

October 2008 Puget Sound Energy bill package inserts and information

1.4 million bills

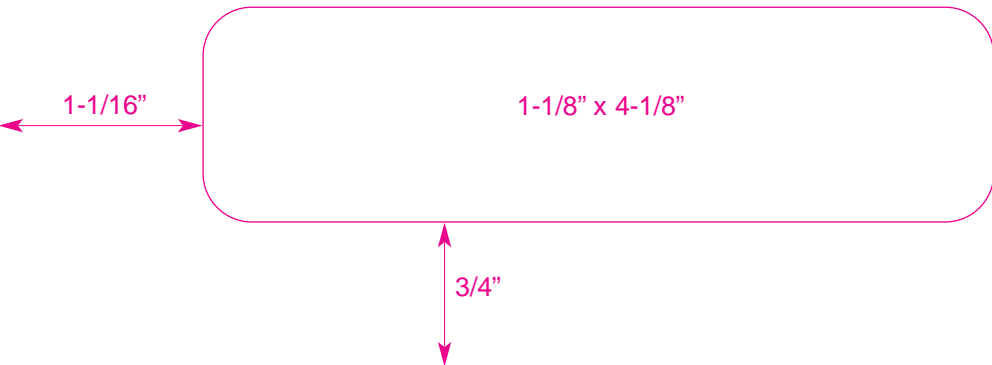
- Outside envelope: Customer Service Guarantee message
- Return envelope:
- Back of bill: Ways to pay your bill; Customer services phone numbers; Bill statement codes; Bill statement definitions; Emergency or power outage phone numbers in English, Spanish, Chinese and Russian; Customer Service Guarantee; Contact for questions about your bill or service; and Late payment fee information
- EnergyWise Newsletter September/October – PSE selects future energy-supply projects. Construction projects accommodate region's growth. Update on regulatory proceeding; General rate case requesting electric and natural gas rates. Purchased gas adjustment (PGA) requesting pass-through of higher natural gas costs. Merger hearings conclude; rate requests filed. Make bills more predictable. Know how to detect a natural gas leak. Time to get your home ready for winter. Check the natural gas piping you own. Energy Tip: Free lamp and bulb replacement, while supplies last. We'll be on time, guaranteed.
- Bill print message
- Insert: Electricity: Power Supply Fuel Mix
- Insert: Energy-saving and bill-payment resources with manage your heating bills
- Insert: Receive instant insulation rebates up to \$500 per home from PSE for electric heated homes.
- Insert: Recycle your old refrigerator – get free pickup and a \$30 rebate from PSE
- Insert: Sign up for PSE's Contractor Referral Service program and receive information on residential heating and weatherization incentives.



P.O. Box 90868
Bellevue, WA 98009-0868

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

YOUR PUGET SOUND ENERGY BILL ENCLOSED



Customer Service Guarantee

When you make a service appointment with Puget Sound Energy, we'll be there on time. We guarantee that we will arrive at the time mutually agreed upon to:

- ▶ Connect new permanent service lines and meters.*
- ▶ Re-establish existing natural gas or electric service following move-out/move-in or disconnection for nonpayment.*
- ▶ Keep natural gas equipment service appointments.*

If we cannot meet our commitment, we'll credit \$50 to your PSE bill. This guarantee applies in the absence of major storms, earthquakes, supply interruptions, or other significant adverse events beyond our control. In those cases, appointments will be rescheduled as soon as possible.





PLACE
STAMP
HERE





Prints on flap



This envelope uses 100% post consumer recycled paper.

Ways to Pay Your Bill

For your convenience, Puget Sound Energy (PSE) 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 for payment locations

Ways to Reach Us

PSE Customer Service 1-888-225-5773

Local, outside Washington state or Internet 1-425-452-1234

TTY hearing/speech impaired 1-800-962-9498

TRS Telecommunications Relay Services 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. to 5 p.m. Monday – Friday

Bill Statement Codes

ESTM — *Estimated*

PRRT — *Prorated*

CORR — *Corrected/Adjusted*

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 dia, 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.

Just call **1-888-225-5773**

Customer Service Guarantee

When you make a service appointment with PSE to install new service, re-establish existing service, or for natural gas appliance diagnostic and repair service, we'll be there on time. If we cannot meet our commitment, we'll credit \$50 to your PSE bill. Exceptions apply for major storms or adverse events beyond our control.

Questions about Your Bill or Service

If you have questions or concerns or a dispute regarding your energy bill or service, please call us 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, regulations and customer rights and responsibilities are available by calling 1-888-225-5773 and at PSE.com.

