

December 2011 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; Emergency or power outage phone numbers in English, Spanish, Chinese and Russian; Customer Service Guarantees; Contact for questions about your bill or service; Late payment fee information and Explanation of terms used
- EnergyWise Newsletter November/December – Providing you with safe, dependable energy service and information; Winter weather? We're ready for it; No-cost/low-cost tips to save energy at home; Connecting Lower Snake River Wind Project to the electric grid; Share the gift of warmth; Lower natural gas rates set for winter; Have your natural gas piping checked; Steps to take if you suspect a natural gas leak; Make your holidays bright with LED lights; Old fridge? We'll take it; Bill payment assistance available; Customer service — guaranteed; Save time and postage — Go paperless.
- Insert: Get one FREE premium-efficient showerhead from Puget Sound Energy!
- Insert: Free HomePrint Assessment or a \$1,500 rebate on a heat pump system.
- Insert: Rebates up to \$1,400 for insulation or up to \$500 in additional savings on home/water heating with our Contractor Referral Service.
- Insert: Get FREE pickup and \$30 for your old refrigerator and a \$75 rebate on a new efficient one.
- Insert: Small business lighting rebates: Rebates for switching to T8 lighting.
- Insert: General Rate Case public hearing and comment notice
- Insert: Energy Assistance for PSE customers
- Insert: Electricity fuel mix

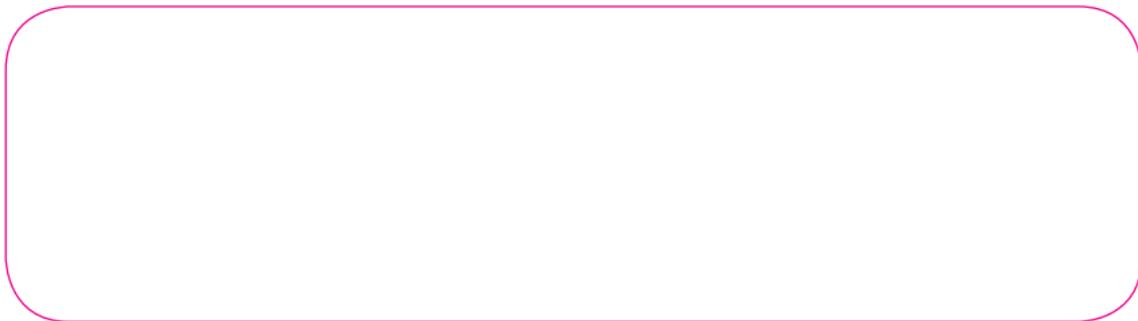


PUGET SOUND ENERGY

*P.O. Box 97034
Bellevue, WA 98009-9734*

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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.*



PSE.com





Save a stamp. Go paperless.
Visit PSE.com for more information.



PLACE
STAMP
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BELLEVUE, WA 98009-9269





PSE *PUGET SOUND ENERGY*

Go paperless with online statements.

Sign up for Puget Sound Energy's free online services to manage your account and pay online at PSE.com.



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 electricidad 24 horas al día, 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.

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.

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.

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.

ENERGYWISE



NOVEMBER-DECEMBER 2011

IN THIS ISSUE

- We're ready for winter weather.
- No cost/low cost tips to save energy at home.
- Share the gift of warmth.
- Old fridge? We'll take it.

Holiday wishes

As 2011 draws to a close, we send our best wishes for the holidays and wish you a safe and happy new year. It's a privilege to serve you.



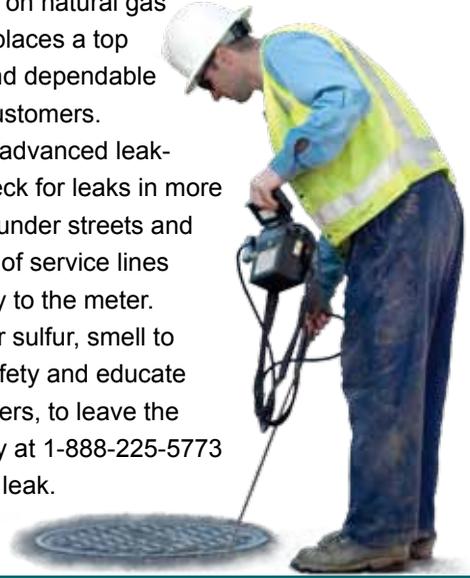
Puget Sound Energy
1-888-225-5773
TTY: 1-800-962-9498

PSE.com • Manage your account and pay online.

