

## REDUNDANT DISTRIBUTION CAPACITY AGREEMENT

THIS REDUNDANT DISTRIBUTION CAPACITY AGREEMENT (this "Agreement") is made and entered into on February 28<sup>TH</sup>, 2015, between PUBLIC UTILITY DISTRICT NO. 1 OF SNOHOMISH COUNTY, WASHINGTON, a municipal corporation organized and existing under the laws of the State of Washington (the "District"), and the CITY OF EVERETT, WASHINGTON, a municipal corporation organized and existing under the laws of the State of Washington (the "Customer"). The District and the Customer are sometimes hereinafter referred to individually as a "Party" and collectively as the "Parties."

### RECITALS

- A. Customer owns Pigeon Creek Lift Station #1 ("Facility") located at 3520 Pigeon Creek Road, Everett, Washington.
- B. The District currently provides electric service to the Facility through two primary service feeder lines pursuant to the District's Rate Schedule No. 20.
- C. Customer desires for the District to reserve 1,099 kilowatts ("kW") of capacity on its distribution facilities and to deliver such capacity at secondary voltage ("Redundant Distribution Capacity").
- D. The purpose of the Redundant Distribution Capacity is to provide an alternate path for delivery of electrical power to Customer's Facility.
- E. The District agrees to provide and the Customer agrees to pay for such Redundant Distribution Capacity.
- F. The District has determined that such capacity can be reserved for Customer without adversely impacting other customers, system operations, system reliability and safety.

The parties therefore agree as follows:

1. CERTAIN DEFINED TERMS; INCORPORATION BY REFERENCE. For purposes of this Agreement, the terms set out below are defined as follows:
  - a. Rates mean, at any given time, the then-current rates and charges, as set forth in the Schedules, as they may be amended from time to time and at any time by the District's Board of Commissioners (the "Commission"), payable by the Customer for Electric Power and related services under this Agreement.
  - b. Regulations mean the District's Customer Service Regulations for Electric Service, or any successor thereto.
  - c. Schedules mean the District's Rate Schedules 20 (General Service, Medium Load) and 82 (Adjustments), collectively.

All capitalized terms used but not defined herein will have the respective meanings set forth in the Schedules or the Regulations. The Schedules and Regulations, as amended from time to time and at any time by the District's Board of Commissioners, are incorporated into this Agreement as though fully set forth herein.

2. ELECTRIC POWER: The District will provide three phase, sixty-hertz, alternating current.
  - (a) Agreement Maximum: The District agrees to furnish a maximum amount of 1,099 kilowatts during the term of this Agreement. The Customer agrees that it will not take more than the maximum amount of kilowatts set forth in this paragraph, and that the District shall not be obligated to provide more capacity than the maximum amount of kilowatts set forth in this paragraph.
  - (b) Redundant Capacity: The District agrees to furnish a redundant capacity of 1,099 kW during the term of this Agreement. Such redundant capacity shall consist of two primary service feeders to the Customer's Facility. The District shall determine the primary service feeder lines that best serve the Facility. The District reserves the ability to switch and serve the primary service feeders from alternate substations from time to time. Each feeder line shall be capable of delivering the 1,099 kW maximum capacity.

The present service alignment is further described as Feeder No.12-1847 usually connected to Waterfront Substation, and Feeder No. 12-592 usually connected to Glenwood Substation. The Facility's normal source of power is Feeder No. 12-1847 and the backup is Feeder No. 12-592. Prior to changing its normal source of power, the Customer shall contact the District's Energy Control Center at 425-783-5040. To the best of its ability, the District will maintain under normal operation conditions, two sources of power available to the Facility.
  - (c) Voltage: The District will deliver Electric Power to the Customer at a secondary voltage of 480/277 volts plus or minus five percent.
  - (d) Power Factor: Customer agrees to maintain a power factor at the Facility that is greater than or equal to 0.95. If the power factor is less than 0.95, the amount of available Redundant Distribution Capacity to Customer will decrease in direct proportion.
  - (e) Point of Delivery: The point of delivery for Electric Power is the termination of the secondary cable located at the load break switch.
  - (f) Term: This Agreement shall be automatically renewed for successive one year periods beyond the date of this Agreement and thereafter upon the same terms and

conditions set forth herein, unless: (i) written notice is provided at least thirty (30) days prior to the expiration date of any such one-year term by the Customer to the District of its intention not to renew this Agreement, in which event this Agreement shall terminate upon the expiration of such term; or (ii) written notice is provided by the District to Customer of its intention not to renew this Agreement, in which event the Agreement shall (A) notwithstanding such notice, still automatically renew for three (3) additional one year extension terms after the delivery of the notice and (B) terminate upon the expiration of the last such extension term.