Late Payment Fee

Your bill is due upon delivery. When a bill remains unpaid for more than 30 days after the bill mailing date, a 1 percent per month late fee will be applied to the unpaid balance. The late payment fee will be delayed 30 days for customers with past due balances who have notified PSE that they have applied to an agency for financial aid. Customers on the Budget Payment Plan will be exempt from the late payment fee as long as they remain on the Budget Payment Plan

Bill Statement Definitions

Customer Charge

A customer 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.

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

The credit is from Columbia River benefits supplied by the Bonneville Power Administration. The credit is paid to our residential and small farm electricity customers of low-cost power generated by federal hydroelectric dams.

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 burning for 10 hours would use approximately one therm of natural gas. One therm of natural gas is equivalent to 29.3 kWh of electricity.

kWh

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



PSE selects future energy-supply projects

We're working now to ensure our customers have sufficient energy supplies in the future, and to bring more clean, renewable energy sources to Washington.

This August, PSE's Hopkins Ridge Wind Facility in Columbia County added four new wind turbines, boosting its generating capacity by 7.2 megawatts (MW). Hopkins Ridge and PSE's Wild Horse Wind and Solar Facility in Kittitas County make PSE the largest utility owner of renewable energy in the Northwest. We plan to install more wind turbines next year at Wild Horse, boosting its power capacity by approximately 50 MW. PSE also is finalizing arrangements to purchase 250 MW of wind power from two other wind facilities in the region.

Meanwhile, we acquired a clean-burning natural gas-fired generator this summer in Whatcom County, and are in the process of buying another efficient gas-fired power plant later.



Above: Sumas Cogeneration Facility
Left: Hopkins Ridge Wind Facility

Construction projects accommodate region's growth

This summer our crews took advantage of the dry months to upgrade power and natural gas lines to keep up with the region's growth and energy needs. Five of these projects represent a major rebuilding of our energy system. Following are highlights of these reliability projects.

- In Snohomish County's Ebey Slough basin: upgrading two-mile stretch of electric transmission poles holding transmission lines carrying electricity to Whatcom and Skagit counties by replacing 86 wooden poles with 15 steel poles.
- In Bellevue: a new natural gas pipeline covering a four-mile stretch is being constructed in conjunction with a road improvement project.
- In Renton: moved 65 electric transmission poles and strung 8,400 feet of power lines over I-405 to accommodate reconfiguration of the state highway.
- In Sedro Woolley: nearly 5 miles of new and upgraded transmission lines will help prevent power outages and support regional growth.
- In Jefferson County: completed construction of a new substation to improve service reliability in the Chimacum and Port Hadlock areas.



Puget Sound Energy 1-888-225-5773 • PSE.com • Manage your account and pay online.

UPDATE

Update on regulatory proceedings

State regulators are expected to rule this fall on several PSE proposals that have been before the Washington Utilities and Transportation Commission (UTC). The significant proposals include:

◆ General rate case requesting increased electric and natural gas rates

The parties in the general rate case, filed December 2007, reached an all-party settlement in PSE's request to recover costs associated with constructing substations, transmission lines and natural gas pipelines to improve reliability and serve new customers.

◆ Purchased gas adjustment (PGA) requesting pass-through of higher natural gas costs

Periodically, PSE and other natural gas utilities adjust rates to reflect changes in the price of natural gas supplies purchased for customers. Filed in late August, our PGA requests an overall 11.1 percent increase in natural gas rates to recover higher wholesale costs. A year ago, for the 2007-08 winter, lower wholesale natural gas prices contributed to an overall 13 percent rate reduction. The cost of natural gas purchased on the open market is recovered without any profit to the company.

◆ Merger hearings conclude; rate requests filed

In late July, PSE and all participating parties, except the Attorney General's Public Counsel Office, reached a settlement in the merger case. Customer rates will not be affected by a merger decision.

For additional information, visit PSE.com or www.utc.wa.gov.

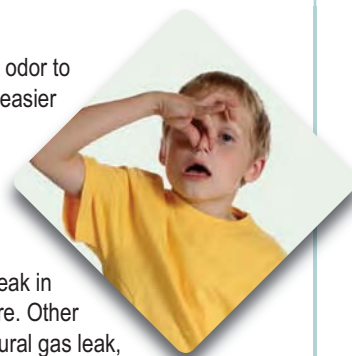
Make bills more predictable

PSE's Budget Payment Plan can help ease the highs and lows of seasonal energy bills by spreading your costs evenly throughout the year. The Budget Payment Plan calculates a customer's average monthly payment amount based on past consumption of natural gas or electricity and normal weather conditions. To join, call 1-888-225-5773, or visit PSE.com.

