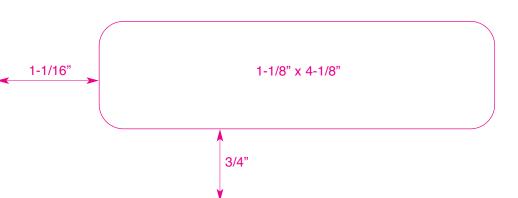
July 2009 Puget Sound Energy bill package inserts and information 1.5 million bills

- Outside envelope: For information on PSE's power supply fuel mix, please visit PSE.com
- Return envelope: Supporting renewable energy is as easy as Call be for you dig 811 message
- Back of bill: Ways to pay your bill; Ways to reach us; Customer service phone number; Bill statement codes; Explanation of terms used; Emergency or power outage phone numbers in English, Spanish, Chinese and Russian; Contact for questions about your bill or service; and Late payment fee information
- EnergyWise Newsletter July/August Rock the Bulb with PSE; PSE puts new technologies to use to serve customers; PSE blog; PSE taking new steps to prevent ID theft; Awareness leads to greater pipeline safety; Know how to detect a natural gas leak; Check the natural gas piping you own; Natural gas rates decrease in June. Proposed 2010 rates now in 11-month review; PSE's Budget Payment Plan eliminates the uncertainties; In Your Community; Our energy strategy: efficiency, wind power and natural gas; Customer service guaranteed; Visit our local customer service offices; Most offices are open Monday-Friday, 9 a.m.-5 p.m.; For information about rates and your rights and responsibilities, please call or visit us online.
- Insert: Save \$6 per square foot, up to \$1,000 per fully insulated home, when upgrading to energy-efficient windows with a U-factor of .30 or lower.
- Insert: Exchange incandescent bulbs for ten free CFL bulbs, enter the Be and Energy Rock Star Contest and watch for Project Porchlight volunteers in your neighborhood.
- Insert: Recycle your old refrigerator- get free pickup and a \$30 rebate from PSE.
- Insert: A Ductless Heat Pump is a highly efficient heating and cooling system for electrically-heated homes. Call 1-800-562-1482 to see if you qualify for a PSE rebate.
- Insert: PSE can help you find ways to reduce the cost of building a comfortable, energy-efficient new home. Learn more at PSE.com or call 1-800-562-1482

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

YOUR PUGET SOUND ENERGY BILL ENCLOSED

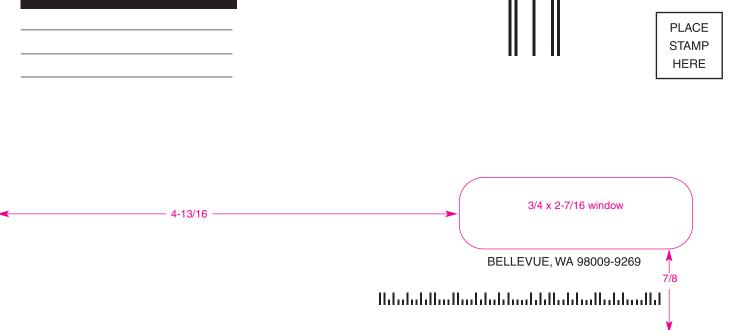




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Prints under flap

Imprint Line This envelope uses 100% post consumer recycled paper. For information on PSE's power supply fuel mix, please visit PSE.com





Know what's **below**. **Call** before you dig.

Determina lo que está bajo tierra. **Llama** antes de excavar.

prints under flap

1045 • 5/09



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 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 electricicdad 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

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

Customer Service Guarantees

1-888-225-5773 КРУГЛОСУТОЧНО

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.

Explanation of Terms UsedBasic 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.

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.

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.

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Rock the Bulb with PSE

Get up to 10 free CFL bulbs, save energy and compete to win prizes!

Get ready to replace your incandescent lights with more efficient compact fluorescent light (CFL) bulbs for free this summer and fall at one of 16 PSE's Rock the Bulb Tour-Unplugged events at select Lowe's and Ace hardware stores throughout our electric service area.

