

ENERGYWISE

JULY-AUGUST 2009



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 Issaquah

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 Puyallup

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.



PUGET SOUND ENERGY

The Energy To Do Great Things

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 identity 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:

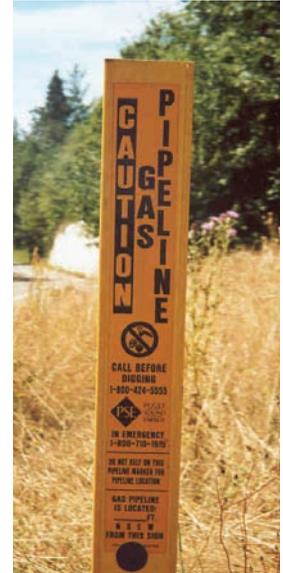
- ◆ Name and birth date
- ◆ Mailing address and home phone number
- ◆ Driver's license, state identification or passport number
- ◆ Employer name and contact information
- ◆ Last four digits of the Social Security Number
- ◆ Military identification number

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

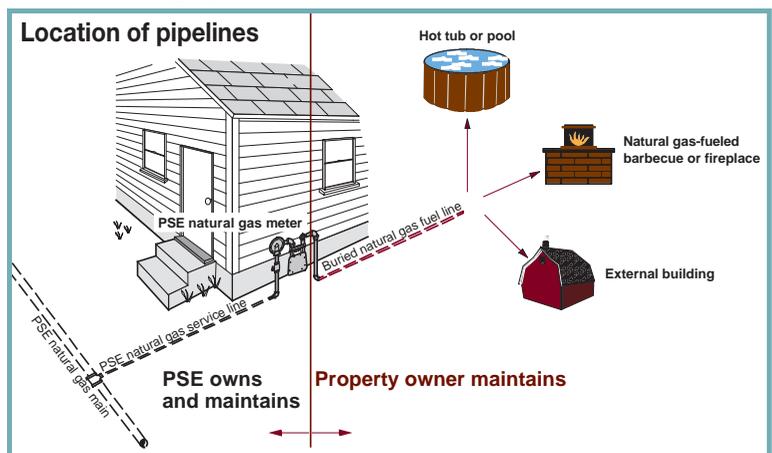


Know how to detect a natural gas leak

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

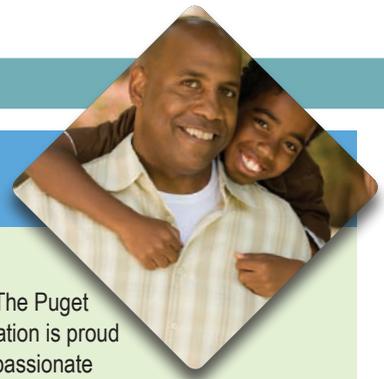
Call us to make bill payment arrangements

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.

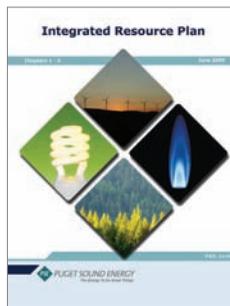
Our energy strategy: efficiency, wind power and natural gas

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.



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

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

