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June 29, 2001

Carole J. Washburn
Office of the Secretary
Washington Utilities and Transportation Commission
1300 S. Evergreen Park Drive SW
Olympia, WA 98504-7250

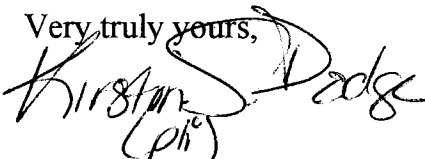
Re: City of SeaTac v. Puget Sound Energy, Inc.
Docket No. UE-010891

Dear Ms. Washburn:

Enclosed for filing in the above-referenced docket are an original and nineteen (19) copies of Puget Sound Energy, Inc.'s Answer to Complaint and Petition for Declaratory Relief.

We have also enclosed a disk with an electronic copy of the Answer, in Word format.

Thank you for your assistance in this matter.

Very truly yours,

Kirstin S. Dodge

KSD:pli
Enclosures

cc: Service List

[00000-0000/BA011800.013]

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OFFICE OF THE
CLERK OF THE
COMMISSION

BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

CITY OF SEATAC,

Complainant and Petitioner,

v.

PUGET SOUND ENERGY, INC.,

Respondent.

NO. UE-010891

PUGET SOUND ENERGY, INC.'S
ANSWER TO COMPLAINT AND
PETITION FOR DECLARATORY
RELIEF

Puget Sound Energy, Inc. ("PSE") answers the Complaint and Petition for Declaratory Relief of the City of SeaTac ("the City") dated June 18, 2001, as follows, in paragraphs numbered to correspond to the paragraph numbers in said document. Thereafter, PSE submits its statement of fact and law response to the City's Petition for Declaratory Relief.

The City's Petition brings into issue RCW 34.05.240, WAC 480-09-230, RCW 34.05.482, WAC 480-09-500, RCW 80.04.110, WAC 480-09-240(5), RCW 80.28.080, RCW 80.28.090, RCW 80.28.100, and Schedules 70 and 71 of PSE's Electric Tariff G.

ANSWER

1. PSE admits the allegations in paragraph 1 on information and belief.
2. PSE admits the allegations in paragraph 2 on information and belief.

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PUGET SOUND ENERGY, INC.'S ANSWER
TO COMPLAINT AND PETITION FOR
DECLARATORY RELIEF - 1

[00000-0000/BA011760.034]

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1 3. Answering paragraph 3, the first sentence of this paragraph sets forth a request
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3 to the Commission that requires no answer. PSE admits the allegations in the second sentence
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5 of paragraph 3 as to the title of Schedule 70. However, the remaining allegations of
6
7 paragraph 3 state legal assertions and conclusions for which an answer is inappropriate, and
8
9 are therefore denied.

10 4. Answering paragraph 4, PSE admits that the City has requested PSE to
11
12 convert its facilities to underground pursuant to Schedule 70 in an area that the City claims is
13
14 residential. PSE further admits that it has informed the City that the project is not eligible for
15
16 conversion under Schedule 70. PSE denies each other or different allegation in paragraph 4.
17

18 5. Answering paragraph 5, this paragraph states legal assertions and conclusions
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20 for which an answer is inappropriate and is therefore denied. With respect to factual
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22 allegations made in paragraph 5, PSE admits that it has declined to perform the conversion
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24 unless the City pays for the conversion pursuant to Schedule 71 because the electrical system
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26 in the conversion area is a three-phase system. PSE denies each other or different allegation
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28 in paragraph 5.
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30 6. Answering paragraph 6, this paragraph states legal assertions and conclusions
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32 for which an answer is inappropriate and is therefore denied.
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34 7. Answering paragraph 7, this paragraph sets forth a request to the Commission
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36 that requires no answer. PSE's response to the City's Petition for Declaratory Relief is set
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38 forth below.
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1 8. Answering paragraph 8, PSE admits that it has refused to perform any
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3 underground conversion of the facilities in the area at issue under Schedule 70, but denies that
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5 it has refused to relocate the facilities. As to all other allegations in paragraph 8, PSE is
6
7 without information sufficient to form a belief, and therefore denies the same. The other
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9 allegations of paragraph 8 also state legal assertions and conclusions for which an answer is
10
11 inappropriate and are therefore denied.

12 9. Answering paragraph 9, this paragraph sets forth a request to the Commission
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14 that requires no answer. PSE does not object to resolution of this matter in a brief
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16 adjudicative proceeding pursuant to RCW 34.05.482 and WAC 480-09-500, so long as this
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18 matter is not consolidated with other matters pending before the Commission with respect to
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20 unrelated provisions of Schedule 71.
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25 STATEMENT OF FACT AND LAW IN RESPONSE TO
26 REQUEST FOR DECLARATORY RELIEF
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28 10. Filed and approved tariffs have the force and effect of state law. *See Gen. Tel.*
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30 *Co. v. City of Bothell*, 105 Wn.2d 579, 585, 719 P.2d 879 (1986).
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32 When, as here, parties dispute what particular provisions require, [the
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34 Commission] must look first to the plain meaning of the tariff. If the
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36 tariff language is plain and unambiguous, there is no need to resort to
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38 rules of construction.

39 *Air Liquide America Corp. et al. v. Puget Sound Energy, Inc.*, Docket No. UE-981410, Fifth
40
41 Supplemental Order Granting Complaint, Ordering Refunds and Other Relief, 1999 Wash.
42
43 UTC LEXIS 591 (Aug. 3, 1999), at *10-11 (citations omitted). If tariff language is not plain,
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45 or is ambiguous, the Commission applies rules of construction to determine what the
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47 Commission intended in approving the tariff. *See id.* at *11-12.

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1 11. By its terms, Schedule 70 is available for conversion of facilities to
2 underground only "in areas which are zoned *and used exclusively* for residential purposes."
3 Schedule 70, § 2 (emphasis added). The conversion area at issue in the City's petition is not
4 "used exclusively" for residential purposes.
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8 12. The City has requested that PSE convert its overhead facilities to underground
9 along South 170th Street between 37th Avenue South and Military Road South (the
10 "Conversion Area"). The Conversion Area is not used exclusively for residential purposes.
11 South 170th Street is not a residential street, but rather a collector arterial that provides
12 access between Military Road South and International Boulevard (Highway 99), a commercial
13 area, as well as access to SeaTac Airport. The City's street improvements will further result in
14 South 170th Street serving as an arterial that connects commercial areas of the City. *See*
15 SeaTac City Center Plan, Draft Supplemental Programmatic Environmental Impact Statement,
16 attached hereto as Exhibit A.
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19 13. In addition to being a non-residential thoroughfare for traffic, South 170th
20 Street is a thoroughfare for PSE's electrical system. Normally, residential areas are served by
21 a single-phase branch of PSE's system that at some point ties into one phase of PSE's three-
22 phase distribution feeders. By contrast, commercial areas contain a three-phase electrical
23 system to provide power for three-phase motors used for elevators, HVAC systems,
24 refrigeration systems and other three-phase customer owned equipment. Residential
25 customers typically do not own equipment that requires three-phase electrical service. The
26 Conversion Area at issue currently contains an overhead, three-phase feeder tie that is part of
27 the distribution backbone that connects PSE's system together.
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30 14. Thus, the Conversion Area is not "used exclusively for residential purposes,"
31 and does not meet the plain terms of the Tariff for conversion under Schedule 70.
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1 15. The Conversion Area is also not eligible for conversion under Schedule 70
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3 because of terms set forth in Schedule 71. Schedule 71 applies to:

4 those portions of municipalities which are zoned and used for
5 commercial purposes (*and...such other areas of such municipalities*
6 *which have electric load requirements which are comparable with*
7 *developed commercial areas.*)
8
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10 Schedule 71, § 2 (emphasis added). As set forth above, developed commercial areas in PSE's
11 service territory contain three-phase electrical systems. By contrast, PSE installs single-phase
12 systems in areas that are purely residential. PSE does not install three-phase systems in a
13 residential area unless load exists in the area that needs such a system. The Conversion Area
14 at issue contains a three-phase system, therefore the area has load requirements which are
15 comparable with developed commercial areas, and the conversion must be accomplished
16 under Schedule 71.
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24 16. The City's position that Schedule 70 applies to this conversion, and not
25 Schedule 71, ignores the language in Schedules 70 and 71 quoted above. The City's
26 interpretation would read out of existence the word "exclusively" in Section 2 of Schedule 70
27 and would render the parenthetical in Section 2 of Schedule 71 meaningless, in violation of
28 established rules of statutory construction. *See, e.g., City of Seattle v. State of Washington,*
29 *136 Wn.2d 693, 701, 965 P.2d 619 (1998).* Moreover, to the extent possible, each section of
30 a statute "must be viewed in relation to other provisions and harmonized if at all possible to
31 insure proper construction of every provision." *Addleman, Jr. v. Board of Prison Terms and*
32 *Paroles, 107 Wn.2d 503, 509, 730 P.2d 1327 (1986).* Given their different pricing systems,
33 Schedules 70 and 71 must be read together such that both schedules do not apply to a
34 conversion. Schedule 70 cannot be applied to three-phase systems in residential areas without
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PUGET SOUND ENERGY, INC.'S ANSWER
TO COMPLAINT AND PETITION FOR
DECLARATORY RELIEF - 5