Residential electric customers will be able to receive up to 10 CFL bulbs in exchange for the same number of old-fashioned incandescent bulbs and can compete to win up to \$45,000 in prizes as part of PSE's The Be an Energy Rock Star Contest. For event locations, information on ways to participate in this community-wide effort, or to compete in the contest, visit rockthebulb.pse.com or PSE.com.

Also, volunteer with PSE and Project Porchlight to deliver free CFL bulbs in the neighborhoods of the various cities before the tour events. We'll be handing

out free CFLs to replace less-efficient porch lights. Porch lights can be on for as much as 16 hours a day in the winter months, making them the most-used lights in many homes. CFLs are the best bulb choice because they can last up to 10 times longer and use 75 percent less energy than incandescent bulbs.

PSE's Rock the Bulb Tour-Unplugged event dates and locations

July 11-12 Lowe's of Renton

July 18-19 Lowe's of Bellevue

July 25-26 Lowe's of Issaguah

Aug. 1-2 Lowe's of Silverdale

Aug. 8-9 Lowe's of Bremerton

Aug. 15-16 Lowe's of Port Orchard

Aug. 22-23 Ace Hardware of Anacortes

Aug. 29-30 Ace Hardware, Oak Harbor

Sept. 12-13 Lowe's of Mount Vernon

Sept. 19-20 Lowe's of Bellingham Sept. 26-27 Lowe's of Federal Way

Oct. 3-4 Lowe's of Kent

Oct. 10-11 Lowe's of Auburn

Oct. 17-18 Lowe's of Puvallup

Oct. 24-25: Lowe's of Lacey

Oct. 31-Nov. 1 Lowe's of Olympia

PSE puts new technologies to use to serve customers

During the past decade, PSE has worked to introduce a wide range of new technologies to serve our customers. Some advances, such as being the nation's



second-largest utility owner of wind power generating facilities, have made PSE a leader in renewable energy.

Convenience-oriented technologies, such as online access to next-day data on natural gas and electricity use, provide our residential customers with tools to save money, energy and the environment. In addition, PSE now:

 Is developing one of the largest wind-power projects in the nation;

- Has more than 425 customers with grid-connected wind, solar or microhydro generating systems;
- Operates two plug-in hybrid electric passenger vehicles, 48 hybrid electric passenger vehicles and one hybrid electric service truck:
- · Owns and operates 32 vehicles that operate on natural gas.

To sign up for PSE's online services, including paperless billing, visit PSE.com and register with MY PSE Account.

PSE blog

PSE is developing new tools to communicate and interact with customers online, and we'd like to hear from you.

Visit PSE's blog AskAndy.PSE.com to ask a question or offer advice.

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

PSE taking new steps to prevent ID theft



PSE is now asking for more detailed information when customers establish new or move their energy services. The change is in compliance with new federal identity theft prevention rules, which require utilities and other creditors to implement a formal policy for detecting and preventing identify theft.

When a customer establishes or moves service with PSE, our call center agents now ask for additional personal information to include in our records for verification of a customer's identity.

Our agents ask for five sources of identification, which may include:

- Name and birth date
- Mailing address and home phone number
- Driver's license, state identification or passport number
- Employer name and contact information
- Last four digits of the Social Security Number
- Military identification number

PSE protects the confidentiality of private consumer information and complies with all laws governing the privacy and security of customer information.

Awareness leads to greater pipeline safety

With Congress declaring June 10 as "National Pipeline Safety Day," pipeline operators and utilities noted improved

safety performance results over the past 10 years.

The improved results are attributed to greater public awareness about pipeline markers, the free 811 utility locator service for any work that involves digging 12 inches or more, and better understanding about how to detect a pipeline leak and what to do in case of a leak.





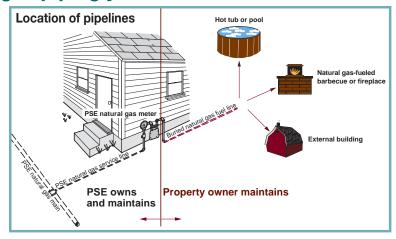


Know how to detect a natural gas leak

Natural gas stinks, and that's for your safety. A sulfur, or rotten egg smell, is added to the normally colorless and odorless natural gas to alert 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.

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 own buried piping, such as piping to pools, hot tubs, natural gas barbecues or detached buildings, it is your responsibility to maintain the piping unless PSE installed and agreed to maintain it. If your piping is not maintained, it may leak or corrode. Have a licensed plumbing contractor do the inspection and any necessary repairs.



