

IMPORTANT NOTICE FOR PUGET SOUND ENERGY CUSTOMERS ABOUT PROPOSED CHANGES IN RATES

Puget Sound Energy recently filed a request with the state Utilities and Transportation Commission (UTC) to adjust electric and natural gas rates to cover changes in the costs for PSE's low-income programs, included in "Other Charges" listed on PSE's bill. The proposed changes, to become effective Oct. 1, are outlined below. This rate adjustment offsets the actual costs of the low income bill assistance program.

Natural Gas: PSE has asked the UTC to increase natural gas rates by an overall average of 4/1000ths of 1 percent. Some natural gas rate schedules will increase slightly while others will decrease. For households using more than a 12-month average of 68 therms of natural gas per month, there could be a slight increase in rates, depending upon the amount of natural gas used.

Electric: PSE has asked the UTC to decrease electric rates by an overall average of 7/1000ths of 1 percent. Some electric rate schedules will increase slightly, decrease slightly or have no change. For households with electric service, there is no change in rates.

The proposed, overall average change for electric customers is:

TYPE OF SERVICE—ELECTRIC SCHEDULE	PERCENT CHANGE
Residential Service (Schedule 7).....	0.000
Small General Service (Schedules 8 & 24).....	0.024 decrease
Medium General Service (Schedules 7A, 11 & 25).....	0.023 decrease
Large General Service (Schedules 12, 26 & 26P).....	0.001 increase
Seasonal Irrigation & Drainage Pumping Service (Schedule 29).....	0.004 decrease
Primary Voltage General Service (Schedules 10 & 31).....	0.002 increase
Primary Voltage Irrigation & Drainage Pumping (Schedule 35).....	0.386 increase
Large General Service Greater Than 3 aMW (Schedule 40).....	0.012 decrease
Primary Voltage Interruptible Schools (Schedule 43).....	0.016 decrease
High Voltage Interruptible Service (Schedule 46).....	0.003 decrease
High Voltage General Service (Schedule 49).....	0.019 decrease
Lighting (Schedules 50-59).....	0.052 decrease

The proposed, overall average change for natural gas customers is:

TYPE OF SERVICE—NATURAL GAS SCHEDULE	PERCENT CHANGE
Residential Service (Schedules 23 & 53).....	0.007 increase
Commercial & Industrial (Schedule 31).....	0.001 decrease
Commercial & Industrial Transportation (Schedule 31T).....	0.012 decrease
Large Volume (Schedule 41).....	0.003 decrease
Large Volume Transportation (Schedule 41T).....	0.008 decrease
Interruptible with Firm Option (Schedule 85).....	0.015 decrease
Interruptible with Firm Option Transportation (Schedule 85T).....	0.052 decrease
Limited Interruptible (Schedule 86).....	0.006 decrease
Limited Interruptible Transportation (Schedule 86T).....	0.010 decrease
Non-Exclusive Interruptible (Schedule 87).....	0.003 increase
Non-Exclusive Interruptible Transportation (Schedule 87T).....	0.039 increase

PSE requested these changes through the existing low income assistance mechanism previously approved by the UTC. The mechanism allows PSE to periodically adjust its electric and natural gas rates to reflect changes in actual sales and costs. The UTC has the authority to set final rates that may vary from PSE's requests, either higher or lower or structured differently depending on the results of its review. PSE bills all natural gas and most electric customers every month; some electric customers are billed every other month.

Comments or questions on proposals: PSE customers may submit comments to the UTC about these proposals 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. 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 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 Office of the Attorney General. 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 PSE about these proposals: by email, customer-care@pse.com, in writing, ATTN: Customer Care, P.O. Box 97034, Bellevue, WA 98009-9734, by phone, 888-225-5773. Additional information about the electric and natural gas filings is available at www.pse.com.