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1 reading a sentence of Schedule 71 out of existence, or resulting in both schedules being
2 applicable to such conversions.
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5 17. In the past, PSE consistently has interpreted Schedules 70 and 71 to require
6 that Schedule 70 be applied to residential conversions with single-phase electrical systems, and
7 that Schedule 71 be applied to residential conversions with three-phase electrical systems. For
8 example, the first phase of the City's conversion of 170th Street South was performed by PSE
9 pursuant to a Schedule 71 Underground Conversion Agreement dated September 17, 1998
10 ("1993 Agreement"). A true and correct copy of the 1998 Agreement is attached hereto as
11 Exhibit B. In conversion areas containing both single-phase and three-phase systems, PSE has
12 converted the single-phase portion of the system to underground under Schedule 70 and the
13 three-phase portion of the system to underground under Schedule 71. RCW 80.28.090 and
14 80.28.100 prohibit PSE from making an exception for the City with respect to this conversion
15 merely because the City objects to PSE's application of Schedule 71 to this project.
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19 18. The differences between single-phase and three-phase systems that are
20 incorporated into Schedules 70 and 71 are also consistent with sound engineering principles
21 and cost considerations that form the basis for the different rates in those Schedules. When a
22 three-phase distribution feeder is located on overhead poles, individual customers are
23 connected to one phase of the feeder through a fuse that costs about \$30. If the three-phase
24 system is placed underground, connecting the three-phase feeder to individual customers
25 would require replacing each \$30 overhead fuse with a \$20,000 to \$25,000 switch cabinet.
26 Rather than incur that expense when three-phase systems are converted to underground, PSE
27 instead builds an underground single-phase system that runs parallel to the undergrounded
28 three-phase system, and connects the single-phase customers to this parallel single-phase
29 system. Thus, when areas that contain a single-phase system are converted to underground,
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PUGET SOUND ENERGY, INC.'S ANSWER
TO COMPLAINT AND PETITION FOR
DECLARATORY RELIEF - 6

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1 PSE merely replaces the overhead single-phase system with an underground single-phase
2 system. But when areas that contain a three-phase system are converted to underground, PSE
3 must build two parallel underground systems to deliver the same service to customers in the
4 area. See PSE's Standard 6750.5000, Underground Distribution System Design at 2-3,
5 attached hereto as Exhibit C. Thus, Schedule 70 appropriately excludes from availability
6 conversions that are not located in areas "used *exclusively* for residential purposes," and
7 Schedule 71 appropriately extends to conversions in non-commercial areas "which have
8 electrical load requirements which are comparable with developed commercial areas."
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17 19. PSE stands ready to relocate the overhead facilities in the Conversion Area to
18 new overhead locations at PSE's expense, pursuant to its Franchise with the City. In the
19 alternative, PSE stands ready to convert the overhead facilities to underground pursuant to
20 the terms of Schedule 71.¹ However, absent a contrary ruling by this Commission, PSE does
21 not believe it must convert the facilities in the Conversion Area to underground under the
22 terms of Schedule 70, for the reasons set forth above.
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28 IV. CONCLUSION

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31 20. WHEREFORE, PSE respectfully requests that the Commission issue an order:
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¹ PSE tendered a Schedule 71 Underground Conversion Agreement to SeaTac for the Project. On June 14, 2001, SeaTac executed the Agreement, but "reserve[d] the right to pay PSE according to the rates set forth in PSE Schedule 70 subject to an interpretation from the UTC clarifying Schedules 70 and 71." Exhibit D at 7. To date, PSE has not executed the Schedule 71 Agreement containing this limitation.

Moreover, in further researching the Project in connection with this litigation, PSE has discovered that the Project does not meet the requirements of Section 3.b.(1) of Schedule 71 for the City to have to pay only 30% rather than 70% of the total cost of the conversion project, because the overhead system is not "required to be relocated due to the addition of one full lane or more." Thus, Section 5 of the Schedule 71 Agreement for this Project must be revised to indicate that the City will pay 70% of the actual costs of the conversion.

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- a. Dismissing the City of SeaTac's Complaint, with prejudice; and
- b. Declaring that Schedule 71, rather than Schedule 70, applies to the underground conversion at issue in the City of SeaTac's petition.

DATED: June 29, 2001.

PERKINS COIE LLP

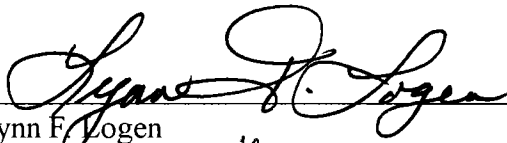
By 

Kirstin S. Dodge
Attorneys for Puget Sound Energy, Inc.

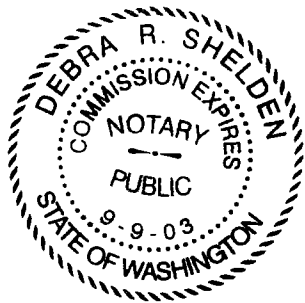
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1 STATE OF WASHINGTON)
2) ss.
3 COUNTY OF KING)
4)

5 LYNN F. LOGEN, being first duly sworn, deposes and says that he is the Tariff
6
7 Consultant for Puget Sound Energy, Inc.; that he has read the foregoing Statement of Law
8
9 and Fact and knows the contents thereof; that the facts set forth therein are true of his own
10
11 knowledge, except as to matters which are therein stated on information or belief, and as to
12
13 those matters, he believes them to be true.
14

15
16
17 
18 _____
19 Lynn F. Logen

20
21 SUBSCRIBED and SWORN to before me this 29th day of June, 2001, by
22
23 LYNN F. LOGEN.



DEBRA R. SHELDEN
Print Name: Debra R. Shelden
Notary Public in and for the State of Washington,
residing at Maple Valley, WA
My commission expires: 9/9/03

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CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon all parties of record in this proceeding, by mailing with postage prepaid to:

Carol S. Arnold
Laura K. Clinton
Preston Gates & Ellis LLP
701 Fifth Avenue
Suite 5000
Seattle, WA 98104-7078

Mary Tennyson
Senior Assistant Attorney General
1400 S. Evergreen Park Drive, S.W.
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Olympia, WA 98504-0128

Simon Fitch
Office of the Attorney General
Public Counsel
900 - 4th Avenue, Suite 2000
Seattle, WA 98164-1012

Dated at Bellevue, Washington, this 29th day of June, 2001.



Pam Iverson

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SeaTac City Center Plan
City of SeaTac Comprehensive Plan

**Draft
Supplemental
Programmatic
Environmental
Impact
Statement**

Prepared for:

City of SeaTac
Planning Department
17900 International Boulevard
Suite 401
SeaTac, WA 98188

Prepared by:

Kato & Warren
2003 Western Avenue
555 Market Place One
Seattle, WA 98121

Cascade Design Collaborative
911 Western Avenue
Maritime Building Suite 203
Seattle, WA 98104

and
McCully Frick and Gilman

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Exhibit A

**SeaTac City Center
Draft Supplemental Environmental Impact Statement**

Fact Sheet

Project Name
SeaTac City Center Plan

Purpose of the Draft Supplemental Environmental Impact Statement

The purpose of this document is to provide information to the public, the SeaTac City Council, the Port of Seattle, and other public agencies about probable significant adverse environmental impacts that would occur if the SeaTac City Center Plan (*Draft SeaTac City Center Plan, April, 1999*) were adopted and implemented. Adoption of this Plan would amend the SeaTac *Comprehensive Plan, Zoning Code*, and zoning map. The City Center Plan DSEIS supplements the City's *Comprehensive Plan*, which is hereby incorporated by reference.

Included in this document is consideration of proposed Special Standards for the City Center to replace *Interim Special Standards for the City Center* adopted in May of 1998. These Standards were designed to implement the City Center concept and the policies in the *Comprehensive Plan* by requiring projects to provide public amenities and urban design elements that reinforce pedestrian activity, public uses, and the commercial vitality in the area. The draft Special Standards will be subject to separate environmental review from this environmental assessment of the draft City Center Plan.

This document is not an authorization for an action nor does it constitute a decision or recommendation for an action. In its final form, the document will be used to evaluate environmental impacts of recommended actions or final decisions related to the proposal.

Description of the Proposal

The City of SeaTac (hereafter referred to as the City) proposes non-project actions to implement its goals to create a City Center as designated in the City's *Comprehensive Plan*. Primary objectives of the City Center Plan support growth in the City Center area and promote integrated development, pedestrian-oriented design, diversity of uses within close proximity to one another, linked open spaces, and a focal point for community identity. The proposal includes the creation of a central business district within the City Center area boundaries as well as changes to land use, open spaces, street and access improvements. Four alternatives are presented (including the "No Action") to attain the City Center vision described in the *Comprehensive Plan*.

