

January 2012 Puget Sound Energy bill package inserts and information 1.5 million bills

- Outside envelope: Help Others Stay Warm
- Return envelope: Go paperless with online statements.
- Back of bill: Ways to pay your bill; Ways to reach us; Bill statement codes; Emergency or power outage phone numbers in English, Spanish, Chinese and Russian; Customer Service Guarantees; Contact for questions about your bill or service; Late payment fee information and Explanation of terms used
- Bill print messages
- EnergyWise Newsletter January/February – Be prepared for winter weather; Cold weather tips; PSE and American Red Cross join in community preparedness study; Energy assistance funds available; Lower bills this season; How efficiency programs help you save; Help us help you; Warm Home Fund helps those in need; View and pay bill online; Reconstructed plant at Snoqualmie Falls taking shape; Support equips Vashon Island for emergencies; Keep meters clear of snow, ice; Detecting and responding to natural gas leaks; Recycle CFL and incandescent bulbs at your office; Supporting your communities; Customer service: guaranteed.
- Insert: Get \$10 off a premium-efficient showerhead from Puget Sound Energy!
- Insert: Choose green power and receive a stainless steel water bottle as a thank you.
- Insert: General Rate Case public hearing and comment notice
- Insert: Get a FREE overview on making your home more energy efficient or a \$1,200 rebate for an energy-efficient ductless heat pump system.
- Insert: Get up to \$1,700 in rebates for insulation or re-energize your next home improvement project with PSE's Contractor Referral Service.
- Insert: Electricity fuel mix

www.pse.com



PUGET SOUND ENERGY

*P.O. Box 97034
Bellevue, WA 98009-9734*

PRESORTED
FIRST-CLASS MAIL
U.S. POSTAGE PAID
PSE

YOUR PUGET SOUND ENERGY BILL ENCLOSED



Help others stay warm.

- ◆ *Consider a tax-deductible donation to The Salvation Army Warm Home Fund.*
- ◆ *Check off your donation on the enclosed payment stub or on your MY PSE Account.*



PSE.com





Save a stamp. Go paperless.
Visit PSE.com for more information.



PLACE
STAMP
HERE



BELLEVUE, WA 98009-9269

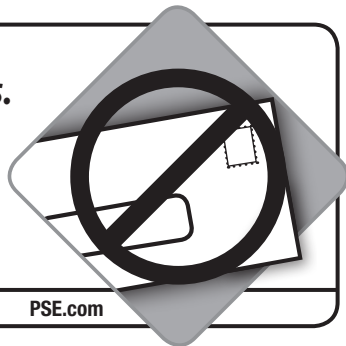




PSE *PUGET SOUND ENERGY*

Go paperless with online statements.

Sign up for Puget Sound Energy's free online services to manage your account and pay online at PSE.com.



PSE.com



Ways to Pay Your Bill

Puget Sound Energy offers several payment options:

- **Online at PSE.com** via My PSE Account
- **Automatic withdrawal** from your bank account
- **Credit/debit cards or check by phone** (transaction fee applies)
- **By mail to:** Puget Sound Energy, Payment Processing BOT-01H, P.O. Box 91269, Bellevue, WA 98009-9269
- **Budget Payment Plan** helps even out bills
- **In person** at an authorized pay station, see PSE.com, or call 1-888-225-5773 for payment locations

Ways to Reach Us

- **PSE Customer Service 1-888-225-5773**
- **TTY hearing/speech impaired 1-800-962-9498**
- **TRS Telecommunications Relay Service 1-866-831-5161**
- **PSE Customer Construction Services 1-888-321-7779**
Business hours: 7 a.m.–5 p.m. Monday–Friday
- **PSE Energy Advisors 1-800-562-1482**
Business hours: 8 a.m.–5 p.m. Monday–Friday

Bill Statement Codes

- **ESTM** — *Estimated*
- **CORR** — *Corrected/Adjusted*
- **PRRT** — *Prorated*
- **ACTL** — *Actual*

Emergency or Power Outage

Dial 1-888-225-5773

To report a natural gas or electric emergency or a power outage, 24 hours a day, call **1-888-225-5773**

Para informar sobre la emergencia del fallo de gas o electricidad 24 horas al día, llame **1-888-225-5773**

若欲報告有關煤氣或電力故障，或停電，每天24小時均可致電 **1-888-225-5773**

Чтобы сообщить об аварии, связанной с природным газом или электроэнергией, или о перерыве в подаче электроэнергии, звоните по телефону **1-888-225-5773** круглосуточно

We can translate for other languages. Call **1-888-225-5773**.

Customer Service Guarantees

Appointments: You will receive a \$50 credit on your PSE bill if we do not keep a set appointment to install new or reconnect existing service or inspect natural gas equipment. Exceptions apply during major storms or significant events beyond our control.

Electric service restoration: If your electric service is out for 120 consecutive hours or longer, you may be eligible to receive a \$50 credit on your PSE bill after you report the outage or request the credit within seven days of the outage. Certain conditions beyond our control will cause the guarantee to be suspended.