Natural gas rates decreased in June Proposed 2010 rates now in 11-month review

Puget Sound Energy requested and received a natural gas rate decrease of about 1.8 percent for all natural gas customer groups beginning in June, thanks to a welcome drop in the wholesale price of natural gas. However, to recover the investments we've made in energy infrastructure and costs related to power-supply expenses in 2008, PSE has requested a modest electric and natural gas rate increase in the spring of 2010.

Our May 8, 2009 filing with the Washington Utilities and Transportation Commission (UTC), which triggers an extensive 11-month review process by the UTC and interested parties, requests an increase

of 2.2 percent in natural gas rates, and 7.4 percent in electric rates almost a year from now. The electric request would recover costs for purchasing new electric generating resources including the Mint Farm Generating Facility in Longview and an expansion of PSE's Wild Horse Wind and Solar Facility near Ellensburg, as well as investments in electric-system infrastructure and other power supply costs. The bulk of the natural gas revenue request would cover the costs of reliability improvements and service to new customers.



PSE invested \$421 million in 2008 to serve new customers and upgrade or improve the electric and natural gas infrastructure, and \$346 million on new energy supplies. The investments included building or rebuilding 13 substations, installing 220 miles of natural gas pipeline, building 125 miles of transmission and distribution lines, and replacing 800 utility poles.

We encourage you to participate in the rate process. Comments can be sent to the UTC at comments@utc. wa.gov, or in writing to UTC, P.O Box 47250, Olympia, WA 98504-7250.

PSE's Budget Payment Plan eliminates the uncertainties

In these challenging economic times, PSE encourages you to enroll in our Budget Payment Plan, which balances the higher costs of winter heating and lighting with the more inexpensive summer months.

Participants pay a pre-determined amount each month, based on their previous electric and/or natural gas usage history. Over the course of the year, their bills are spread evenly among 12 monthly payments. Periodically we review the actual usage and adjust the average monthly amount, if necessary.

To enroll in the plan, call PSE at 1-888-225-5773 or visit PSE.com

Call us to make bill payment arrangements

If you are having difficulty paying your PSE bill, please call us early on to work out payment arrangements and to learn about energy-saving tips and rebates before your account goes into arrears.

If your hardship is due to a medical emergency that limits your ability to pay your energy bill on time, and your service is at risk of being disconnected, please notify PSE and ask your qualified medical professional within five business days to provide a signed "certificate of medical emergency," or letter, describing your medical condition and the need for continued energy service. Under the medical certificate arrangement, we request payment of 10 percent of the balance owed and an agreement to pay the remaining balance within 120 days.



In Your Community

Building better communities

Since January, PSE and the Puget Sound Energy Foundation have contributed more than \$660,000 to 111 charitable organizations in 14 counties where PSE provides electric and natural gas service or operates generating facilities.

"This year we are targeting the majority of our support to organizations that help people in need," said Bert Valdman, executive vice president and chief operating officer for PSE and interim chair of the Puget Sound Energy Foundation. "The Puget
Sound Energy Foundation is proud
to support these compassionate
organizations whose work is more
important than ever during these challenging economic
times." Each year approximately \$1 million in foundation
and Puget Energy investor funds benefit community
based programs and organizations. None of these
contributions come from customer dollars.

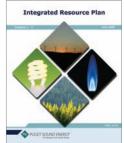
Our energy strategy: efficiency, wind power and natural gas

PSE's long-term plan for acquiring new energy resources to meet customer needs calls for continued conservation, more wind power, and more natural gas-fired power generation.

Despite the current economic downturn, experts believe the population will grow by about 1 million within PSE's service area by 2029. PSE will file an updated Integrated Resource Plan this summer, which estimates the expected energy requirements of our customers 20 years

into the future, to guide PSE's strategies for acquiring new resources in the most cost effective and environmentally responsible manner.

"The plan explains that energy efficiency is still the best strategy for avoiding the costs and risks of a volatile energy market," says Kimberly Harris, PSE's executive



vice president and chief resource officer. "It also confirms PSE's long-standing goal to develop more renewable-energy resources, primarily wind power." According to the plan, which is updated every two years, another 1,200 megawatts (MW) of wind power by 2029 will ensure PSE's compliance with Renewable Portfolio Standard state law, which requires large utilities to obtain 15 percent of their power from renewable resources by 2020.

