



**COUNTY ENGINEER’S REPORT**  
**FRANCHISE – NATURAL GAS FACILITIES**  
**PUGET SOUND ENERGY, INC.**

Pursuant to 47 U.S.C. §521 *et seq.*, Chapter 36.55.010 Revised Code of Washington (RCW), Section 9.20 Snohomish County Charter, and Title 13 of the Snohomish County Code (SCC), Puget Sound Energy, Inc. has applied to Snohomish County (the “County”) for a franchise to construct, maintain, operate, replace, and repair its natural gas systems in County public rights-of-way, and for no other purpose or use whatsoever. Chapter 36.55 RCW and Snohomish County Charter Section 9.20 authorize the County to grant nonexclusive franchises for use of County public rights-of-way. Snohomish County’s franchise procedure is contained in chapter 13.80 SCC. The requirements for this Engineer’s report are described in SCC 13.80.040.

**FINDINGS**

**1. Applicant**

Puget Sound Energy, Inc. (“PSE”) a Washington Public Utility Corporation (UBI# 179-010-055) engaged in the transmission, distribution, and sale of natural gas to approximately 152,000 customers in Snohomish County as subject to and in accordance with the applicable rates and tariffs on file with the Washington State Utilities and Transportation Commission. PSE’s predecessor, Washington Natural Gas Company, was previously granted a utility franchise by Snohomish County under Ordinance 84-131, adopted on January 15, 1985 and recorded under Auditor's File No. 1984518.

**2. Description of Facilities**

PSE operates an existing natural gas distribution system within the proposed franchise area for purposes of supplying, distributing, and selling natural gas to residents of Snohomish County. PSE proposes to maintain and install facilities within Snohomish County rights-of-way within its service territory as needed to provide and continue natural gas service to existing customers and those requesting new natural gas services. The specific area covered by the proposed franchise is described in Section 4 of this report. Proposed work in the public rights-of-way covered by this franchise consists of constructing and thereafter maintaining a gas works, mains, service pipes and other necessary equipment for the distribution of natural gas for light, fuel, power and other purposes. Some facilities will be installed above ground; however, mains and service lines will be installed underground through open cut excavation practices and, in some cases, via directional drilling. All work shall be performed in compliance with all federal, state and local laws, rules and regulations (including, but not limited to, the County’s comprehensive plan, zoning code, and other development regulations) that are applicable to

any and all work or other activities performed by PSE pursuant to or under authority of the Franchise as more fully described within the proposed franchise and Section 6 of this report.

### **3. Insurance**

PSE has agreed to provide proof of insurance in accordance with SCC 13.10.100 and Section 18 of the franchise. The Risk Management Division has reviewed and approved the insurance requirements contained in Section 18 of the franchise. In accordance with Section 34 of the franchise, the franchise shall not take effect until PSE provides evidence of insurance acceptable to the Risk Management Division.

### **4. Description of County Rights-of-Way Covered by the Proposed Franchise**

The proposed natural gas franchise includes all County rights-of-way located in unincorporated Snohomish County as shown in Exhibit A.

### **5. Term of Franchise**

The initial term of the franchise shall be for a period of ten (10) years (the “Initial Term”), beginning on the Effective Date as that term is defined in Section 34 of the franchise, and continuing until the date that is one day prior to the tenth (10th) anniversary of the Effective Date (the “Initial Term Expiration Date”), unless earlier terminated, revoked or modified pursuant to the provisions of the franchise. The franchise automatically renews for an additional term of ten (10) years (the “Extended Term,” and, together with the Initial Term, the “Term”), subject to the county’s right unilaterally open negotiations with PSE at any time after the Initial Term Expiration Date, as more fully described in Section 3.3 of the franchise.

