

PUGET SOUND ENERGY**SCHEDULE 150 NET METERING AGREEMENT**
FOR CUSTOMER-GENERATOR SYSTEMS

THIS AGREEMENT FOR NET METERING (the "Agreement"), is made as of this _____ day of _____, _____, by and between Puget Sound Energy, Inc., (the "Company") and _____, ("Customer-generator") for service at _____ . The Company and the Customer-generator are sometimes referred to herein individually as a "Party" and collectively as the "Parties."

RECITALS

A. The Company is a public service company engaged in the sale and distribution of electric energy and, pursuant to its Electric Tariff G, offers service under Schedule 150.

B. Customer-generator receives electrical service from the Company at rates contained in the Company's electric Tariff G and desires to obtain service from the Company under Schedule 150.

C. Customer-generator has installed and desires to operate in parallel with the Company's electric system, from and after the date of this Agreement, certain electrical equipment at the above location, consisting of _____ and related facilities and equipment ("Facility"), for the purpose of offsetting part, or all, of the Customer-generator's electric service requirements.

D. It is anticipated that the Facility may, from time to time, generate less than all of the Customer-generator's electrical requirements at the Facility location. The Facility may, from time to time, generate energy in excess of the Customer-generator's electrical requirements at the Facility location.

E. The Facility and the Company's electric system are interconnected at one meter location indicated in Exhibit A to this Agreement, attached hereto and incorporated herein by this reference.

F. Customer-generator desires that the Company, and the Company is willing to, deliver power to Customer-generator, interconnect with Customer-generator and operate in parallel with Customer-generator subject to the terms and conditions of this Agreement.

AGREEMENT

NOW, THEREFORE, for and in consideration of the mutual benefits to be derived therefrom, the Company and Customer-generator agree as follows:

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1. Service Schedule and Rates

1.1 Customer-generator requests service from the Company under Schedule 150 and agrees to receive such service pursuant to the terms and conditions of Schedule 150 and pursuant to the terms and conditions of this Agreement.

1.2 The Company agrees to provide service to Customer-generator pursuant to the terms and conditions of Schedule 150 and at rates reflected in Schedule 150 (as such rates may be revised from time to time upon approval of the Washington Utilities and Transportation Commission) and pursuant to the terms and conditions contained in this Agreement.

2. Parallel Operation

Customer-generator shall, pursuant and subject to Schedule 150, deliver into the Company's electric system all energy generated by the Facility in excess of Customer-generator's electrical requirements.

3. Delivery of Excess Energy Generated by the Facility

Customer-generator shall deliver into the Company's electric system at the Point of Delivery all excess electric energy, described in Section 2 above, generated by the Facility. The "Point of Delivery" is the location, as shown on Exhibit A to this Agreement, where the Company's electric system is interconnected with the Facility. Such excess electric energy shall be delivered in the form of _____ phase, sixty hertz, alternating electric current at _____ volts. In no event shall Customer-generator deliver into the Company's electric system electric energy at more than five percent above or five percent below such voltage.

4. Interruption

4.1 At any time, and from time to time, the Company may disconnect its electric system from the Facility or may interrupt or reduce the flow of energy to or from the Facility if, in the Company's sole determination, failure to do so

(a) would interfere with or endanger or adversely affect the Company's electric system or operations,

(b) would endanger any person or the property of the Company, of Customer-generator, or of any third party, or

(c) would be unsafe or contrary to prudent electrical practices.

For the purposes of this Agreement "prudent electrical practices" means (a) those practices, methods and acts which when engaged in are commonly used in prudent utility engineering and operations to operate electric equipment lawfully and with safety, reliability, efficiency and expedition; or (b) if no such practices, methods and acts exist, then those practices, methods and acts which, in the exercise of reasonable judgment considering the facts known when engaged in, could have been expected to achieve the desired result consistent with applicable law, safety, reliability, efficiency and expedition.

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Prudent electrical practices are not limited to the optimum practice, method or act, but rather is a spectrum of possible practices, methods or acts.

4.2 The Company shall have no liability (whether arising in contract, tort, strict liability, warranty or otherwise) for any loss or damage whatsoever arising out of any action taken by the Company pursuant to this Section and Customer-generator hereby releases the Company from such liability.

