December 2010 Puget Sound Energy bill package inserts and information 1.5 million bills

- Outside envelope: Help others stay warm
- Return envelope: Go paperless with online statements.
- Back of bill: Ways to pay your bill; Ways to reach us; Bill statement codes; Contact for questions about your bill or service; Explanation of terms used; Emergency or power outage phone numbers in English, Spanish, Chinese and Russian; Customer Service Guarantees and Late payment fee information
- EnergyWise Newsletter November/December Be ready for winter's punch; Storm information online; PSE: working year-round for storm season; Make your holidays bright with LED lights; Share the gift of warmth; Billpayment assistance available; Save time and postage the digital way: Receive your bill and pay online; Check your natural gas piping; PSE starts construction of wind project in the Palouse; New rates set; Nocost and low-cost tips to save energy this winter; Sign up for PSE's Bulb Drive and bring free CFL bulb recycling to your office; Re-Energize your home with heating rebates from PSE; Customer service guaranteed; PSE.com being updated to meet customer needs
- Bill print messages
- Insert: Choose Green Power: Sign up for Green Power and get free chocolate.
- Insert: Heating Your Home and Not the Outdoors is Re-Energizing: Get up to \$800 in rebates for insulation.
- Insert: Re-Energizing is comfort at the flip of a switch: Get a \$200 rebate for a highefficiency natural gas fireplace
- Insert: Pumping up the savings is Re-Energizing: Get up to \$2,000 back on a heat pump water heater

P.O. Box 90868 Bellevue, WA 98009-0868 PRESORTED
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U.S. POSTAGE PAID
PSE

YOUR PUGET SOUND ENERGY BILL ENCLOSED



Help others stay warm.

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

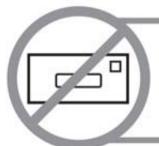




BELLEVUE, WA 98009-9269

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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

Puget Sound Energy offers several payment options:

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

Ways to Reach Us

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

Bill Statement Codes

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

Emergency or Power Outage Dial 1-888-225-5773

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

Para informar sobre la emergencia del fallo de gas o 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 1-888-225-5773 круглосуточно

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

Customer Service Guarantees

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

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

Questions about Your Bill or Service

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

Explanation of Terms Used

Basic Charge

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

Delivery Charge

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

Electric/Natural Gas Conservation Program Charge

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

Energy Exchange Credit

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

kWh

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

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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ENERGYWISE

NOVEMBER-DECEMBER 2010



Be ready for winter's punch

A La Niña weather pattern is predicted to bring a colder, wetter and snowier winter. Are you and your family ready? Get a preparedness checklist at TakeWinterByStorm.org and stay safe in a power outage or other emergency.

- ✓ Assemble an emergency kit with a radio, flashlight, extra batteries, first-aid kit, fire extinguisher, bottled water and three days of non-perishable food and drinking water. Have a kit at home, work and in your car.
- ✓ Stay away from downed power lines. Report fallen wires by calling PSE at 1-888-225-5773.
- ✓ Turn off lights and unplug appliances and electronics to prevent a surge when power is restored. Leave on one light to let you know when service returns.
- ✓ If using a generator, follow the manufacturer's instructions. Always operate generators outdoors and at least 10 feet from any combustible surface.

Some natural gas appliances operate without electricity:

- ✓ most natural gas water heaters
- ✓ natural gas fireplaces (without a blower motor)
- cooktop ranges (cooktops with electronic ignitions will need to be lighted by a match)

Visit PSE.com for more preparedness tips.

England Angular and Angular an

onlineGet the latest storm or power

Storm information

outage information on PSE.com, including a Service Alert Map and online outage reporting tool. Also, follow us on Facebook and @PSETalk on Twitter.com for news and updates, and share your photos with images of PSE on our YouTube and Flickr pages.



PSE: working year-round for storm season



Puget Sound Energy works year-round to ensure safe and reliable service for our customers during any season — including this winter.

In 2010, our crews cleared trees and limbs from 2,200 miles of power lines, replaced 1,300 poles, replaced 12 miles of natural gas pipe, and installed 113 miles of new or upgraded transmission lines. We've also installed 31 miles of storm-resistant "tree wire," which helps prevent outages by better withstanding fallen limbs.

We also work with government agencies to ensure our crews have the fastest possible access to storm-damaged areas if severe weather closes local roads. And, in extreme cold, PSE experts work to ensure a steady flow of natural gas when thermostats are turned up.