Included in the analysis of the four alternatives is the initial planning and design for the station areas around each proposed light rail transit (LRT) station. These actions will include pedestrian access and improvements to the public realm.

SeaTac City Center
Draft Supplemental Environmental Impact Statement

The City and the Port of Seattle have proposed several projects in the general vicinity of the proposed City Center. These include projects listed in the Airport Master Plan Update (1997) such as the Concourse A expansion, the North End Aviation Terminal (NEAT), and the SR-509/South Access Expressway (SAE). Sound Transit is also assessing the light rail transit service to the area. In addition, the Port and City are conducting further studies of other improvements, including the Joint Transportation Study (JTS), and possible development of an Intermodal (transit) Center (IMC). All of these projects and studies will be subject to separate environmental review.

Location of Proposal

The site of the Proposal is east of International Boulevard within the City. The eastern boundary is approximately 150 feet east of 32nd Avenue South in the northern half and approximately 300 feet east of 38th Avenue South in the southern portion. The northern boundary is 150 feet north of 166th Avenue South and the southern boundary varies but is generally along South 188th Street. Sea-Tac International Airport is west of International Boulevard and represents the western edge of the City Center area. The SeaTac City Center is located within Sections 27, 28, 33 and 34, Township 23 N, Range 4 E, in King County, Washington. (See Figure 1.)

Proponent and Lead Agency

City of SeaTac
17900 International Boulevard
Suite 401
SeaTac, Washington 98188-4236
(206) 241-1893
Contact: Craig Ward, Principal Planner

Responsible Official

Stephen Butler
Director of Planning and Community Development

Date DSEIS Issued

April 20, 1999

Type and Timing of Document Review

Comments are due 30 calendar days from the date of issuance of this DSEIS or as extended by the City if so notified. Comments will be taken through a public meeting scheduled on May 13, 1999 and in written form throughout the comment period. A Final Supplemental Environmental Impact Statement (FSEIS), including responses to comments on the DSEIS, will be prepared within 60 days of the end of the DSEIS comment period.

**SeaTac City Center
Draft Supplemental Environmental Impact Statement**

Section One - Summary

1.1 Description of Proposal

Land use demand in the City of SeaTac (hereafter referred to as the City) City Center area is expected to grow in the next 10 years in response to general regional growth as well as increased Airport use. Air passenger demand at Seattle-Tacoma International Airport (hereafter referred to as the Airport) is anticipated grow from approximately 26 million passengers per year (1998) to about 36 million passengers per year (2010). (*Seattle-Tacoma International Airport Master Plan Update*, hereafter referred to as the *Airport Master Plan*). To accommodate this anticipated growth, the *City of SeaTac Comprehensive Plan* proposed defining and creating an urban center, a doubling of its existing commercial and hotel uses, and significant increases to various types of residential uses. Increases in employment opportunities within this urban center are also to be encouraged.

The proposed action is the adoption of a Sub-Area Plan (hereafter referred to as the City Center Plan) for the City Center area as identified in the 1994 *City of SeaTac Comprehensive Plan* (hereafter referred to as the *Comprehensive Plan*). Three "action" alternatives and a "No Action" alternative are considered in this document. Each outlines growth and development within the range of alternatives evaluated in the City's *Comprehensive Plan FEIS*. All relate to the proposed Sound Transit (ST) light rail transit (LRT) alignment and station location options for the City Center area as described in a separate EIS available from ST. Additionally, all assume the Airport will continue to develop and expand within the guidelines defined in the adopted 1997 *Airport Master Plan Update*.

Included in the analysis of the four alternatives is the initial planning and design for the station areas around each proposed light rail transit (LRT) station. These actions will include pedestrian access and improvements to the public realm.

To bring vicinity-wide transportation issues together into a combined plan, the City and the Airport (also referred to as the Port of Seattle) have entered into a Joint Transportation Study (JTS) program. As part of this, a set of multimodal computer travel simulation models are being developed. These models are being used to test various combinations of regional Airport and City-wide development and access alternatives and results are expected to be available in 2000. A separate environmental review will be conducted on the options offered in that study.

SeaTac City Center Draft Supplemental Environmental Impact Statement

series of meetings, three "build" alternatives were identified that addressed issues in the City's *Comprehensive Plan*. The result of their work is the *Draft SeaTac City Center Plan*. Each alternative studied in this City Center DSEIS is less densely developed than the *Comprehensive Plan* envisioned. (See City Center Plan.)

1.3 Location/Description of the City Center Area

Sea-Tac Airport represents the western edge of the study area. The eastern boundary is roughly aligned with the division between commercial land/multi-family uses and the single family neighborhoods further east. In the northern half of the study area this corresponds to approximately 150 feet east of 32nd Avenue South and in the southern half the eastern edge is approximately 300 feet east of 38th Avenue South. The northern boundary is roughly South 166th Street and the southern boundary is roughly South 188th Street. (See Figure 1.)

1.4 Linkage to Other Plans

1.4.1 State

Growth Management Act of 1990: The Washington State Growth Management Act (GMA) of 1990, as amended, requires that local jurisdictions prepare Comprehensive Plans and develop regulations consistent with statewide planning goals. Under the GMA, the primary means to achieve a reduction in the conversion of undeveloped land into low-density, sprawling development is through the creation of urban growth areas at the county level (RCW 36.70A.110). Within these Urban Growth areas several critical concepts need to be addressed (WAC 365-195-060(5)). Through Countywide Planning Policies, one of these critical concepts is the designation of a limited number of "Urban Centers." The City has accordingly specified an Urban Center, a portion of which is the focus of this study. The Growth Management Planning Council (GMPC), as well as the King County Council, have approved the designation of the SeaTac "Urban Center." The *Comprehensive Plan* based projections and build out on having a high-capacity transit service in the City Center.

1.4.2 City

SeaTac Comprehensive Plan. To comply with the GMA, the City developed a *Comprehensive Plan* that was adopted on December 20, 1994 and is amended annually. The *Comprehensive Plan* goals and policies call for the designation of a "City Center" to "achieve a rational land use pattern for the City of SeaTac." Many of the policies outlined in the *Comprehensive Plan* deal directly with land use issues within a designated City Center. In order to address the GMA goal to "encourage development in urban areas where adequate public facilities and services exist or can be provided in an efficient manner" (RCW 36.70A.020(4)), the Land Use element of the *Comprehensive Plan* was developed and adopted. The proposed City Center Plan alternatives are consistent with adopted goals and policies for an urban center within the *SeaTac Comprehensive Plan* and the GMA. Impacts from this plan were assessed in the *SeaTac Comprehensive Plan FEIS* (1994).