PUGET SOUND ENERGY
Page 1 of 2
Customer: John Doe
Address: John Doe
Account No.: 090-222-122-B
Account Status: \$125.00
STATEMENT SUMMARY AS OF AUGUST 15, 2008
Balance as of last billing: \$125.00
Please pay by your payment method: \$125.00
Current Charge: \$125.00
CURRENT TOTAL AS OF AUGUST 15, 2008: \$125.00
Statement Due Date September 05, 2008
AMOUNT DUE THIS STATEMENT: \$125.00
PLUG INTO THE INTERNET...
With Puget Sound Energy's Plug Into the Internet service, you can control your electric power in your home to give you...
Broadband Over Powerlines (BOP) is a new technology that allows you to use your existing power lines to deliver high-speed...
Power lines in the neighborhood of 200...
Simply contact PSE and we'll get you set up. Call 1-888-225-5773 for more information.
Service Details: 1224 5 3000 P...
Rate: 1224 5 3000 P...
Usage: 1224 5 3000 P...
Amount: \$50.00
ENERGY USAGE COMPRESSION
This Year Last Year Change

Know how to detect a natural gas leak

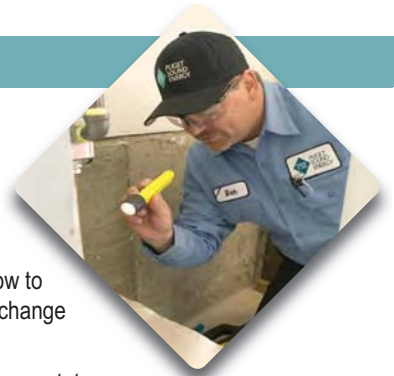
We add an unpleasant odor to natural gas so that it's easier to detect leaks. The distinctive odor, called mercaptan, smells like sulfur, or rotten eggs, and alerts you if there is a natural gas leak in your home or elsewhere. Other signs of a possible natural gas leak, particularly near a pipeline, include a hissing sound, blowing dirt, or bubbles rising in a puddle. If you suspect a natural gas leak, call PSE at 1-888-225-5773 or 911.



Time to get your home ready for winter

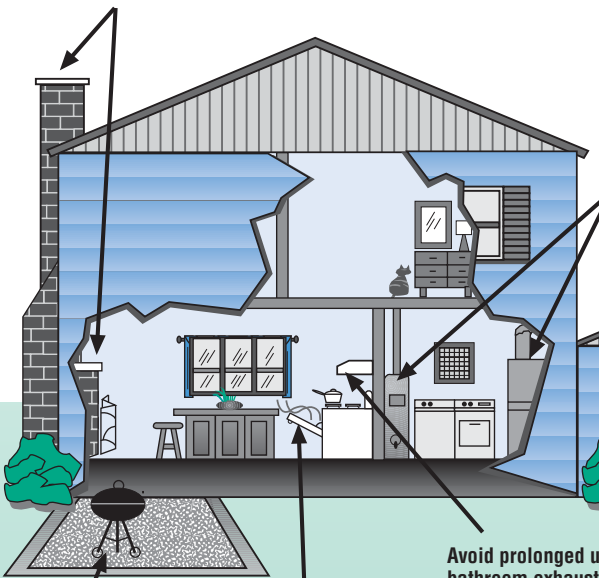
Early fall is the perfect time to prepare for cooler weather. Along with dramatic price increases at the gas pump and grocery store, natural gas costs are also rising this year, making winter heating a larger portion of the household energy budget. Here's how to save up to 15 percent in heating expenses by making sure your home is ready for the change of seasons:

- ✓ Check doors and windows for leaks and drafts. Make sure doors seal properly, and add weather-stripping or caulk to keep heat from escaping.
- ✓ Close the fireplace damper when it's not in use.
- ✓ Examine heating ducts for leaks. Repair or replace damaged ducts.
- ✓ Add insulation to your attic, and weather-strip and insulate your attic hatch or door to prevent warm air from escaping.
- ✓ Clean or replace your furnace air filter monthly.
- ✓ Use a set-back thermostat, or purchase a programmable thermostat that automatically turns down the heat when you're away or sleeping.
- ✓ Make sure all heating vents are opened and not blocked by furniture or other items.
- ✓ Schedule a heating system tune-up to ensure safe and efficient operation.
- ✓ If replacing a natural gas furnace, install a high-efficiency ENERGY STAR® unit that could cut your natural gas use by up to 20 percent—and be eligible for a PSE rebate of up to \$350.