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

Make your holidays bright with LED lights

Did you know energy-efficient LED (light emitting diode) lights use about one-tenth the electricity as minilights? This holiday season, make the switch to LEDs and celebrate with all the joy of years past while cutting your energy bill. LEDs last much longer than traditional bulbs, are safe and cool to the touch and are durable for outdoor use.

Share the gift of warmth

Winter can be difficult for many in our area who struggle to stay warm, but you can help by donating to The Salvation Army Warm Home Fund. The fund provides short-term, emergency bill-payment assistance to our



neighbors facing tough times. Simply include a little extra in your next PSE bill payment, and check the donation box on your payment stub or online payment page. All donations go directly to The Salvation Army Warm Home Fund.

Bill payment assistance available

With a cold winter coming, PSE wants you to know about available energy assistance and bill payment programs. Last year, nearly 60,000 qualified low-income PSE customers received assistance grants totaling \$25 million, including more than \$11 million from our own HELP (Home Energy Lifeline Program) fund. Call toll free 1-866-223-5425 for the nearest agency to learn more about assistance from PSE and the federal government's LIHEAP (Low-Income Home Energy Assistance Program) fund.

Save time and postage the digital way Receive your bill and pay online

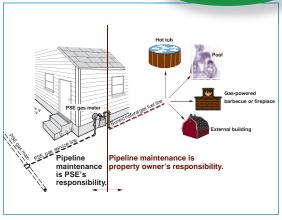
Sign up to receive and pay your energy bill online. Log on to PSE.com and register for "My PSE Account," then "Go Paperless." You can pay your bills online — and may even save money by using our online energy monitor and energy efficiency tips.



Check your natural gas piping

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 pools, hot tubs, natural gas barbecues or detached buildings, the piping is usually not maintained by PSE.

There are a few special cases where PSE installed and agreed to maintain the piping. Buried piping may leak or corrode if it is not maintained. It should be periodically inspected and repaired if any unsafe condition is discovered. Have a licensed plumbing contractor do the work. 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.



PSE starts construction of wind project in the Palouse

Excitement is in the wind as construction is underway on PSE's Lower Snake River Wind Project near Pomeroy, in southeast Washington's Garfield County.

More than 300 local residents and community leaders joined PSE in early October for a celebratory kickoff of our Lower Snake River Project, which will have a generating capacity of about 100,000 homes when it enters service in 2012.

The Lower Snake River Wind Project joins PSE's Hopkins Ridge (near Dayton, Columbia County) and Wild Horse (near Ellensburg, Kittitas County) wind facilities in making Washington a leader in wind power.



New rates set

A modest rate increase for natural gas and a decrease for electricity customers went into effect Nov. 1. The changes are a result of rate adjustments that are directly passed through to customers. PSE makes no profit on these adjustments.

The Purchased Gas Adjustment (PGA) increase reflects a reduction of a credit included in current rates for the cost of natural gas supplies PSE purchased for natural gas customers. The PGA adjustment increases a typical household's natural gas bill (based on 68 therms of average monthly usage over a 12-month period) by 1.9 percent, or \$1.56, to \$82.91 — about what PSE customers were paying in 2007.

The UTC-approved change in electric rates includes a decrease in the federal power benefits passed through

to PSE's residential and small farm customers as well as a new, 5-month pass-through of sales proceeds from renewable energy credits (RECs) produced from wind-power facilities. While the lowering of the monthly bill credit under the Bonneville Power Administration Residential Exchange Program, listed on PSE bills as "Energy Exchange Credit," results in an electric bill increase for households of 1 percent, it was offset by the pass-through of the REC revenues. The net result is a lowering of overall electric rates between Nov. 1 and March 31, 2011, by 2.63 percent. A typical household's electric bill (based on 1,000 kilowatt-hours of average monthly usage over a 12-month period) is now \$98.03, down from \$99.68.

No-cost and low-cost tips to save energy this winter

- ✓ When you are home and awake, set your thermostat as low as is comfortable.
- ✓ When you are asleep or out of the house, turn your thermostat back 10 15 degrees. You can save about 10 percent by turning back your thermostat for eight hours.
- ✓ Open curtains on your south-facing windows during the day to allow sunlight to heat your home; close them at night to reduce the chill from cold windows.
- ✓ Seal air leaks by adding caulk or weather stripping around doors and windows.
- ✓ Schedule service for your heating system, as directed by the owners manual.
- ✓ Replace or clean your furnace filter once a month or as needed.





