

CITY OF BELLINGHAM
ORDINANCE NO. 2003-01-002

AN ORDINANCE granting Puget Sound Energy, Inc., a Washington corporation, its successors and assigns, the right, privilege, authority and franchise to set, erect, lay, construct, extend, support, attach, connect and stretch Facilities between, maintain, repair, replace, enlarge, operate and use Facilities in, upon, over, under, along, across and through the Franchise Area for purposes of transmission, distribution and sale of energy for power, heat, light and any other purpose for which electrical energy can be used.

THE CITY OF BELLINGHAM DOES ORDAIN:

Section 1. Definitions.

1.1 Where used in this franchise (the "Franchise") the following terms shall mean:

1.1.1 "PSE" means Puget Sound Energy, Inc., a Washington corporation, and its respective successors and assigns.

1.1.2 "City" means the City of Bellingham, a municipal corporation of the State of Washington, and its respective successors and assigns.

1.1.3 "Franchise Area" means: any, every and all of the roads, streets, avenues, alleys, highways, grounds and public places of the City as now laid out, platted, dedicated or improved; and any, every and all roads, streets, avenues, alleys, highways, grounds and public places that may hereafter be laid out, platted, dedicated or improved within the present limits of the City and as such limits may be hereafter extended.

1.1.4 "Facilities" means poles (with or without crossarms), wires, lines, conduits, cables, communication and signal lines, braces, guys, anchors, vaults and all necessary or convenient facilities and appurtenances thereto, whether the same be located over or under ground.

1.1.5 "Ordinance" means Ordinance No. 2003-01-002, which sets forth the terms and conditions of this Franchise.

Section 2. Facilities within Franchise Area.

2.1 The City does hereby grant to PSE the right, privilege, authority and franchise to set, erect, lay, construct, extend, support, attach, connect and stretch Facilities between, maintain, repair, replace, enlarge, operate and use Facilities in, upon, over, under, along, across and through the Franchise Area for purposes of transmission, distribution and sale of energy for power, heat, light and any other purpose for which electrical energy can be used.

Section 3. Noninterference of Facilities.

3.1 PSE's Facilities shall be maintained within the Franchise Area so as not to unreasonably interfere with the free passage of traffic and in accordance with all applicable laws, rules and regulations. Whenever it shall be necessary for PSE, in the exercise of its rights under this Franchise, to make any excavation in the Franchise Area, PSE shall, upon completion of such excavation, restore the surface of the Franchise Area, as nearly as practicable, to the same condition it was in prior to such excavation as soon as is commercially reasonable.

Section 4. Relocation of Facilities.

4.1 Whenever the City causes the grading or widening of the Franchise Area (for purposes other than those described in Section 4.3 below) and such grading or widening requires the relocation of PSE's then existing Facilities within the Franchise Area, the City shall:

4.1.1 provide PSE, within a reasonable time prior to the commencement of such grading or widening, written notice requesting such relocation; and

4.1.2 provide PSE with reasonable plans and specifications for such grading or widening.

After receipt of such notice and such plans and specifications, PSE shall relocate such Facilities within the Franchise Area at no charge to the City; provided if such relocation is required within five (5) years from the date of a previous relocation of such Facilities required by the City during the term of this Franchise, then PSE shall be entitled to recovery of its costs and expenses incurred in such relocation.

4.2 PSE may propose to the City alternatives to reduce or eliminate the need for relocation of its Facilities pursuant to this Section 4. Upon the City's receipt from PSE of such alternatives in writing, the City shall evaluate such alternatives and shall advise PSE in writing if one or more of such alternatives is suitable to accommodate the work which would otherwise necessitate relocation of PSE's Facilities. In evaluating such alternatives, the City shall give each alternative proposed by PSE full and fair consideration with due regard to all the facts and circumstances which bear upon the practicality of relocation and alternatives to relocation. In the event the City reasonably determines that such alternatives are not appropriate, PSE shall relocate its Facilities as otherwise provided in this Section 4.