While aggressive conservation measures and increased renewable-power resources will provide about 41 percent of the additional power capacity customers will need over the next 20 years, the plan states that nearly all remaining power-supply acquisitions will involve natural gas-fired power. To view PSE's 2009 IRP, visit PSE.com.

Customer service — guaranteed

We make 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. Here's how our guarantees work:

- 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 out for 120 consecutive hours or longer, you may be eligible to receive a \$50 credit on your PSE bill.

The two service guarantees are in addition to 10 service-quality measures that track PSE's performance in providing utility services to customers, and identify areas for improvement. Our service guarantees are subject to certain conditions and are suspended during unusual and exceptional circumstances.



Most offices are open Monday-Friday, 9 a.m.- 5 p.m.

Bellingham – 1329 N State St Freeland – 1794 Main St

Burlington – 1660 Park Lane
Ellensburg – 207 N Pearl St

Olympia – 2711 Pacific Ave SE

Olympia – 2711 Pacific Ave SE

Port Townsend – 181 Quincy St #101 Vashon Island – 18125 Vashon Highway SW







Save up to \$1,000

on new energy-efficient windows

for fully insulated homes



Save \$6 per square foot, up to \$1,000 per fully insulated home, when upgrading to energy-efficient windows with a U-factor of .30 or lower.

- Energy-efficient windows:
- Can reduce your energy bills
- Keep you warmer in the winter, cooler in the summer

General qualifications: Current windows must be single pane or double pane with metal frames. Must be a residential PSE customer using electricity or natural gas from PSE as a main heating source in a fully insulated structure. Other qualifications apply.



For more information, visit PSE.com or call a PSE Energy Advisor at 1-800-562-1482, Mon. - Fri., 8 a.m. - 5 p.m.

Time for a window upgrade? Get up to \$1,000 in savings!



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

I give permission for 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 a no-obligation estimate. <i>Your signature is required below.</i>			
Name(please print)	Signature		
Service address	City	State	_ZIP
Mailing address (if different)	,		ZIP
Phone		tional)	
E-mail	Yes! Sign me up for	PSE's free Energy at	<i>t Home</i> e-newsletter.

WOUL	h alen	lika a	roforra	for:

	(Up to \$1,600 in rebates [†])
\neg	Natural age furnace

(\$350 rebate*†)
Ductless heat pump (Up to a \$1,200 rebate*†)

Insulation

Natural gas tankless water
heater (\$150 rebate*†)

Natural gas water heater
(\$50 rebate*†)

- [†] Available for qualifying homes
- * Available for qualifying models



PSF.com



ROCK THE BULB



EXCHANGE EVENTS IN 16 CITIES
GET UP TO 10 FREE CFL BULBS

\$45,000 IN PRIZES
BE AN ENERGY ROCK STAR CONTEST

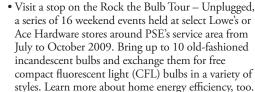


K we BULB

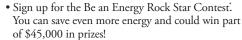
Calling all Puget Sound Energy residential electric customers! It's a true bulb-rockin' chance to have some fun and get

PURE ENERGY. SAVINGS.











· Watch for Project Porchlight volunteers delivering free CFL bulbs in your community. Want to get in on the action? Volunteer to join them.

ROCKTHEBULB.COM

2009 ROCK THE BULB TOUR - UNPLUGGED

Events at select Lowe's and Ace Hardware stores 10 a.m. - 4 p.m. both Saturday and Sunday

7/11-12 RENTON

7/18-19 BELLEVUE

7/25-26 ISSAQUAH

8/1-2 SILVERDALE

8/8-9 BREMERTON

8/15-16 PORT ORCHARD

8/22-23 ANACORTES (ACE)

8/29-30 OAK HARBOR (ACE)

