phase) |  |
| Building 32 – Pebble Beach | 12.47 (3 phase) |  |
| Building 33 – "Pinehurst" | 12.47 (3 phase) | 2 |
| Building 34 – St. Andrews | 12.47 (3 phase) |  |
| Building 35 – St. Andrews | 12.47 (3 phase) |  |
| Building 36 – Redmond Main Campus | 12.47 (3 phase) | 1 |
| Building 37 – South Transformer | 277/480 | 1 |
| Building 37 – North Transformer | 277/480 |  |
| Building 37 – Chiller Plant (near B-10) | 277/480 |  |
| Building 37 – Mech Room (In B37) | 277/480 |  |
| Building 40 – Troon | 12.47 (3 phase) | 2 |
| Building 41 – Troon | 12.47 (3 phase) |  |
| Building 42 – Augusta | 12.47 (3 phase) | 2 |
| Building 43 – Augusta | 12.47 (3 phase) |  |
| Building 44 – Augusta | 12.47 (3 phase) |  |
| Building 47 – Metro Bus Station | 120/208 | 1 |
| Building 50 – Boxcar | 12.47 (3 phase) | 1 |
| Building 55 – Redwest "A" | 12.47 (3 phase) | 2 |
| Building 55 – Redwest "B" | 12.47 (3 phase) |  |
| Building 55 – Redwest "C" | 12.47 (3 phase) |  |
| Building 55 – Redwest "D" | 12.47 (3 phase) |  |
| Building 55 – Redwest "E" | 12.47 (3 phase) |  |
| Building 55 – Redwest "F" | 12.47 (3 phase) |  |
| Building 55 – Redwest "G" | 12.47 (3 phase) |  |
| Building 55 – Redwest "J" | 12.47 (3 phase) |  |
| Building 83  | 277/480 | 1 |
| Building 83 | 277/480 | 1 |
| Building 84 – Shasta | 277/480 | 1 |
| Building 85 – Adams | 277/480 | 1 |
| Building 85 – Adams | 277/480 | 1 |
| North Garage (north of B86) | 277/480 | 1 |
| Building 86 – Rainier | 277/480 | 1 |
| Building 87  | 277/480 | 1 |
| Building 87 – Pacific | 277/480 | 1 |
| Building 87 – Garage | 277/480 | 1 |
| Building 88 – Olympic | 277/480 | 1 |
| Building 88 – Olympic | 277/480 | 1 |
| Building 92 | 277/480 | 1 |
| Building 92 | 277/480 | 1 |
| Building 94 – North Transformer (Studio D) | 277/480 | 1 |
| Building 94 – South Transformer (Studio D) | 277/480 | 1 |
| Building 95 – North Transformer (Studio C) | 277/480 | 1 |
| Building 95 – South Transformer (Studio C) | 277/480 | 1 |
| Building 96 – North Transformer (Studio A) | 277/480 | 1 |
| Building 96 – South Transformer (Studio B) | 277/480 | 1 |
| Building 97 – South Transformer (Studio A) | 277/480 | 1 |
| Building 97 – North Transformer (Studio A) | 277/480 | 1 |
| Building 98 – Chiller - North Transformer | 277/480 | 1 |
| Building 98 – Chiller - South Transformer | 277/480 | 1 |
| Building 98A – (The Mixer) | 277/480 |  |
| Building 98B – (The SubMixer) | 277/480 | 1 |
| Building 98C – (Sports Bistro/Spitfire) |  |  |
| Building 98 – Garage | 277/480 | 1 |
| Building 99 | 277/480 | 1 |
| Building 99 | 277/480 | 1 |
| Building 109 – Daytona | 277/480 | 1 |
| Building 110 – Redmond Main Campus | 277/480 | 1 |
| Building 111 – Laguna | 277/480 | 1 |
| Building 112 – Cedar Court | 12.47 (3 phase) | 1 |
| Building 113 – Cedar Court | 12.47 (3 phase) | 1 |
| Building 114 – Cedar Court | 12.47 (3 phase) | 1 |
| Building 115 – Cedar Court | 12.47 (3 phase) | 1 |
| Building 116 – Lakeridge Square (Studio G) | 12.47 (3 phase) | 1 |
| Building 117 – Lakeridge Square (Studio H) | 12.47 (3 phase) | 1 |
| Building 118 – Lakeridge Square (Studio F) | 12.47 (3 phase) | 1 |
| Building 119 – Lakeridge Square (Studio E) | 12.47 (3 phase) |  |
| Building 120 | 277/480 | 1 |
| Building 121 – Space Labs | 277/480 | 1 |
| Building 122 – Space Labs | 277/480 | 1 |
| Building 123 – Overlake | 277/480 | 1 |
| Building 124 – Overlake | 277/480 | 1 |
| Building 124 – Overlake | 277/480 | 1 |
| Building 125 – Overlake | 277/480 | 1 |
| Building 125 – Overlake | 277/480 | 1 |
| Building 126 – Overlake | 277/480 | 1 |
| Building 127 – Studios | 277/480 | 1 |
| Building 127 – Studios | 277/480 | 1 |
| Building 127 – XCG | 277/480 | 1 |
| Bravern Bldg 1 | 277/480 | 1 |
| Bravern Bldg 1 | 277/480 | 1 |
| Bravern Bldg 1 | 277/480 | 1 |
| Bravern Bldg 2 | 277/480 | 1 |
| Bravern Bldg 2 | 277/480 | 1 |
| Bravern Bldg 2 | 277/480 | 1 |
| Bravern Bldg 2 | 277/480 | 1 |
| Bravern Bldg 2 | 277/480 | 1 |
| Bravern Bldg 2 | 277/480 | 1 |
| City Center Plaza II - MS Tenant | 12.47 (3 phase) | 1 |
|  |  |  |
|  | **TOTAL** | **103** |

