

May 2008 Puget Sound Energy bill package inserts and information 1.4 million bills

- Outside envelope: Customer Service Guarantee message
- Return envelope: Go paperless with e-Bill message
- 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 May/June – PSE pursues infrastructure investments to meet customer needs. Update on merger proposal. Residential electric customers receive one-time credit. We'll be there on time, guaranteed. Check the natural gas piping you own. Ask Andy. Go Paperless with your PSE bill. Understanding meter readings. Energy tip.
- Bill print message
- Insert: 2007 customer service performance report card, 2006-2007 energy efficiency performance report card
- Insert: Save \$500 on new ENERGY STAR[®] qualified windows through PSE's Contractor Referral Service.
- Insert: Join the Green Power Program and receive a complimentary gourmet chocolate sampler
- Insert: Recycle your old refrigerator – get free pickup and a \$30 rebate from PSE.



PUGET SOUND ENERGY

The Energy To Do Great Things

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

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

YOUR PUGET SOUND ENERGY BILL ENCLOSED

1-1/16"

1-1/8" x 4-1/8"

3/4"

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

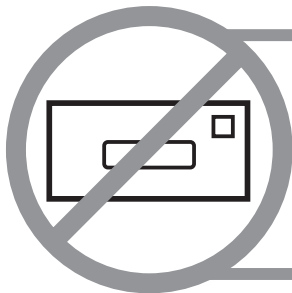




PUGET SOUND ENERGY

The Energy To Do Great Things

Prints on flap



Go Paperless with e-Bill.

**Sign up for Puget Sound Energy's
free online bill payment service at
www.pse.com.**

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 pursues infrastructure investments to meet customer needs

In the next 20 years, our region's population is expected to grow by 1 million people, or nearly 30 percent. With that population increase comes increasing demand for both natural gas and electricity. Here are some of the steps PSE is taking to keep up with our customers' needs:



- ◆ **More renewable generation** – PSE has announced a proposed expansion to the Wild Horse Wind Facility in Kittitas County, increasing its generating capacity to the equivalent of the needs of more than 65,000 households.
- ◆ **More natural gas-fired generation** – PSE will finalize the purchase of a 125-megawatt generation plant in Sumas later this year.
- ◆ **More natural gas storage and delivery** – PSE has just finished drilling the last of 10 wells at our Jackson Prairie natural gas storage facility in Lewis County, which will increase capacity by 35 percent later this year.
- ◆ **Future projects** – Rising electricity use is expected to add demand equivalent to that of two cities the size of Seattle to PSE's service territory by the year 2025. In addition to increasing energy efficiency efforts, PSE's planners are examining new sources of wind power and other renewable energy sources, as well as natural gas supplies and natural gas-fired generation, through request for proposal processes.

Update on merger proposal

Shareholders of Puget Energy, the parent company of Puget Sound Energy, at a special meeting in April approved the merger with a consortium of North American infrastructure investors by more than the required two-thirds vote. Also in April, the Federal Energy Regulatory Commission conditionally approved the merger, which remains subject to review and approval by the Washington Utilities and Transportation Commission and other federal agencies. Puget Energy expects reviews of the merger to be completed in the second half of 2008. The merger will give PSE access to capital to upgrade and build the electric and natural gas systems, and invest in new generation resources.

Residential electric customers receive one-time credit

PSE residential electric customers are receiving a one-time rate cut. The 24 percent decrease is the result of a \$20 million benefit the Bonneville Power Administration has agreed to pay PSE as an interim way to share the Northwest's low-cost federal hydropower. The credit, which amounts to about \$22.44 for an average home, is appearing in PSE's bills for one month, from April 11 through May 11. PSE continues to work to restore the residential exchange credit, which was suspended by the BPA in May 2007.

