

Safety Service Contract

This Safety Service Contract dated as of May 11, 2016 ("Contract") between Puget Sound Energy ("PSE") and King County ("Customer") (together "Parties" or individually "Party") is for establishing Safety Requirements for Biomethane delivered to PSE under the Parties' Receipt Service Agreement, and is effective as of the Effective Date.

WHEREAS, Customer desires to deliver Biomethane from Customer's Biomethane processing facility ("Customer's Facility") located at Customer's South Treatment Plant into PSE's gas distribution system; and

WHEREAS, the Parties have negotiated and will be executing concurrently herewith a Receipt Service Agreement to ensure the Biomethane delivered by Customer is suitable for transportation on PSE's gas distribution system and for physical delivery to end users; and

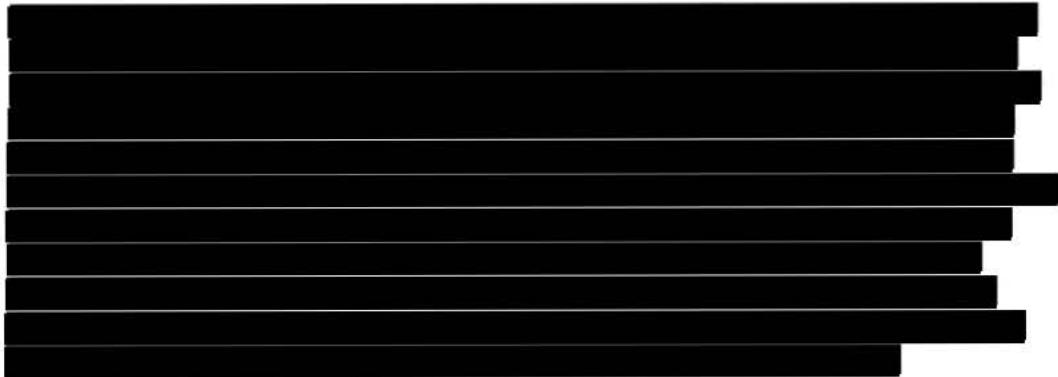
WHEREAS, the Parties have entered into this Contract to ensure Biomethane delivered by Customer meets the Safety Requirements established by PSE;

NOW THEREFORE, in consideration of the mutual covenants and agreements herein contained, and subject to all of the terms and conditions set forth herein, the Parties agree as follows:

1. Definitions. Terms used in this Contract that are defined in the Receipt Service Agreement shall be given the same meaning herein as in the Receipt Service Agreement. Defined terms used in this Contract that are not defined in the Receipt Service Agreement are defined in this Contract.
 - a. **Safety Requirements** means the specifications set forth in Section 5.a. of this Contract which shall be established for the Biomethane received into PSE's distribution system from Customer.
2. Responsibility. Customer shall establish, maintain and administer a gas quality monitoring program with the knowledge and cooperation of PSE to ensure that Biomethane supplied by Customer and received into the distribution system of PSE, pursuant to this Contract, meets or exceeds the Safety Requirements set forth in Section 5. The Safety Requirements will be developed by PSE and may be modified by PSE as provided herein as necessary to properly maintain a safe and reliable gas distribution system and ensure no unacceptable impacts on end-use PSE customers. PSE shall share the bases for such modifications with Customer.
3. Term. The term of this Agreement shall commence on the Effective Date and shall terminate upon the later of (a) the permanent disconnection of the Customer's Facility from the PSE distribution system (the "Term"), or (b) termination of this Agreement by Customer pursuant to Section 4.c.iii.
4. Procedure.
 - a. Testing and Verification. Customer shall undertake the testing described in Section 5 to ensure the quality of the Biomethane. If Customer cannot verify that its Biomethane

meets the Safety Requirements in Section 5, Customer shall take the appropriate steps described in Section 5 below. Customer shall provide testing data to PSE on an as-requested basis. In addition, tracking, archiving, and retention periods for the original data held by Customer will be consistent with Section 7.c.