5. Term and Termination

5.1 This Agreement is effective upon execution the day and year first above written. Continued service under this Agreement is contingent upon the availability of Schedule 150.

5.2 Customer-generator may disconnect the Facility at any time upon thirty (30) days' notice to the Company and this Agreement shall terminate upon permanent physical removal of facilities necessary to interconnect the Facility with the Company's electric system; provided, that all obligations incurred before the termination of this Agreement shall survive such termination and continue in full force and effect until fully satisfied.

6. Governmental Authority

Customer-generator shall obtain all governmental authorizations, licenses and permits needed for the construction and operation of the Facility.

7. Inspection by the Company

Customer-generator shall permit the Company to inspect the Facility at any reasonable time.

8. Protective Apparatus

8.1 If Customer-generator's capacity is greater than 5kW, Customer-generator shall, at no cost or expense to the Company, furnish, install, operate, and maintain a lockable disconnect switch, capable of isolating the Facility from the Company's electric system. Such switch shall be accessible to the Company and the Company shall have the right to lock such disconnect switch open whenever the Company, in its sole discretion, deems it necessary to maintain safe electrical operating conditions, or whenever Customer-generator's facilities adversely affect the Company's system. If Customer-generator's initial capacity is 5kW or less, and is later increased to greater than 5kW, Customer-generator shall notify the Company immediately and this Section shall apply.

8.2 If Customer-generator's generation capacity is greater than 25kW, Customer-generator shall, at no cost or expense to the Company, furnish, install, operate and maintain Interconnection protection devices in accordance with the latest revision of the Company's Standard, PSE-ET-160.50, Interconnection Standards.

8.3 If Customer-generator's generation capacity is greater than 25kW, Customer-generator shall be responsible for the costs associated with a dedicated service transformer serving the facility, if none presently exists.

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9. Operation of Equipment

(a) Except as otherwise provided in Section 8 and in this Section, Customer-generator shall have sole responsibility for the operation of the equipment described in Section 8 above.

(b) The Company may, in its sole discretion, at any time, and from time to time, operate the equipment described in Section 8, (i) to disconnect the Facility from the Company's electric system upon termination of this Agreement or (ii) to disconnect the Company's electric system from the Facility or to interrupt or reduce the flow of energy to or from the Facility pursuant to Section 4 above.

10. Interconnection

10.1 Subject to the terms and provisions of this Agreement, the Company shall permit Customer-generator to interconnect to the Company's electric system. An electrical system one-line diagram of such interconnection is included in Exhibit A to this Agreement, attached hereto and incorporated herein.

10.2 Customer-generator shall pay all costs for the design, installation, operation, and maintenance of the Facility in accordance with all applicable laws and regulations and with Exhibit A to this Agreement.

10.3 Customer-generator shall reimburse the Company for all costs and expenses reasonably incurred by the Company for engineering, reviewing plans, inspection, or other activities related to installation of the Facility not otherwise recoverable under Section 1.2, including, without limitation, costs incurred by the Company in connection with the procurement and installation of interconnection facilities. Such reimbursement shall be made by Customer-generator in a manner satisfactory to the Company within thirty (30) days after receipt of the Company's invoice therefor. Any overdue reimbursement shall be made with interest accruing at the rate of twelve percent (12%) per annum calculated on the basis of a 365-day year and actual days elapsed from (and including) the date on which such reimbursement was due, to (but excluding) the date on which such reimbursement is made.

10.4 After interconnection is completed at the point indicated in Exhibit A, the Company will notify the Customer-generator prior to undertaking any additional activities related to the Facility, the costs for which are the responsibility of the Customer-generator pursuant to Sections 10.3, or 11.2 of this Agreement; provided, that the Company shall not be required to notify the Customer-generator before taking any actions under Section 4 of this Agreement, or any emergency actions required to prevent damage to any person or property of the Company, Customer-generator, or any third-party. Within fifteen (15) days after such notification by the Company ("Notification Period"), the Customer-generator may elect to terminate this Agreement pursuant to Section 5.2 of this Agreement. During the Notification Period, the Company shall not engage in any additional activities for which the Customer-generator would incur costs pursuant to this Section without Customer-generator's consent. If Customer-generator does not terminate this Agreement within the Notification Period, the Company may undertake such additional activities related to the Facility.