04/11/08	05/11/08	Customer Charge		\$6.02
04/11/08	05/11/08	Energy Charge	600 KWHS @ \$.074636 Per KWH	\$44.78
04/11/08	05/11/08	Energy Charge	400 KWHS @ \$.092444 Per KWH	\$36.98
04/11/08	05/11/08	Electric Conservation Program Charge	1000 KWHS @ \$.003137 Per KWH	\$3.14
04/11/08	05/11/08	Power Cost Adjustment	1000 KWHS @ \$.003245 Per KWH	\$3.25
04/11/08	05/11/08	Energy Exchange Credit	1000 KWHS @ \$.022444 CR Per KWH	\$22.44CR
04/11/08	05/11/08	Wind Power Production Credit	1000 KWHS @ \$.001404 CR Per KWH	\$1.40CR
Current Electricity Charges				\$70.31

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



We'll be there on time, guaranteed

When you make a service appointment with PSE, we guarantee that we'll be on time. What's more, we'll credit \$50 to your PSE bill if we're unable to follow through with our commitment. 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.



Guarantee

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. If you have buried piping to personal property, including pools, hot tubs, natural gas barbecues or detached buildings, the piping is not maintained by PSE, unless PSE installed and agreed to maintain the piping.

Buried piping may leak or corrode if it is 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.

Understanding meter readings

Your natural gas meter measures the amount of natural gas you use in therm units. Your electric meter measures the amount of electricity in kilowatt hour (kWh) units.

The amount of natural gas you use is listed on your bill in the "Delivery Charge" and "Cost of Gas" sections, and your electric use is itemized as the "Energy Charge." Your use of either natural gas or electricity appears on the bar graph of the chart. If you see \$.00 in the delivery or energy charge sections (see illustration) and no bar lines on the graph on your bill during a month you know you used the energy, please call us at 1-888-225-5773 to help us make sure your bill is correct.

Natural gas			
04/11/08	05/11/08	Customer Charge	\$8.25
04/11/08	05/11/08	Delivery Charge	\$.00
04/11/08	05/11/08	Cost of Gas	\$.00
			\$8.25
Electricity			
04/11/08	05/11/08	Customer Charge	\$6.02
04/11/08	05/11/08	Energy Charge	\$.00
			\$6.02

Ask Andy

AskAndy@PSE.com is a new way to get your energy efficiency questions answered. Meteorologist Andy Wappler, now part of the PSE team, is posting his answers to your questions at PSE.com.

Go paperless with your PSE bill

Log on to PSE.com and register for "My PSE Account" to monitor your daily energy use and pay your bills online.

ENERGY TIP:

Receive a rebate

Receive a rebate with free refrigerator pick-up

That old fridge or freezer taking up space in your garage or basement is also hogging energy (as much as four times the energy of newer models). For residential electric customers, PSE offers a \$30 rebate with free pick up and recycling for old refrigerators and/or freezers that are still working and have an inside measurement of 10 cubic feet or more. To schedule your pickup, visit www.jacoinc.net or call 1-877-577-0510.



Bill Print Messages May 2008:

- to print on electric residential and small farm schedules, May bills through May 11 reads

Your bill for electric usage between April 11 and May 11 has decreased due to an interim “Energy Exchange Credit” payment from the Bonneville Power Administration (BPA). The BPA last year suspended monthly payments of the credit, which provides you a share of the region’s federal power benefits.

- to print on all May bills

This month’s bill reflects a slight increase in the rate for the Conservation Program Charge that went into effect April 1, 2008.

2007 customer service performance report card

Each year Puget Sound Energy measures 11 key service-quality areas to track how well we are performing in providing our utility services to you, and to identify areas for improvement. Through customer satisfaction surveys, missed appointments, frequency and duration of power outages and the amount of time it takes to respond to a natural gas or electric emergency or answer your calls, among other measurements, we match our performance against a rating system of benchmarks (see chart). Here are the results.