Providing you with safe, dependable energy service and information

Knowing our customers rely on natural gas for heating and more, PSE places a top priority on delivering safe and dependable natural gas service to our customers.

On a daily basis, PSE uses advanced leak-detection instruments to check for leaks in more than 12,000 miles of mains under streets and approximately 13,100 miles of service lines beneath customers' property to the meter. We also add a rotten egg, or sulfur, smell to the odorless gas for your safety and educate and rely on you, our customers, to leave the area and call us immediately at 1-888-225-5773 or 911 if you ever suspect a leak.



Winter weather? We're ready for it

With another La Niña weather pattern predicted, we're expecting another cooler, wetter-than-normal winter this year. Our customer service representatives and field crews are on special alert during the winter season to



Photo submitted by customer following a storm.

handle any customer service problems caused by harsh weather.

When storms hit, you can get the latest information on PSE.com, including a Service Alert Map with estimated power-restoration times. You can also call PSE at 1-888-225-5773. And follow PSETalk on Twitter for ongoing news and updates. Share your photos of damage or PSE crews at work at www.flickr.com/groups/stormsandweatherevents.



PSE prepares for winter's worst to meet customer power needs

Here's how PSE is ready for winter — by the numbers:

- ◆ 50 power line crews — each crew includes at least two people — are always available to respond to any outages.
- ◆ 76 PSE service linemen are the first to assess damage to the electric system and identify needed crews.
- ◆ 40 tree crews are available to clear trees and limbs away from downed power lines.

In 2011, we:

- ◆ Cleared 2,220 miles of power lines, trees and limbs.
- ◆ Replaced 3,500 power poles.
- ◆ Installed 48 miles of new or upgraded power transmission lines.

Helicopter pulling transmission lines to connect Lower Snake River Wind Project to electric grid



A helicopter helps string high-voltage electric transmission wire between new power poles at PSE's newest wind-power facility, the Lower Snake River Wind Project. The wind farm's new transmission circuit, stretching for about eight miles, links the wind facility's 149 wind turbines with the Bonneville Power Administration's regional transmission grid. The Lower Snake River Project is PSE's third and largest wind-power facility. When the first phase comes online next spring, the Southeast Washington operation will produce up to 343 megawatts of electricity — enough electricity, on average, to power 100,000 homes.

No-cost/low-cost tips to save energy at home

- ◆ When you are home and awake, set your thermostat as low as is comfortable.
- ◆ When you're asleep or away from the house, turn your thermostat back 10-15 degrees. You'll save about 10 percent by turning back your thermostat for eight hours.
- ◆ Open curtains and blinds 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 owner's manual.
- ◆ Replace or clean your furnace filter monthly or as needed.

Share the gift of warmth

Winter can be difficult for many in our area who struggle to stay warm. 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. Check the donation box on your payment stub or online payment page. All donations go directly to The Salvation Army Warm Home Fund.



Lower natural gas rates set for winter

Our natural gas rates for the winter season, to be set by Washington state's Utilities and Transportation Commission (UTC) following press time, are expected to decrease on Nov. 1 by an overall 4.3 percent for all customer groups who purchase gas from PSE. The decrease will reduce the average residential natural-gas bill (based on 68 therms of monthly usage for a 12-month period) by 4 percent, or \$3.39, to \$81.59. This is about what PSE customers were paying in 2006. The lower rate is due to the lower market cost of natural-gas supplies PSE purchases for our customers. Under the Purchased Gas Adjustment rate-setting mechanism, Washington utilities, including PSE, request the UTC to adjust rates up or down periodically to reflect changes in the price of natural gas charged by producers and wholesale marketers. PSE does not profit on the cost of natural gas we purchase for customers.

Have your natural gas piping checked

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 on your property to a pool, hot tub, natural gas barbecue or detached building, that piping is usually not maintained by PSE, with a few exceptions. If not maintained, buried piping may leak or corrode. It should be periodically inspected and repaired by a licensed plumbing contractor. If you plan to excavate near your buried piping, it should be located and marked by the contractor in advance and the excavation should be done by hand.

Steps to take if you suspect a natural gas leak

Step 1: Leave the area immediately on foot. Do not use electric switches, telephones, including cell phones, or anything that could cause a spark.

Step 2: Go to a safe location and then call Puget Sound Energy at 1-888-225-5773 or 911. Do not use email or the Internet to contact PSE about a natural gas leak or odor. Don't assume someone else has reported the leak or odor.