- b. Changes by Customer. Changes to this Contract, including to Section 5, may be made by Customer as warranted to fit changing production needs and/or conditions at Customer's Facility, provided that PSE approves such changes in writing prior to implementation of such change, and such approval shall not be unreasonably withheld. Other changes may be made to the Safety Requirements in Section 5 if agreed to by the Parties in writing or as provided herein.
- c. Changes by PSE.
 - i. Changes to Section 5 of this Agreement may be made by PSE in its sole discretion based on: the gas quality specifications listed in the Northwest Pipeline, LLC FERC Gas Tariff or PSE's WUTC Natural Gas Tariff; recommendations by the American Gas Association or the Gas Technology Institute; documented changes to gas distribution system operating conditions or to meet new or revised generally accepted natural gas utility practices regarding gas quality or testing; or as ordered by a regulatory body having authority in the matter. PSE agrees to provide Customer, in writing, the reasons for such changes, [REDACTED]
 - ii. Changes to this Agreement, including to Section 5 for reasons other than those listed in Section 4.c.1, may be made by PSE, provided that Customer approves such changes in writing and such approval shall not be unreasonably withheld.
 - iii. If Customer is unable to comply with PSE's changes to Section 5, then Customer may terminate this Agreement at no cost or liability to Customer, except for amounts owed at the time of termination.
- d. Special Tests. PSE may request special testing at any time with reasonable advance notice if PSE has a specific concern with the Biomethane quality or sampling results or methods. Upon a request for special testing, Customer shall promptly provide PSE a Biomethane sample and PSE shall have that Biomethane sample analyzed by an independent certified third party laboratory (ELAP certified where applicable). The cost of such testing will be borne by Customer if such testing demonstrates that the constituent of special concern exists in a concentration (i) above the level provided in Section 5.a, or (ii) at a level that would require testing of the contaminant or constituent at the next higher level of testing in Section 5.c. If, after such testing, the constituents are determined to exist in concentrations below the levels provided in Section 5.a or below the level that would require testing at the next higher level in Section 5.c, then the cost of testing shall be borne by PSE.
- e. [REDACTED]



5. Safety Protective Constituents. In addition to the specifications identified in the Receipt Service Agreement, Biomethane must not contain constituents described below at concentrations which would prevent or restrict the normal marketing of biomethane, be at levels that would be injurious to pipeline facilities, or be at levels that would present a safety hazard to PSE employees and/or the general public.

a. Type A and Type B Safety Protective Constituents. Safety Protective Constituents are constituents that may impact safety and include two types of constituents ("Type A Constituents") and ("Type B Constituents").

Constituent	Trigger Level mg/m ³ (ppmv) (*)	Lower Action Level mg/m ³ (ppmv)	Upper Action Level mg/m ³ (ppmv)
<u>Type-A Constituents</u>			
p-Dichlorobenzenes	[REDACTED]	[REDACTED]	[REDACTED]
Ethylbenzene	[REDACTED]	[REDACTED]	[REDACTED]
Vinyl Chloride	[REDACTED]	[REDACTED]	[REDACTED]
<u>Type-B Constituents</u>			
Toluene	[REDACTED]	[REDACTED]	[REDACTED]
Alkyl Thiols (mercaptans) (**)	[REDACTED]	[REDACTED]	[REDACTED]

Notes: (*) The first number in this table are in milligrams per cubic meter (mg/m³), while the second number () is in parts per million by volume (ppmv). (**)

b. Cumulative Safety Risk. If any Safety Protective Constituents are found at or above the Trigger Level, the risk from Type-A and Type-B Constituents must be calculated by

summing the risk for each Safety Protective Constituent above the Trigger level. The calculation is described in Section 5.c.v below.