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10.5 The Customer-generator shall be responsible for any costs associated with any required upgrade or modification to the Company's distribution system (including service line or line transformer) if (a) output from the Facility exceeds Customer-generator's demand in the absence of Facility's generation and (b) the existing line transformer and service line is not rated for the Facility's output. The payment terms described in Section 10.3 (for reimbursements to the Company) shall apply to any costs incurred by the Company on behalf of the Customer-generator pursuant to this Section 10.4.

11. Operation, Maintenance, and Modification by Customer-generator

11.1 Customer-generator shall operate and maintain the Facility in accordance with Company's safety and reliability standards, and with applicable law.

11.2 The Customer-generator shall be responsible for any costs associated with any future upgrade or modification to its system required by future modifications in the Company's distribution system.

12. No Liability or Warranty by the Company

12.1 The Company shall have no liability or responsibility for the Facility or its interconnection with the Company's electric system, regardless of what the Company knows or should know about the Facility or its interconnection.

12.2 Neither this Agreement nor anything the Company does (for example, inspections, acceptances, or approvals) or fails to do with respect to the Facility or its interconnection with the Company's electric system shall be considered a warranty by the Company, or make the Company liable to any extent for the Facility or its interconnection.

13. Indemnity and Release

13.1 To the maximum extent permitted by applicable law, Customer-generator hereby releases and shall defend, indemnify and hold harmless each, any and all of the Company, its successors and assigns, and the respective directors, officers, employees, and representatives of the Company, its successors and assigns (collectively, the "Indemnitees") from and against any and all allegations, claims, demands, harms, liens, losses, costs, damages, expenses (including, but not limited to, reasonable attorneys' fees) and liabilities directly or indirectly arising from or in connection with any and all of the following: (i) this Agreement; (ii) the construction, installation, or operation of the Facility; (iii) the interconnection or disconnection (or failure to do so) of the Facility and the Company's electric system, or (iv) any act or omission by Customer-generator, its employees or agents or representatives. Notwithstanding the provisions of this paragraph 13.1, the Company shall not be indemnified hereunder for its loss, liability, damage, claim, cost, charge, demand, or expense resulting from its sole negligence or willful misconduct.

13.2 The Parties intend that, to the maximum extent permitted by applicable law, and consistent with the provisions of RCW 4.24.115 if and as applicable, Section 13.1 shall apply regardless of any act, omission, fault, negligence or strict liability of the Indemnitees (each, any or all of them).

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13.3 In connection with any action to enforce this Section 13, the Customer-generator hereby waives any immunity, defense, or protection under any workers' compensation, industrial insurance or similar laws (including, but not limited to, the Washington Industrial Insurance Act, Title 51 of the Revised Code of Washington).

This Section 13.3 was mutually negotiated by the Parties:

Initialed by:

Customer-generator

Company

14. Information

Customer-generator shall promptly furnish the Company with copies of such plans, specifications, records, and other information relating to the Facility or the ownership, operation, use, or maintenance of the Facility, as may be reasonably requested by the Company from time to time. All such information, together with any and all other documents and information furnished to the Company under this Agreement, shall be given to the Company on a non-confidential basis.

15. Notices and Other Communications

Notice Methods and Addresses. All notices, requests, demands and other communications required or permitted to be given under this Agreement shall be given in writing (i) by personal delivery, (ii) by recognized overnight air courier service, (iii) by United States postal service, postage prepaid, registered or certified mail, return receipt requested, or (iv) by facsimile transmission, using facsimile equipment providing written confirmation of successful completed transmission to the receiving facsimile number. All notices to either Party shall be made to the address set forth below. Any notice shall be deemed to have been given on the date delivered, if delivered personally, by overnight air courier service or by facsimile transmission; or, if mailed, shall be deemed to have been given on the date shown on the return receipt as the date of delivery.

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Addresses for Notification. If to:

Company: Puget Sound Energy, Inc.
P.O. Box 90868 (EST-10W)
Bellevue, WA 98009-0868
Attn: Energy Efficiency Services/Net Metering
Tel. (425) 456-2419
FAX (425)-456-2731

Customer-generator: _____

Attn: _____
Tel. () _____
FAX () _____

16. Miscellaneous

16.1 This Agreement is subject to the General Rules and Provisions as set forth in the Company's Electrical Tariff G and other Schedules that may apply. Such schedules may be revised from time to time upon approval of the Washington Utilities and Transportation Commission. Any conflict between this Agreement and any provisions of the Company's approved tariffs and rate schedules shall be resolved in favor of such tariff and schedule provisions.