Questions about Your Bill or Service

If you have questions or concerns or a dispute regarding your energy bill or service, please call us during business hours Monday–Friday, 7:30 a.m. to 6:30 p.m. at 1-888-225-5773 for billing inquiries. Any necessary corrections will be made promptly. If further follow-up is required, ask a PSE Customer Services supervisor to assist you. Every effort will be made to resolve disagreements and misunderstandings. If you are dissatisfied with the resolution, you may contact the Consumer Affairs section of the Washington Utilities and Transportation Commission at 1-800-562-6150 or complete an online complaint form at www.wutc.wa.gov. Copies of information on rules, rates, power supply fuel mix, regulations, customer rights and responsibilities, as well as an annual report, are available by calling 1-888-225-5773 and at PSE.com.

Late Payment Fee

Your bill is due and payable upon delivery. A late payment fee of 1 percent per month will be assessed on balances which remain unpaid for more than 10 business days after the due date on the bill. A 30-day delay of the late fee will be granted to low-income customers who notify PSE that they have applied to a low-income organization for financial aid. Customers participating in the Budget Payment Plan will be exempt from any late payment fee as long as the agreed-upon payment terms are kept current.

Explanation of Terms Used

Basic Charge

The basic charge covers a portion of the costs for billing, meter reading and other related fixed costs. These fixed costs do not vary with the amount of electricity or natural gas used or the number of days covered by the bill.

Delivery Charge

This charge is for the construction, operation and maintenance of natural gas pipes, gate stations, pressure regulators and other equipment necessary for the delivery of natural gas to you, based on the amount of natural gas used.

Electric/Natural Gas Conservation Program Charge

Every customer helps pay for the costs of weatherization and conservation programs.

Energy Exchange Credit

This credit applies to residential and qualified small farm electricity customers only. It is a pass-through of the Federal Columbia River Benefits supplied by BPA. These benefits are from low-cost power generated by federal hydroelectric dams.

kWh

A kilowatt hour is a measure of 1,000 watts of electricity consumed in 1 hour. A 100-watt light bulb consumes 1 kWh of electricity over 10 hours.

Btu Factor

British thermal unit is a measure of heat content. The Btu factor is an adjustment factor based on the actual heat content of the natural gas.

CCF

CCF stands for hundreds of cubic feet, a measure of the volume of natural gas used.

Therm

A therm is a unit of heat that equals 100,000 Btu. A therm is the volume of gas (CCF) that when multiplied by the Btu factor equals 100,000 Btu. A natural gas stovetop burner on for 10 hours would use approximately one therm of natural gas. One therm of natural gas is equivalent to 29.3 kWh of electricity.

January 2012 bill print messages

Summary section of billing statement:

Bill-print message for all electric-service customers

Your bill this month includes an adjustment to the credit that appears as the Federal Wind Power Credit as well as an adjustment to the Merger Credit, and the discontinuation of the Regulatory Asset Tracker, with a combined net effect of a lower electric rate, effective Jan. 1, 2012.

Bill-print message for all natural gas customers

Your bill this month includes an adjustment to the Merger Credit.

Detail section of billing statement

Bill-print message on natural gas and electric accounts about split bills

On Jan. 1, changes to your bill went into effect. Your usage charges for the periods before and after this date were calculated separately and are shown in separate sections, since these periods were billed differently.

Bill-print message for all electric customers:

Effective Dec.16, 2011, the charge for a customer-requested second meter test within a 12-month period was increased to \$121.

Bill-print message for all natural gas customers

Effective Dec.16, 2011, the charge for a customer-requested second meter test within a 12-month period was set at \$142 for typical residential meters and at \$168 or \$408 for larger, or commercial, meters. Also, the trip charge for non-emergency call-outs outside normal service hours was increased to \$66.

Bill-print message for City of Bothell electric customers

The January 1, 2012 change in rates is the result of the City of Bothell's change in city tax. The city tax rate on your bill has changed from 6.01% to 6.25%. This rate includes the effect of state and local taxes on the city tax and deductions allowed by the city.

Bill-print message for City of Fife electric customers

The January 1, 2012 change in rates is the result of the City of Fife's change in city tax. The city tax rate on your bill has changed from 3.23% to 6.63%. This rate includes the effect of state and local taxes on the city tax and deductions allowed by the city.



ENERGYWISE

JANUARY-FEBRUARY 2012

IN THIS ISSUE

- Take advantage of bill-payment assistance and arrangements
- Lower rates this heating season
- Recycle light bulbs at the office

PSE and American Red Cross join in community preparedness study

Puget Sound Energy will assist the American Red Cross with a new program aimed to increase community safety and the level of disaster preparedness in the region.



Through a study, PSE and the Red Cross will determine how well positioned the region's households and small businesses are to undertake disaster preparedness.

Understanding community differences and barriers to preparedness will help the Red Cross build neighborhood-specific features in the new program.

Puget Sound Energy
1-888-225-5773
TTY: 1-800-962-9498

PSE.com • Manage your account and pay online.

Be prepared for winter weather

With January and February typically the year's coldest months, which can bring ice, snow and wind, it's important to be prepared for any rough weather that comes our way.