2007 Puget Sound Energy performance report card

KEY MEASUREMENT	BENCHMARK	2007 PERFORMANCE	ACHIEVED
1. Percent of customers satisfied with our performance	90 percent	83 percent	<input type="checkbox"/>
2. Number of complaints to the WUTC per 1,000 customers	Less than 0.50 complaints	0.27 complaints	<input checked="" type="checkbox"/>
3. Length of non-major storm power outages per year	Less than 2 hours, 16 minutes	2 hours, 47 minutes	<input type="checkbox"/>
4. Frequency of non-major storm power outages, per year, per customer	Less than 1.30 outages	0.97 outages	<input checked="" type="checkbox"/>
5. Percent of calls answered live within 30 seconds by our Customer Access Center	At least 75 percent	75 percent	<input checked="" type="checkbox"/>
6. Percent of customers more than satisfied with our Customer Access Center, based on survey	90 percent	92 percent	<input checked="" type="checkbox"/>
7. Time from customer call to arrival of field technicians in response to gas emergencies	No more than 55 minutes	38 minutes	<input checked="" type="checkbox"/>
8. Percent of customers more than satisfied with field services, based on survey	At least 90 percent	90 percent	<input checked="" type="checkbox"/>
9. Percent of customers disconnected for non-payment	No more than 3.0 percent	2.8 percent	<input checked="" type="checkbox"/>
10. Percent of in-home service appointments kept, as promised	At least 92 percent	99 percent	<input checked="" type="checkbox"/>
11. Time from customer call to arrival of field technicians in response to power system emergencies	No more than 55 minutes	52 minutes	<input checked="" type="checkbox"/>

2007 customer service performance summary

- ◆ In 2007, in addition to meeting nine of the 11 service measurements, we improved slightly in two areas compared to 2006: 1) fewer complaints to state regulators, the Washington Utilities and Transportation Commission, and 2) fewer power outages.
 - ◆ An area where we fell short in meeting our target was in your satisfaction with our overall performance. The 83-percent score, similar to the previous two years, makes it clear we need to put extra attention in this area to meet the 90 percent performance target. Overall customer satisfaction, listed as number one in our report card, is foremost to us.
 - ◆ The other area where we missed the mark, even though we improved our year-to-year performance, was in the amount of time it took us to restore a power outage. The resulting 2 hour, 47 minute outage time per customer in 2007 exceeded the benchmark by about 30 minutes. We are concerned about this performance and are taking steps to improve in this area.
 - ◆ For the 2007 performance results, PSE incurred a \$513,000 penalty for missing the benchmark for the length of time some customers were without power. PSE refunded the penalty to customers as an offset to the costs included in the electric and natural gas conservation program charge effective April 1, 2008.
 - ◆ Through our Customer Service Guarantee program, we back up our pledge to you when you make a service appointment by crediting \$50 to your PSE bill if we do not meet our commitment. In 2007, PSE credited customers a total of \$11,950 for missing one percent of our total 130,000 scheduled appointments.
- We are working hard to meet your expectation of a high level of service from us.

2006-2007 energy efficiency performance report card

Your efforts in saving energy have helped raise the region's focus on environmental responsibility and stewardship.

In 2006 and 2007, you made your homes and businesses even more energy efficient, helping to make Puget Sound Energy a leader in energy efficiency.

Every other year, we evaluate how effective we are at doing our part to encourage you to save energy. We match the amount of energy saved against set targets. Over the 2006-2007 period, your efforts exceeded the targets. Here are the results.



2006-2007 energy savings achieved by customers:*

KEY MEASUREMENT	TARGET	2006-2007 PERFORMANCE	ACHIEVED
Electricity savings	40 average megawatts	44.4 average megawatts—enough electricity to serve more than 33,000 homes in one year	<input checked="" type="checkbox"/>
Natural gas savings	4.2 million therms	5 million therms—enough natural gas to serve more than 6,000 homes in one year	<input checked="" type="checkbox"/>

* During the last two years—2006-2007—Puget Sound Energy was required by state regulators to meet a certain threshold of cost-effective energy savings. In 2006, if goals were not met, PSE would have incurred a penalty of up to \$1.5 million. In 2007, the utility could have incurred a penalty of more than \$14 million if goals were not met for electric savings and a penalty of up to \$750,000 for missing natural-gas savings targets. In 2007, PSE also had the opportunity to earn a financial reward of up to \$4.2 million for exceeding electric-savings targets. For exceeding the electric target, in 2007 PSE earned an energy savings incentive valued at \$3.4 million.

In 2008, we are providing you with even more ways to help you achieve greater energy efficiency in your homes and businesses. Here are some of the ways.