General Tips

- ◆ Alert your neighbors.
- ◆ Puget Sound Energy's trained technicians check suspected natural gas leaks at no cost.
- ◆ Never try to repair a natural gas leak. PSE natural gas technicians will make repairs.



Make your holidays bright with LED lights

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

Old fridge? We'll take it

PSE wants to round up your old energy-wasting fridge or freezer. While funding lasts, PSE electric customers can get \$50 for their old units through Dec. 31. Residential electric customers can get free pickup and recycling of the old or spare fridge or freezer taking up space in their garage. Your extra fridge could be costing you as much as \$200 each year on your electric bill. Older model refrigerators and freezers can use up to four times the energy of newer energy-efficient models. Visit PSE.com/Fridge or call 1-866-551-9755 to schedule your pickup.



Bill payment assistance available

With a cold winter coming, PSE wants you to know about available energy assistance and bill payment programs. Last year, more than 80,000 qualified low-income PSE customers received assistance grants totaling \$34.5 million, including more than \$13.6 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 — Go paperless

Sign up to 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 tracking your day-to-day energy online.

Guarantees

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 service quality measures that track PSE's performance.

Note that these are subject to certain conditions and may be suspended during unusual and exceptional circumstances. For more information, visit PSE.com/Guarantees.



Puget Sound Energy
1-888-225-5773
TTY: 1-800-962-9498

PSE.com
[Twitter.com/PSETalk](https://twitter.com/PSETalk)
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[Flickr.com/PugetSoundEnergy](https://flickr.com/PugetSoundEnergy)
[YouTube.com/PugetSoundEnergy](https://youtube.com/PugetSoundEnergy)



Visit our local customer service offices
Most offices are open M-F, 9 a.m.- 5 p.m.

- Bellingham** — 1329 N. State St.
- 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 Hwy. SW

For information about rates and your rights and responsibilities, please call or visit us online.





SHOWERING IN SAVINGS FOR FREE IS RE-ENERGIZING

Get one FREE premium-efficient showerhead from Puget Sound Energy!

Take our survey for your free showerhead by visiting **[PSE.com/Showerheads](https://www.pse.com/showerheads)** while supplies last. Your free showerhead will save water and energy without sacrificing style or comfort.

You can also purchase another showerhead of your choice for \$10 off. PSE offers discounts on a variety of WaterSense labeled models that save you money on your utility bills.

[PSE.COM/SHOWERHEADS](https://www.pse.com/showerheads)

Heating water is the #2 energy user in your home

- By saving water, you also save the energy needed to heat it for things like hot showers.
- Only the best products qualify for the EPA's WaterSense label.
- WaterSense showerheads can save you money on your water and energy bills without sacrificing style, quality or comfort.
- PSE also offers rebates on efficient clothes washers and water heaters. Learn more at **[PSE.com/ReEnergize](https://www.pse.com/ReEnergize)**

Must be a PSE customer living in an existing single-family property or attached housing with four units or less and heat your water with electricity or natural gas from PSE. Limit two (2) rebates per household.

4403 08/11



SAVE MORE WATER

To get yours, visit
[PSE.com/Showerheads](https://www.pse.com/Showerheads).

Have a question? Contact
a PSE Energy Advisor at
1-800-562-1482, Mon.
through Fri., 8 a.m. to 5 p.m.





HAVING A HOMEPRINT™ ASSESSMENT IS RE-ENERGIZING

Get a **FREE** overview on making your home more energy efficient

Receive practical recommendations on how your home could operate more efficiently with **Puget Sound Energy's HomePrint Assessment**. Provided by an independent PSE-Qualified Specialist, this **FREE** in-home service will give you a better understanding of your home's energy consumption, and cost-effective ways to use less energy - all designed to improve the comfort and efficiency of your home. You'll even get **FREE** compact fluorescent light bulbs installed!

For more information; scan code with your Smartphone, visit **PSE.com/HomePrint**, call a PSE Energy Advisor at **1-800-562-1482**, Monday through Friday, 8 a.m. to 5 p.m., or e-mail **energyefficiency@pse.com**.

Who qualifies? PSE electric customers living in an existing single-family property or attached housing with four units or less. One (1) rebate per household.



Download a free
reader at
Neoreader.com

HomePrint™
Assessment



MORE EFFICIENT HOME HEATING IS RE-ENERGIZING

Get a \$1,500* rebate when you upgrade with an air-source heat pump system

When you replace your inefficient forced-air electric furnace with a qualifying energy-efficient heat pump system you can stay warm in the winter, cool in the summer and save energy all year round. You will also enjoy the satisfaction of helping the environment and lowering your utility bill.