Total Risk from Type-A and Type-B Constituents			
Risk Management Levels	Risk from Type-A Constituents	Hazard Index from Type-B Constituents	Action
Trigger Level 1	≥ 1.0	≥ 0.1	Periodic Testing Required
Lower Action Level 2	≥ 10.0	≥ 1.0	Supply shut-in after three exceedances in 12-month period in which deliveries occur
Upper Action Level 3	≥ 25.0	≥ 5.0	Immediate supply shut-in
1. For any Safety Protective Constituent. 2. Sum of the Safety Protective Constituents exceeding the trigger level. 3. Any individual Safety Protective Constituent or the sum of any Safety Protective Constituents exceeding the trigger level.			

c. Biomethane Periodic Testing.

- i. Group 1 Constituent means any constituent with a concentration below the Trigger Level.
- ii. Group 2 Constituent means any constituent with a concentration at or above the Trigger Level.
- iii. Group 1 Constituent Testing:
 - (a) A Group 1 Constituent shall be tested once every 12-month period in which deliveries occur. Thereafter, if the Group 1 Constituent is found below the Trigger Level during two consecutive annual periodic tests, the Group 1 Constituent may be tested once every two-year period in which deliveries occur.
 - (b) A Group 1 Constituent will become a Group 2 Constituent if testing indicates a concentration at or above the Trigger Level.

iv. Group 2 Constituent Testing:

- (a) A Group 2 Constituent shall be tested quarterly (at least once every three-month period in which deliveries occur).
- (b) A Group 2 Constituent will become a Group 1 Constituent if testing indicates a concentration below the Trigger Level during four consecutive tests.

v. Total risk from Type-A and Type-B Constituents:

- (a) The total risk from Type-A and Type-B Constituents shall be calculated for all Safety Protective Group 2 Constituents.
 - (i) Type-A Risk: The potential Type-A risk for Group 2 compounds can be estimated by summing the individual potential risk for each Type-A constituent of concern. Specifically, the Type-A risk can be calculated using the ratio of the concentration of the constituent in the Biomethane to the safety protective ("trigger") concentration value corresponding to one in a million risk for that specific Type-A constituent and then summing the risk for all the Group 2 constituents. (For reference, see the calculator in Exhibit A.)
 - (ii) Type-B Risk: The potential Type-B risk can be calculated using the ratio of the concentration of the constituent in Biomethane to the safety protective concentration value corresponding to a hazard quotient of 0.1 for that specific Type-B constituent, then multiplying the ratio by 0.1, and then summing the Type-B chronic risk for these Group 2 constituents. (For reference, see the calculator in Exhibit A.)
- (b) If four consecutive quarterly tests demonstrate that the total risk from Type-A or Type-B Constituents is below the Lower Action Level, monitoring can be reduced to once every 12-month period in which deliveries occur.
- (c) If annual testing demonstrates that total risk from Type-A or Type-B Constituents is at or above the Lower Action Level, then testing for the Type-A or Type-B Constituents will revert to quarterly.

d. Biomethane Shut-Off and Restart Procedures.

- i. Change in Biogas Source or Gas Processing Facility. Biomethane deliveries from Customer may be shut-off when there is a change in the biogas source at the facility or the gas processing equipment that PSE or Customer determines will potentially increase the level of any constituent listed in Section 5.a or the cumulative risk in Section 5.b over the previously measured baseline levels; including, among others, a shutdown of Customer's facility that exceeds 6 months.
- ii. Safety Protective Constituent Testing Results. Biomethane deliveries from Customer shall be shut-off when testing indicates a constituent listed in Section 5.a or the

cumulative safety risk in Section 5.b exceeds allowable concentration levels in the following situations:

- (a) The total risk from Type-A or Type-B Constituents is found at or above the Lower Action Level three times in a 12-month period in which deliveries occur.
- (b) The total risk from Type-A or Type-B Constituents is found at or above the Upper Action Level.
- (c) Immediate shut-off if the level of an individual constituent is found above the Upper Action Level.
- (d) The Biomethane contains constituents at concentrations which prevent or restrict the normal marketing of Biomethane, are at levels that are injurious to pipeline facilities, or are at levels that present a safety hazard to PSE employees and/or the general public.