For homes

- Lighting – Coupons to purchase compact fluorescent lights (CFLs)
- Appliances – Rebates to purchase energy-efficient clothes washers and dishwashers
- Heating equipment – Rebates for 90 percent energy efficient natural gas furnaces, high-efficiency heat pumps, energy-efficient tank and tankless water heaters
- Weatherization – Rebates for insulation and duct sealing of electric and natural gas heated homes
- New home construction – Incentives to install qualifying energy-efficient appliances, lighting, and equipment
- New technology – Pilot programs offering real-time access to energy consumption and cost data



For businesses

- Retrofit existing buildings – Incentives to make energy efficient improvements
- Lighting – Rebates for lighting fixtures and controls
- Design and construction – Incentives to implement energy-efficient design in new buildings
- HVAC equipment and motors – Rebates for efficient equipment
- Utility metering information – Access to 15 minute pulse data
- Tune-ups – For HVAC systems and boiler equipment
- On-site energy expert – Resource Conservation Managers placed at organizations with multiple facilities to optimize operations and implement sustainability initiatives

Visit PSE.com or call a PSE Energy Advisor at 1-800-562-1482 to find out more about rebates and incentives for purchasing energy-efficient products like lighting, heating, and water heating equipment for residences and technical assistance and custom incentives for businesses.

Through your efforts, we intend to build on the momentum for achieving even greater energy savings. Over the next 20 years, the energy savings achieved by our customers is expected to offset the need for building two midsized, 250-megawatt power plants.



PSE pursues infrastructure investments to meet customer needs

In the next 20 years, our region's population is expected to grow by 1 million people, or nearly 30 percent. With that population increase comes increasing demand for both natural gas and electricity. Here are some of the steps PSE is taking to keep up with our customers' needs:



- ◆ **More renewable generation** – PSE has announced a proposed expansion to the Wild Horse Wind Facility in Kittitas County, increasing its generating capacity to the equivalent of the needs of more than 65,000 households.
- ◆ **More natural gas-fired generation** – PSE will finalize the purchase of a 125-megawatt generation plant in Sumas later this year.
- ◆ **More natural gas storage and delivery** – PSE has just finished drilling the last of 10 wells at our Jackson Prairie natural gas storage facility in Lewis County, which will increase capacity by 35 percent later this year.
- ◆ **Future projects** – Rising electricity use is expected to add demand equivalent to that of two cities the size of Seattle to PSE's service territory by the year 2025. In addition to increasing energy efficiency efforts, PSE's planners are examining new sources of wind power and other renewable energy sources, as well as natural gas supplies and natural gas-fired generation, through request for proposal processes.

Update on merger proposal

Shareholders of Puget Energy, the parent company of Puget Sound Energy, at a special meeting in April approved the merger with a consortium of North American infrastructure investors by more than the required two-thirds vote. Also in April, the Federal Energy Regulatory Commission conditionally approved the merger, which remains subject to review and approval by the Washington Utilities and Transportation Commission and other federal agencies. Puget Energy expects reviews of the merger to be completed in the second half of 2008. The merger will give PSE access to capital to upgrade and build the electric and natural gas systems, and invest in new generation resources.

Residential electric customers receive one-time credit

PSE residential electric customers are receiving a one-time rate cut. The 24 percent decrease is the result of a \$20 million benefit the Bonneville Power Administration has agreed to pay PSE as an interim way to share the Northwest's low-cost federal hydropower. The credit, which amounts to about \$22.44 for an average home, is appearing in PSE's bills for one month, from April 11 through May 11. PSE continues to work to restore the residential exchange credit, which was suspended by the BPA in May 2007.

04/11/08	05/11/08	Customer Charge		\$6.02
04/11/08	05/11/08	Energy Charge	600 KWHS @ \$.074636 Per KWH	\$44.78
04/11/08	05/11/08	Energy Charge	400 KWHS @ \$.092444 Per KWH	\$36.98
04/11/08	05/11/08	Electric Conservation Program Charge	1000 KWHS @ \$.003137 Per KWH	\$3.14
04/11/08	05/11/08	Power Cost Adjustment	1000 KWHS @ \$.003245 Per KWH	\$3.25
04/11/08	05/11/08	Energy Exchange Credit	1000 KWHS @ \$.022444 CR Per KWH	\$22.44CR
04/11/08	05/11/08	Wind Power Production Credit	1000 KWHS @ \$.001404 CR Per KWH	\$1.40CR
Current Electricity Charges				\$70.31

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



We'll be there on time, guaranteed

When you make a service appointment with PSE, we guarantee that we'll be on time. What's more, we'll credit \$50 to your PSE bill if we're unable to follow through with our commitment. 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.



