

Facility Study Agreement

This Facility Study Agreement is dated [DATE], and is between PUBLIC UTILITY DISTRICT NO, 1 OF SNOHOMISH COUNTY, WASHINGTON (the "District"), a municipal corporation organized and existing under the laws of the State of Washington and _____, ("Interconnection Customer"), a corporation organized and existing under the laws of [INSERT].

Recitals

Interconnection Customer is proposing to design, finance, construct, own, and operate an electric generation facility ("Generating Facility") powered by _____ and located in _____, Washington.

The District owns and operates an electrical distribution system in Snohomish County.

Interconnection Customer desires to interconnect the Generating Facility with the District's electric distribution system.

The District has completed a system impact study and provided the results of said study to the Interconnection Customer.

Interconnection Customer has requested the District to perform a facility study to specify and estimate the cost of the equipment, engineering, procurement and construction work needed to implement the conclusion of the system impact study that does not compromise the safe and reliable operation of the electric system when connecting the Generating Facility to the District's electric distribution system.

NOW, THEREFORE, in consideration of the premises and mutual covenants contained herein, the parties agree as follows:

Terms and Conditions

1. Within seven (7) business days from the date of execution of this Agreement, Interconnection Customer shall pay the District a deposit of \$(variable depending on complexity of Fac. Study).
2. The District shall, within 60 business days of the receipt of such sum from Interconnection Customer complete a Facility Study to specify upgrades/changes to the District's electric system that are necessary to interconnect the Generating Facility and to ensure that the District's electric system will continue to operate safely and reliably.
3. The District will provide Interconnection Customer a written copy of all final Facility Study results and will include all measures reasonably recommended by the study as specifications in the Interconnection Agreement for interconnection of the Generating Facility with the District's electric system. The Facility Study will contain cost estimates and an estimated construction schedule based on the preliminary engineering design. The Facility Study may not include costs and time required for work such as obtaining easements and Right-of-Way, permits, environmental studies, etc.
4. Interconnection Customer agrees to cooperate fully with the District to ensure the District has adequate information with which to complete the Facility Study by completing, submitting, and

having District approval of ESR Form 6-2 "Final Application for Operation of Customer-Owned Generation." This cooperation includes, but is not limited to, providing all necessary data concerning the specifications for and electrical characteristics of the Generating Facility.

5. The Facility Study to be performed by the District under this Agreement shall be rendered in a good and workmanlike manner by fully qualified personnel who are, or who are working under the responsible supervision of, Professional Engineers licensed in the State of Washington and such Facility Study shall be performed in accordance with accepted industry standards and best industry practices as reasonably understood by the District. THE DISTRICT HEREBY DISCLAIMS ANY AND ALL OTHER WARRANTIES, WHETHER EXPRESS OR IMPLIED, INCLUDING ANY AND ALL WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. IN NO EVENT WILL THE LIABILITY OF THE DISTRICT UNDER THIS AGREEMENT EXCEED \$10,000. The validity of the District's study is limited by the assumptions used; the District shall not be responsible for additional interconnection measures required at the time of Commercial Operation of the Generating Facility or thereafter due to changes in the configuration, operation, flow of electricity, or other conditions that do not presently exist on the District's electric system. Nor shall the District be responsible for any new measures required because of or arising from changes in the specifications or configuration of the Generating Facility.

6. The District shall invoice Interconnection Customer, and Interconnection Customer shall promptly pay the District, for any external and internal costs in excess of the deposit incurred for work associated with the Facility Study. After 15 days from the date such invoice is issued by the District, any outstanding amounts shall accrue interest at the rate of one percent per month or the highest rate allowed by law, whichever is lower. The District agrees to use all reasonable efforts to control the costs of the study. Should the costs associated with the Facility Study amount to less than the deposit, the District will refund the remaining deposit amount to Interconnection Customer without interest.

IN WITNESS WHEREOF, the Parties have caused this Facility Study Agreement to be executed by their respective authorized officials.

For Public Utility District No.1 of Snohomish County, Washington:

By:
Name Title Date

For "Interconnection Customer":

By:
Name Title Date