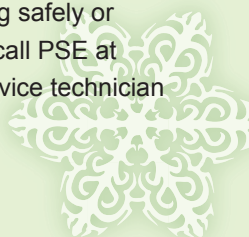
Use this checklist to plan ahead and stay safe in harsh winter weather, particularly if the power goes out.

- ✓ Keep flashlights handy and make sure they have fresh batteries.
- ✓ Note PSE's 24-hour customer service line — 1-888-225-5773 — so you have it at your fingertips in case you need to call to report an outage or suspected natural gas leak.
- ✓ Build or purchase an emergency kit that includes at least a three-day supply of food, water, medicine, pet supplies, flashlights, a battery-powered radio, fresh batteries and a first-aid kit.



Cold weather tips

- ✓ Keep your home at the lowest comfortable temperature. For most homes, the heating bill drops by about 2 percent for every degree you lower the thermostat.
- ✓ Check your furnace filter monthly during the heating season and clean or replace it.
- ✓ If you think your natural gas furnace is not operating safely or if you are having problems with pilot lights, please call PSE at 1-888-225-5773 to schedule a PSE natural gas service technician for a free visit to diagnose the problem.



Help us help you

PSE knows some customers have difficulty paying their heating bills, and we can help with payment arrangements. If you need help, please contact us by visiting PSE.com or call 1-888-225-5773.



Warm Home Fund helps those in need

During the heating season, consider donating to The Salvation Army Warm Home Fund, which provides short-term, emergency bill payment assistance to PSE customers facing financial difficulties. To donate to the Warm Home Fund, simply include a little extra in your next PSE bill payment by checking the donation box on your payment stub or online payment page.

Thank you for caring!

View and pay bill online

Go completely paper-free by establishing an online account.



Schedule automatic payments,

view and pay your bill and monitor your daily energy use anytime — all online. Visit PSE.com for information about paperless billing.

Energy assistance funds available

Customers having trouble paying their winter heating bills may be eligible to receive assistance from two long-standing programs. Depending on income and household size, a qualified low-income recipient can receive up to \$1,000 in LIHEAP (Low Income Home Energy Assistance Program) bill credits and another \$1,000 from PSE's HELP (Home Energy Lifeline Program).

At the close of 2011, Congress set the funding levels for this winter's LIHEAP, appropriating \$10.9 million to the community energy-assistance agencies serving PSE customers. Funding for PSE's HELP is unchanged at \$14.8 million to help low-income households pay their natural gas and electricity bills.

Call toll-free 1-866-223-5425 for the nearest energy agency.

Lower bills this season

2012 is expected to start off with a decrease in electric rates on Jan. 1. The decrease, expected to be set by Washington state's Utilities and Transportation Commission (UTC) following press time, will reduce the average monthly electric bill (based on 1,000 kWh of electricity used per month) by 2.28 percent, or \$2.26. Lower electric rates during the heating season are in addition to an overall 4.3 percent drop in natural gas rates that went into effect on Nov. 1.



How efficiency programs help you save

In 2012, we continue our commitment to helping customers save energy and money at their homes and businesses through energy-efficiency programs. Efficient use of energy doesn't just lower your monthly utility bill. It also helps PSE avoid significant costs on new power



plants and purchased power. We have set targets to help customers save 38.4 average megawatts of electricity and 4.84 million therms of natural gas in 2012 — enough power to serve 30,000 homes and natural gas to heat 6,500 homes. Besides saving money on energy they don't use, our customers collectively are reducing their power-supply costs by \$2.7 billion over the next 20 years. On top of that, customers are reducing carbon emissions — an estimated 1.4 million tons — over the next 8 years.



Reconstructed plant at Snoqualmie Falls taking shape

A major upgrade of PSE's Snoqualmie Falls Hydroelectric Project is moving ahead, with crews replacing or rebuilding virtually all of the key power-generating equipment and infrastructure at the 113-year-old facility. Major enhancements also are being made to the facility's public park, trails and wildlife lands. This photo, taken about 100 yards upstream of the falls, shows the project's Plant 1 area (at left), where the initial powerhouse was built inside an excavated cavern 260 feet below the surface. On the opposite side of the river, below the Salish Lodge, is the new intake structure for delivering water to the Plant 2 powerhouse, located a quarter-mile downstream of the falls. The redevelopment work is scheduled for completion in spring 2013.

Support equips Vashon Island for emergencies

The Puget Sound Energy Foundation in December funded the final phase of an emergency alert system for Vashon Island residents and businesses with a \$15,000 grant.