16.2 This Agreement and all of the terms and provisions of this Agreement shall be binding upon and inure to the benefit of the respective successors and assigns of the Parties; provided, that Customer-generator shall not assign all or any part of this Agreement (or assign any of its rights under this Agreement or delegate performance of any of its obligations under this Agreement) without the prior written consent of the Company.

16.3 Customer-generator shall be and act as an independent contractor (and not as an employee, partner, agent, or representative of the Company) in the performance of this Agreement.

16.4 This Agreement shall in all respects be interpreted, construed and enforced in accordance with the laws of the State of Washington (without regard to any conflict of law rules).

16.5 All obligations of the Parties arising pursuant to this Agreement which may reasonably be construed as surviving the completion, termination, or cancellation, including, but not limited to, Sections 10, 12, 13 and 16 of this Agreement, shall survive the completion, termination or cancellation of this Agreement and shall be and remain fully enforceable in accordance with the terms and conditions of this Agreement.

16.6 Nothing in this Agreement shall be construed to create any duty, obligation or liability to, or any standard of care with reference to any person or entity, other than the Parties (and their respective successors and assigns, subject to this section).

Issued: September 9, 2005

Effective: October 10, 2005

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Attachment A to Schedule 150, Page 8

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16.7 This Agreement shall not be interpreted or construed to create an association, joint venture or partnership between the Parties or to impose any partnership obligations or liability upon either of the Parties.

16.8 Except as otherwise provided herein, this Agreement, including all exhibits hereto, sets forth the entire agreement between the Parties. This Agreement may not be modified or amended except by written amendment, signed by both Parties hereto.

Puget Sound Energy, Inc.

[Customer-generator]

By _____
Its _____
Date _____

By _____
Its _____
Date _____

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EXHIBIT A - DESCRIPTION OF CUSTOMER-GENERATOR'S ON-SITE FACILITY

I. GENERAL INFORMATION

A. Customer/Owner Data

Existing Building:

- Residence
- Commercial Structure

Newly Constructed Building:

- Residence
- Commercial Structure

PSE Account # _____ - _____ - _____ - _____

Existing PSE meter number to receive the energy produced by this facility: # _____

PSE Account Holder Name: _____

Name of Person Requesting Net Metering Service (if different than account holder) _____

Mailing address: _____

Service address: _____

Telephone Number: Day: (____) _____

Evening: (____) _____

E-mail Address: _____

B. Facility Operator Data (if applicable)

Name: _____

Address: _____

Telephone Number: (____) _____

C. Consultant/Supplier/Installer Data (as applicable)

Firm/ Individual Name(s) _____

Address(es) _____

Telephone Number(s): (____) _____

E-mail Address(es): _____

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E. Protection Equipment (for systems not using a synchronous inverter)

List (or attach) relay manufacturer, type and trip setting used to monitor each of the following:

Overcurrent: _____

Frequency: _____

Voltage: _____

For systems not using a synchronous inverter, attach or describe the protection against backfeeding into a de-energized Puget Sound Energy power system. Include manufacturer, type and trip setting of relays.

Describe location (in relation to the serving PSE electric meter) of the Lockable Disconnect Switch (required when the customer-generator capacity is greater than 5kW):

When the Customer-generator generation capacity is greater than 25 kW, provide Interconnection protection devices and design information to the PSE. Such devices must be in accordance with the latest revision of PSE Standard, PSE-ET-160.50, Interconnection Standards.

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F. Other Information

- 1) Local/state electrical permit number and issuing agency for connection of the generating system to the structure electrical service panel:

Permit #: _____

Issued by: (name of jurisdiction) _____.

- 2) Estimated date when the generating system will be fully installed and ready for PSE's field inspection: _____

G. Facility Diagram

Attach a simple "one-line" electrical diagram for this facility, including

- metering point (PSE's serving electric meter)
- connection to the structure's electrical service panel
- the lockable disconnect switch (if applicable)
- the inverter (if applicable)
- the generator