For more information; scan code with your Smartphone, visit **PSE.com/Rebates**, call a PSE Energy Advisor at **1-800-562-1482**, Monday through Friday, 8 a.m. to 5 p.m., or e-mail **energyefficiency@pse.com**.

**Written pre-approval is required. Qualifying products must be installed in a single-family property or attached housing with four units or less. Additional qualifications apply.*



Download a free reader at
Neoreader.com

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PUGET SOUND ENERGY



HEATING YOUR HOME AND NOT THE OUTDOORS IS RE-ENERGIZING

Get up to **\$1,400** 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 \$1,400** in instant rebates for qualifying weatherization upgrades.

50 percent of the cost, up to **\$400 each** for

50 percent of the cost, up to **\$200** for

Free for qualifying customers

Floor insulation

Duct insulation

Duct sealing

Attic insulation

Wall insulation



Download a free reader at
Neoreader.com.

For more information; scan code with your Smartphone, 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. or e-mail **energyefficiency@pse.com**.

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



SAVING EVEN MORE ON HEATING IS RE-ENERGIZING

For a limited time, get up to \$500 in additional savings!

Time to replace that old heating or water heating system? For a limited time, customers who receive a contractor referral through PSE and who purchase and install qualifying home/water heating products, with PSE rebates ranging from **\$50 to \$1,500**, can now receive an evenly matched promotional offer of **up to \$500** from participating contractors.

To see if you qualify, and for a complete list of heating and water heating rebates; scan code with your Smartphone, visit **PSE.com/Rebates**, call a PSE Energy Advisor at **1-800-562-1482**, Monday through Friday, 8 a.m. to 5 p.m. or e-mail **energyefficiency@pse.com**.

Who qualifies? PSE electric and/or natural gas customers (depending on equipment installed) living in a single-family property or attached housing with four units or less. Additional qualifications apply.

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Download a free reader at
Neoreader.com.





GET RE-ENERGIZED WITH PSE'S FALL APPLIANCE ROUND UP

Puget Sound Energy wants to round up your energy-wasting old fridge or freezer! While funding lasts, PSE electric customers can get **\$50** for recycling your old fridge or freezer through Dec. 31, 2011.

Sign up now and get:

- Free pick up
- Free recycling
- \$50 reward
- Savings on your bill

Schedule your pick up today! Visit **PSE.com/Fridge** or call **1-866-551-9755**.

Who qualifies? PSE residential electric customers living in existing single-family properties or attached housing with four units or less. For complete guidelines, visit PSE.com/Fridge. Additional qualifications apply.



EATING UP SAVINGS IS RE-ENERGIZING

Get a \$75 rebate on a new efficient refrigerator.

In the market for a new refrigerator? PSE will help you pay for that more efficient model you've been eyeing with a rebate toward the purchase of qualifying new refrigerators. A new efficient refrigerator uses 20 percent less energy than a standard model, which means lower electric bills.

For more information on how to save with efficient appliances, visit **PSE.com/Appliances** or call a PSE Energy Advisor at **1-800-562-1482**, Monday through Friday, 8 a.m. to 5 p.m.

Who qualifies? PSE residential electric customers. Recycling of your primary refrigerator is required for PSE's \$75 rebate. This offer is separate from PSE's \$30 refrigerator recycling rebate for secondary units. For a full list of qualifications, download the rebate application at PSE.com/Appliances.

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LOOK UP

Do you see inefficient T12 lighting?

PSE rebates can help Re-Energize your workspace

Looking up can help your business find a way to save energy. If your space is still being lit with T12 fluorescent tubes, PSE can help with rebates to help cover the cost of changing to more efficient options.

In addition to creating better quality lighting, changing to T8 fluorescent tubes will help you save energy and money. Energy-efficient lighting is a gift that will keep on giving back to you in the form of lower energy bills for months and years to come.

[PSE.COM/FORYOURBUSINESS](https://www.pse.com/foryourbusiness)

Why switch to T8 lighting now?

- Rebates for replacing T12 lighting are available for a limited time due to new federal lighting standards expected in 2012.
- Because lighting can make up 40 to 70 percent of your energy use, upgrading to efficient lighting can be one of the quickest, cheapest and easiest ways for small businesses to save energy and money.

Small businesses (PSE's electric schedule 24 and schedule 8 electric customers) can receive funding for T12 to T8 conversions through PSE's small-business lighting program.