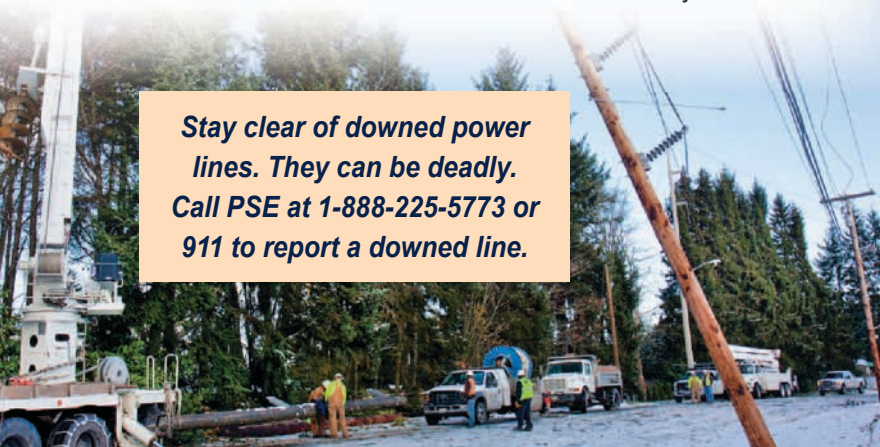


Jeanne Dougherty, president of Voice of Vashon, receives the \$15,000 check from Andy Wappler, chair and president of the foundation.

The Voice of Vashon manages the island's cable television and radio stations.

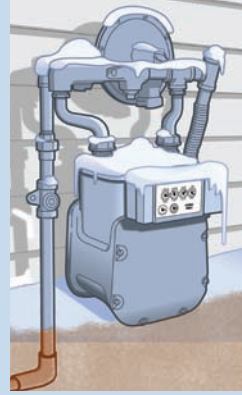
None of the foundation's funds come from PSE's utility customers.

Stay clear of downed power lines. They can be deadly. Call PSE at 1-888-225-5773 or 911 to report a downed line.



Keep meters clear of snow, ice

Remember to keep snow and ice buildup from covering your natural gas meter. Use a broom to gently clear



snow or ice from around the meter, and never shovel snow against the meter or pipes.

When ice thaws, don't allow water to drip onto the meter equipment. If you see ice build-up or suspect a problem, call PSE at 1-888-225-5773.

Detecting and responding to natural gas leaks

With greater natural gas usage during the heating season, PSE urges everyone to be aware of potential natural gas leaks. Follow these tips:

- ✓ Be aware of the possible signs of a natural gas leak, including a distinct sulfur, or rotten-egg odor added to natural gas to help identify leaks, a hissing or roaring sound, bubbles appearing in standing water, blowing dirt or dead or dying vegetation in an otherwise moist area.
- ✓ Leave the area immediately if you suspect a natural gas leak; don't turn on or off any electrical devices, including light switches, or do anything that could cause a spark.
- ✓ From a safe location, call PSE at 1-888-225-5773, or 911.

Guarantees

Customer service: guaranteed

PSE makes two service guarantees to you. First, we commit to keeping scheduled appointments, and second, we commit to restoring power outages as soon as we can.

- If we don't keep an appointment to install new service, reconnect existing service, or inspect natural gas equipment, you'll receive a \$50 credit on your PSE bill.
- If your electric service is disrupted for 120 consecutive hours or longer, you may be eligible to receive a \$50 credit on your PSE bill.

These service guarantees are in addition to nine service-quality measures that track PSE's performance. They are subject to certain conditions and may be suspended during unusual and exceptional circumstances. For more information, visit PSE.com/Guarantees.

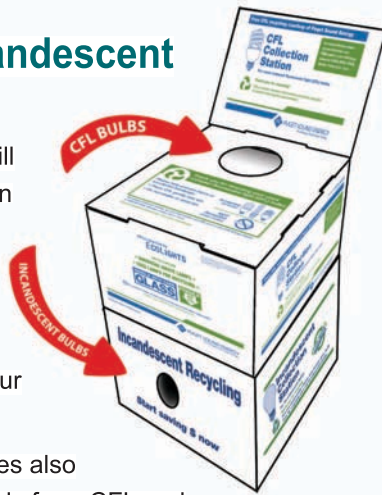


Recycle CFL and incandescent bulbs at your office

PSE's CFL Bulb Recycling Drive will continue in 2012. CFL bulbs contain trace amounts of mercury and should not be tossed in household garbage or recycling bins. Help keep light bulbs out of landfills by ordering a free recycling box for your workplace.

PSE's new light-bulb recycling boxes also accept incandescent bulbs. Materials from CFL and incandescent bulbs including reusable glass, circuitry, aluminum and plastic. All can be recycled.

There are more than 500 recycle boxes at select PSE offices, retail locations, city halls and other Western Washington locations. Sign up to host a box where you work or find a complete list of recycling locations at PSE.com/BulbDrive or by calling a PSE Energy Advisor at 1-800-562-1482, Monday through Friday, 8 a.m. to 5 p.m.



Supporting your communities



TeamPSE employees helped brighten the holidays for budget-strapped families by conducting food drives and volunteering at Food Lifeline's Shoreline Volunteer Repack Center.

Through corporate contributions and the Puget Sound Energy Foundation, in 2011 we distributed more than \$1.38 million to 700 nonprofit organizations in Washington state to improve lives, make neighborhoods safe, and strengthen and sustain communities. None of the corporate contributions or the foundation's funds come from PSE's customers.

Puget Sound Energy
1-888-225-5773
TTY: 1-800-962-9498

PSE.com
Twitter.com/PSETalk
Facebook.com/PugetSoundEnergy
Flickr.com/PugetSoundEnergy
YouTube.com/PugetSoundEnergy

Visit our local
customer service offices

Most offices are open M-F, 9 a.m.- 5 p.m.