4.3 Whenever any person or entity, other than the City, requires the relocation of PSE's Facilities to accommodate the work of such person or entity within the Franchise Area; or, whenever the City requires the relocation of PSE's Facilities within the Franchise Area for the benefit of any person or entity other than the City, then PSE shall have the right as a condition of such relocation to require such person or entity to:

4.3.1 make payment to PSE, at a time and upon terms acceptable to PSE, for any and all costs and expenses incurred by PSE in the relocation of PSE's Facilities; and

4.3.2 indemnify and save PSE harmless from any and all claims and demands made against it on account of injury or damage to the person or property of another arising out of or in conjunction with the relocation of PSE's Facilities, to the extent such injury or damage is caused by the negligence of the person or entity requesting the relocation of PSE's Facilities or the negligence of the agents, servants or employees of the person or entity requesting the relocation of PSE's Facilities.

4.4 Any condition or requirement imposed by the City upon any person or entity, other than PSE or the City (including, without limitation, any condition or requirement imposed pursuant to any contract or in conjunction with approvals or permits for zoning, land use, construction or development) which requires the relocation of PSE's Facilities shall be a required relocation for purposes of Section 4.3; provided however:

4.4.1. If the City notifies PSE in writing that the primary purpose of imposing such condition or requirement upon such person or entity is to cause the grading or widening of the Franchise Area on the City's behalf consistent with the City's Six-Year Street Construction Program then PSE shall relocate its Facilities within the Franchise Area in accordance with Section 4.1.

4.4.2 If the City notifies PSE in writing that the City will bear a portion of the costs of, or provide funding towards, a project that includes grading or widening of the Franchise Area resulting from the imposition of such condition or requirement upon such person or entity, then PSE agrees to bear a portion of its costs and expenses to relocate its Facilities to accommodate such grading or widening, such portion born by PSE being a percentage equal to that percentage of such project's utility installation and grading or widening costs born or funded by the City (the "City Contribution"); provided however, that in no event shall such portion born by PSE exceed the dollar amount of such City Contribution. In all other respects such relocation shall be a required relocation for the purposes of Section 4.3 and, without limiting the foregoing, PSE shall have the right as a condition of such relocation to require such person or entity to pay to PSE all relocation costs and expenses in excess of the portion born by PSE under this Section 4.4.2.

Provided further, if the Facilities to be relocated pursuant to subsections 4.4.1 or 4.4.2 have been located or relocated within the preceding five (5) years, then PSE shall be entitled to recovery of all its costs and expenses incurred in the relocation of its Facilities.

4.5 Nothing in this Section 4 "Relocation of Facilities" shall require PSE to bear any cost or expense in connection with the location or relocation of any Facilities then existing under benefit of easement or such other rights not derived from this Franchise.

Section 5. Underground Installation of Distribution Facilities

5.1 In connection with City improvement of the Franchise Area (including improvements which necessitate relocation of PSE Facilities in accordance with subsection 4.1) the City may by written notice to PSE, request PSE to underground (convert) its existing overhead distribution Facilities of 15,000 volts or less located

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within the Franchise Area improved by the City; provided, that such underground conversion of PSE's existing Facilities shall be accomplished in accordance with applicable tariff(s) on file with the Washington Utilities and Transportation Commission or its successor.

5.2 If PSE elects to install new overhead distribution Facilities of 15,000 volts or less within the Franchise Area or a new extension of existing overhead distribution Facilities of 15,000 volts or less within the Franchise Area, then PSE will provide written notice of such intent to the City. The City may by written notice to PSE, request PSE to install such Facilities underground within the Franchise Area; provided, that such underground installation of PSE's Facilities shall be accomplished in accordance with applicable tariff(s) on file with the Washington Utilities and Transportation Commission or its successor.

Section 6. Indemnification.

6.1 PSE shall defend, indemnify and save the City harmless from any and all claims, demands, suits, actions, costs and expenses, including, but not limited to, attorneys' fees, made against it on account of any injury or damage to the person or property of another, to the extent such injury or damage is caused by the negligence of PSE or its agents, servants or employees in exercising the rights granted PSE in this Franchise; provided, however, that in the event any such claim or demand be presented to or filed with the City, the City shall promptly notify PSE thereof, and PSE shall have the right, at its election and at its sole cost and expense, to settle and compromise such claim or demand; provided further, that in the event any suit or action be begun against the City based upon any such claim or demand, the City shall likewise promptly notify PSE thereof, and PSE shall have the right, at its election and its sole cost and expense, to settle and compromise such suit or action, or defend the same at its sole cost and expense, by attorneys of its own election. This provision shall survive the termination of this Franchise.