Find out more about this and other energy-efficient lighting options for non-residential facilities at **PSE.com/ForYourBusiness** or by calling a PSE Energy Advisor at **1-800-562-1482**.

GET THE SKINNY

How can you tell if your building is using T12 or T8 lamps? T8 lamps are skinnier.

T12 lamps are one and a half inches in diameter, and T8 lamps are one inch in diameter.

NOTICE OF REQUESTED RATE INCREASE AND PUBLIC HEARINGS



Proposed rate increase

On June 13, 2011, Puget Sound Energy filed a general rate case with Washington state's Utilities and Transportation Commission (UTC) requesting an increase for all customer groups except natural gas equipment rentals. The filing included a request for a Conservation Savings Adjustment which is designed to recover costs that would otherwise go unrecovered by PSE as a result of energy efficiency services provided by PSE. The initial filing was updated to reflect lower electric generation costs, resulting in a total revenue increase request of \$159.7 million, or 8.08 percent, in electric revenue, and an increase of \$33.3 million, or 3.16 percent, in natural gas revenue. These amounts include the Conservation Savings Adjustment request of \$7.4 million in electric revenue and \$1.5 million in natural gas revenue.

The electric revenue request (see pie chart) would recover increased costs due to investments in new electric infrastructure including the new Lower Snake River Wind Project, increased administrative, general, transmission and distribution expenses, increased depreciation expenses and increased return on investor investment. It also reflects reductions in costs of power production and other operating expenses. This request includes costs of investments to improve reliability, new delivery facilities, such as substations and transmission lines, to serve new customers, and investments to accommodate public infrastructure projects such as road projects.

The bulk of the natural gas revenue request (see pie chart) would recover investments in the natural gas distribution system to increase reliability, to serve new customers, to accommodate public infrastructure projects and costs for compliance and safety improvements. The balance of the request would recover increased cost of local taxes and depreciation expense, and increased return on investor investment. The request reflects reductions in costs of federal income taxes, distribution, administrative and general expenses.

Public hearing dates and locations

**Feb. 1, 2012 • 6-7:30 p.m.
Bellevue**

Bellevue City Hall
Council Chambers
450 110th Ave. NE

**Feb. 15, 2012 • 6-7:30 p.m.
Olympia**

Washington Utilities and Transportation Commission
Hearing Room 206
1300 S. Evergreen Park Drive SW

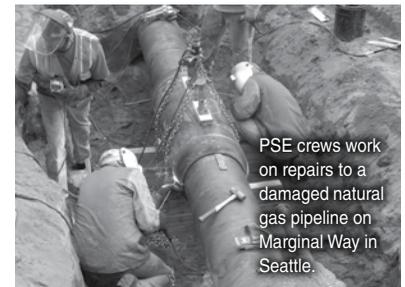
You are invited to comment on Puget Sound Energy's requested rate increase. The Utilities and Transportation Commission will hold two public hearings on this rate request.

You may comment in person at a public hearing or, for convenience, use the online comment form at www.utc.wa.gov, click on "Submit a Comment"

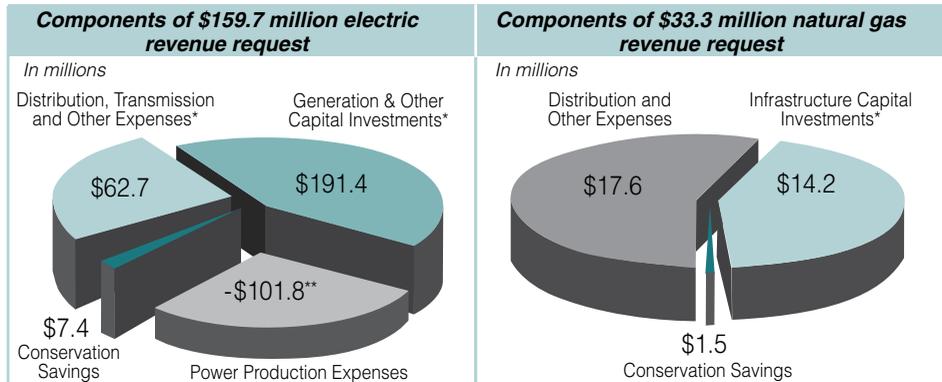
Please reference docket numbers UE-111048 (electric) and/or UG-111049 (natural gas). See the other side for all the ways you can comment.



Wind turbine construction at Lower Snake River project.