- Bellingham** — 1329 N. State St.
- Ellensburg** — 207 N. Pearl St.
- Freeland** — 1794 Main St.
- Oak Harbor** — 231 SE Barrington Dr. #101
- Olympia** — 2711 Pacific Ave. SE
- Port Townsend** — 181 Quincy St. #101
- Vashon Island** — 18125 Vashon Hwy. SW





SHOWERING IN SAVINGS IS RE-ENERGIZING

Get \$10 off a premium-efficient showerhead from Puget Sound Energy!

Make every drop count by installing WaterSense-labeled showerheads in your home. You'll get an **instant rebate of \$10** from PSE on your purchase and save money on your water and energy bills.

With a variety of models to choose from, you can order online and have your new showerhead delivered directly to your home or visit a participating retailer and take it home today!

Visit [PSE.com/Showerheads](https://www.pse.com/showerheads) for more information.

Heating water is the #2 energy user in your home

- By saving water, you also save the energy needed to heat it for things like hot showers.
- Only the best products qualify for the EPA's WaterSense label.
- WaterSense showerheads can save you money on your water and energy bills without sacrificing style, quality or comfort.
- PSE also offers rebates on efficient clothes washers and water heaters. Learn more at **PSE.com/ReEnergize**

Must be a PSE customer living in an existing single-family property or attached housing with four units or less and heat your water with electricity or natural gas from PSE. Limit two (2) rebates per household.

4403 01/12



SAVE MORE WATER

To get yours, visit
PSE.com/Showerheads.

Have a question? Contact
a PSE Energy Advisor at
1-800-562-1482, Mon.
through Fri., 8 a.m. to 5 p.m.



REWARDS FOR GOING GREEN ARE RE-ENERGIZING

Choose green power and receive a stainless steel water bottle as a thank you gift.

Signing-up your home for PSE's Green Power Program is a simple way to preserve our region's natural beauty. Green power is clean power generated here in the West by independent electricity producers using sources such as wind, solar, and biomass. By participating in our Green Power Program you can support locally-produced electricity and our environment for as little as \$4 per month.

See the other side for details on signing up today!

PSE.COM/GREENPOWER



Sign up today and receive a stainless steel water bottle as a thank you gift.*

Choose how much green power you want to buy each month:

- 100 percent.** Green all of your monthly electricity use for only \$0.0125 per kWh extra—usually about \$10 to \$12 additional per month for the average customer. **OR** Choose a dollar amount below to be added monthly to your bill. Each \$2 increment supports 160 kWh of renewable energy.
- ___\$4 ___\$6 ___\$8 ___\$10

Complete this form: Name _____

Service Address _____ City _____

ZIP _____ Daytime Phone or E-mail _____

PSE Account Number (10 digits - optional) _____

Return this form with your bill payment. The amount of your Green Power purchase will be added to your bill each month and support regional renewable energy development projects. Available to PSE electric customers only. You may cancel participation at any time without penalty.

3978 01/12 *Choose Green Power between January 1 and March 31 to receive your stainless steel water bottle.



GREEN POWER PROGRAM FACTS

- Supports wind (61%), biogas (20%), biomass from waste wood (8%), low impact hydro (10%) and solar (1%) energy from our region
- PSE does not make a profit on the Green Power Program
- Certified by a non-profit (www.green-e.org)



For more information, visit **PSE.com/GreenPower** or call a PSE Energy Advisor at 1-800-562-1482, Monday through Friday, 8 a.m. to 5 p.m.

NOTICE OF REQUESTED RATE INCREASE AND PUBLIC HEARINGS



Proposed rate increase

On June 13, 2011, Puget Sound Energy filed a general rate case with Washington state's Utilities and Transportation Commission (UTC) requesting an increase for all customer groups except natural gas equipment rentals. The filing included a request for a Conservation Savings Adjustment which is designed to recover costs that would otherwise go unrecovered by PSE as a result of energy efficiency services provided by PSE. The initial filing was updated to reflect lower electric generation costs, resulting in a total revenue increase request of \$159.7 million, or 8.08 percent, in electric revenue, and an increase of \$33.3 million, or 3.16 percent, in natural gas revenue. These amounts include the Conservation Savings Adjustment request of \$7.4 million in electric revenue and \$1.5 million in natural gas revenue.

The electric revenue request (see pie chart) would recover increased costs due to investments in new electric infrastructure including the new Lower Snake River Wind Project, increased administrative, general, transmission and distribution expenses, increased depreciation expenses and increased return on investor investment. It also reflects reductions in costs of power production and other operating expenses. This request includes costs of investments to improve reliability, new delivery facilities, such as substations and transmission lines, to serve new customers, and investments to accommodate public infrastructure projects such as road projects.

The bulk of the natural gas revenue request (see pie chart) would recover investments in the natural gas distribution system to increase reliability, to serve new customers, to accommodate public infrastructure projects and costs for compliance and safety improvements. The balance of the request would recover increased cost of local taxes and depreciation expense, and increased return on investor investment. The request reflects reductions in costs of federal income taxes, distribution, administrative and general expenses.