iii. In order to restart Biomethane deliveries following a shut-off, Customer shall test the Biomethane using independent certified third party laboratories (ELAP certified where applicable). Deliveries can then resume, subject to the periodic testing requirements in Section 5.c, if the test indicates the total risk from Type-A and Type-B Constituents is below the Lower Action Level. Thereafter, constituents shall be reevaluated by PSE for eligibility for less frequent testing.

e. Testing Procedures. Customer shall collect samples upstream of the PSE meter. Samples will be analyzed by independent certified third party laboratories (ELAP certified where applicable). Customer shall provide notice to PSE at least 2 business days in advance of scheduled Biomethane sample extractions, in order to allow PSE an opportunity to observe the procedure. PSE will confirm with Customer whether PSE will observe the procedure within 1 business day of such notification. If PSE confirms it will observe the procedure, Customer will provide a more specific window of time for the procedure. Sample testing results will be available and will be transmitted to PSE within 2 weeks of testing or other time period as agreed in writing in advance of the testing. Customer will notify PSE in advance in the event Customer intends to undertake sampling procedures that will require more than 2 weeks for processing.

6. Governing Law. The laws of the State of Washington shall govern the interpretation and application of this Agreement, without regard to such State's choice of law principles.

7. Miscellaneous.

a. Limitation on Liability. A Party's liability for breach of any provision of this Agreement shall be limited to direct actual damages. Such direct actual damages shall be the sole and exclusive remedy of any Party with respect to breach of this Agreement by the other Party and all other remedies at law or equity are hereby waived and no Party shall be liable for consequential, incidental, punitive, exemplary or indirect damages, lost profits or other business interruption damages, by statute, in tort or contract, or otherwise.

b. Assignment. This Agreement shall be fully assignable by Customer, subject to the written consent of PSE, which consent shall not be unreasonably withheld, provided the proposed assignee is capable of performing this Agreement in accordance with its terms. Notwithstanding the preceding sentence, this Agreement shall be fully assignable by Customer without the consent of PSE if such assignment is in connection with an assignment of all or any part of Customer's rights or obligations under this Agreement as collateral security for amounts payable under any financing arrangement in connection with the Customer's Facility. This Agreement shall be fully assignable by PSE, subject to the provisions in RCW 80.12.020, and provided the proposed assignee is capable of performing this Agreement in accordance with its terms. Subject to the foregoing restrictions on assignment, this Agreement shall inure to the benefit of, and shall be binding upon, the respective successors and assigns of the Parties.

c. Access to Records. Customer and PSE shall maintain books, records, documents and other accounts relating to the performance of this Agreement. PSE or its duly authorized representative shall have access to Customer's books, records, documents and accounts as relate to matters covered by this Agreement for purposes of inspection, review and copying for a period of three (3) years after completion of the work or services that are the subject of such books, records, documents and accounts.

d. Notice. Any notice required by this Agreement to be given to a Party shall be effective when it is received by such Party, and in computing any period of time related to such notice, such period shall commence at 12:01 p.m. prevailing time at the place of receipt on the date of receipt of such notice.

All notices required or appropriate under this Agreement shall be given in writing by hand, by overnight courier, by first-class postage prepaid mail return receipt requested, by registered or certified mail return receipt requested, or by e-mail or facsimile which are confirmed by first class mail addressed to the applicable Party, directed to the following addresses, as may be amended by written notice:

CUSTOMER:
King County
201 S. Jackson, 7th Floor
Seattle, WA 98104
Attention: David Broustis
Facsimile No.: 206-296-3749

PUGET SOUND ENERGY
P.O. Box 97034 PSE
Bellevue, WA 98009-9734
Attention: Rates
Facsimile No.: (425) 462-3414

e. Severability. If any article, paragraph, clause or provision of this Agreement shall be finally adjudicated by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Agreement shall be unaffected by such invalidity or unenforceability and

all the remaining provisions of this Agreement shall remain in full force and effect as if such article, paragraph, clause or provision or any part thereof so adjudicated had not been included herein, and the Parties shall exercise their best efforts to correct the article, paragraph, clause or provision giving rise to such invalidity or unenforceability and substitute appropriate agreements and contractual arrangements to achieve the intent of this Agreement.