PSE crews work on repairs to a damaged natural gas pipeline on Marginal Way in Seattle.



* Includes return to investors on infrastructure and generation investments totaling \$25.3 million for electric and \$8.5 million for natural gas
 ** Reduced power production expenses of \$101.8 million offset some of the expenses and investments of \$191.4 million, \$62.7 million and \$7.4 million, resulting in PSE's electric revenue request of \$159.7 million.

General rate case information

A general rate case is the legal proceeding in which the UTC will examine a utility's operations and costs to ensure regulated companies provide safe and reliable service to customers at reasonable rates, while allowing the utilities the opportunity to earn a fair return on their investments.

The UTC staff, the Public Counsel of the Office of Attorney General, PSE and eight other parties with an interest in the case are also participants. The UTC has the authority to approve rates that are higher or lower than PSE's request. New rates will become effective upon completion of the UTC's 11-month investigation, expected to be completed in May 2012.

Effects on residential customers

The monthly bill effect of the general rate increase for the typical residential electric customer using 1,000 kWh per month and for the typical natural gas customer using 68 therms per month is shown in this chart. Individual customers will see a greater or lesser increase than what is shown, depending on the amount of usage.

Electric service	Current bill ⁽¹⁾	Proposed ⁽¹⁾ effective May 2012
Kilowatt-hour charge for 0 - 600 kWh ⁽²⁾	8.4815¢	8.9439¢
Kilowatt-hour charge for > 600 kWh ⁽²⁾	10.2798¢	10.8861¢
Basic Charge	\$7.25	\$7.83
Total bill at 1,000 kWh per month	\$99.26	\$105.04

Natural gas service	Current bill	Proposed, effective May 2012
Therm charge for all therms ⁽³⁾	\$1.10306	\$1.13462
Basic Charge	\$10.00	\$10.80
Total Bill at 68 therms per month	\$85.01	\$87.96

Summary of requested rate increases

Overall revenue increase: \$159.7 million / 8.08%		Current Average Rate per kWh	Proposed Average Rate per kWh (Includes CSA ⁽⁴⁾)	Percent Change (Includes CSA ⁽⁴⁾)
Electric Schedule	Type of Service			
7	Residential	10.094¢	10.930¢	8.3%
24	Secondary Voltage (50 kW or less)	9.470¢	10.267¢	8.4%
25	Secondary Voltage (over 50 kW to 350 kW)	8.821¢	9.391¢	6.5%
26	Secondary Voltage (over 350 kW)	8.009¢	8.690¢	8.5%
26P	Primary Voltage General	7.871¢	8.546¢	8.6%
29	Seasonal Irrigation & Drainage Pumping	8.172¢	8.703¢	6.5%
31	Primary Voltage Limited	7.939¢	8.614¢	8.5%
35	Primary Voltage Irrigation	5.527¢	6.009¢	8.7%
43	Interruptible Total Electric Schools	8.517¢	9.238¢	8.5%
40	Campus Rate	6.860¢	7.350¢	7.1%
46	High Voltage Interruptible	6.509¢	7.028¢	8.0%
49	High Voltage General	6.302¢	6.806¢	8.0%
50-59	Lighting (Area & Street)	20.830¢	22.495¢	8.0%
449/459	Choice/Retail Wheeling ⁽⁵⁾	0.360¢	0.397¢	10.5%

Overall revenue increase \$33.3 million / 3.16%		Current Average Rate per Therm	Proposed Average Rate per Therm (Includes CSA ⁽⁴⁾)	Percent Change (Includes CSA ⁽⁴⁾)
Natural Gas Schedule	Type of Service			
23	Residential	\$1.24795	\$1.29183	3.5%
31	Commercial & Industrial	\$1.13566	\$1.17122	3.1%
41	Large Volume	\$0.93305	\$0.94453	1.2%
85	Interruptible	\$0.77844	\$0.78362	0.7%
86	Limited Interruptible	\$0.89234	\$0.89354	0.1%
87	Non-exclusive Interruptible	\$0.71755	\$0.72549	1.1%
41T	Large Volume Transportation ⁽⁵⁾	\$0.20937	\$0.21668	3.5%
85T	Interruptible Transportation ⁽⁵⁾	\$0.10349	\$0.10771	4.1%
86T	Limited Interruptible Transportation ⁽⁵⁾	\$0.22865	\$0.22746	-0.5%
87T	Non-exclusive Interruptible Transportation ⁽⁵⁾	\$0.04208	\$0.0471	11.9%
16	Gas Lighting	\$1.24211	\$1.28474	3.4%
53	Propane	\$4.66868	\$4.72333	1.2%
61	Standby & Auxiliary Heating	n/a	n/a	10.0%
	Special Contracts	\$0.0461	\$0.04834	4.9%
71, 72, 74	Rentals	n/a	n/a	0%

Note: The figures above represent averages by rate schedule including the basic charge. Natural gas transportation and electric choice/wheeling customers have rates that are significantly less than the average rates for other schedules because, in part, these customers receive only delivery or transportation services.

