

IMPORTANT NOTICE FOR PUGET SOUND ENERGY CUSTOMERS ABOUT PROPOSED NATURAL GAS RATE CHANGE

Puget Sound Energy on Sept. 18 filed two separate requests with the state Utilities and Transportation Commission (UTC) proposing an overall average 16.6 percent decrease for all customer groups with natural gas service, effective Nov. 1, 2015.

Purchased Gas Adjustment (PGA): PSE has requested to decrease natural gas bills under the purchased gas adjustment rate-setting mechanism, which allows utilities to adjust rates, up or down, to reflect fluctuations in the price of natural gas in the wholesale market. The PGA has two components—one is a projection of the average cost of natural gas supplies over the next year, the other is a true-up of the difference between prior years' projected costs and the actual costs of the supplies.

For the true-up component, the requested change would eliminate the current average 3.3 cents-per therm charge and result in an average 3.7 cents per-therm credit, causing a decrease in PSE bills. The actual wholesale price of natural gas supplies that PSE purchased for customers decreased in the past year.

Projected natural gas costs, which include a combination of short- and longer-term wholesale purchases, are lower than the prices projected a year ago. PSE proposes to pass through to customers a reduced charge from an average of 54.9 cents per therm to an average of 42.9 cents per therm.

The net effect of the two components of the PGA would decrease the average cost of natural gas by 19 cents per therm, or an overall average of 17.4 percent. The cost of natural gas is shown on your monthly PSE bill as "Gas Cost." PSE is not allowed to profit on the natural gas it purchases for customers.

Cost Recovery Mechanism for Pipeline Replacement (CRM): PSE has asked the UTC to increase natural gas rates an overall average 0.4 cents per therm, or 4/10ths of 1 percent, to recover costs from Nov. 1, 2014 through Oct. 31, 2015 for the replacement of aging natural gas pipes to ensure continued, safe and dependable service, as allowed by the CRM.

If both proposals are approved by the UTC, the total decrease for typical households using 68 therms per month would be 15.5 percent, or \$12.58, bringing the monthly PSE bill to \$68.67.

Combined, the proposed decreases for residential, commercial and industrial customers with natural gas services are:

TYPE OF SERVICE	PERCENT CHANGE
Residential Service, Schedule 23.....	15.6 decrease
Residential Gas Lights, Schedule 16	15.8 decrease
Commercial & Industrial (C&I), Schedule 31	17.5 decrease
Large Volume C&I, Schedule 41.....	23.3 decrease
Interruptible C&I, Schedule 85	29.3 decrease
Limited interruptible C&I, Schedule 86	23.9 decrease
Non-exclusive interruptible C&I, Schedule 87	31.4 decrease

Transportation Only:

Large Volume C&I, Schedule 41T.....	1.1 increase
Interruptible C&I, Schedule 85T	1.0 increase
Limited interruptible C&I, Schedule 86T.....	0.5 increase
Non-exclusive interruptible C&I, Schedule 87T.....	1.9 increase
Special Contracts	2.9 increase

The UTC will review each of these filings and has the authority to set final rates that may vary from PSE's request, either higher or lower or structured differently, depending on the results of its review.

Comments or questions on proposals: PSE customers may submit comments to the UTC on any or all of these proposed filings by using the online comment form, at www.utc.wa.gov/comment; e-mailing to comments@utc.wa.gov; faxing to 360-664-4291; or mailing your comments to the UTC at: P.O. Box 47250, Olympia, WA, 98504-7250. If you write, include your name and mailing address, the name of the company (PSE), and a description of the filing(s). You may also ask questions of the UTC and request that the UTC notify you of the open meeting at which these proposals will be considered by the Commission. The UTC is committed to providing reasonable accommodation to participants with disabilities. If you need reasonable accommodation, please contact the commission at (360) 664-1132 or human_resources@utc.wa.gov.

The public is represented by the Public Counsel Section of the Washington State Attorney General's office. You can reach the Public Counsel Section by writing to: Public Counsel, Assistant Attorney General, 800 5th Avenue, Suite 2000, Seattle, WA 98104-3188, or by e-mail at utility@atg.wa.gov.

To contact Puget Sound Energy about these proposals: by email, customer-care@pse.com; in writing, Puget Sound Energy, ATTN: Customer Care, P.O. Box 97034, Bellevue, WA 98009-9734; by phone, 888-225-5773.