Guarantee

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. If you have buried piping to personal property, including pools, hot tubs, natural gas barbecues or detached buildings, the piping is not maintained by PSE, unless PSE installed and agreed to maintain the piping.

Buried piping may leak or corrode if it is 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.

Understanding meter readings

Your natural gas meter measures the amount of natural gas you use in therm units. Your electric meter measures the amount of electricity in kilowatt hour (kWh) units.

The amount of natural gas you use is listed on your bill in the "Delivery Charge" and "Cost of Gas" sections, and your electric use is itemized as the "Energy Charge." Your use of either natural gas or electricity appears on the bar graph of the chart. If you see \$.00 in the delivery or energy charge sections (see illustration) and no bar lines on the graph on your bill during a month you know you used the energy, please call us at 1-888-225-5773 to help us make sure your bill is correct.

Natural gas			
04/11/08	05/11/08	Customer Charge	\$8.25
04/11/08	05/11/08	Delivery Charge	\$.00
04/11/08	05/11/08	Cost of Gas	\$.00
			\$8.25
Electricity			
04/11/08	05/11/08	Customer Charge	\$6.02
04/11/08	05/11/08	Energy Charge	\$.00
			\$6.02

Ask Andy

AskAndy@PSE.com is a new way to get your energy efficiency questions answered. Meteorologist Andy Wappler, now part of the PSE team, is posting his answers to your questions at PSE.com.

Go paperless with your PSE bill

Log on to PSE.com and register for "My PSE Account" to monitor your daily energy use and pay your bills online.

ENERGY TIP:

Receive a rebate

Receive a rebate with free refrigerator pick-up

That old fridge or freezer taking up space in your garage or basement is also hogging energy (as much as four times the energy of newer models). For residential electric customers, PSE offers a \$30 rebate with free pick up and recycling for old refrigerators and/or freezers that are still working and have an inside measurement of 10 cubic feet or more. To schedule your pickup, visit www.jacoinc.net or call 1-877-577-0510.



2007 customer service performance report card

Each year Puget Sound Energy measures 11 key service-quality areas to track how well we are performing in providing our utility services to you, and to identify areas for improvement. Through customer satisfaction surveys, missed appointments, frequency and duration of power outages and the amount of time it takes to respond to a natural gas or electric emergency or answer your calls, among other measurements, we match our performance against a rating system of benchmarks (see chart). Here are the results.



2007 Puget Sound Energy performance report card

KEY MEASUREMENT	BENCHMARK	2007 PERFORMANCE	ACHIEVED
1. Percent of customers satisfied with our performance	90 percent	83 percent	<input type="checkbox"/>
2. Number of complaints to the WUTC per 1,000 customers	Less than 0.50 complaints	0.27 complaints	<input checked="" type="checkbox"/>
3. Length of non-major storm power outages per year	Less than 2 hours, 16 minutes	2 hours, 47 minutes	<input type="checkbox"/>
4. Frequency of non-major storm power outages, per year, per customer	Less than 1.30 outages	0.97 outages	<input checked="" type="checkbox"/>
5. Percent of calls answered live within 30 seconds by our Customer Access Center	At least 75 percent	75 percent	<input checked="" type="checkbox"/>
6. Percent of customers more than satisfied with our Customer Access Center, based on survey	90 percent	92 percent	<input checked="" type="checkbox"/>
7. Time from customer call to arrival of field technicians in response to gas emergencies	No more than 55 minutes	38 minutes	<input checked="" type="checkbox"/>
8. Percent of customers more than satisfied with field services, based on survey	At least 90 percent	90 percent	<input checked="" type="checkbox"/>
9. Percent of customers disconnected for non-payment	No more than 3.0 percent	2.8 percent	<input checked="" type="checkbox"/>
10. Percent of in-home service appointments kept, as promised	At least 92 percent	99 percent	<input checked="" type="checkbox"/>
11. Time from customer call to arrival of field technicians in response to power system emergencies	No more than 55 minutes	52 minutes	<input checked="" type="checkbox"/>