- (1) Current rates, as of June 13, 2011, include the effect of the Regulatory Asset Tracker which expires on December 31, 2011. Proposed rates do not include this tracker.
- (2) Current and proposed electric rates shown above represent all per kWh charges.
- (3) Current rates as of June 13, 2011, and proposed rates represent all per therm charges.

- (4) Conservation Savings Adjustment or CSA is not in current rates but is proposed as part of the general rate case.
- (5) Rates for transportation customers do not include the cost of gas or electricity or the CSA proposal. The resulting percentage change is therefore on a different basis than for other customers.

Public comment

To comment to the UTC on PSE's requested rate increase:

- in person at one of two public hearings (outlined in this notice)
- via UTC online comment form: www.utc.wa.gov, click on "Submit a Comment"
- by email at: comments@utc.wa.gov
- in writing: UTC - P.O. Box 47250, Olympia, WA 98504-7250
- by fax at: 360-586-1150
- by telephone at: 1-888-333-WUTC (9882)

Please reference docket numbers UE-111048 (electric) and/or UG-111049 (natural gas) in your comment. If you have questions about the UTC's process, please contact the UTC using one of the above methods.

The public is represented by the Public Counsel Section of the Washington Attorney General's Office. You can contact the office at:

Public Counsel
Assistant Attorney General
800 5th Avenue, Suite 2000
Seattle, WA 98104-3188

or by email:
utility@atg.wa.gov

To contact Puget Sound Energy, you may reach us in writing at:

Puget Sound Energy
Attn.: Customer Care
P.O. Box 97034
Bellevue, WA 98009-9734

or by e-mail:
generalratecase@pse.com

For more information visit
PSE.com or call 888-225-5773,
press option 5.



Energy Assistance For PSE Customers



You may be eligible for help with your Puget Sound Energy natural gas or electric bill

Overview of programs

Several programs are available to eligible Puget Sound Energy customers to help them manage their household utility budgets, lower their home energy usage, or receive financial help with their bills. These programs are administered by local community-services agencies under the supervision of the Washington State Department of Commerce. To find out more about the programs listed below, please contact the nearest energy-assistance office in your county. These local offices are listed on the back.

Winter Moratorium on Disconnection

From Nov. 15 to March 15, low income customers who use electricity or natural gas to heat their home and have received a final “overdue” notice for failing to pay their utility bill or deposit may be able to avoid disconnection. The customer must notify the utility of the inability to pay within five days of receiving the overdue notice and satisfy the following requirements, or if service has been disconnected PSE will restore service if the customer contacts PSE and satisfies all of the following requirements: **1)** The customer must certify to one of the agencies listed on the back of this notice the household income for the prior 12 months and apply for home energy assistance from that agency and other appropriate agencies; **2)** The customer must also apply to the agency for low-income weatherization assistance; **3)** The agency will determine if the customer is eligible and provide an amount to PSE that is equal to 7 percent

of the household income. If eligible, the customer must agree to pay by the following Oct. 15 all amounts owed to the utility as well as for continued service. The monthly amount to be paid during the winter months will not be more than 7 percent of the customer’s monthly income, plus one-twelfth of the billing amount from the date of the application with the energy assistance center through March 15; and **4)** The customer must agree to provide documentation of the request for heating assistance and agree to pay all amounts owed, even if the customer moves.

Federal Bill-Payment Assistance (Eff. 2011-12)

Under the federal Low Income Home Energy Assistance Program (LIHEAP), residential customers of PSE may be eligible for government help paying their heating bills. To qualify, you must have a household income at or below 125 percent of the federal poverty level (e.g., \$1,134/mo. for an individual, \$2,328/mo. for a family of four).

PSE's HELP Program (Eff. 10/1/11)

Puget Sound Energy's HELP Program offers additional bill-payment aid to qualified PSE customers. In some counties, the income limit for HELP eligibility can be up to 150 percent of the federal poverty level (e.g., \$1,361/mo. for an individual, \$2,794/mo. for a family of four after qualified deductions). PSE's HELP program, like LIHEAP, is administered by the local agencies listed at right.