Getting your home ready and safe for winter

Keep flues and chimneys free of debris.



Inspect your heating equipment regularly and have it serviced annually to be sure it's in proper working order.

Make sure your natural gas furnace and water heater have adequate fresh air, particularly if enclosed in a small room.

Never burn charcoal inside your home.

Never heat your home with a gas range or oven.

Avoid prolonged use of kitchen and bathroom exhaust fans while using your wood-burning fireplace and furnace. (Most fireplaces, furnaces, and water heaters draw air needed for burning from inside your home.)

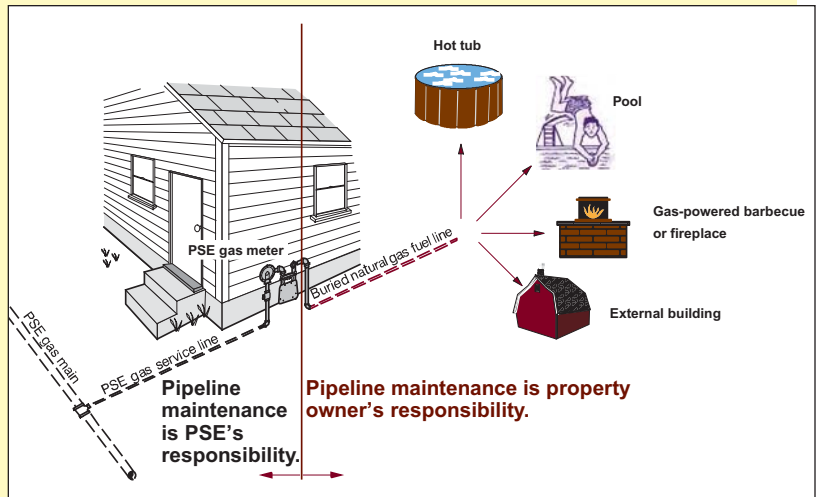
Never run an automobile engine, lawn mower, portable generator, or any other combustion engine in an enclosed space.

Check the natural gas piping you own

PSE regularly inspects the underground natural gas pipelines in the street and to your meter to make sure they are operating properly and safely. But if you have buried piping to personal property, including pools, hot tubs, natural gas barbecues or detached buildings, that piping is not maintained by PSE, unless PSE installed and agreed to maintain the piping.

Buried piping may leak or corrode if not maintained. Buried piping should be periodically inspected for leaks

and corrosion, and repaired if any unsafe condition is discovered. Have a licensed plumbing contractor do the inspection and any necessary repairs. If you plan to excavate near your buried piping, it should be located by the contractor in advance and the excavation should be done by hand.



ENERGY TIP:

Free lamp and bulb replacement, while supplies last

A program for PSE's residential electric customers allows you to exchange your incandescent portable lamps for free, efficient ENERGY STAR® table, desk or floor lamps and compact fluorescent lights (CFLs), while supplies last at select Puget Sound-area retailers.

For lamp exchange locations, as well as information about where to dispose used CFLs, visit PSE.com or call a PSE Energy Advisor at 1-800-562-1482.



We'll be on time, guaranteed

When you make a service appointment with PSE, we guarantee that we will be on time – if not, we'll credit \$50 to your PSE bill. The guarantee applies to the following services:

- New permanent service line and meter connections
- Re-connects of existing natural gas or electric service after move-outs and move-ins, or following disconnection for nonpayment
- Natural gas equipment service appointments

Our customer service guarantee almost always applies, with only a few exceptions: during and after major storms, earthquakes, energy supply interruptions, or other significant events beyond PSE's control. In these cases, we will reschedule your appointment as quickly as possible.



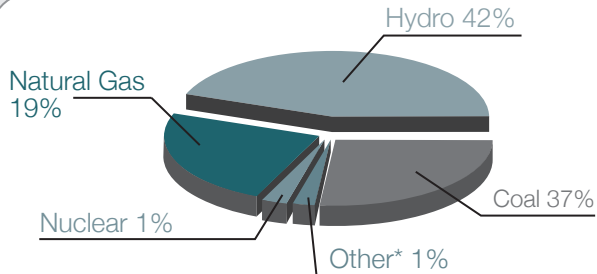
Bill print message for natural gas-only and joint gas-electric customers:

Your natural gas bill this month reflects an Oct. 1 rate increase averaging 11 percent, overall. The rate change is a pass-through of higher wholesale prices Puget Sound Energy pays to purchase your natural gas.