2007 customer service performance summary

- ◆ In 2007, in addition to meeting nine of the 11 service measurements, we improved slightly in two areas compared to 2006: 1) fewer complaints to state regulators, the Washington Utilities and Transportation Commission, and 2) fewer power outages.
 - ◆ An area where we fell short in meeting our target was in your satisfaction with our overall performance. The 83-percent score, similar to the previous two years, makes it clear we need to put extra attention in this area to meet the 90 percent performance target. Overall customer satisfaction, listed as number one in our report card, is foremost to us.
 - ◆ The other area where we missed the mark, even though we improved our year-to-year performance, was in the amount of time it took us to restore a power outage. The resulting 2 hour, 47 minute outage time per customer in 2007 exceeded the benchmark by about 30 minutes. We are concerned about this performance and are taking steps to improve in this area.
 - ◆ For the 2007 performance results, PSE incurred a \$513,000 penalty for missing the benchmark for the length of time some customers were without power. PSE refunded the penalty to customers as an offset to the costs included in the electric and natural gas conservation program charge effective April 1, 2008.
 - ◆ Through our Customer Service Guarantee program, we back up our pledge to you when you make a service appointment by crediting \$50 to your PSE bill if we do not meet our commitment. In 2007, PSE credited customers a total of \$11,950 for missing one percent of our total 130,000 scheduled appointments.
- We are working hard to meet your expectation of a high level of service from us.

2006-2007 energy efficiency performance report card

Your efforts in saving energy have helped raise the region's focus on environmental responsibility and stewardship.

In 2006 and 2007, you made your homes and businesses even more energy efficient, helping to make Puget Sound Energy a leader in energy efficiency.

Every other year, we evaluate how effective we are at doing our part to encourage you to save energy. We match the amount of energy saved against set targets. Over the 2006-2007 period, your efforts exceeded the targets. Here are the results.



2006-2007 energy savings achieved by customers:*

KEY MEASUREMENT	TARGET	2006-2007 PERFORMANCE	ACHIEVED
Electricity savings	40 average megawatts	44.4 average megawatts—enough electricity to serve more than 33,000 homes in one year	<input checked="" type="checkbox"/>
Natural gas savings	4.2 million therms	5 million therms—enough natural gas to serve more than 6,000 homes in one year	<input checked="" type="checkbox"/>

* During the last two years—2006-2007—Puget Sound Energy was required by state regulators to meet a certain threshold of cost-effective energy savings. In 2006, if goals were not met, PSE would have incurred a penalty of up to \$1.5 million. In 2007, the utility could have incurred a penalty of more than \$14 million if goals were not met for electric savings and a penalty of up to \$750,000 for missing natural-gas savings targets. In 2007, PSE also had the opportunity to earn a financial reward of up to \$4.2 million for exceeding electric-savings targets. For exceeding the electric target, in 2007 PSE earned an energy savings incentive valued at \$3.4 million.

In 2008, we are providing you with even more ways to help you achieve greater energy efficiency in your homes and businesses. Here are some of the ways.

For homes

- Lighting – Coupons to purchase compact fluorescent lights (CFLs)
- Appliances – Rebates to purchase energy-efficient clothes washers and dishwashers
- Heating equipment – Rebates for 90 percent energy efficient natural gas furnaces, high-efficiency heat pumps, energy-efficient tank and tankless water heaters
- Weatherization – Rebates for insulation and duct sealing of electric and natural gas heated homes
- New home construction – Incentives to install qualifying energy-efficient appliances, lighting, and equipment
- New technology – Pilot programs offering real-time access to energy consumption and cost data



For businesses

- Retrofit existing buildings – Incentives to make energy efficient improvements
- Lighting – Rebates for lighting fixtures and controls
- Design and construction – Incentives to implement energy-efficient design in new buildings
- HVAC equipment and motors – Rebates for efficient equipment
- Utility metering information – Access to 15 minute pulse data
- Tune-ups – For HVAC systems and boiler equipment
- On-site energy expert – Resource Conservation Managers placed at organizations with multiple facilities to optimize operations and implement sustainability initiatives

Visit PSE.com or call a PSE Energy Advisor at 1-800-562-1482 to find out more about rebates and incentives for purchasing energy-efficient products like lighting, heating, and water heating equipment for residences and technical assistance and custom incentives for businesses.