SeaTac City Center Draft Supplemental Environmental Impact Statement

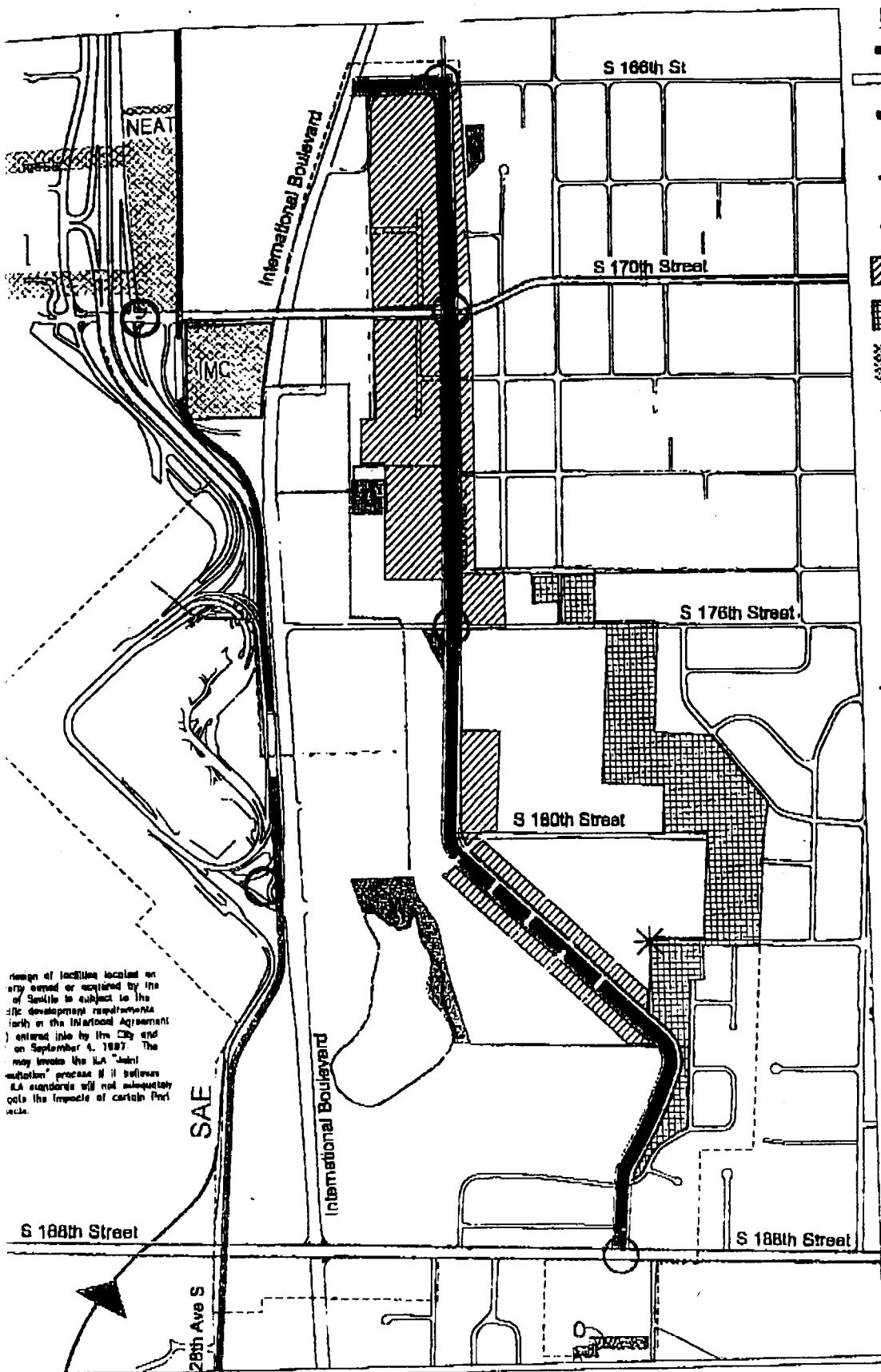
- Hotel/motel uses parking spaces would be limited to 1 space per bedroom. Residential uses would be limited to 1 space per bedroom, up to maximum of two with incentives
- Elevated automated pedestrian conveyance systems would be created connecting the City Center, the Airport, and *LRT* stations; in addition to the non-automated connections at South 182nd Street and South 170th Street
- Assumes *LRT* east of the cemetery with stop on east side of IMC and at City Center on International Boulevard with above-grade pedestrian link
- The IMC would include hotel uses fronting International Boulevard, with ground floor retail uses on South 170th Street
- Creates water quality improvement facilities along northeastern side of Bow Lake
- A trail would be developed around Bow Lake and the wetlands to east with the cooperation of the land owners
- Two small pocket parks would be developed

Access Improvements

- New private collector roads would be developed as the underlying properties redevelop
- Additional traffic calming devices would be installed on east/west roads to discourage and slow City Center traffic from using streets serving single family areas
- A new private or public street would be developed that would extend 31st Avenue South to South 176th Street
- South 172nd Street would be widened to a 60-foot ROW linking International Boulevard with extended 31st Avenue South
- South 182nd Street would be closed to non-emergency vehicles from the City Center area at approximately 37th Avenue
- Access to the Airport from the south would be primarily from 28th Avenue South (service road access) and/or SAE and South 200th Street
- A new public street would be developed from International Boulevard around east side of Bow Lake, then south along 38th Avenue to 188th Street
- Elevated automated pedestrian conveyance systems would be created connecting the City Center, the Airport, and *LRT* stations in addition to non-automated connections at South 182nd Street and South 170th Street
- Streetscape improvements would be developed along South 188th Street, South 170th Street, and 32nd Avenue South

Changes to Zoning

- An area at the southwest corner of Bow Lake Mobile Home Park would be rezoned from Urban High Density to Office/Commercial Medium (O/CM)
- An area 500-feet north of South 170th Street and 1500 feet south of South 170th Street between 30th and 32nd Avenues South would change from Urban Medium/Urban Low Density to Office/Commercial Medium hotel/motel uses would not be allowed in residential zones



LEGEND

- LIGHT RAIL ROUTE
- LIGHT RAIL STATION
- PUBLIC - MINOR ARTERIAL
- PRIVATE COLLECTOR
- TRAIL/PEDESTRIAN IMPROVEMENTS
- PEDESTRIAN CONNECTIONS
- ZONING CHANGE OCM - OFFICE/COMMERCIAL MEDIUM
- TOWN HOME ZONE
- IMC - INTERMIDIAL CENTER
NEAT - NORTH END AIRPORT TERMINAL
- WETLANDS WITH PUBLIC ACCESS
- PLAZA/OPEN SPACE
- INTERSECTION WITH PEDESTRIAN EMPHASIS AND OPEN SPACE
- OPEN TO ALL VEHICLES
- LOCAL STREET CLOSURE
- FUTURE CITY OF SEATAC CITY HALL
- SAE NOTE: GR BOUND SOUTH ACCESS EXPRESSWAY OPEN TO ALL TRAFFIC WITH ACCESS TO AND FROM I-5. HALF INTERSECTION AT S. 200TH ST.
- REGIONAL ACCESS - YEAR 2020 WITH LOCAL ACCESS AT S. 200TH ST.

design of facilities located on city owned or acquired by the city of Seattle is subject to the site development requirements such as the Intermodal Agreement entered into by the City and on September 4, 1997. The city retains the "final decision" process if it believes SA standards will not adequately offset the impacts of certain Part 200.

**ALTERNATIVE 3
Main
Street**

**SeaTac City Center Plan
YEAR 2020**

**CASCADE
DESIGN
COLLABORATIVE**

Figure 5
G00048

SeaTac City Center
Draft Supplemental Environmental Impact Statement

Regional Express routes will provide express service to/from Federal Way/Tacoma, West Seattle/ Seattle, Southcenter, Renton, and Bellevue.

Pedestrian Circulation

Currently pedestrian access from the City Center to the Airport is available only at South 182nd Street. The improved portions of International Boulevard have pedestrian amenities. Pedestrian access within the City Center occurs along South 170th and South 176th Streets as well as along 32nd Avenue South. Improved pedestrian circulation within the City Center is one of the main points of the Draft City Center Plan.

