

ATTACHMENT 14

AMENDMENT TO WILD HORSE WIND POWER PROJECT
DEVELOPMENT AGREEMENT FOR PROJECT EXPANSION TO INCLUDE THE
WILD HORSE EXPANSION WIND POWER PROJECT
BETWEEN KITTITAS COUNTY, WASHINGTON
AND
PUGET SOUND ENERGY

**AMENDMENT TO WILD HORSE WIND POWER PROJECT
DEVELOPMENT AGREEMENT
FOR
PROJECT EXPANSION TO
INCLUDE THE WILD HORSE EXPANSION WIND POWER
PROJECT**

**Between
KITITAS COUNTY, WASHINGTON
and
PUGET SOUND ENERGY**

**AMENDMENT TO DEVELOPMENT AGREEMENT
WILD HORSE WIND POWER PROJECT**

THIS AMENDMENT TO THE WILD HORSE DEVELOPMENT AGREEMENT (“Amendment”) is entered into and effective this 4th day of November, 2008, by and between Kittitas County, a Washington municipal corporation (“County”) and Puget Sound Energy, a Washington investor-owned utility (“Applicant”). Puget Sound Energy is the successor and assignee to Wind Ridge Power Partners, LLC. This Amendment is made pursuant to Revised Code of Washington (“RCW”) 36.70B 170, Kittitas County Code (“KCC”) Chapter 15A.11, and KCC Chapter 17.61A, and relates to the Wild Horse Wind Power Project, and in accordance with the terms of the Development Agreement

I. RECITALS

A. In March 2005, by Ordinance No. 2005-10, the Kittitas County Board of County Commissioners approved the Wild Horse Wind Power Project Development Agreement between Kittitas County and Wind Ridge Partners, LLC. On September 30, 2005, Puget Sound Energy acquired all assets associated with the Wild Horse Wind Energy Facility (“Wild Horse”), and is now the owner and operator of Wild Horse. Pursuant to the terms of the Wild Horse Development Agreement, Puget Sound Energy is now the owner and operator of the Wild Horse Project. Puget Sound Energy is also the owner of development rights and interests in the Project site area subject to the terms of this Amendment.

B. RCW Chapter 36.70B (the “Development Agreement Statute”), and Chapter 15A.11 Kittitas County Code (“Code”) authorize the County to enter into an agreement regarding development of real property located within the County’s jurisdiction with any person having an ownership interest in or control of such real property. Chapter 17.16A requires execution of a development agreement as part of the approval process for wind farm projects.

C. In accordance with Ordinance No. 2007-22, the Code provides that within certain pre-identified areas in Kittitas County, the County may authorize a wind farm without requiring a site-specific amendment to the Comprehensive Plan or a re-zone of the County's zoning map. KCC 17.61A.035. Wind farms may be sited in the pre-identified areas through approval of a site plan and development agreement. KCC 17.61A.035.

D. As further described below, the Applicant desires and intends to develop an expansion to Wild Horse Wind Power Project in eastern Kittitas County. The Wild Horse Expansion Project site is located in Township 18N, Range 21E, an area which has been pre-identified for wind facility siting under the Code, as amended. Accordingly, the Applicant is not required to apply for a re-zone or an amendment to the County's zoning map, nor is the Applicant required to apply for an amendment to the Comprehensive Plan.

E. The Applicant proposes to expand the current wind generation project by approximately 44 megawatts (MW) in Kittitas County, Washington. The project will be constructed on the high open ridges in the vicinity of Whiskey Dick Mountain, located approximately 10 miles east of Kittitas and approximately 5 miles north of the Old Vantage Highway. The project will be adjacent to the Wild Horse Wind Power Project. Specifically, the project will be located in Section 8 and the North Half of Section 17, all in Township 18 North, Range 21 East, W.M., in Kittitas County.

F. The Wild Horse Expansion Project will include 22 wind energy turbines generators. A network of underground distribution lines will be installed within the prism of new and existing roads to collect power generated by individual wind turbines. Power from the project will be routed through underground collection lines to Puget Sound Energy's Wild Horse Substation, located in the Northeast Quarter of Section 29, Township 18 North, Range 21 East, W.M., in Kittitas County. A full Project description is contained in Exhibit A.