Section 7. Moving Buildings within the Franchise Area.

7.1 If any person or entity obtains permission from the City to use the Franchise Area for the moving or removal of any building or other object, the City shall, prior to granting such permission, require such person or entity to make any necessary arrangements with PSE for the temporary adjustment of PSE's wires to accommodate the moving or removal of such building or other object. Such necessary arrangements with PSE shall be made, to PSE's satisfaction, not less than fourteen (14) days prior to the moving or removal of said building or other object. In such event PSE shall, at the expense of the person or entity desiring to move or remove such building or other object, adjust any of its wires which may obstruct the moving or removal of such building or other object, provided that:

7.1.1 the moving or removal of such building or other object which necessitates the adjustment of wires shall be done at a reasonable time and in a reasonable manner so as not to unreasonably interfere with PSE's business;

7.1.2 where more than one route is available for the moving or removal of such building or other object, such building or other object shall be moved or

removed along the route which causes the least interference with PSE's business, unless such alternate route is deemed by the City to not be acceptable; and

7.1.3 the person or entity obtaining such permission from the City to move or remove such building or other object shall be required to indemnify and save PSE harmless from any and all claims and demands made against it on account of injury or damage to the person or property of another arising out of or in conjunction with the moving or removal of such building or other object, to the extent such injury or damage is caused by the negligence of the person or entity moving or removing such building or other object or the negligence of the agents, servants or employees of the person or entity moving or removing such building or other object.

Section 8. City Use of Facilities

8.1 During the term of this Franchise, and with respect to poles which are Facilities and which are (i) wholly owned by PSE and (ii) within the Franchise Area, the City, subject to PSE's prior written consent which shall not be unreasonably withheld, may install and maintain City-owned overhead wires and cables upon such poles for police, fire, traffic control and other noncommercial municipal communications purposes. The foregoing rights of the City to install and maintain such wires and cables are further subject to the following:

8.1.1 Such installation and maintenance shall be done by the City at its sole risk and expense, in accordance with all applicable laws, and subject to such reasonable requirements as PSE may specify from time to time (including, without limitation, requirements accommodating PSE's Facilities or the facilities of other parties having the right to use PSE's Facilities);

8.1.2 PSE shall have no obligation arising under the indemnity provisions in Section 5.1 of this Franchise as to any circumstances directly or indirectly caused by or related to such City-owned wires and cables or the installation or maintenance thereof; and

8.1.3 PSE shall not charge the City a fee for the use of such poles in accordance with this Section 7 as a means of deriving revenue therefrom; provided, however, nothing herein shall require PSE to bear any cost or expense in connection with such installation and maintenance by the City.

Section 9. Default.

9.1 If PSE shall fail to comply with the provisions of this Franchise, the City may serve upon PSE a written order to so comply within sixty (60) days from the date such order is received by PSE. If PSE is not in compliance with this Franchise after expiration of said sixty (60) day period, the City may, by ordinance, declare an immediate forfeiture of this Franchise, provided, however, if any failure to comply with this Franchise by PSE cannot be corrected with due diligence within said sixty (60) day period (PSE's obligation to comply and to proceed with due diligence being subject to unavoidable delays and events beyond its control), then the time within which PSE may so comply shall be extended for such time as may be reasonably necessary to comply; provided further that PSE commences work promptly and diligently to effect such compliance as soon as is commercially reasonable.

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Section 10. Nonexclusive Franchise.

10.1 This Franchise is not and shall not be deemed to be an exclusive Franchise. This Franchise shall not in any manner prohibit the City from granting other and further franchises over, upon, and along the Franchise Area which do not interfere with PSE's rights under this Franchise. This Franchise shall not prohibit or prevent the City from using the Franchise Area or affect the jurisdiction of the City over the same or any part thereof.

Section 11. Assignment.

11.1 In accordance with Section 11.06 of the Bellingham City Charter, this franchise shall not be leased, assigned or otherwise alienated without the express written consent of the City by ordinance. Said consent shall not be unreasonably withheld. Any approved assignee shall, within thirty (30) days of the date of any assignment, file written notice of the assignment with the City together with its written acceptance of all terms and conditions of this Franchise. Notwithstanding the foregoing, PSE shall have the right, without such notice or such written acceptance, to mortgage its rights, benefits and privileges in and under this Franchise to the Trustee for its bondholders.