In Your Community

Sign up for PSE's Bulb Drive and bring free CFL bulb recycling to your office

Q. What do you do when that energy-saving compact fluorescent light (CFL) bulb FINALLY burns out?

A. Join PSE's Bulb Drive and properly recycle it at work!

PSE is recruiting local businesses in our electric service area with 20 or more employees to host free PSE CFL bulb collection boxes. Employees can bring in spent bulbs, even collect them from their friends and neighbors. Together we can keep 50,000 CFL bulbs out of landfills this year. Visit PSE.com/BulbDrive to sign up today.



Re-Energize your home with heating rebates from PSE

Winter can mean cranking up the heat to keep you and your family comfortable. PSE rebates on energy-efficient products can help save you energy and money this winter.

PSE offers the following rebates on qualifying heating systems:

For electricity customers

- \$1,500 on an ENERGY STAR®-qualified geothermal heat pump
- ▶ \$1,000 on a forced-air furnace to heat pump conversion
- ▶ \$800 on a ductless heat pump (1.0 ton minimum)
- ▶ \$200 \$350 on an air-source heat pump
- ▶ \$200 on a heat pump sizing and lock-out control

For natural gas customers

- \$350 on an ENERGY STAR-natural gas qualified boiler (95 percent AFUE*)
- ▶ \$200 on a natural gas fireplace
- \$100 on an ENERGY STAR-qualified natural gas forcedair furnace

Visit PSE.com/Rebates for information on these and other PSE rebates.

* Annual Fuel Utilization Efficiency

Customer service – guaranteed

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



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

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

PSE.com being updated to meet customer needs

You'll soon see a whole new look and functionality at PSE.com — including improved online and mobile services, bill notification and power-outage reporting. Look for our updated website in early 2011.

Visit our local customer service offices

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

Bellingham – 1329 N. State St. Burlington – 1660 Park Lane Ellensburg – 207 N. Pearl St. Freeland – 1794 Main St.
Oak Harbor – 231 SE Barrington Dr. #101
Olympia – 2711 Pacific Ave. SE

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

Puget Sound Energy 1-888-225-5773 • PSE.com • Twitter.com/PSETalk • Facebook.com/PugetSoundEnergy

Bill-print message for all natural gas-service customers throughout December

On Oct. 1, PSE filed with the Washington Utilities and Transportation Commission (UTC) a request to increase natural gas rates by an average of 2.3% for all natural gas customers. Individual customers will see increases more or less than the 2.3%. The UTC welcomes your comments about this proposed rate increase online at www.utc.wa.gov/comment; by email at comments@utc.wa.gov; by phone at 888-333-WUTC(9882); by fax at 360-664-4291 or writing to UTC, P.O. Box 47250, Olympia, WA 98504; please refer to Docket UG-101644. A public comment hearing has been tentatively scheduled for March 14, 2011 in the Commission's Main Hearing Room, 1300 S. Evergreen Park Dr. SW, Olympia, WA, 98504. The actual date, time and place for a public comment hearing will be posted on the UTC website (utc.wa.gov) and on PSE.com by mid January 2011.

GREEN POWER IS SWEET

You've heard about Green Power, letting you choose 100 percent clean, renewable electricity. But you haven't gotten around to it yet. That's okay ... easily remedied.

Consider this challenge: In the next 30 seconds, fill out the form on the reverse side and include it with your bill payment. To thank you for joining PSE's Green Power Program or increasing your participation to 100 percent, we'll send you a complimentary holiday-inspired, organic, Fair Trade treat from Theo Chocolate.* (Enroll between November 1, 2010 and December 31, 2010.)

What are you waiting for? Nearly 30,000 Puget Sounders are already participating. You can too!



*Flavors vary and are based on availability from Theo Chocolate.

PSE.COM/GREENPOWER







Support renewable energy and receive your chocolate bar! Choose how much green power you want to buy each month:

■ 100 percent. Green all of your monthly electricity use for only \$0.0125 cents per kWh—usually about \$10 to \$12 additional per month for the average customer.

R	Choose a coin your own			
	Every \$2 s renewable	upports 16		
	\$4.00	0)	\$8.00	\$1

__Other amount (minimum of \$4.00): \$___

Complete this form: Name:

Service Address: _____ City: _____

ZIP: _____ Daytime Phone or E-mail: _____

PSE Account Number (10 digits - optional):

Return this form with your bill payment. The amount of your purchase will be added to your bill each month. Available to PSE electric customers only. You may cancel participation at any time without penalty.