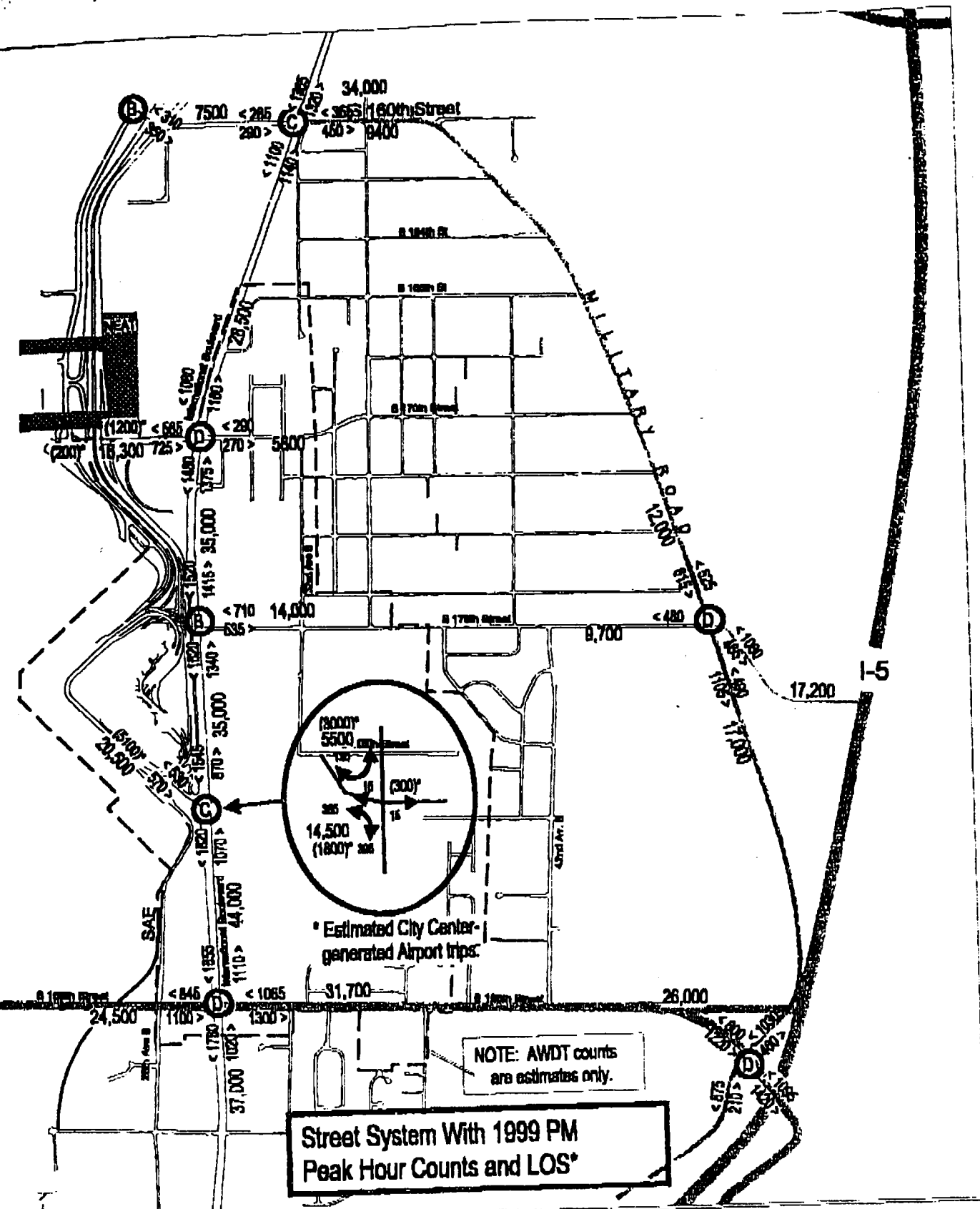
Traffic

To establish a current set of traffic data for the study area, new PM peak hour traffic counts were collected at key intersections in the greater vicinity of City Center during March 1999. March is considered an average month of the year for traffic activity. However, the Airport has considerable seasonal variation, and its highest activity month occurs during August. The count findings are summarized on Figure 7. Shown also are estimates of total weekday two-way traffic volumes on the intersection approaches (AWDT). Traffic counts show that the heaviest traffic volumes of the day in the study area occur between 4 and 6 pm. The highest one-hour volumes generally occur between 4:30 and 5:30 pm. This highest traffic hour of the day is used for assessing the quality of traffic operations.

Street capacity in an urban street pattern is limited by the arterial street intersections. The quality of intersection operations is measured in terms of level of service (LOS). LOS ranges from A (very good) to F (over capacity). LOS E indicates at or near capacity with frequent signal cycle overloads. LOS D generally reflects an intersection operating between 80 and 90 percent of capacity.

International Boulevard and South 188th Street are the two most heavily traveled arterial streets within the City. Their intersection has the highest traffic volume in the City. Previous studies have found several intersections along International Boulevard as operating at LOS E or F. Those findings were made before International Boulevard was expanded and upgraded. As can be seen from Figure 7, during March 1999 all intersections were operating at LOS D or better. The additions of double left-turn lanes and right-turn lanes at various intersections have improved traffic operations along International Boulevard.

The City has established an LOS standard of E or better along principal arterials and D or better along all other lower classes of streets. However, the City can and has made exceptions where further intersection expansions are not desirable, feasible, or cost-effective. When any intersections along the improved portions of International Boulevard again reach LOS F, the City will likely exempt them from the LOS standards since by policy no further expansions of International Boulevard will be allowed. Any further capacity improvements at these intersections would be limited to what can be done with the intersecting street approaches.



Street System With 1999 PM Peak Hour Counts and LOS*

SeaTac City Center Plan

YEAR 2020

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FIG. F.7

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SeaTac City Center
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Arterial System Improvement Plans

Currently there are no plans for new arterial streets or major street expansions in the study area. There is no provision for future traffic relief of International Boulevard between South 168th and South 188th Streets. North of South 168th Street, the design of International Boulevard could still allow for additional capacity expansion beyond that designed into its sections to the south.

South of South 188th Street there are three major improvements for regional and local access to the Airport in various planning stages that will impact the study area:

- **28th/24th Arterial Route** – a new multi-lane minor arterial extending from South 188th Street into existing 24th Avenue South at South 208th Street. This will serve the developing commercial corridor south of the Airport and will provide a parallel arterial for traffic relief of International Boulevard south of South 188th Street. Construction on Phase One (South 188th to South 202nd Streets) is expected to begin during the year 2000.
- **SR-509 Freeway Extension** – from its current terminus at South 188th Way to I-5 in the vicinity of South 210th Street. Phase One will include ramp connections to I-5, an undercrossing of International Boulevard, an interchange with 28th/24th Avenues South and the SAE, and a two-lane roadway to its current terminus at South 188th Way. Ultimately it would provide a six-lane divided freeway with one lane in each direction restricted to transit/HOV use, HOV interchange with I-5, and include lane additions to I-5 from the SR-509 junction south to Midway or beyond.
- **South Access Expressway (SAE)** – this would provide an interchange with SR-509 and connect into the Airport terminal roadway system. Construction is expected to begin concurrent with Phase One of SR-509. Local access to the Airport will be provided at South 200th, South 188th, or South 192nd Streets.

Airport Access Considerations

When the SAE is constructed, the existing access from International Boulevard at South 182nd Street may be restricted or closed. The South 182nd Street access currently carries 20,500 vehicles per average weekday to/from the Airport terminal and parking garage (see Figure 7), including about 3,600 courtesy vehicle trips. About 5,100 of the total weekday trips are estimated to be generated within the City Center area, including about two-thirds (2,400) of the courtesy vehicle trips.

The *Airport Master Plan Update* assumed that full local access would be maintained at South 182nd Street and South 170th Street for Airport traffic. This means that local traffic, including the courtesy vehicles, could access the Airport terminals via the intersections of South 182nd Street and South 170th Street on International Boulevard. However, the movement of local traffic between the Northern Airport Expressway/SR-518 and International Boulevard would be restricted.

SeaTac City Center
Draft Supplemental Environmental Impact Statement

3.8.2a No Action Alternative

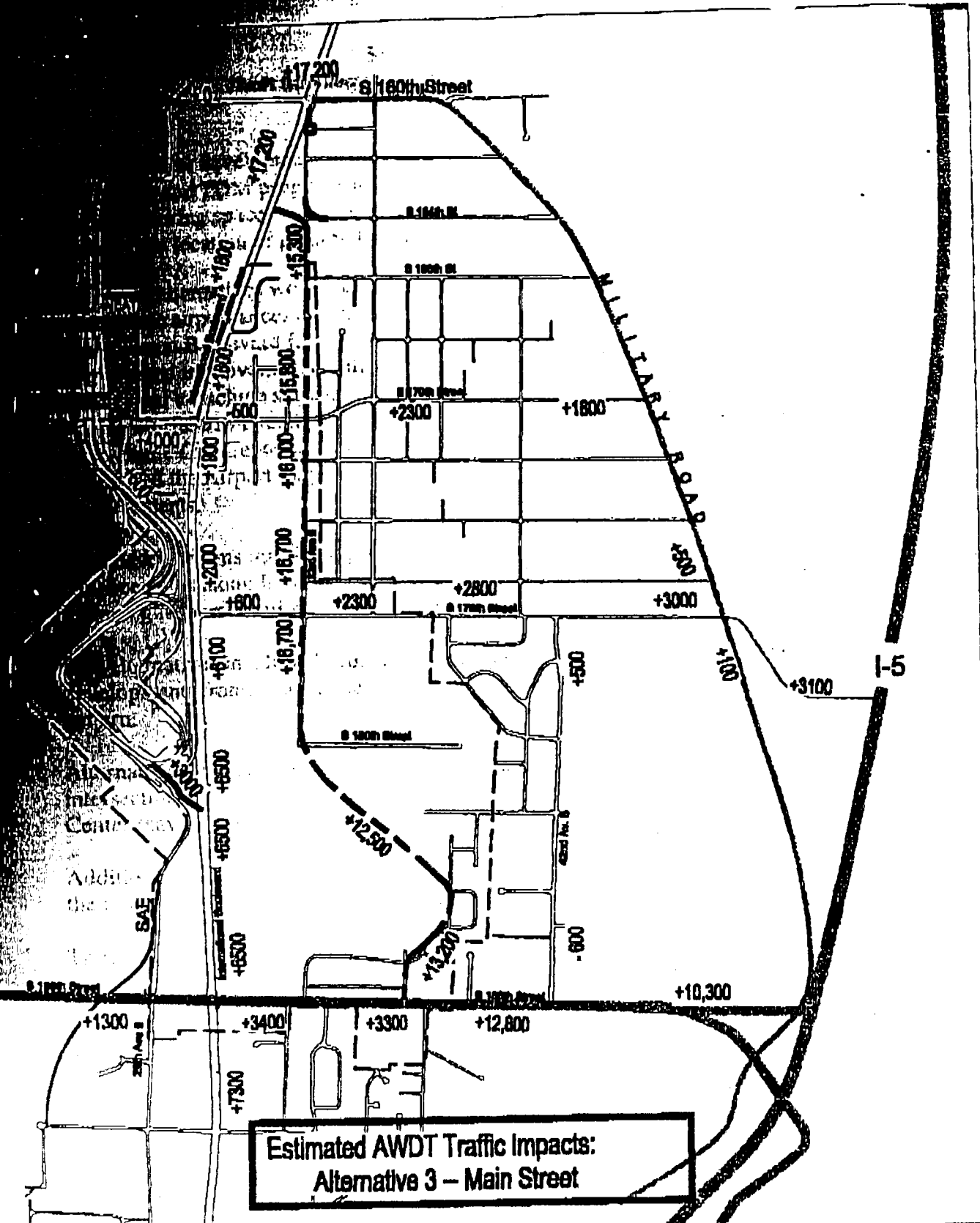
This alternative would allow land development actions to occur under existing transportation plans and policies. Traffic access for the City Center would continue to focus upon access stubs from International Boulevard. No significant attempts would be made to improve traffic patterns. Sound Transit and Metro Transit planned improvements would take place but transit use would not be optimized for lack of pedestrian access improvements to transit facilities. This alternative also would not provide any improvements in pedestrian connectivity between the City Center and the Airport. Current TDM policies of the City would remain in place. Therefore, some reductions in traffic generation would be realized. Land development activity under this alternative is expected to result in a net traffic increase of +18,500 AWDT and +2250 PM peak hour trips at buildout.