Public hearing dates and locations

**Feb. 1, 2012 • 6-7:30 p.m.
Bellevue**

Bellevue City Hall
Council Chambers
450 110th Ave. NE

**Feb. 15, 2012 • 6-7:30 p.m.
Olympia**

Washington Utilities and Transportation Commission
Hearing Room 206
1300 S. Evergreen Park Drive SW

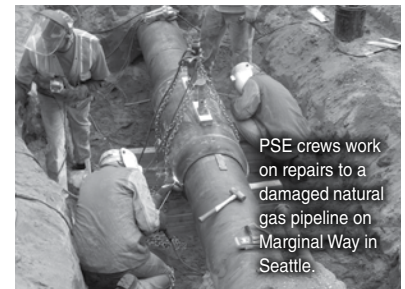
You are invited to comment on Puget Sound Energy's requested rate increase. The Utilities and Transportation Commission will hold two public hearings on this rate request.

You may comment in person at a public hearing or, for convenience, use the online comment form at www.utc.wa.gov, click on "Submit a Comment"

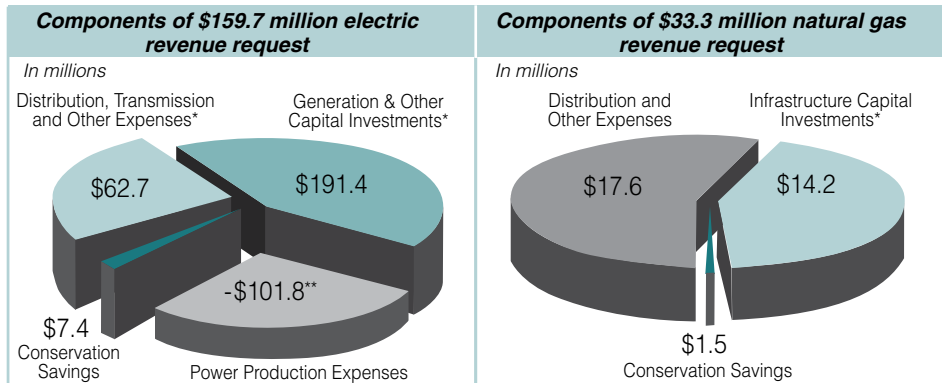
Please reference docket numbers UE-111048 (electric) and/or UG-111049 (natural gas). See the other side for all the ways you can comment.



Wind turbine construction at Lower Snake River project.



PSE crews work on repairs to a damaged natural gas pipeline on Marginal Way in Seattle.



* Includes return to investors on infrastructure and generation investments totaling \$25.3 million for electric and \$8.5 million for natural gas
 ** Reduced power production expenses of \$101.8 million offset some of the expenses and investments of \$191.4 million, \$62.7 million and \$7.4 million, resulting in PSE's electric revenue request of \$159.7 million.

General rate case information

A general rate case is the legal proceeding in which the UTC will examine a utility's operations and costs to ensure regulated companies provide safe and reliable service to customers at reasonable rates, while allowing the utilities the opportunity to earn a fair return on their investments.

The UTC staff, the Public Counsel of the Office of Attorney General, PSE and eight other parties with an interest in the case are also participants. The UTC has the authority to approve rates that are higher or lower than PSE's request. New rates will become effective upon completion of the UTC's 11-month investigation, expected to be completed in May 2012.

Effects on residential customers

The monthly bill effect of the general rate increase for the typical residential electric customer using 1,000 kWh per month and for the typical natural gas customer using 68 therms per month is shown in this chart. Individual customers will see a greater or lesser increase than what is shown, depending on the amount of usage.

Electric service	Current bill ⁽¹⁾	Proposed ⁽¹⁾ effective May 2012
Kilowatt-hour charge for 0 - 600 kWh ⁽²⁾	8.4815¢	8.9439¢
Kilowatt-hour charge for > 600 kWh ⁽²⁾	10.2798¢	10.8861¢
Basic Charge	\$7.25	\$7.83
Total bill at 1,000 kWh per month	\$99.26	\$105.04

Natural gas service	Current bill	Proposed, effective May 2012
Therm charge for all therms ⁽³⁾	\$1.10306	\$1.13462
Basic Charge	\$10.00	\$10.80
Total Bill at 68 therms per month	\$85.01	\$87.96

Summary of requested rate increases

Overall revenue increase: \$159.7 million / 8.08%		Current Average Rate per kWh	Proposed Average Rate per kWh (Includes CSA ⁽⁴⁾)	Percent Change (Includes CSA ⁽⁴⁾)
Electric Schedule	Type of Service			
7	Residential	10.094¢	10.930¢	8.3%
24	Secondary Voltage (50 kW or less)	9.470¢	10.267¢	8.4%
25	Secondary Voltage (over 50 kW to 350 kW)	8.821¢	9.391¢	6.5%
26	Secondary Voltage (over 350 kW)	8.009¢	8.690¢	8.5%
26P	Primary Voltage General	7.871¢	8.546¢	8.6%
29	Seasonal Irrigation & Drainage Pumping	8.172¢	8.703¢	6.5%
31	Primary Voltage Limited	7.939¢	8.614¢	8.5%
35	Primary Voltage Irrigation	5.527¢	6.009¢	8.7%
43	Interruptible Total Electric Schools	8.517¢	9.238¢	8.5%
40	Campus Rate	6.860¢	7.350¢	7.1%
46	High Voltage Interruptible	6.509¢	7.028¢	8.0%
49	High Voltage General	6.302¢	6.806¢	8.0%
50-59	Lighting (Area & Street)	20.830¢	22.495¢	8.0%
449/459	Choice/Retail Wheeling ⁽⁵⁾	0.360¢	0.397¢	10.5%