G. In accordance with the Code, as amended by Ordinance No. 2007-22, the Board of Commissioners may authorize the Wild Horse Expansion Project through approval of a site plan and development agreement. Moreover, the Wild Horse Project was approved for a specified

maximum number of wind turbine generators and electrical generation capacity, but the final development was less than that approved project scale. While an expanded site area is proposed, with the addition of the Wild Horse Expansion Project, the total number of wind turbine generators and generation capacity in the Wild Horse Project will remain below the maximums as defined in the Wild Horse Development Agreement. Because the Wild Horse Expansion Project is an expansion of the Wild Horse Project, and Wild Horse is the subject of an existing Development Agreement between the Applicant and the County, the Applicant meets the Development Agreement requirement by amending the terms of the existing Agreement. Due to the limited nature of this Amendment and the fact that EFSEC will issue final permits and approvals, the BOCC is authorized to consider and approve this amendment, without a full application and hearing process for a wind energy facility

H. The Applicant is the owner in fee of the real property comprising the Project Area, giving it control of this land for the purpose of, and authority to, develop the Project as described in the Applicant's Development Activities Application (the "Development Activities Application").

I. The Project will be located on land referred to herein as the "Project Area". A map showing the location of the Project Area is contained in Exhibit A. The Project Area covers approximately 960 acres. The land within the Project Area is owned in fee by the Applicant

J. In October, 2008, the Applicant submitted this amended Wild Horse Development Agreement for approval by the County Commissioners.

K. On July 2, 2008, the Applicant filed an application to amend the Wild Horse Site Certification Agreement with Washington State Energy Facility Site Evaluation Council ("EFSEC"). As the State Environmental Policy Act ("SEPA") Lead Agency, EFSEC will issue a Supplemental Environmental Impact Statement ("SEIS") for the Project. The Applicant agrees to abide by the Mitigation Measures contained in the Final SEIS as well as the Development Standards set forth in the Development Agreement, as amended herein.

L. This Amendment specifies the commitments made by the County and the Applicant for the purpose of ensuring that the Project is consistent with the Kittitas County Comprehensive Plan and Zoning Code, and to ensure that all final permit approvals will be in the best interests of the citizens of Kittitas County, and will reflect the land use planning considerations of Kittitas County.

M. This Agreement establishes that the proposed Project with the Development Standards and proposed SEPA mitigation measures contained herein is consistent with the County's Comprehensive Plan, zoning and development regulations, and is compatible with surrounding land uses.

N. This Agreement does not represent a final action on the proposal. Construction and operation will be authorized only upon approval of an EFSEC site certificate amendment for the Project signed by EFSEC, as required by law.

NOW, THEREFORE, in consideration of the recitals (which are incorporated into the Agreement by this reference) and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the County and the Applicant agree as follows:

II. AGREEMENT

1. **Incorporation by Reference.** The Development Agreement is incorporated herein by this reference. Unless specifically modified and amended herein, the terms of the Development Agreement continue in full force and effect and are binding upon the Wild Horse Expansion facility.

2. **Effective Date, Termination and Modification.** The Effective Date of this Amendment is the last date upon which it was signed by the Parties hereto. Further amendment, termination and modification shall be in accordance with the Development Agreement.

3. **Amended Definitions.** The following definitions are amended to have the following meaning with respect to this Amendment:

2.15 Parties. “Parties” means Kittitas County, Washington and Applicant, and Puget Sound Energy, an investor-owned Washington utility.

2.16 Project. “Project” means the Wild Horse Wind Power Project as defined in the Development Agreement, generally consisting of up to 158 Turbines, each with a nameplate capacity up to 3 Megawatts (MW), for a total project nameplate capacity of up to 312 MW. The Project includes the Wild Horse Expansion Project, generally consisting of up to 22 wind energy turbine generators, with a total nameplate capacity of approximately 44 megawatt (MW), along with other associated and necessary Project Facilities as described in Exhibit A.

2.20 Transferee. A party to which the Project is transferred or assigned in part or in whole under the provisions contained in Section 10.1 of this Agreement. Puget Sound Energy is the transferee of the Wild Horse Project.

4. **Project Description**

Section 3 of the Development Agreement is amended as follows:

The Wild Horse Wind Power Project (“Project”) generally consists of up to 158 Turbines, each with a nameplate capacity up to 3 Megawatts (MW), for a total project nameplate capacity of up to 312 MW, and other associated and necessary Project Facilities as described in Exhibit A, modified as necessary to comply with and to be consistent with the Development Standards contained herein and the proposed SEPA DEIS mitigation measures in Exhibit D. By this Amendment, the “Project” also consists of the Wild Horse Expansion Wind Power Project, generally consisting of up to 22 wind energy turbine generators, with a total nameplate capacity of approximately 44 megawatt (MW). In completing the Wild Horse Project, the final layout consists of 149 wind turbine generators with a nameplate generation capacity of 273 MW. Consequently, by addition of the Wild Horse Expansion Project to the Wild Horse Project, total maximum number of turbines and electrical generation is not changed. Exhibits A and D have been modified to reflect the inclusion of the Wild Horse Expansion Project as part of the overall Project subject to the terms and conditions of the Wild Horse Development Agreement.