Figure 8 illustrates estimated SeaTac City Center-generated AWDT traffic increases on the vicinity street system under the No Action alternative. These traffic increases may be compared to 1999 AWDT on Figure 7 to measure the relative impacts. International Boulevard would incur the greatest traffic increases ranging up to +8,600 AWDT. As it currently exists, it could accommodate these increases, without considering Airport-generated or other area-wide traffic increases. Traffic through the "south gateway" intersection of International Boulevard/South 188th Street would be increased by 10 percent, dropping the intersection LOS to E. The intersection at South 160th Street could also accommodate the projected traffic increase of this City Center development alternative alone. Cumulative future traffic assessments of vicinity street operations must await the outcome of the JTS that will include impacts of all other growth and development in the greater vicinity, including that associated with Sea-Tac Airport. The projected traffic volumes along South 188th Street are within the street's capacity. South 176th Street would experience some unavoidable traffic increases, as would Military Road and South 170th Street. However, these increases are within the capacity of these streets and the residential neighborhoods east of the City Center area would not be significantly impacted by SeaTac City Center growth.

3.8.2b Alternative One – Superblock

Under this alternative, a local transit circulator route would be implemented to tie the commercial areas and denser residential areas of the City Center together with the IMC and focus of all regional transit routes. Pedestrian connections between the City Center and Airport terminals and LRT stations would also be implemented.

Table 7 shows that this alternative would result in a net increase of +23,300 AWDT and +2430 PM peak hour trips. This is only slightly greater than the No Action alternative traffic impacts, even though this alternative includes about 900 more hotel rooms, 234 more dwelling units, and 80,000 square feet of additional retail development.



SeaTac City Center Plan

YEAR 2020

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FIGURE 11

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UNDERGROUND CONVERSION AGREEMENT

THIS Agreement, dated as of this 17th day of September, 1998, by and between the CITY OF SEATAC, Washington, a Municipal Corporation ("City") and PUGET SOUND ENERGY Inc., a Washington Corporation (the "Company").

RECITALS

A. The Company is a public service company engaged in the sale and distribution of electric energy and, pursuant to its franchise from the City, currently distributes electricity within the City.

B. The City is undertaking a street improvement program at South 170th Street from International Blvd. to east of 37th Avenue South as more specifically identified on work order(s) 9853007 ("Conversion Area"). The street improvement program includes the widening of South 170th Street for new turning lanes, curb, gutter, and sidewalks.

C. The City has expressed a desire to participate with the Company to cause the existing overhead distribution power system within the Conversion Area to be replaced with a comparable underground distribution power system utilizing above ground transformers.

D. The parties wish to execute this written contract in accordance with Schedule 71 of the Company's Electric Tariff G to govern the installation of such a system.

G00055

Exhibit B

AGREEMENT

The Company and the City therefore agree as follows:

1. "Main Distribution System," "Underground Service Lines," and "Trenching and Restoration" shall have the meaning set forth in Schedule 71.
2. Subject to the availability of equipment and materials, the Company shall furnish and install a Main Distribution System within the Conversion Area, in accordance with the Company's standard specifications.
3. Upon connection of those customers to be served by the Main Distribution System and removal of facilities of any other utilities, which may be connected to the poles of the overhead system, the Company shall remove the existing overhead system (including associated wires and Company-owned poles) of 15,000 volts or less within the Conversion Area.
4. The City shall, at its expense, perform the following within the Conversion Area, all in accordance with the Company's specifications.
 - a) Trenching (including shoring, flagging and barricades) and Restoration (including restoration of streets, sidewalks and private property); and
 - b) surveying for alignment and grades for vaults and ducts. Other utilities may be permitted by the City to use City-provided trenches for the installation of their facilities so long as such facilities or the installation thereof do not interfere with the Company's Main Distribution System or the installation or maintenance thereof.
 - c) The City shall furnish any and all operating rights required by the Company, in a form or forms satisfactory to the Company, to allow the Company to construct, operate, repair and maintain the Main Distribution System within the City right-of-ways in the

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Conversion Area. The Company may postpone performance of its obligations hereunder until it has been furnished with such operating rights.

5. The City shall, within thirty (30) days after the completion of the work to be performed by the Company pursuant to paragraphs 2. and 3. above, remit to the Company a payment of 30% of the actual costs as determined in accordance with Schedule 71. The total cost is presently estimated at Four Hundred and Forty Thousand Dollars (\$440,000.00); provided, however, the foregoing estimated amount is subject to change if:
 - (a) construction has not started within 90 days from the date of this Agreement; or
 - (b) the conversion is not been completed within six months of the date of this Agreement; or
 - (c) the City revises its construction plans in a manner which requires a revision of the Company's construction plans; or
 - (d) the Company incurs costs to obtain easements pursuant to subparagraph 8 of this Agreement.
6. The Company shall own, operate and maintain all electrical facilities installed pursuant to this Agreement including, but not limited to, the Main Distribution System and underground services installed by the Company pursuant to this Agreement.
7. Except with respect to those customers for which underground conversion is determined not to be necessary, the City shall notify all customers within the Conversion Area that secondary service to such customers must be converted from overhead to underground service. Upon the request of any customer, other than a single family residential customer, within the Conversion Area, the Company will remove the overhead system and connect such customer's underground service line to the Main Distribution System. The parties acknowledge that single family residences within the Conversion Area must provide a service trench, in accordance with the Company's specifications,

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from the underground meter base to the point of service provided during the conversion; and pay for the secondary service conductors as defined in Schedule 86 of the Company's Electric Tariff G. The City shall exercise its authority under RCW 35.96.050 with respect to owners failing to convert service lines from overhead to underground.

8. The parties acknowledge that under Schedule 71, the owners of real property within the Conversion Area must provide, at their expense, space for all underground and surface mounted electrical facilities located on privately owned property, and must grant such operating rights as may be necessary to permit the Company to construct, operate, repair and maintain all electrical facilities installed by the Company pursuant to the Agreement. The Company shall provide reasonable assistance in obtaining such operating rights, but shall not be required to bear the costs of any easements. The cost to the Company of any easements on privately owned property which the Company must obtain shall be reimbursed in full by the City pursuant to paragraph 5 above. Such cost shall include, but not be limited to, the actual cost paid for any easement, staff costs (including overheads) of obtaining such easement and the actual cost of any fee, permit, attorney fee, court cost, permit fee or survey fees required by governmental agencies or property owner.
9. The City shall be responsible for coordinating all work to be performed in connection with the street improvement program within the Conversion Area. The Company shall not be required to install the Main Distribution System until the area in which such System is to be installed has been established to grade. Upon performance by the City of the necessary preliminary work, the City shall give the Company a minimum of ten (10) working days advance written notice requesting the Company to commence installation of the Main Distribution System and shall schedule such construction to minimize interference from the installation of other improvements.

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10. The Company's performance hereunder shall be commenced within ten (10) working days of the date requested in the written notice pursuant to Paragraph 9 above. The Company shall use reasonable diligence in performing its work hereunder, but shall not be liable for any delays resulting from circumstances beyond its control including, but not limited to, failure to receive necessary operating rights pursuant to paragraphs 4(c) and 8 above. The City agrees that work performed by the Company shall be scheduled to avoid premium labor charges to the Company. If the Company mutually agrees with the City that the Company's normal straight-time eight hour labor day must be changed within the hours of 6:00 a.m. to 6:00 p.m., the City must provide sufficient advance notice to allow the Company to provide IBEW Local Union No. 77 with five (5) days advance notice in accordance with the Company's collective bargaining agreement with the union. Any overtime labor not included in the original estimate but provided by the Company at the request of the City may increase the Company's project cost which will result in an increased cost to the City.

11. (a) The City releases and shall defend, indemnify and hold the Company harmless from all claims, losses, harm, liabilities, damages, costs and expenses (including, but not limited to, reasonable attorneys' fees) caused by, arising out of or in connection with the performance of the City's duties under this Agreement. During the performance of such activities the City's employees shall at all times remain employees of the City.

(a)The Company releases and shall defend, indemnify and hold the City harmless from all claims, losses, harm, liabilities, damages, costs and expenses (including, but not limited to, reasonable attorneys' fees) caused by, arising out of or in connection with the performance of the Company's duties under this Agreement. During the performance of such activities the Company's employees shall at all times remain employees of the Company.