Overall revenue increase \$33.3 million / 3.16%		Current Average Rate per Therm	Proposed Average Rate per Therm (Includes CSA ⁽⁴⁾)	Percent Change (Includes CSA ⁽⁴⁾)
Natural Gas Schedule	Type of Service			
23	Residential	\$1.24795	\$1.29183	3.5%
31	Commercial & Industrial	\$1.13566	\$1.17122	3.1%
41	Large Volume	\$0.93305	\$0.94453	1.2%
85	Interruptible	\$0.77844	\$0.78362	0.7%
86	Limited Interruptible	\$0.89234	\$0.89354	0.1%
87	Non-exclusive Interruptible	\$0.71755	\$0.72549	1.1%
41T	Large Volume Transportation ⁽⁵⁾	\$0.20937	\$0.21668	3.5%
85T	Interruptible Transportation ⁽⁵⁾	\$0.10349	\$0.10771	4.1%
86T	Limited Interruptible Transportation ⁽⁵⁾	\$0.22865	\$0.22746	-0.5%
87T	Non-exclusive Interruptible Transportation ⁽⁵⁾	\$0.04208	\$0.0471	11.9%
16	Gas Lighting	\$1.24211	\$1.28474	3.4%
53	Propane	\$4.66868	\$4.72333	1.2%
61	Standby & Auxiliary Heating	n/a	n/a	10.0%
	Special Contracts	\$0.0461	\$0.04834	4.9%
71, 72, 74	Rentals	n/a	n/a	0%

Note: The figures above represent averages by rate schedule including the basic charge. Natural gas transportation and electric choice/wheeling customers have rates that are significantly less than the average rates for other schedules because, in part, these customers receive only delivery or transportation services.

- (1) Current rates, as of June 13, 2011, include the effect of the Regulatory Asset Tracker which expires on December 31, 2011. Proposed rates do not include this tracker.
 (2) Current and proposed electric rates shown above represent all per kWh charges.
 (3) Current rates as of June 13, 2011, and proposed rates represent all per therm charges.

- (4) Conservation Savings Adjustment or CSA is not in current rates but is proposed as part of the general rate case.
 (5) Rates for transportation customers do not include the cost of gas or electricity or the CSA proposal. The resulting percentage change is therefore on a different basis than for other customers.

Public comment

To comment to the UTC on PSE's requested rate increase:

- in person at one of two public hearings (outlined in this notice)
- via UTC online comment form:
www.utc.wa.gov, click on "Submit a Comment"
- by email at: comments@utc.wa.gov
- in writing: UTC - P.O. Box 47250, Olympia, WA 98504-7250
- by fax at: 360-586-1150
- by telephone at: 1-888-333-WUTC (9882)

Please reference docket numbers UE-111048 (electric) and/or UG-111049 (natural gas) in your comment. If you have questions about the UTC's process, please contact the UTC using one of the above methods.

The public is represented by the Public Counsel Section of the Washington Attorney General's Office. You can contact the office at:

Public Counsel
Assistant Attorney General
800 5th Avenue, Suite 2000
Seattle, WA 98104-3188

or by email:
utility@atg.wa.gov

To contact Puget Sound Energy, you may reach us in writing at:

Puget Sound Energy
Attn.: Customer Care
P.O. Box 97034
Bellevue, WA 98009-9734

or by e-mail:
generalratecase@pse.com

For more information visit
 PSE.com or call 888-225-5773,
 press option 5.



HAVING A HOMEPRINT™ ASSESSMENT IS RE-ENERGIZING

Get a **FREE** overview on making your home more energy efficient

Receive practical recommendations on how your home could operate more efficiently with **Puget Sound Energy's HomePrint Assessment**. Provided by an independent PSE-Qualified Specialist, this **FREE** in-home service will give you a better understanding of your home's energy consumption, and cost-effective ways to use less energy - all designed to improve the comfort and efficiency of your home. You'll even get **FREE** compact fluorescent light bulbs installed!

For more information; scan code with your Smartphone, visit **PSE.com/HomePrint**, call a PSE Energy Advisor at **1-800-562-1482**, Monday through Friday, 8 a.m. to 5 p.m., or e-mail **energyefficiency@pse.com**.

Who qualifies? PSE electric customers living in an existing single-family property or attached housing with four units or less. One (1) rebate per household.



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reader at
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HomePrint™
Assessment



GOING DUCTLESS IS RE-ENERGIZING

Get a \$1,200 rebate for an energy-efficient ductless heat pump system

Ducts? Who needs 'em? With an efficient ductless heat pump system you stay warm in the winter, cool in the summer and save energy all year round. PSE offers a **\$1,200 rebate** when you Re-Energize your electric heating equipment by upgrading to a ductless heat pump.