Section 12. Franchise Term.

12.1 Except as otherwise provided in subsection 12.2, this Franchise is and shall remain in full force and effect for a period of twenty-five (25) years from and after the effective date of the Ordinance, provided, however, PSE shall have no rights under this Franchise nor shall PSE be bound by the terms and conditions of this Franchise unless PSE shall, within sixty (60) days after the effective date of the Ordinance, file with the City its written acceptance of the Ordinance.

12.2 After the tenth (10th) year this Franchise has been in effect, the City may review the terms and conditions of this Franchise and may by written notice to PSE, request PSE negotiate with the City to amend any of the terms and conditions of this Franchise. If so requested, the parties will promptly commence negotiations such per subsection 13.4. In the event such negotiations do not result in mutually agreeable amendment of this Franchise within one hundred eighty (180) days of the commencement of such negotiations requested under this subsection, then the City may, at its option, terminate this Franchise by ordinance.

Section 13. Modification and Amendment.

13.1 Subject to Section 11.04 of the Bellingham City Charter, this Franchise may be amended only by an ordinance duly passed by the Bellingham City Council and accepted in a written instrument, signed by PSE, which specifically states that it is an amendment to this Franchise and is approved and executed in accordance with the laws of Washington State and the City of Bellingham. Without limiting the generality of the foregoing, this Franchise (including, without limitation, Section 6.1 above) shall govern and supersede and shall not be changed, modified, deleted, added to, supplemented or otherwise amended by any permit, approval, license, agreement or

other document required by or obtained from the City in conjunction with the exercise (or failure to exercise) by PSE of any and all rights, benefits, privileges, obligations or duties in and under this Franchise. In the event of any conflict or inconsistency between the provisions of this Franchise and the provisions of any such permit, approval, license, agreement or other document, the provisions of this Franchise shall control.

13.2 If, during the term of this Franchise, there becomes effective any change in federal or state law (including changes approved by the Washington Utilities and Transportation Commission) which: i) affords either party the opportunity to negotiate in good faith a term or condition of this Franchise which term or condition would not have, prior to such change, been consistent with federal or state law; or ii) pre-empts or otherwise renders null and void any term or condition of this Franchise which has thereto-fore been negotiated in good faith; then, in such event, either party may notify the other party in writing that such party desires to commence negotiations to amend this Franchise per subsection 13.4.

13.3 If, during the term of this Franchise, substantial technology development(s) occur which; i) significantly affect any term(s) or condition(s) of this Franchise; or ii) either party desires to have addressed by term(s) or condition(s) of this Franchise; then either party may notify the other party in writing that such party desires to commence negotiations to amend this Franchise per subsection 13.4.

13.4 If requested per subsections 12.2, 13.2 or 13.3, within thirty (30) days from and after receipt of such written notice, the parties shall, at a mutually agreeable time and place, commence good faith negotiations to amend this Franchise. During the first ten (10) years this Franchise is effective, such negotiations shall encompass only the specific term(s) or condition(s) affected by such change in federal or state law and/or such technology development(s), and neither party shall be obligated to re-open negotiations on any other term or condition of this Franchise. Pending completion of such negotiations resulting in mutually agreeable amendment of this Franchise, City adoption of such amendment by ordinance and acceptance of such ordinance by PSE, and except as to any portion thereof which has been pre-empted or otherwise rendered null and void by any change in federal or state law, this Franchise shall remain in full force and effect, except as otherwise provided in section 12.2.

Section 14. Acquisition of Facilities.

14.1 The existence of this Franchise shall not preclude the City or other duly authorized public entity from acquiring at a fair and just value, by negotiated purchase or condemnation, in accordance with applicable law, all or a portion of PSE's Facilities within the Franchise Area. In determining the value of such Facilities, the parties agree that for the purpose of such acquisition such value shall not include any valuation of the Franchise itself or the rights granted thereby.

14.2 In the event that all or a portion of PSE's Facilities are acquired by the City or other duly authorized public entity, the parties acknowledge that PSE's remaining and/or replacement Facilities may continue to occupy the Franchise Area to maintain connections between PSE's Facilities serving PSE's customers. Accordingly, the parties agree to negotiate in good faith to amend the terms and conditions of this

Franchise as may be necessary to make this franchise consistent with such a situation. However, the Franchise shall terminate as to those Facilities purchased or condemned.