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12. This Agreement is subject to the General Rules and Provisions set forth in Tariff Schedule 80 of the Company's electrical Tariff G and to Schedule 71 of such Tariff, as such Schedules may be revised from time to time upon approval of the Washington Utilities and Transportation Commission. Any conflict in terms between this Agreement and the Company's Schedules 71 and 80 of its tariffs shall be resolved in favor of such tariff provisions.

13. Notwithstanding any provision to the contrary in any franchise agreement now in place or subsequently entered into by the Company and the City, in the event the City requires the relocation of any of the facilities installed under this Agreement prior to the expiration of twenty (20) years after completion of the conversion hereunder, the City shall bear the entire costs of such relocation.

14. Nothing in this Agreement shall in any way affect the rights or obligations of the Company under any previous agreements pertaining to the existing or future facilities of 115 kV or greater within the Conversion Area.

CITY OF [SeaTac]

PUGET SOUND ENERGY

BY *Calvin Hoggard*

BY *Robert J. Logan*

ITS City Manager

ITS Tariff Consultant

Date Signed Sept. 17, 1998

Date Signed 9/25/98

Approved as to form:

Robert J. McAlam

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G00061

Underground Distribution System Design

6750.5000

Scope

This standard documents the design criteria and associated rules for the equipment selection and placement of 600-amp underground feeder systems in suburban areas.

There are four areas to take into consideration when designing these systems.

- Conduit Systems
- Equipment
- Design Criteria
- Structure Spacing and Location

Conduit Systems

When designing the actual conduit system, be aware of these design rules.

Conduit

Feeder cables are usually under hard surfaces and therefore should be in conduit. In rural areas, however, direct-buried cables may be the most feasible.

Preferred Conduit Size

Refer to Standard Practice 6800.0030 for preferred conduit size.

Bends

Bends dramatically increase pulling tension and should be avoided whenever possible. Bends shall have a minimum 48-inch radius and located no closer than 6 feet from a vault.

Bedding

There shall be 3 inches of sand above and below all feeder conduits.

Vault Entrance

Conduit shall enter a vault at one of its short sides because of cable pulling considerations. Use the lower knockout positions first so as to reserve higher positions for future circuits. Refer to Standard Practice 6800.6000.

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Underground Distribution System Design

6750.5000

Equipment

Keep these requirements in mind when selecting equipment for the underground feeder.

Cable

Standard practice cables for feeder are 750-kcmil aluminum for 12 kV systems and 500-kcmil copper for 35 kV systems. Refer to Standard Practice 0600.0205 for ampacities of these cables.

Preferred Equipment

Padmounted devices are preferred to below-grade devices.

Straight Splices vs. Hammerheads

Straight splices are preferred for cost and space reasons.

Hammerhead splices shall be limited to these applications:

- When cable routing requires cables on either end of the splice head to be in the same direction as shown in Figures 2 and 4 of Standard Practice 6875.3030, Racking of 600 A Hammerhead Elbows.
- With express feeder systems with numerous vaults between switches, install hammerhead splices in every *fifth* pulling vault to aid in future fault locating efforts.

Separate cable numbers are required for each cable joined by a hammerhead splice.

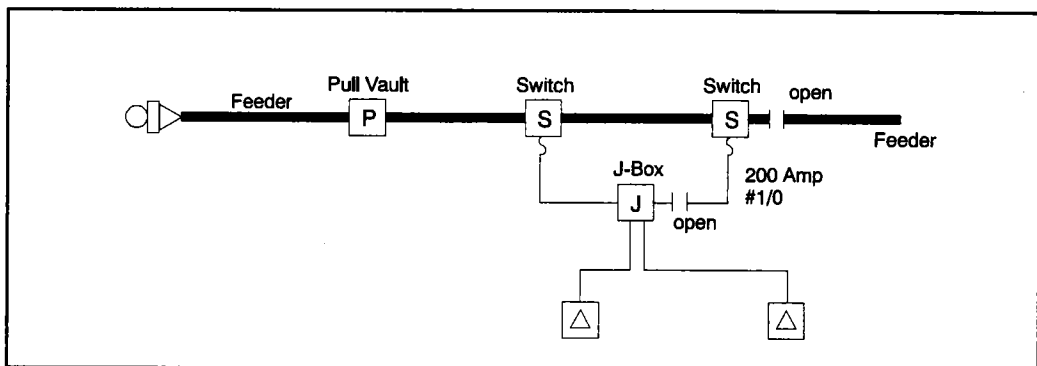
Vaults

See Standard Practice 6775.0030, Vault and Handhole Selection and Application, to select the correct pulling vault. Note that smaller pulling vaults are allowed in certain applications.

Figure 1 shows the typical equipment involved with underground feeder systems.

Figure 1

Typical feeder circuit



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Underground Distribution System Design

6750.5000

Design Criteria

Looping

Feeders will almost always be interconnected or looped with other feeder circuits. In low load density areas, it may not always be economical to provide these interconnections.

Advantages of looping are faster service restoration in the event of equipment failures, load shifting for maintenance work, and load shifting to balance feeder and substation loads.

Future Load

The proposed feeder system should plan for area growth and system needs for the next *ten* years. In planning for future developments, spare conduits may be justified, but defer high cost items such as vaults and switches unless absolutely necessary. No more than *one* spare conduit should be installed for unscheduled future loads.

Sectionalizing

Design feeder interconnections so that equipment failures can be sectionalized or isolated with the least possible switching operations.

Switch Design

Design the system so that any switch may be taken off line without an outage to customers. See Figure 1 as an example. The 200-amp systems will usually be located adjacent and parallel to both sides of the feeder to where this is possible. In low load density areas, it may not always be economical to provide this capability.

Loading

Design interconnections so that adjacent supply circuits won't be overloaded or voltage limits exceeded during emergency conditions. Cable ampacity is usually the limiting factor. See Standard Practice 0600.0205 for primary cable ampacities.

Trench

Joint trench construction is a way to share trenching and paving costs. It should be used whenever possible.

200-Amp Taps

All 200-amp taps from a feeder shall be fused.

Unneeded Vaults

Vaults such as those set directly outside a substation fence where construction jurisdictions change will no longer be installed.

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Underground Distribution System Design

6750.5000

Structure Spacing And Location

Spacing

Structures should be spaced as far apart as cable-pulling tensions will allow, up to 1,500 feet. Refer to Standard Practice 0600.0225. Cable pulls over 1,500 feet will require specialized pulling equipment. 750 kcmil cable is normally available on 2,000-ft reels and 500-kcmil cable on 1,700-ft reels.

Location

- The preferred location for structures is on private property with easement, and in a non-traffic area with good access for equipment needed to construct and maintain the system. Refer to Standard Practice 6825.6100. The second choice would be in light traffic areas not subject to truck traffic, such as parking lots and driveways. Full traffic locations are least desirable, but sometimes can't be avoided; allow for traffic to be safely rerouted around construction vehicles.
- Structures should be placed in locations with adequate clearance from other utilities. Refer to Standard Practice 6800.6000.
- Locate structures away from likely vehicular damage such as turnarounds and loading zones. Install guard posts when necessary.

References

The following Puget Sound Energy documents apply to this standard:

Distribution Planning Guidelines

0600.0205	Cable Ampacity
0600.0225	Cable Pulling Tension
6041.1000	12 and 34 kV Elbows
6043.1020	600 A Terminal Poles
6051.2000	12 kV Feeder Pulling and Splicing Vaults
6056.1000	PMH Padmount Switches
6775.0030	Vault and Handhole Selection and Application
6775.0035	Vault and Handhole Location
6800.0030	Conduit Size Standards
6800.4050	Depth of Burial Requirements for Underground Cable
6800.6000	PVC Conduit Installation
6800.6500	Application of Conduit Plugs and Seals
6825.6100	Cable Pulling
6875.3010	600 A Elbow System
6875.3030	Racking of 600 A Hammerhead Elbows

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C00066



UNDERGROUND CONVERSION AGREEMENT

THIS Agreement, dated as of this _____ day of _____, 2001, is made by and between the CITY OF SEATAC, Washington, a Municipal Corporation ("City") and PUGET SOUND ENERGY Inc., a Washington Corporation (the "Company"), with reference to the following facts.

RECITALS

A. The Company is a public service company engaged in the sale and distribution of electric energy, and pursuant to its franchise from the City, currently distributes electricity within the City.

B. The City is undertaking a street improvement program on South 170th Street between 37th Avenue South and Military Road South, such improvements being within an area that is more specifically identified on Company work order 101008307 ("Conversion Area"). The street improvement program includes an additional lane of traffic, sidewalk, curb, gutter and planter strip.

C. The City has expressed a desire to participate with the Company to cause the existing overhead power distribution system within the Conversion Area to be replaced with a comparable underground power distribution system utilizing above ground transformers.

D. The parties wish to execute this written contract in accordance with Schedule 71 of the Company's Electric Tariff G to govern the installation of such a system.