Electricity: Power Supply Fuel Mix

The electricity that Puget Sound Energy (PSE) delivers to customers is generated using a number of different resources. The fuel mix resources used for generating electricity delivered in 2007 are shown in the following table and chart:

	Percentage
Coal	37
Hydroelectric	42
Natural Gas	19
Nuclear	1
Other*	1
Total	100



* Biomass, landfill gas, petroleum, waste, wind and solar.

In 2007, PSE sold renewable energy credits (RECs) associated with the power output of its two wind-power facilities, so this power is not included in the fuel-mix report.

Source of data:

As reported by PSE to, and published by, the State of Washington Office of Community, Trade and Economic Development, Energy Policy Section, 2007.



A solar-power generating plant operates alongside the 127 turbines at PSE's Wild Horse Wind and Solar Facility in Kittitas County.

PSE's two wind facilities — Wild Horse and Hopkins Ridge — produce enough clean, renewable electricity to serve 100,000 households. PSE is working to secure 10 percent of its power supply from renewable sources by 2013 and 15 percent by 2020.



PUGET SOUND ENERGY

The Energy To Do Great Things



Manage your heating bills



PUGET SOUND ENERGY

The Energy To Do Great Things

Keep your home warm and cozy while saving energy and money

First — Get ready. Weatherize your home

- ✓ Caulk around windows and seal other air leaks. Chip out and replace old cracked caulking.
- ✓ Add weather stripping around — and under — drafty doors.
- ✓ Seal between the foundation and siding, and wherever brick and wood meet.
- ✓ Insulate. Insulation can make the biggest difference in keeping your home warm.



Next — Use your energy wisely

Maintain your heating system.

- ✓ Clean or replace furnace filters regularly during the heating season.
- ✓ Keep your house at the lowest comfortable temperature. A rule of thumb is that for each degree you consistently lower your thermostat, you can reduce your heating costs by two percent.
- ✓ Use a programmable thermostat so your house is warm when you need it and cooler when you don't.
- ✓ Look for the ENERGY STAR® when replacing appliances to ensure long term savings on energy.

Energy-saving and bill-payment resources



PUGET SOUND ENERGY
The Energy To Do Great Things



PSE Energy Advisors
Call 1-800-562-1482, or visit PSE.com in the Your Home section for tips, rebates and online tools for saving energy and money.



Low Income Weatherization
Call 1-800-562-1482, or visit PSE.com in the Community section to learn about weatherization improvements available to qualifying applicants.



PSE HELP Program
The Home Energy Lifeline Program (HELP) assists low-income households with payment of their natural gas and electricity bills. For information about federal energy assistance and PSE's HELP, call 1-866-223-5425.



PSE Warm Home Fund
The Warm Home Fund, administered by The Salvation Army, provides short-term, emergency bill-payment assistance. Call 1-888-225-5773.



Community Assistance at 2-1-1
Call 2-1-1 to reach social service agencies for information about help with paying utility bills and where to receive food or shelter.

Take comfort in your home year round

Most homes built before 1980 and/or still using single-pane windows can significantly improve their ability to retain heat and save energy with weatherization upgrades. Getting started on your home improvements is easy; fill out the form on the back or call a PSE Energy Advisor at 1.800.562.1482.

Single-pane window upgrade: PSE pays up to \$500 per home

Floor insulation: PSE pays 50% of the cost, up to \$400

Attic insulation: PSE pays 50% of the cost, up to \$400

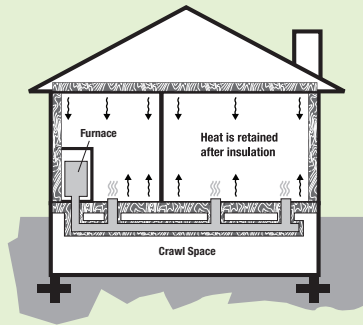
Wall insulation: PSE pays 50% of the cost, up to \$400

Duct insulation: PSE pays 50% of the cost, up to \$200

Duct sealing: PSE pays 50% of the cost, up to \$200

General Qualifications:

PSE customers living in a building with four units or less, heated mainly by electricity. Insulation work must be completed by an independent contractor pre-authorized by PSE. Call an Energy Advisor at 1.800.562.1482 for more detailed information on qualifications.



Insulation and windows are like a protective wrap for your home, holding in the winter warmth and blocking out the summer sun.