GREEN POWER PROGRAM FACTS

- Certified by a non-profit (www.green-e.org)
- Supports wind (61%), biomass (28%), small hydro (10%), and solar (1%) energy from our region
- PSE does not make a profit on the Green Power Program



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



HEATING YOUR HOME AND NOT THE OUTDOORS IS

Get up to \$800 in rebates for insulation

If your home just never seems warm enough no matter how high you blast the heat, you may need to weatherize. Particularly, if your home was built before 1980, well, let's just say there's a good chance you've got some room for improvement in the insulation department. Puget Sound Energy is offering **up** to \$800 in instant rebates for qualifying weatherization upgrades.

50 percent of the cost, up to	Floor insulation	Attic insulation	
\$200 for	Wall insulation	Duct insulation	

Free for qualifying customers

Duct sealing

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

PSE.COM/REBATES

Saving energy is good for you and the environment. PSE can help you get started.

For more information, complete and return this form with your bill payment. Or visit PSE.com/Rebates or call a PSE Energy Advisor at 1-800-562-1482, Monday through Friday, 8 a.m. to 5 p.m.

I give PSE permission 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(please print)	Signature			
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 R	E-ENERGIZE	Your Home e	e-newsletter.

Who qualifies? Residents living in a building with four units or less, heated mainly by electricity or natural gas from PSE. Work must be completed by an independent contractor pre-authorized by PSE.



LAST CHANCE **TO EARN** ΤΔΧ CREDITS

Energy-efficient your taxes.

energystar.gov/taxcredits or consult your tax advisor.







RE-ENERGIZING

IS INSTANT COMFORT AT THE FLIP OF A SWITCH

Get a \$200 re-bate for a high-efficiency natural gas fireplace

Whoever decided a fireplace needed an on/off switch was a genius. Also genius, Re-Energizing your home with a **\$200** rebate from Puget Sound Energy for a high-efficiency natural gas fireplace insert. Not only will you get instant comfy and cozy, you'll also make your home more energy efficient and, because there's no need for wood, save a few trees.

High-efficiency natural gas fireplace inserts:

- Are clean and soot-free
- · Are easily controlled using an on/off switch or thermostat
- Make a great primary or back-up heat source, even in a power outage
- · May increase the value of your home

Who qualifies? Residents living in a building with four units or less, heated primarily by natural gas from PSE. *Additional qualifications apply.*

SE.COM/REBATES

Saving energy is good for you and the environment. PSE can help you get started.

For more information, complete and return this form with your bill payment. Or visit PSE.com/Rebates or call a PSE Energy Advisor at 1-800-562-1482, Monday through Friday, 8 a.m. to 5 p.m.

I give PSE permission 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(please print)	Signature		
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 fre	e Energy at I	Home e-newsletter.



GET EXPERT HELP

Want to Re-Energize your next home improvement project? PSE can recommend the right contractor for the job.

isit PSE.com/CRS to equest a referral for a re-screened, independent ontractor in your area.





PUMPING UP THE SAVINGS IS RE-ENERGIZING

Get up to \$1,750 back on an efficient heat pump water heater

If your electric water heater has been around for 12 years or more, it's probably costing you more than you think every time you turn that tap to "H". An **ENERGY STAR*** heat pump water heater is twice as efficient as a standard model and can save you up to \$200 a year in electricity costs. For a limited time, there are two ways you could earn money back when you upgrade:

1 \$250 rebate
Puget Sound Energy
PSE.com/Rebates

2 up \$1,500 credit
Federal tax credits
ENERGYSTAR.gov/TaxCredits

Qualifying products must be installed in a single-family property or attached housing with four units or less, *Additional qualifications apply*.



Saving energy is good for you and the environment. PSE can help you get started.

For more information, complete and return this form with your bill payment. Or visit PSE.com/Rebates or call a PSE Energy Advisor at 1-800-562-1482, Monday through Friday, 8 a.m. to 5 p.m.

I give PSE permission 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(please print)	Signature			
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 R	E-ENERGIZE	Your Home	e-newsletter.

GET EXPERT HELP

Want to Re-Energize your next home improvement project? PSE can recommend the right contractor for the job.

Visit PSE.com/CRS to request a referral for a pre-screened, independent contractor in your area.