5. **Vesting.**

Regarding land use consistency, the Wild Horse Expansion Project is vested to the amendments KCDC 17.61A.035 enacted after the County's approval of the Development Agreement. Aside from those amendments, and to ensure an overall consistent approach to development of the overall Project area, the Development Agreement and all Project elements, including the Wild Horse Expansion Project, remains vested to the existing County land use plans and regulations effective as of the Effective Date of the original Development Agreement.

6. **Development Standards** The Development Standards are not changed from the original Wild Horse Development Agreement, except as follows:

Location and Description of Project. The general location of components of the Project including, but not limited to: the turbine corridors, roadways, electrical collection and distribution system, operations and maintenance facility, electrical substations, transmission lines and other related Project Facilities is described in Exhibit A, 'Project Description' and illustrated in Exhibit B, 'Project Site Layout', modified as necessary to be consistent with the following Development Standards and SEPA mitigation measures. The Project does not include any Turbines located closer than 1/2 mile to any existing residences.

7. **General Terms**

7.1 Binding Effect. This Amendment shall be binding upon, and inure to the benefit of, the Parties and their respective heirs, successors (by merger, consolidation or otherwise) and assigns, devisees, administrators, representatives, lessees and all other persons or entities acquiring all or any portion of the Project, any lot, parcel or any portion thereof within the Project Area, or any interest therein, whether by sale, operation of law, devise, or in any manner whatsoever.

7.2 Washington Law. This Amendment is entered into under the laws of the State of Washington, and the parties hereto intend that Washington law shall apply to the interpretation hereof.

7.3 Severability. If any provisions of this Amendment are determined to be unenforceable or invalid, this Amendment shall thereafter be modified, to implement the intent of the Parties to the maximum extent allowable under law and the remainder of this Agreement shall remain unaffected and in full force and effect.

7.4 Authority. Each Party represents and warrants that it has the respective power and authority, and is duly authorized, to enter into this Amendment on the terms and conditions herein stated, and to execute, deliver and perform its obligations under this Agreement.

7.5 No Third-Party Beneficiary. This Amendment is made and entered into for the sole protection and benefit of the Parties hereto and their successors and assigns. No other person shall have any right of action based upon any provision of this Amendment.

7.6 Duty to Act Reasonably and in Good Faith. Unless otherwise expressly provided, each party shall act reasonably in giving consent, approval, or taking any other action under this Amendment. The Parties agree that each of them shall at all times act in good faith in order to carry out the terms of this Amendment and each of them covenants that it will not at any time voluntarily engage in any actions which frustrate the purpose and intent of the Parties to develop the Project in conformity with the terms and conditions specified in this Amendment. The Parties understand and agree that the process described in this Amendment depends upon timely and open communication and cooperation between the Parties. The Parties agree to use best efforts to communicate regarding issues, changes, or problems that arise in the performance of the rights, duties and obligations hereunder as early as possible in the process, and not wait for explicit due dates or deadlines. Each party agrees to work cooperatively and in good faith toward resolution of any such issues.

7.7 Time of Essence. Time is of the essence in the performance of each and every obligation to be performed by the Parties hereto.

7.8 Notices.


Addresses: The Applicant's identity and address is amended as follows:

Puget Sound Energy, Inc.
P. O. Box 90868
Bellevue, Washington 98004

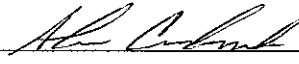
7.9 Entire Agreement. This Amended Development Agreement, together with all exhibits hereto, constitutes the entire agreement between the Parties with respect to the subject matter of this Agreement. This Amended Development Agreement is specifically intended by the Parties to supersede all prior agreements, whether written or oral.

APPROVED this 4th day of November, 2008.

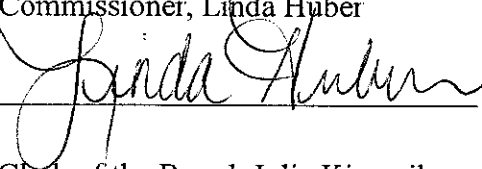
BOARD OF COUNTY COMMISSIONERS
Kittitas County, Washington



Chairman, Mark McClain



Vice Chairman, Alan Crankovich

Commissioner, Linda Huber


Clerk of the Board, Julie Kjorsvik



Approved by:

Kittitas County Prosecuting Attorney, Deputy

PUGET SOUND ENERGY, a Washington Investor-Owned Utility

By:  Name: Scott Williams

Title: SR PROJECT MANAGER