PSE

PUGET SOUND ENERGY

The Energy To Do Great Things

Weatherize your home this season and enjoy comfort in your home year round.



PUGET SOUND ENERGY

The Energy To Do Great Things

Getting started is easy; fill out the information below and return it in your payment envelope, call a PSE Energy Advisor at 1.800.562.1482 or visit PSE.com.

I give permission for Puget Sound Energy (PSE) to provide my contact information to independent contractors pre-authorized by PSE. I can expect a telephone call from one or more contractors to arrange for a no-obligation estimate(s). *Your signature is required below.*

Name _____ Signature _____
(please print)

Service Address _____ City _____ State _____ ZIP _____

Mailing Address (if different) _____ City _____ State _____ ZIP _____

Phone _____ PSE Account No.

--	--	--	--	--	--	--	--	--	--

(optional)

E-mail _____



Yes! Sign me up for PSE's free *Energy at Home* e-newsletter.

I would like a contractor referral for:

- Insulation Only
- Single-Pane Window Upgrade Only
- Both Insulation & Single Pane Window Upgrade

For more information, call a PSE Energy Advisor at 1.800.562.1482.

PSE.com

3911 9/08



YOUR REFRIGERATOR NEEDS A RETIREMENT PLAN

It doesn't make financial sense to keep an old fridge or freezer in your garage or basement – not when it uses up to four times the energy of newer models. And throwing it away isn't a good long-term plan for the environment. **Why not recycle it?** Puget Sound Energy will give you a \$30 rebate, JACO Environmental will haul it away free of charge, and you can save up to \$200 a year in energy costs. Talk about a good return on investment!

Call 1.877.577.0510 or visit www.jacoinc.net for pickup.



PUGET SOUND ENERGY

The Energy To Do Great Things

Recycle your old refrigerator – get free pickup and a \$30 rebate from PSE

Call 1.877.577.0510 or visit www.jacoinc.net to schedule your pickup.

Looking for other ways to use energy wisely? Call a PSE Energy Advisor at 1.800.562.1482 to learn more about PSE's energy-efficiency rebate programs and the PSE Green Power Program.

This offer is only to residential electric customers of Puget Sound Energy. This offer is limited to two units per residential address. The unit must be owned by you (the rebate recipient), be in working condition, and measure 10 cubic feet or more. This is a limited time offer that will end when funds are exhausted. A rebate check will be mailed 4-6 weeks after the pickup of your unit(s).

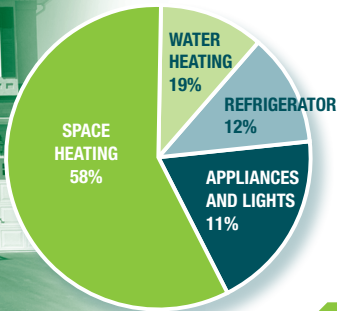
PSE.com

\$30
REBATE
FOR YOUR OLD
REFRIGERATOR

FREE
PICKUP



LOOKING FOR WAYS TO SAVE ENERGY? PSE CAN HELP.



Space heating and water heating can account for up to 77 percent of the energy usage in your home. Take advantage of PSE's rebates to save energy and increase your comfort. PSE can even recommend pre-screened, independent contractors to help with the purchase and installation of energy-efficient equipment.

**For more information, call a
PSE Energy Advisor at 1.800.562.1482.**

PSE.com



PUGET SOUND ENERGY

The Energy To Do Great Things

Save energy and money with rebates from PSE

Please fill out this form and return it in your bill payment envelope.

I give permission for Puget Sound Energy (PSE) to provide my contact information to independent, pre-screened contractors from PSE's Contractor Referral Service. I can expect a telephone call from one or more contractors to arrange for a no-obligation estimate(s). *Your signature is required below.*

ADDITIONAL
INCENTIVES
AVAILABLE!

Name _____ Signature _____
(please print)

Service Address _____ City _____ State _____ ZIP _____

Mailing Address (if different) _____ City _____ State _____ ZIP _____

Phone _____ PSE Account No. _____
(optional)

E-mail _____ Yes! Sign me up for PSE's free *Energy at Home* e-newsletter.

I would also like a referral for:

- Natural Gas Furnace (\$350 rebate*)
- Air-Source Heat Pump (Up to a \$350 rebate*)
- Natural Gas Tankless Water Heater (\$150 rebate*)
- Natural Gas Water Heater (\$50 rebate*)
- Weatherization (Up to \$1,600 in rebates†)