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AGREEMENT

The Company and the City therefore agree as follows:

1. "Main Distribution System," "Underground Service Lines," and "Trenching and Restoration" shall have the meaning set forth in Schedule 71. "Temporary Service" shall have the meaning set forth in Schedule 80 of the Company's Electric Tariff G and in addition shall mean (a) overhead facilities left in place in the Conversion Area at the request or direction of the City, and (b) facilities installed concurrently with the installation of the Main Distribution System, all of which will be removed or abandoned in place within one (1) year.
2. Subject to the availability of equipment and materials, the Company shall furnish and install a Main Distribution System within the Conversion Area, in accordance with the Company's standard specifications.
3. Upon connection of those customers to be served by the Main Distribution System and removal of facilities of any other utilities, which may be connected to the poles of the overhead system, the Company shall remove the existing overhead system (including associated wires and Company-owned poles) of 15,000 volts or less within the Conversion Area except for Temporary Services.
4. (A) The City shall, at its expense, perform the following within the Conversion Area, all in accordance with the Company's specifications.
 - a) Trenching (including shoring, flagging and barricades) and Restoration (including backfill, restoration of streets, sidewalks and private property); and
 - b) Surveying for alignment and grades for vaults and ducts. Other utilities may be permitted by the City to use City-provided trenches for the installation of their facilities so long as such facilities or the installation thereof do not interfere with the Company's Main Distribution System or the installation or maintenance thereof.

(B) In addition the City shall at its expense obtain the following:

- a) Any and all operating rights required by the Company, in a form or forms satisfactory to the Company, to allow the Company to construct, operate, repair and maintain the Main Distribution System within the City right-of-ways in the Conversion Area.
- b) Any and all operating rights required by the Company pursuant to paragraph 8 of this Agreement, in a form or forms satisfactory to the Company.

The Company may postpone performance of its obligations hereunder until it has been furnished with such operating rights.

5. The City shall, within thirty (30) days after the completion of the work to be performed by the Company pursuant to paragraphs 2 and 3 above, remit to the Company a payment of 30% of the actual costs as determined in accordance with Schedule 71. The total cost is presently estimated at **FOUR HUNDRED FIFTY FOUR THOUSAND, EIGHT HUNDRED AND SEVENTY dollars (\$454,870.00)**; provided, however, the foregoing estimated amounts are subject to change if:

- (a) construction has not started within 90 days from the date of this Agreement; or
- (b) the conversion has not been completed within six months of the date of this Agreement; or
- (c) the City revises its construction plans in a manner which requires a revision of the Company's construction plans; or
- (d) the Company incurs costs to obtain easements pursuant to subparagraph 8 of this Agreement.

6. The Company shall own, operate and maintain all electrical facilities installed pursuant to this Agreement including, but not limited to, the Main Distribution System and underground services installed by the Company pursuant to this Agreement.

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7. Upon commencement of the work contemplated by this Agreement, the City shall notify all customers within the Conversion Area that secondary service to such customers must be converted from overhead to underground service within ninety (90) days following written notice from the City that service from underground facilities is available in accordance with RCW 35.96.050. Upon the request of any customer, other than a single family residential customer, within the Conversion Area, the Company will remove the overhead system and connect such customer's underground service line to the Main Distribution System. The parties acknowledge that single family residences within the Conversion Area must provide a service trench and conduit, in accordance with the Company's specifications, from the underground meter base to the point of service provided during the conversion; and pay for the secondary service conductors as defined in Schedule 86 of the Company's Electric Tariff G. The City shall exercise its authority to order disconnection and removal of overhead facilities with respect to owners failing to convert service lines from overhead to underground within the timelines provided in RCW 35.96.050. To the extent that the City requests or directs the Company to install Temporary Services, as defined in Section 1 of this Agreement, within the Conversion Area the City agrees to pay 100% of the costs associated with the installation and removal of such Temporary Services less salvage value of the removed facilities. The cost of underground facilities installed to provide Temporary Service that can be subsequently used to provide permanent underground service shall be included in the cost of the conversion. These overhead Temporary Services shall be removed within one (1) year or the City agrees it will be responsible for payment of either: (i) 100% of the costs of the conversion under this Agreement or (ii) 100% of the costs of converting the Temporary Services to underground, pursuant to the terms and conditions set forth in this Agreement. The City shall have the choice between (i) and (ii) above.

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8. The parties acknowledge that under Schedule 71, the owners of real property within the Conversion Area must provide, at their expense, space for all underground and surface mounted electrical facilities located on privately owned property, and must grant such operating rights as may be necessary to permit the Company to construct, operate, repair and maintain all electrical facilities installed by the Company pursuant to the Agreement. The Company shall provide reasonable assistance in obtaining such operating rights, but shall not be required to bear the costs of any operating rights. The cost to the Company of assisting in obtaining any such operating rights on privately owned property shall be reimbursed in full by the City pursuant to paragraph 4(B) above. Such cost shall include, but not be limited to, staff costs (including overheads) the actual cost of any fee, permit, attorney fee, court cost, permit fee or survey fees required by governmental agencies or property owner. The Company will discuss the need for such easements with the City.
9. The City shall be responsible for coordinating all work to be performed in connection with the street improvement program within the Conversion Area. The Company shall not be required to install the Main Distribution System until the area in which such System is to be installed has been established to grade. Upon performance by the City of the necessary preliminary work, the City shall give the Company a minimum of ten (10) working days advance written notice requesting the Company to commence installation of the Main Distribution System and shall schedule such construction to minimize interference from the installation of other improvements.
10. The Company's performance hereunder shall be commenced within ten (10) working days of the date requested in the written notice pursuant to Paragraph 9 above. The Company shall use reasonable diligence in performing its work hereunder, but shall not be liable for any delays resulting from circumstances beyond its control including, but not limited to, failure to receive necessary operating rights pursuant to paragraphs 4(B) and 8 above. The City agrees that work performed by the Company shall be scheduled to avoid premium labor charges to the Company.

If the Company mutually agrees with the City that the Company's normal straight-time eight hour labor day must be changed within the hours of 6:00 a.m. to 6:00 p.m., the City must provide sufficient advance notice to allow the Company to provide IBEW Local Union No. 77 with five (5) days advance notice in accordance with the Company's collective bargaining agreement with the union. Any overtime labor not included in the original estimate but provided by the Company at the request of the City, may increase the Company's project cost which will result in an increased cost to the City.

11. (a) The City releases and shall defend, indemnify and hold the Company harmless from all claims, losses, harm, liabilities, damages, costs and expenses (including, but not limited to, reasonable attorneys' fees) caused by, arising out of or in connection with the performance of the City's duties under this Agreement. During the performance of such activities the City's employees shall at all times remain employees of the City.

(b) The Company releases and shall defend, indemnify and hold the City harmless from all claims, losses, harm, liabilities, damages, costs and expenses (including, but not limited to, reasonable attorneys' fees) caused by, arising out of or in connection with the performance of the Company's duties under this Agreement. During the performance of such activities the Company's employees shall at all times remain employees of the Company.

(c) FOR THE PURPOSE OF THIS INDEMNIFICATION ONLY, THE PARTIES, BY MUTUAL NEGOTIATION, HEREBY WAIVE, AS RESPECTS THE OTHER PARTY ONLY, ANY IMMUNITY THAT WOULD OTHERWISE BE AVAILABLE AGAINST SUCH CLAIMS UNDER THE INDUSTRIAL INSURANCE PROVISIONS OF TITLE 51 RCW. This section shall survive the expiration or termination of this Agreement.

12. This Agreement is subject to the General Rules and Provisions set forth in Tariff Schedule 80 of the Company's electrical Tariff G and to Schedule 71 of such Tariff, as such Schedules may be

revised from time to time upon approval of the Washington Utilities and Transportation Commission. Provided, however, that any price quoted will be honored for 60 days. Any conflict in terms between this Agreement and the Company's Schedules 71 and 80 of its tariffs shall be resolved in favor of such tariff provisions.

13. Notwithstanding any provision to the contrary in any franchise agreement now in place or subsequently entered into by the Company and the City, in the event the City requires (or takes any action which has the effect of requiring) the relocation of any of the facilities installed under this Agreement prior to the expiration of twenty (20) years after completion of the conversion hereunder, the City shall reimburse the Company for costs incurred by the Company in connection with relocation.

14. In the event that the City cancels the project proposed hereunder, the City shall reimburse the Company for all costs reasonably incurred by the Company in connection with the work to be performed under this Agreement prior to the date canceled.

15. Nothing in this Agreement shall in any way affect the rights or obligations of the Company under any previous agreements pertaining to the existing or future facilities of 115 kV or greater within the Conversion Area.

CITY OF SEATAC

Calvin P. Hoggard

BY Calvin P. Hoggard

ITS City Manager

Date Signed 6/14/01

PUGET SOUND ENERGY, INC.

BY Lynn F. Logen

ITS Tariff Consultant

Date Signed _____

Approved as to form:

Mary Elizabeth Miranda, Senior Asst. City Attorney

The City reserves the right to pay PSE according to the rates set forth in PSE Schedule 70 subject to an interpretation from the UTC clarifying Schedules 70 and 71.

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