To see if you qualify: scan code with your smartphone, visit **PSE.com/Rebates**, call a PSE Energy Advisor at **1-800-562-1482**, Monday through Friday, 8 a.m. to 5 p.m. or e-mail **energyefficiency@pse.com**.

Who qualifies? Residents living in an existing property with four units or less, heated by electricity from PSE. Must install AHRI-certified equipment that is at least 1.0 ton and uses inverter technology. Additional qualifications apply.



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PSE PUGET SOUND ENERGY



GIVING YOUR HOME A BLANKET IS RE-ENERGIZING

Get up to **\$1,700** in rebates for insulation

If your home just never seems warm enough no matter how high you blast the heat, you may need to weatherize. Particularly, if your home was built before 1990, well, let's just say there's a good chance you've got some room for improvement in the insulation department. Puget Sound Energy is offering **up to \$1,700** in instant rebates for qualifying weatherization upgrades.

50 percent of the cost, up to **\$400 each** for

Floor insulation

Attic insulation

Wall insulation

50 percent of the cost, up to **\$500** for

Duct insulation

Duct sealing

For more information; scan code with your Smartphone, visit **PSE.com/Rebates**, call a PSE Energy Advisor at **1-800-562-1482**, Monday through Friday, 8 a.m. to 5 p.m. or e-mail **energyefficiency@pse.com**.

Note: Income-eligible customers may qualify for free upgrades.



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RE-ENERGIZE

YOUR NEXT HOME IMPROVEMENT PROJECT

Puget Sound Energy's Contractor Referral Service can save you the time and hassle of finding the right contractor.

Member contractors:

Have a thorough understanding of energy codes; are licensed, insured and bonded

Are trained on new technology with a focus on energy-efficient equipment and product application

Get referrals on: heating and cooling, water heating, natural gas conversion, windows, roofing and generators.

For more information; scan code with your Smartphone, visit **PSE.com/CRS**, call a PSE Energy Advisor at **1-800-562-1482**, Monday through Friday, 8 a.m. to 5 p.m. or email us at **energyefficiency@pse.com**



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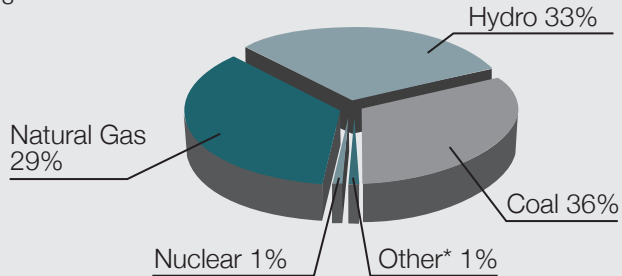


PUGET SOUND ENERGY

Electricity Fuel Mix

The electricity that Puget Sound Energy delivers to customers is generated using a number of different resources. The fuel mix for these resources for electricity delivered in 2010 is shown in the following table and chart:

Fuel	Percentage
Coal	36
Hydroelectric	33
Natural Gas	29
Nuclear	1
Other*	1
Total	100



* Biomass, landfill gas, petroleum and waste.

Source of data: Published by the Washington Department of Commerce with data reported by PSE.



PSE is meeting our customers' long-term energy needs by:

- upgrading aging hydroelectric facilities
- building renewable energy resources
- operating efficient, clean-burning natural gas-fired plants
- helping our customers be more energy efficient





HEATING YOUR HOME AND NOT THE OUTDOORS IS RE-ENERGIZING

Get up to \$1,700 in rebates for insulation

If your home just never seems warm enough no matter how high you blast the heat, you may need to weatherize. Particularly, if your home was built before 1990, well, let's just say there's a good chance you've got some room for improvement in the insulation department. Puget Sound Energy is offering **up to \$1,700** in instant rebates for qualifying weatherization upgrades.

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Note: Income-eligible customers may qualify for free upgrades.

For more information; scan code with your Smartphone, visit **PSE.com/Rebates**, call a PSE Energy Advisor at **1-800-562-1482**, Monday through Friday, 8 a.m. to 5 p.m. or e-mail **energyefficiency@pse.com**.

Insulation rebates available only to customers with homes built before 1990.



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SOLAR POWER IS RE-ENERGIZING

PSE now provides contractor referrals for residential PV installation. These contractors have met the same criteria as PSE's other member contractors and:

- Have a thorough understanding of energy codes and a commitment to energy-saving equipment and product applications to help you save money
- Abide by fair business practices under the Better Business Bureau and the Department of Labor & Industries
- Are licensed, insured and bonded
- Receive on-going training on the latest technology and methods
- Will assist you in preparing interconnection and production payment documents for PSE

You can also get referrals on: heating and cooling, water heating, windows, roofing and generators.

For more information; scan code with your Smartphone, visit **PSE.com/CRS** or call a PSE Energy Advisor at **1-800-562-1482**, Monday through Friday, 8 a.m. to 5 p.m.

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PUGET SOUND ENERGY