



Puget Sound Energy  
P.O. Box 97034  
Bellevue, WA 98009-9734  
PSE.com

October 28, 2020

Ms. Jessi Bon  
City Manager  
City of Mercer Island  
9611 SE 36<sup>th</sup> ST.  
Mercer Island, WA 98040

**Re: First Amendment to Schedule 139 Voluntary Long-Term Renewable Energy Service Agreement**

Dear City Manager Bon:

Puget Sound Energy (“PSE”) and City of Mercer Island (“Customer”) previously entered into that certain Schedule 139 Voluntary Long-Term Renewable Energy Service Agreement, dated as of December 15, 2016, between PSE and Customer (the “Service Agreement”). Subsequent to the execution of the Service Agreement, the Washington Utilities and Transportation Commission (the “Commission”) approved Resource Option Energy Charges under PSE’s Schedule No. 139 Voluntary Long-Term Renewable Energy Purchase Rider (“Schedule 139”). PSE desires to amend the Service Agreement as set forth herein to reflect these revisions to Schedule 139 approved by the Commission, which revisions have the effect of reducing Resource Option Energy Charges under the Service Agreement for calendar years beginning 2020, and adjusting the start of the terms to reflect the actual start date in November 2020.

This First Amendment to the Service Agreement (the “First Amendment”) confirms the mutually agreed upon updates to the Service Agreement that are consistent with the revisions to Schedule 139 approved by the Commission.

1. Section 6 of the Service Agreement is amended in its entirety and replaced with the following Section 6:
  6. Term. The term of this Service Agreement shall commence in the year 2020, on the first day of the Customer's normal billing cycle, in the first month following the commencement of commercial operation of the Resource Option, and delivery therefrom of energy to the Company sufficient to satisfy the obligations set forth in this Service

Agreement. This Service Agreement terminates in the year 2040 after 10 billing cycles.

2. Table 1 in Section 7 of the Service Agreement is amended in its entirety to read as follows:

Table 1

Calendar Year	2020	2021	2022	2023	2024	2025
Rate per kWh	\$0.04323	\$0.04409	\$0.04497	\$0.04587	\$0.04679	\$0.04772

Calendar Year	2026	2027	2028	2029	2030	2031
Rate per kWh	\$0.04868	\$0.04965	\$0.05065	\$0.05166	\$0.05269	\$0.05375

Calendar Year	2032	2033	2034	2035	2036	2037
Rate per kWh	\$0.05482	\$0.05592	\$0.05704	\$0.05818	\$0.05934	\$0.06053

Calendar Year	2038	2039	2040
Rate per kWh	\$0.06174	\$0.06297	\$0.06423

3. Capitalized terms used in but not otherwise defined in this First Amendment have the meanings given to such terms in the Service Agreement.
4. Except as amended by this First Amendment, the Service Agreement is hereby ratified and confirmed in all respects and shall continue in full force and effect according to its terms.
5. This First Amendment will be governed by and interpreted, construed and enforced in accordance with the law of the State of Washington.
6. This First Amendment may be executed by in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument. A signed copy of this First Amendment delivered by means of a facsimile machine or electronic transmission in portable document format (pdf) shall be treated in all

manner and respects as an original signed version thereof delivered in person.

Please indicate your acceptance of the foregoing by signing and returning the enclosed copy of this letter.

Very truly yours,

**PUGET SOUND ENERGY**

By: Will Feinstein  
Name: Will Feinstein  
Title: Director Product Development

**AGREED AND ACKNOWLEDGED:**

**CITY OF MERCER ISLAND**

By: J Bon  
Name: Jessi Bon  
Title: City Manager