Through your efforts, we intend to build on the momentum for achieving even greater energy savings. Over the next 20 years, the energy savings achieved by our customers is expected to offset the need for building two midsized, 250-megawatt power plants.



SAVE \$500 **on new energy-efficient windows**

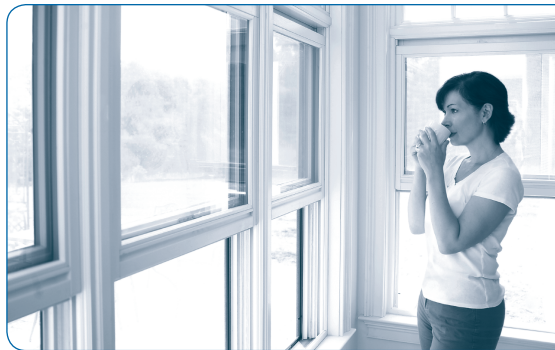
ACT NOW! Your window of opportunity ends soon.



Right now, you can save \$500 on your next purchase of seven or more ENERGY STAR® qualified windows from a pre-screened, independent contractor from Puget Sound Energy's Contractor Referral Service.

Energy-efficient windows:

- Keep you warmer in the winter, cooler in the summer
- Add value to your home
- Can reduce your energy bills by 15 percent



Hurry! Offer good through July 31, 2008. For more information, call a PSE Energy Advisor at 1.800.562.1482.

3230 4/08

Time for new windows? Get \$500 in savings!



PUGET SOUND ENERGY

The Energy To Do Great Things

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.*

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:

Weatherization
(Up to \$1,600 in rebates[†])

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*[†])

[†] Available for qualifying homes

* Available for qualifying models



PSE.com

Join the Green Power Program

and receive complimentary chocolate*



green
power
A PROGRAM OF



PUGET SOUND ENERGY

Sign me up for PSE's Green Power Program at a per month level of:

- \$4/month (minimum) \$6/month **100 Percent Option[†]** (adjusts to green all of your kWh electric usage each month.)
 Other _____ \$4 min.+ any multiple of \$2/month

Please return this completed form with your bill payment. The amount of your green power purchase will be added to your Puget Sound Energy electric bill each month until you call 1.800.562.1482 to discontinue your participation.

Name _____ (optional) PSE Account No.

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

Service Address _____ City _____ State _____ ZIP _____

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

Phone _____ Best time to call _____

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

PSE.com

* Available to PSE electric customers only. To redeem your gift, you will receive a mail-in reply card that must be mailed back by 10/31/08. Already a Green Power Program participant? You can qualify for this gift offer if you increase your monthly participation by a minimum of \$4 or go 100 percent green.

[†]The additional per kWh charge for the 100 percent green option is \$0.0125.

3781 3/08

Join the Green Power Program

and receive a complimentary gourmet chocolate sampler

Puget Sound Energy and Theo Chocolate, a Pacific Northwest green power business, have teamed up to thank you for joining PSE's Green Power Program. Sign up today and receive a gourmet chocolate sampler compliments of Theo Chocolate.



Puget Sound Energy's Green Power Program supports the development and use of electricity from renewable sources here in the Pacific Northwest including wind (86%), sun (1%) and biomass (14%). It's easy to participate, simply fill out this form and return it in your bill payment envelope **or** visit PSE.com **or** call 1.800.562.1482. The complimentary gift offer is available until June 15, 2008.

Questions? Please call an Energy Advisor at 1.800.562.1482



PUGET SOUND ENERGY

The Energy To Do Great Things



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