Section 15. Miscellaneous.

15.1 If any term, provision, condition or portion of this Franchise shall be held to be invalid, such invalidity shall not affect the validity of the remaining portions of this Franchise, which shall continue in full force and effect. The headings of sections and paragraphs of this Franchise are for convenience of reference only and are not intended to restrict, affect or be of any weight in the interpretation or construction of the provisions of such sections or paragraphs.

15.2 This Franchise is subject to the provisions of any applicable tariff now or hereafter on file with the Washington Utilities and Transportation Commission or its successor. In the event of any conflict or inconsistency between the provisions of this Franchise and such tariff, the provisions of such tariff shall control.

15.3 This Franchise is subject to the requirements of any applicable laws, rules, or regulations, including the Bellingham Municipal Code, as currently enacted or hereafter modified. In the event of any actual conflict between the provisions of this Franchise and the requirements of the Bellingham Municipal Code or City enacted rules or regulations, the provisions of this Franchise shall control, to the extent authorized by law.

15.4 All notices, demands, requests, consents and approvals which may, or are required to be given by any party to any other party hereunder, shall be in writing and shall be deemed to have been duly given if delivered personally, sent by facsimile, sent by a nationally recognized overnight delivery service, or if mailed or deposited in the United States mail and sent by registered or certified mail, return receipt requested, postage prepaid to:

For the City: Director of Public Works
City of Bellingham
210 Lottie Street
Bellingham, WA 98225

For PSE: Puget Sound Energy
PO Box 90868
Bellevue, WA 98009-0868
Attn: Municipal & Land Planning

or to such other address as the foregoing parties hereto may from time-to-time designate in writing and deliver in a like manner. All notices shall be deemed complete upon actual receipt or refusal to accept delivery. Facsimile transmission of any signed original document, and retransmission of any signed facsimile transmission shall be the same as delivery of an original document.

15.5 All the provisions, conditions, terms and requirements contained herein shall be binding upon the Grantee's successors and assigns. All of Grantee's privileges, obligations, and liabilities shall inure to its successors and assigns equally as if they were specifically mentioned in this franchise wherever the Grantee is so mentioned.

15.6 No failure by any of the foregoing parties to insist upon the strict performance of any covenant, duty, agreement, or condition of this Franchise or to

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exercise any right or remedy consequent upon a breach thereof shall constitute a waiver of any such breach or any other covenant, agreement, term or condition. No waiver shall affect or alter this Franchise, and each and every covenant, agreement, term and condition of this franchise shall continue in full force and effect with respect to other then existing or subsequent breach thereof.

Section 16. Specific Performance.

16.1 The parties acknowledge that the covenants set forth herein are essential to this Franchise, and, but for the mutual agreements of the parties to comply with such covenants, the parties would not have entered into this Franchise. The parties further acknowledge that they may not have an adequate remedy at law if the other party violates such covenant. Therefore, the parties shall have the right, in addition to any other rights they may have, to obtain in any court of competent jurisdiction injunctive relief to restrain any breach or threatened breach of or otherwise to specifically enforce any of such covenants contained herein should the other party fail to perform them after notice as provided herein in Section 14.4.

Section 17. Effective Date.

17.1 This Ordinance shall take effect on February 1, 2003, having first been submitted to the City's Attorney, having been published as required by law, having been passed at a regular meeting of the legislative body of the City by a majority of the whole of such legislative body, and having been approved by the Mayor of the City.

PASSED by Council this 27TH day of JANUARY, 2003.

Terry Bornemann
_____, Council President

APPROVED by me this 11th day of February, 2003.