3. **RATES:** The Customer agrees to pay to the District the rates and charges in the Schedules in consideration for the Electric Power and other products and services furnished by the District under this Agreement, including the regular charge, minimum charge, and applicable taxes and surcharges. In the event the Commission revises a Rate Schedule applicable to Customer, the Customer agrees to thereafter pay for Electric Power provided by the District in accordance with the revised Rate Schedule.
4. **ESSENTIAL FACILITY:** The District recognizes that the Facility is an essential facility for the Customer and the site will be considered as an essential facility during emergencies, brown-outs, and black-outs. The Customer acknowledges that the District restores electrical services based upon event circumstances and system priorities, and that the Facility is an essential facility to be addressed after system restoration priorities such as the 115kV transmission backbone, major distribution feeders, and essential health and safety facilities, e.g., police/fire stations and hospitals. The Customer also recognizes that even with two feeders supplying the site that a major regional event could cause extended outages and that the District recommends consideration of back-up generation and reserve wastewater storage capacity.
5. **CONTACT INFORMATION:**
  - a. City of Everett Maintenance Superintendent – (425) 257-8832
  - b. District Energy Control Center – (425) 783-5040
6. **NOTICES:**
  - (a) General Notice Methods and Addresses. Subject to section 6(b), any notice required or permitted to be given under or pursuant to this Agreement will be in writing and will be delivered to the intended recipient Party at its address set forth below either (a) in person, (b) by nationally recognized overnight delivery service, or (c) by United States Certified Mail, return receipt requested. Notices delivered in person or sent by overnight delivery service will be effective upon delivery. Notices sent by Certified Mail will be effective on the date shown on the return receipt as the date of delivery or on the final date on which Post Office certifies that it was unable to deliver.

If to the Customer:  
City of Everett  
Public Works Department  
3200 Cedar Street  
Everett, WA 98201  
Attn: Maintenance Superintendent  
425-257-8800  
everettpw@everettwa.gov

If to the District:  
Public Utility District No. 1  
of Snohomish County  
2320 California Street  
Everett, WA 98201  
Attn: Chuck Peterson  
Executive Account Manager  
rcpeterson@snopud.com

Change of address: Either Party may change the address to which notices should be sent by giving notice of such change in accordance with the requirements of this section.

(b) Notice for Switching. Prior to switching and serving the primary service feeders through only one substation due to a District-planned outage, the District will endeavor to provide two weeks' prior notice to the Customer, although an emergency or other event may limit the ability of the District to provide prior notice. Such notice may be provided initially by phone followed by electronic mail notice within three business days.

7. SURVIVAL: The expiration or termination of this Agreement will not relieve either Party of any liability of any breach of this Agreement.
8. AMENDMENT: No change, amendment or modification of any provision of this Agreement will be valid unless set forth in a written amendment to this Agreement signed by both Parties; provided, however, that amendments to the Schedules will be valid and binding upon the Parties when approved by the District's Board of Commissioners.

In WITNESS WHEREOF, the Parties have executed this Agreement as of the date first set forth above.

CITY OF EVERETT

By: Ray Stephanson  
Ray Stephanson, Mayor

Date: 3/18/2015

ATTEST:

By: Sharon Fuller  
Sharon Fuller, City Clerk

Date: 3/8/2015

APPROVED AS TO FORM:

By: James D. Iles  
James D. Iles, City Attorney

Date: 3/5/15

PUBLIC UTILITY DISTRICT NO. 1 OF SNOHOMISH COUNTY, WASHINGTON

By: R. Charles Peterson  
(Signature)  
R. Charles Peterson  
Printed Name

Date: 3/26/2015

Its: Executive Account Manager

*Agreement*

EVERETT CITY COUNCIL AGENDA ITEM COVER SHEET

#13

**PROJECT TITLE:**

Redundant Distribution  
Capacity Agreement with PUD  
No. 1 of Snohomish County

- Briefing
- Proposed Action
- Consent
- Action
- First Reading
- Second Reading
- Third Reading
- Public Hearing
- Budget Advisory

COUNCIL BILL #  
Originating Department  
Contact Person  
Phone Number  
FOR AGENDA OF

Public Works  
M. Sadler  
257-8967  
Feb 11, 2015

Initialed by:  
Department Head  
CAA  
Council President

*[Handwritten initials]*

**Location                      Preceding Action                      Attachments                      Department(s) Approval**

Amount Budgeted		Within Utilities Operating Budget
Expenditure Required	-0-	Account Number(s): 401-5-200-109
Budget Remaining	-0-	
Additional Required	-0-	

**DETAILED SUMMARY STATEMENT:**

The City's Lift Station No. 1 is currently served by two power distribution feeds by PUD No. 1 of Snohomish County under their general service rate schedule. The station is the city's largest lift station and is at the base of Pigeon Creek. To better secure a redundant power distribution feed to the lift station, the PUD and the City propose to enter into this agreement to obligate the District to furnish a redundant electrical service feeder with enough capacity to run the station, and for the District to recognize the facility as an essential facility and prioritize power delivery during black outs, brown outs, and emergencies.

**RECOMMENDATION (Exact action requested of Council):**

Authorize the Mayor to sign the Redundant Distribution Capacity Agreement with the PUD No. 1 of Snohomish County for power service to the City's Lift Station No. 1.

*Council approved  
2/18/15  
[Signature]*