



Tacoma LNG Facility

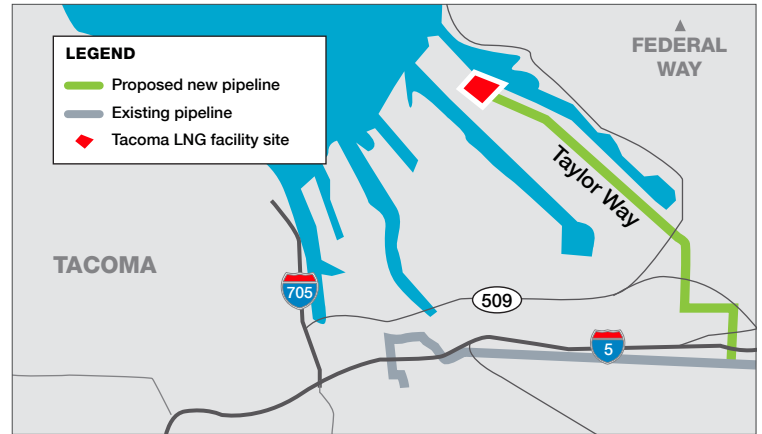
Answers to Frequently Asked Questions

Q: What type of facility is Puget Sound Energy (PSE) proposing?

A: PSE plans to build a Liquefied Natural Gas (LNG) facility to provide PSE customers with natural gas reserves to maintain dependable service on the coldest days of the year. It will also provide commercial customers with a cleaner fuel alternative.

Q: Where will the facility be located?

A: It will be located at the Port of Tacoma on Taylor Way (see map).



Q: When will the facility be completed and operational?

A: A facility like this goes through an extensive review and approval process prior to construction. A thorough permitting process, with many opportunities for the public to comment, will be followed by site preparation work and construction. We expect the facility to be completed and operational in late 2018.

Q: What exactly is LNG?

A: LNG is simply another form of natural gas currently used in millions of homes and vehicles. When cooled, natural gas becomes a liquid that is one six hundredth the volume, making it easier to store and transport.

Q: Is LNG safe?

A: Yes. LNG is neither explosive nor flammable in its liquid state. When it returns to its gaseous state, it behaves as any natural gas and must be handled accordingly. LNG carrier vessels have completed over 135,000 voyages with no significant safety incidents.



When natural gas is liquefied, it shrinks by more than 600 times.

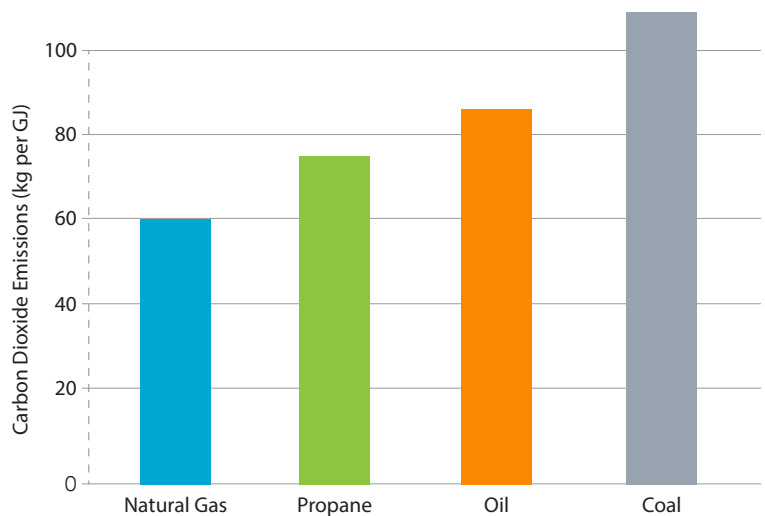
The difference in size is similar to a **beach ball** compared to a **ping pong ball**.

Q: What are the environmental benefits from using LNG?

A: LNG offers many environmental benefits over conventional fuels, like diesel. Switching from diesel to LNG reduces greenhouse gas emissions by up to 30% and eliminates particulate emissions. This helps improve air quality and reduce health risks. Use of LNG also virtually eliminates the potential for harmful fuel spills that could damage the waters of Commencement Bay and Puget Sound.

Q: What customers will the LNG facility serve?

A: The facility will serve PSE's existing customers by providing a dependable natural gas source during times of peak demand. The LNG produced at the facility will also provide a cleaner fuel alternative for regional businesses, including TOTE, a local shipping company operating cargo ships between Tacoma and Alaska. This innovative step will help them comply with new, stricter federal low-sulfur emission requirements.



Q: Will LNG be exported from this facility to customers in other countries?

A: No. We do not plan to export any fuels from this facility and it will not be large enough to serve the export market. We will only be serving domestic customers from the facility.

Q: Are there any benefits for PSE natural gas customers beyond those being directly served by the facility?

A: Yes. The Tacoma LNG facility will benefit all PSE natural gas customers ensuring continued dependable natural gas service on the coldest days of the year. Having a reserve of available natural gas stored as a liquid will also allow PSE to reduce its gas purchases at times of peak demand, reducing costs that would otherwise be passed on to customers. Also, healthy growth of PSE's commercial customer base helps spread PSE's overhead costs, lowering costs for existing natural gas customers.

Q: How much will the facility cost to build?

A: We expect PSE's total investment in the project to be \$275 million.

Q: How many jobs will be created at the facility?

A: Hundreds of family-wage jobs will be created, both directly and indirectly, by the construction and operation of the facility. An independent analysis of the project estimated that construction would create at least 150 construction jobs on site, and that the associated economic activity would generate more than 300 indirect jobs in the area. Once the facility is up and running, its operation will generate enough economic activity to support 125 jobs throughout the area as well as 18 jobs at the facility itself. These figures do not include the hundreds of local family-wage jobs that can be protected by helping TOTE and other local employers stay competitive.

Q: What role does the Port of Tacoma play in approving the facility or overseeing its operations?

A: PSE will be leasing land for the facility from the Port of Tacoma and the Port Commission will review the project proposal before signing the lease. Its ongoing role will be to ensure that PSE complies with the terms of that agreement.

Q: How much experience does PSE have with LNG?

A: In addition to providing natural gas service to some 800,000 customers throughout Western Washington, PSE has owned and operated an LNG storage facility in Gig Harbor for more than a decade. PSE also uses LNG reserves to meet increased gas demand on cold days.

Q: Does PSE need to make any upgrades to its gas system in the surrounding area to support this facility?

A: Yes. Approximately 5 miles of new natural gas pipeline and related infrastructure will be built to support this project, mostly at the Port of Tacoma. PSE maintains a regular schedule of upgrades to the natural gas lines throughout its service territory.

Q: Do other facilities like this exist elsewhere?

A: There are more than 100 LNG production, storage and fueling facilities currently operating across the United States.

Q: Where does PSE get the natural gas for this facility?

A: The natural gas for the Tacoma LNG facility will come from the same North American market which PSE buys the rest of its natural gas supplies. PSE does not own or operate any natural gas fields and mostly buys its gas from bulk distributors.

Q: Is PSE's Tacoma LNG facility similar to the methanol facility that has been proposed for the Tacoma area?

A: No. The facilities are very different in size, product and target customers. PSE's Tacoma LNG Facility will be smaller than the proposed methanol facility and will focus on serving local customers.