### **6. Terms and Conditions of Franchise**

Under the franchise, PSE will:

- Comply with the requirements of State law, County Charter, Title 13 SCC, the Engineering Design and Development Standards (EDDS), the county’s Utility Accommodation Policy, and all right-of-way use permit application, review and construction standards.
- Promptly, at its sole cost and expense, relocate or remove its facilities from county rights-of-way when the County Engineer determines it to be necessary due to: (i) traffic conditions; (ii) public safety; (iii) dedications of new Public Rights-of-Way and the establishment and/or improvement thereof; (iv) widening and/or improvement of existing Public Rights-of-Way; (v) vacations of Public Rights-of-Way; (vi) freeway construction; (vii) change or establishment of road grade; (viii) any maintenance and/or repair of County infrastructure; or (iv) the construction of any project identified in the County’s Transportation Improvement Program (TIP) or Capital Improvement Program (CIP).
- Not in any event abandon in place all or a portion of their facilities without the express written consent of the county as more fully described in Section 14 of the franchise.
- Compensate the county for its administrative expenses in preparing the franchise.
- Indemnify, defend and hold harmless any County Party from any and all claims, demands, liability, suits, and judgments, including costs of defense thereof, for bodily injury to

persons, death, or property damage arising out of its use of Public rights-of-way pursuant to the franchise except to the extent caused by the negligence or willful misconduct of any County Party as more fully described in Section 16 of the franchise.

- Provide the county with adequate insurance appropriate for a natural gas system franchise as specified in Section 18 of the franchise.
- Post a security device sufficient to ensure performance of its obligations when required by the County Engineer.
- Not assign any franchise rights or obligations without prior written consent of the county as more fully described in Section 22 of the franchise.

### **COUNTY ENGINEER’S RECOMMENDATION**

Based on the above findings, the Department of Public Works recommends the County Council grant a right-of-way franchise to Puget Sound Energy, Inc. under the terms and conditions of County Charter, County Code and the ordinance granting a franchise.

Prepared by on date:

Approved by on date:

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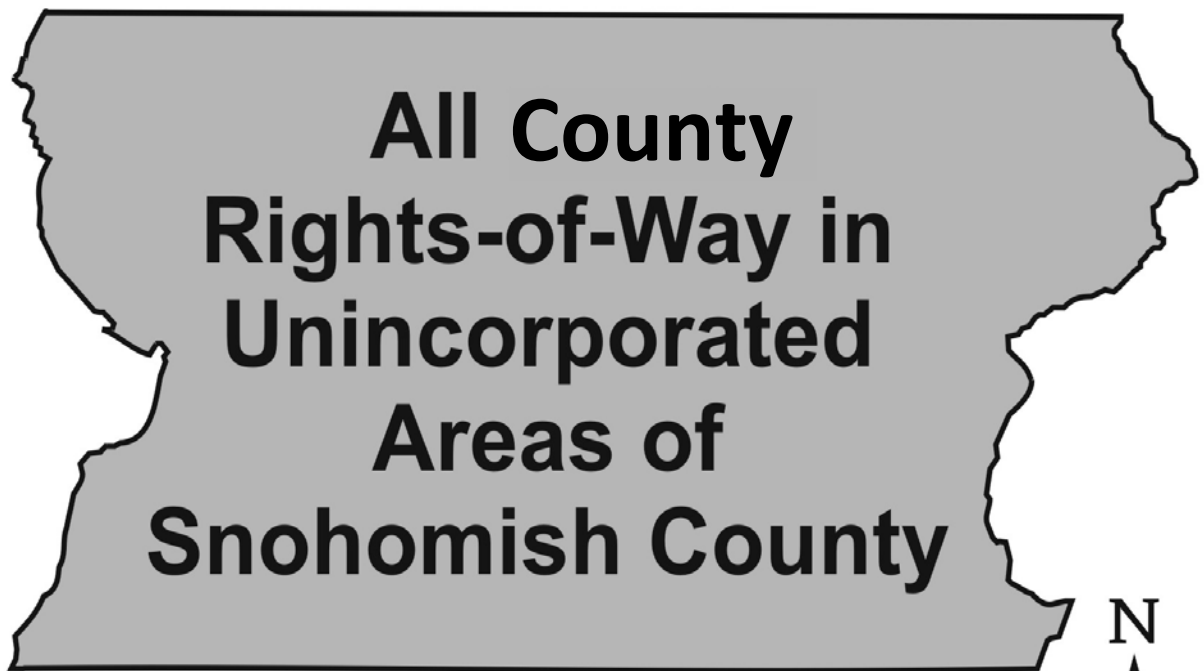
Brook Chesterfield, P.E.  
Special Projects Coordinator

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Douglas W. McCormick, P.E.  
County Road Engineer

**Exhibit A - Puget Sound Energy, Inc.  
Proposed Franchise Area**

**Skagit County**



**King County**