f. Independent Contractors. Each Party shall furnish its own facilities, contractors and employees to fully perform its obligations under this Agreement. No Party shall, by virtue of this Agreement, have any responsibility for the payment or performance of any obligations of any other Party. Further, no Party shall have, by virtue of this Agreement, any right, power or authority to act as the agent of, to enter into any contract, to make any representation or warranty or to incur any obligation or liability of any other Party. This Agreement shall not be interpreted or construed to create any association, joint venture or partnership between the Parties or to impose any partnership obligation or liability upon any of the Parties.

g. No Third-Party Beneficiaries. This Agreement is for the benefit of, and will be enforceable by, the Parties only. This Agreement is not intended to confer any right or benefit on any third party (including, but not limited to, any employee of any party). No action may be commenced or prosecuted against a Party by any third party claiming as a third-party beneficiary of this Agreement or any of the transactions contemplated by this Agreement.

h. Interpretation. This Agreement will be construed without regard to any presumption or other rule regarding construction against the Party causing this Agreement to be drafted.

i. Entirety of Agreement. This Agreement supersedes all prior negotiations, representations and agreements between the Parties relating to the subject matter hereof and constitutes the entire Agreement regarding gas quality between the Parties.

j. Counterparts. This Agreement may be executed in two counterpart copies, each of which when so executed shall be considered for all purposes an original.

Company:

PUGET SOUND ENERGY

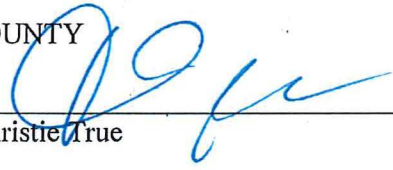
By: 
Kenneth S. Johnson

Title: Director, State Regulatory Affairs

Date: _____

Customer:

KING COUNTY

By: 
Christie True

Title: Director, Department of Natural Resources and Parks

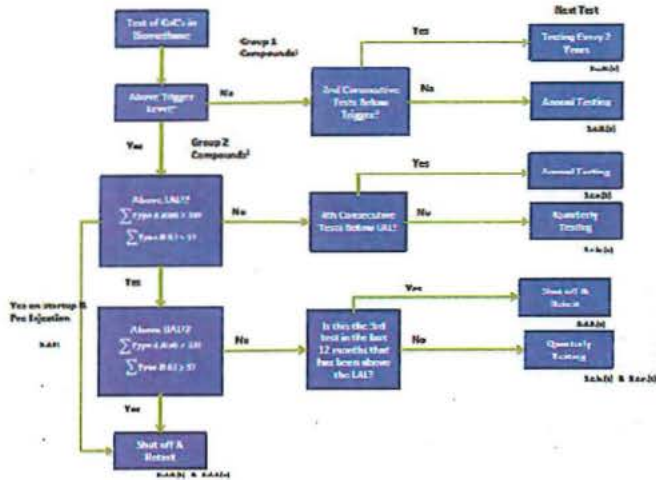
Date: 5/24/2016

Exhibit A
to Safety Service Contract

Calculator

Biomethane Safety Protective Constituents Testing Frequency Flowchart

All biomethane producers are required to periodically analyze the concentrations of their Safety Protective Constituents of Concern (COC) in order to determine the required frequency of testing and potential for shut-off. The flowchart is a visual representation of the process as outlined in Sections 5.2 and 5.4 of the safety service contract.



- ¹Group 1 Compounds are tested on an individual basis
- ²Group 2 Compounds are tested collectively for a total of Type A risk and Type B Hazard Index. Group 2 Compounds can move to Group 1 after four consecutive tests below the trigger level
- ³Lower Action Level (LAL)
- ⁴Upper Action Level (UAL)

Note: Upon request, PSE can provide a supplemental calculation tool. This tool will analyze both raw data to determine testing frequency and if remediation facility shutdown is required.