

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

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.

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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

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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:

John Campion
Major Accounts Executive
Business Services
Phone: 425.456.2298
E-Mail: john.campion@pse.com

For Customer:

Jim Stanton
Senior Community Affairs Manager
Microsoft Global Real Estate & Facilities
Phone: (425) 707-5076
E-Mail: jstanton@microsoft.com

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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:

Puget Sound Energy

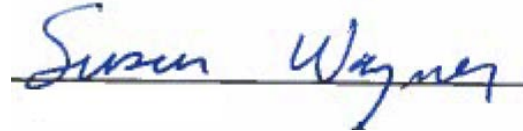


By: Ken Johnson
Its: Director, State Regulatory Affairs

Date Signed: October 7, 2016

Customer:

Microsoft Corporation



By: Susan Wagner
Its: Real Estate & Facilities Senior Director,
Puget Sound

Date Signed: October 7, 2016

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**EXHIBIT A
 SCHEDULE 451 SERVICE AGREEMENT**

LOCATIONS

<u>Location</u>	<u>Voltage (kV)</u>	<u>Basic Charges</u>
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

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<u>Location</u>	<u>Voltage (kV)</u>	<u>Basic Charges</u>
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

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<u>Location</u>	<u>Voltage (kV)</u>	<u>Basic Charges</u>
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

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<u>Location</u>	<u>Voltage (kV)</u>	<u>Basic Charges</u>
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
Bravern Bldg 2	277/480	1
City Center Plaza II - MS Tenant	12.47 (3 phase)	1

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**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 Income Program	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

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**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.