**EXHIBIT B**

**SCHEDULE 451 SERVICE AGREEMENT**

**Schedule 451 Charges**

|  |  |
| --- | --- |
| **Component** | **Secondary/Primary/High Voltage** |
| Energy | Provided by Power Supplier pursuant to separate agreement. |
| Distribution Losses | Pursuant to Section 2.3 of Schedule 451 |
| Energy Imbalance Service | Pursuant to the OATT |
| Transmission Losses | Pursuant to the OATT |
| Distribution Service | See Schedule 40 of this tariff for the rate. |
| Customer Charge | See Schedule 449 of this tariff for the rate. |
| Ancillary Services Charge | Pursuant to the OATT |
| Transmission Service | Pursuant to the OATT  |
| Electric Conservation Service Rider  | See Schedule 120 of this tariff for rate |
| Low IncomeProgram | See Schedule 129 of this tariff for rate |
| Merger Rate Credit | See Schedule 132 of this tariff for rate |
| Property Tax Rider | See Schedule 140 of this tariff for rate |
| Expedited Rate Filing Rate Adjustment | See Schedule 141 of this tariff for rate |
| Revenue Decoupling Adjustment Mechanism | See Schedule 142 of this tariff for rate |

**EXHIBIT C**

**SCHEDULE 451 SERVICE AGREEMENT**

**Service Information**

1. **Scheduling Agent.** Customer designates the following Scheduling Agent (See Service Agreement, Section 13):

To be determined.

2. **Dedicated Facilities.** The following facilities are dedicated to Customer (See Service Agreement, Section 14):

None at this time.

3. **Contract Demand**. Customer’s projected aggregate Contract Demand is:

To be determined.

4. **Location of Self-Generation**. Customer’s self-generation is at the following locations (See Service Agreement, Section 15):

None at this time.

5. **Dynamic Scheduling.** The following represent the arrangements for dynamic scheduling, as provided in Section 7 of Schedule 451:

None at this time.