Mark Hamilton
_____, Mayor

ATTEST:

Shirley Hol

Director FINANCE

_____, Finance

APPROVED AS TO FORM:

Jean Brington
_____, City Attorney

Published:

JANUARY 31, 2003

STATE OF WASHINGTON)
) ss.
COUNTY OF WHATCOM)

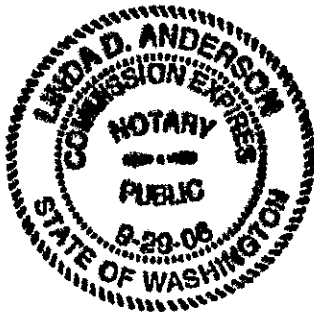
I, LINDA D. ANDERSON, the duly appointed, qualified City Clerk of the City of Bellingham, a First Class City, situated in the County of Whatcom, State of Washington, do hereby certify that the foregoing is a full, true and correct copy of Ordinance No. 2003-01-002 of the ordinances of the City of Bellingham, entitled:

ORDINANCE NO. 2003-01-002

AN ORDINANCE granting Puget Sound Energy, Inc., a Washington corporation, its successors and assigns, the right, privilege, authority and franchise to set, erect, construct, support, attach, connect and stretch Facilities between, maintain, repair, replace, enlarge, operate and use Facilities in, upon, over, under, along, across and through the Franchise Area for purposes of transmission, distribution and sale of energy for power, heat, light and any other purpose for which energy can be used.

I further certify that said Ordinance No. 2003-01-002 was introduced on the 9TH day of DECEMBER, 2002, ~~2003~~, was submitted to the City Attorney, was published as provided by law in a newspaper of general circulation in the City of Bellingham, was approved by a majority of the legislative body of the City of Bellingham at a regular meeting on the 27TH day of JANUARY, 2003, was approved by the Mayor of the City of Bellingham on the 11 day of February, 2003.

WITNESS my hand and official seal of the City of Bellingham this 29 day of January, 2003.



Linda D. Anderson
LINDA D. ANDERSON City Clerk REPRESENTATIVE/
City of Bellingham, AND NOTARY PUBLIC
State of Washington



COB's Contract eRouter

Number (Assigned by FINANCE)

Empty box for contract number

Instructions for Originator:

Tracking Number SHHS-5K627X
Type Contract
Dept: pwa

Main contract details form including Contract With, Name/Project #, Termination Date, Certificate of Insurance, and Special Instructions.

Add Names to Route to Here

Distribution: Original - Attach to Contract, Copy: Return to Originating Dept.
Modification of Contract - Attach Copy of Original Contract to Physical document

General Information:

eRouter is designed to help Originators track the physical location of routed forms. As an Approver signs off and routes the paper form, they should also route the electronic form by Approving, Denying; etc. as the e-mail is received.

You are an Administrator of the approval process

Approval Cycle Settings

- Approval conditions: 100 % approval
Routing method: Serial (one at a time)
Allow Approver comments: Yes
Automatically Delegate to Assistant...: No
Automatically Skip Approvers...: Yes

Notification

Access

2/28/03 Rec'd Finance
2/28/03 ITSD/SCAN

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HONORABLE MAYOR AND CITY COUNCIL
CITY OF BELLINGHAM, WASHINGTON

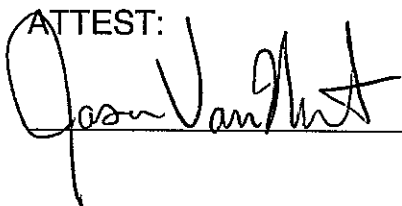
In the matter of the application :
of Puget Sound Energy, Inc., a : Franchise Ordinance No. 2003-01-002
Washington corporation, for a :
franchise to construct, operate :
and maintain facilities in, upon, :
over under, along, across and :
through the franchise area of the : ACCEPTANCE
City of Bellingham, Whatcom :
Washington :

WHEREAS, the City Council of the City of Bellingham, Whatcom County, Washington, has granted a franchise to Puget Sound Energy, Inc., a Washington corporation, its successors and assigns, by enacting Ordinance No. 2003-01-002, bearing the date of January 27, 2003; and

WHEREAS, a copy of said Ordinance granting said franchise was received by the Puget Sound Energy, Inc. on February 20, 2003, from said City of Bellingham, Whatcom County, Washington.

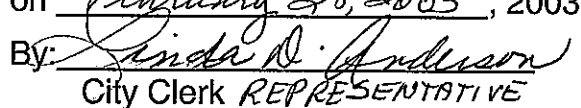
NOW, THEREFORE, Puget Sound Energy, Inc., a Washington corporation, for itself, its successors and assigns, hereby accepts said Ordinance and all the terms and conditions thereof, and files this, its written acceptance, with the City of Bellingham, Whatcom County, Washington.