Warm Home Fund

This program, administered by The Salvation Army, provides emergency utility-bill assistance during the winter to qualified low income households served by Puget Sound Energy. The fund is composed of voluntary contributions from PSE customers, employees, and PSE. Contact your nearest Salvation Army office to inquire about Warm Home Fund assistance.

Weatherization Assistance

Puget Sound Energy offers no-cost weatherization and insulation improvements to qualifying income-eligible customers who own or rent their homes, apartments, or mobile homes to help them reduce their energy usage. Types of improvements offered include under-floor, wall, or attic insulation and lighting and refrigerator replacements. The program is administered by the local agencies listed at right. For information about weatherization assistance, call PSE at 1-800-562-1482.

Energy Assistance Centers

Para nuestros clientes de PSE que necesitan ayuda para pagar su cuenta de electricidad y gas natural se pueden comunicar con una de las siguiente agencias.

Island County

Opportunity Council
360-679-6577
1-800-317-5427

Jefferson County

Olympic Community Action Programs
360-385-2571

King County

Multi-Service Center
(for South King County)
1-800-348-7144

Hopelink

(for North and East King County)
1-800-348-7144

Central Area Motivation Program (for Seattle)
1-800-348-7144

Kitsap County

Kitsap Community Resources
360-479-1507
www.kcr.org

Kittitas County

HopeSource
509-962-0435 (Ellensburg)
509-674-2375 (Cle Elum)
www.hopesource.us

Lewis County

Community Action Council of Lewis, Mason and Thurston counties
360-736-1800
www.caclmt.org

Pierce County

Pierce County Department of Community Connections (county residents)
1-855-798-4328
Metropolitan Development Council (Tacoma residents)
253-572-5557

Skagit County

Skagit County Community Action Agency
360-428-1011

Snohomish County

Snohomish County Human Services Department
425-388-3880

Thurston County

Community Action Council of Lewis, Mason and Thurston counties
360-438-1100
www.caclmt.org

Whatcom County

Opportunity Council
360-255-2192
1-888-586-7293

Call Puget Sound Energy

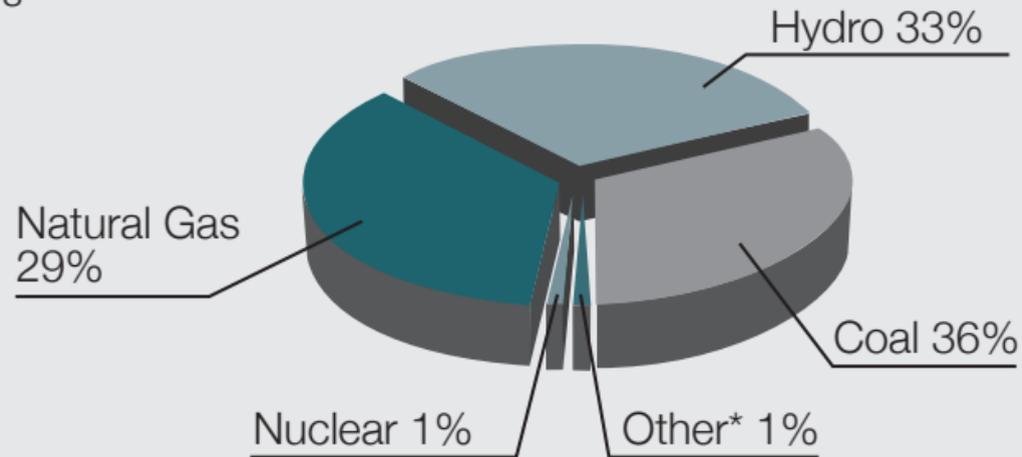
1-888-225-5773



Electricity Fuel Mix

The electricity that Puget Sound Energy delivers to customers is generated using a number of different resources. The fuel mix for these resources for electricity delivered in 2010 is shown in the following table and chart:

Fuel	Percentage
Coal	36
Hydroelectric	33
Natural Gas	29
Nuclear	1
Other*	1
Total	100



* Biomass, landfill gas, petroleum and waste.

Source of data: Published by the Washington Department of Commerce with data reported by PSE.



PSE is meeting our customers' long-term energy needs by:

- upgrading aging hydroelectric facilities
- building renewable energy resources
- operating efficient, clean-burning natural gas-fired plants
- helping our customers be more energy efficient