9/12-13 MOUNT VERNON

9/19-20 BELLINGHAM

9/26-27 FEDERAL WAY

10/3-4 KENT

10/10-11 AUBURN FEATURING THE ENERGY STAR* EXHIBIT HOME

10/17-18 PUYALLUP

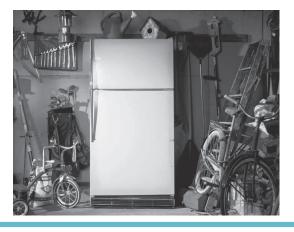
10/24-25 LACEY

10/31-11/1 OLYMPIA

CONTEST RULES: NO PURCHASE NECESSARY; VOID WHERE PROHIBITED. Contest open only to Washington residents who are and have been PSE residential electric customers, and lived in the same dwelling, since 10/1/08 and are 18 or older. Odds of winning depend on number of eligible entries received. DETAILS AND QUALIFICATIONS FOR PARTICIPATION IN CONTEST APPLY. Visit rockthebulb.com for details, Official Rules, and to register. Sponsor is Puget Sound Energy, Inc.

PSE.com

PUGET SOUND ENERG The Energy To Do Great Things



Save money. Save energy. Save the hassle.

Don't hold on to that old fridge or freezer, not when it uses up to four times the energy of newer models. Puget Sound Energy will give you a \$30 rebate, JACO Environmental will haul it away and recycle it free of charge, and you can save up to \$140 a year in energy costs. It couldn't be easier!

Call 1.877.577.0510 or visit jacoinc.net for FREE pickup.



Recycle your old refrigerator or freezerget free pickup and a \$30 rebate from PSE

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

Looking for other ways to use energy wisely? Call a PSE Energy Advisor at 1.800.562.1482 (Mon. - Fri., 8 a.m. - 5 p.m.) to learn more about PSE's energy-efficiency rebate programs and PSE's Green Power Program.

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

\$30 REBATE FOR YOUR OLD REFRIGERATOR



PSE.com

Heat more efficiently with a Ductless Heat Pump System

Get a \$1200 instant rebate from Puget Sound Energy



A Ductless Heat Pump is a highly efficient heating and cooling system that is easily installed in electrically heated homes. Get a \$1200 instant rebate from PSE, plus up to \$300 in additional contractor/distributor incentives. To learn more, fill out the form on the back, visit PSE.com or call a PSE Energy Advisor at 1-800-562-1482, Mon. - Fri., 8 a.m. - 5 p.m.

General qualifications:

Must be a PSE electric customer living in an existing single-family home using electric baseboard, wall heaters or forced air furnaces as the primary heating source. For more information on qualifications, visit www.goingductless.com/PSE or call a PSE Energy Advisor at 1-800-562-1482.



Use 25 to 50 percent less energy with a Ductless Heat Pump System



This \$1200 rebate is a limited-time offer. For more information and to find out if you qualify, call a PSE Energy Advisor at 1-800-562-1482, Mon. - Fri., 8a.m. - 5 p.m.

I give PSE permission to provide my contact inforr by PSE. I can expect a telephone call from one or estimate(s). <i>Your signature is required below.</i>	•		
Name(please print)	_ Signature		
Service Address	City	_State	ZIP
Mailing Address (if different)	City		ZIP
Phone	_PSE Account No. (optional)		
E-mail	Yes! Sign me up for PSE's free	e Energy at I	Home e-newsletter.

I would also like a contractor referral for:

- Insulation upgrade (up to \$1600 rebate)
- ☐ Single-pane window upgrade (up to \$500 rebate)

Visit PSE.com for more information about PSE rebates on energy-efficient products.

PSE.com

3403 4/09



Are you in the market to purchase a home and interested in saving energy?

Ask your builder or your realtor about homes installed with energy-efficient products that can help you save energy and money.

Puget Sound Energy and our Builder partners are dedicated to finding ways to reduce the cost of building comfortable energy-efficient homes that lower your energy bills and are easy on the environment.





Yes, I want to learn more! Send me information about the benefits of buying an energy-efficient home and other ways I can save.

Please return this completed form with your bill payment or call a PSE Energy Advisor at 1-800-562-1482. Mon.-Fri. 8 a.m. - 5 p.m. for more information about PSE's energy-efficiency programs.

Name	(optional) PSE Account No.		
Service Address	City	_State	_ZIP
Mailing Address (if different)	City	_State	_ZIP
Phone	Best time to call		
E-mail			

PSE.com

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