IN TESTIMONY WHEREOF said Puget Sound Energy, Inc. has caused this written Acceptance to be executed in its name by its undersigned Director, Customer Operations thereunto duly authorized on this 21st day of February, 2003.

ATTEST:


PUGET SOUND ENERGY, INC.

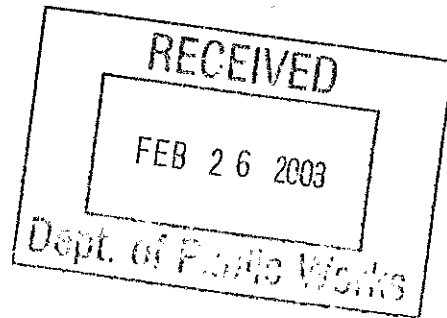
By: 

Copy received for City of Bellingham
on February 28, 2003, 2003
By: 
City Clerk REPRESENTATIVE



February 25, 2003

Mr. Dick McKinley, Public Works Director
City of Bellingham
210 Lottie Street
Bellingham, WA 98225



RE: Acceptance of Franchise Ordinance 2003-01-002

Dear Dick:

Enclosed find two original signature copies of our Acceptance of Ordinance No. 2003-01-002 together with the City's Original copy of the Ordinance. Please have the City Clerk sign the "received by" block on one copy of the Acceptance and return to me for our records. This will complete our administrative paperwork on this matter.

I will forward copies of the new franchise agreement to the various departments within PSE and our Service Provider with responsibility for the Bellingham area.

I very appreciate your efforts to bring this agreement to successful completion. I look forward to working with you in the future. Please contact me should you have any questions or concerns about PSE's operations under this agreement. I can be reached at 425-462-3852 or by e-mail at andy.swayne@pse.com.

Sincerely,

Andy Swayne
Municipal Liaison Manager, PSE

cc: Ray Trzynka, PSE Community Relations Manager
Teresa Loop, PSE Municipal Construction Planner

ORD. 2003-01-002

STATE OF WASHINGTON,} ss **Affidavit of Publication**
COUNTY OF WHATCOM,}

(L1763) Proposed Franchise Ordinance
AN ORDINANCE GRANTING PUGET SOUND ENERGY, INC., A WASHINGTON CORPORATION, ITS SUCCESSORS AND ASSIGNS, THE RIGHT, PRIVILEGE, AUTHORITY AND FRANCHISE TO SET, ERECT, LAY, CONSTRUCT, EXTEND, SUPPORT, ATTACH, CONNECT AND STRETCH FACILITIES BETWEEN, MAINTAIN, REPAIR, REPLACE, ENLARGE, OPERATE AND USE FACILITIES IN, UPON, OVER, UNDER, ALONG, ACROSS AND THROUGH THE FRANCHISE AREA FOR PURPOSES OF TRANSMISSION, DISTRIBUTION AND SALE OF ENERGY FOR POWER, HEAT, LIGHT AND ANY OTHER PURPOSE FOR WHICH ENERGY CAN BE USED.
A copy of the proposed franchise is available for public inspection at the main reception desk in the Mayor's Office at City Hall.

Kathy Kincaid being first duly sworn on oath says:
That (s)he is the Public Notices Clerk of The Bellingham Herald, a daily newspaper of general circulation in said county and state and of Federated Publications, Inc., a Delaware Corporation (publisher of said newspaper), and authorized to make this affidavit; that the legal notice entitled in the cause and court named on the attached copy which is a true an correct copy of the original (and hereinafter referred to as "Notice") was published in the regular an entire issue, and not in supplement, of each number of said newspaper published and circulated on the following dates, to wit: October 13, 20, 27, 2002
November 3, 2002

that for more than six months prior to the date of the first publication of said Notice, at all times since, and now, the said "The Bellingham Herald" has been established, published and circulated in the English language continuously and continually as a daily newspaper in the city of Bellingham, Whatcom County, Washington, the same being at all times printed either in whole or in part in an office maintained at said place of publication; that such newspaper has been approved as a legal newspaper by order of the Superior Court of Whatcom County, Washington; that the full amount of the fee charged for such publication \$ 140.98

Kathy Kincaid

Subscribed and sworn to before me this
4th day of Nov., 2002

Erin E. Swedberg
NOTARY PUBLIC in and for the State of Washington,
residing at Bellingham

