

NOTICE OF REQUESTED NATURAL GAS RATE INCREASE AND PUBLIC HEARING

On Oct. 1, 2010, Puget Sound Energy filed a request with the Washington Utilities and Transportation Commission (UTC) for a rate increase primarily to recover the costs of infrastructure investments to improve reliability and serve new customers. A summary of the requested increase and the effect on residential bills appear on the reverse side. PSE requested that the increase become effective Nov. 1, 2010, however, the UTC is conducting a regulatory review and holding hearings to determine if the proposed rates are just and reasonable. The UTC has the authority to approve rates that are higher or lower. The new rates will become effective upon completion of the UTC's investigation, which is anticipated by May 1, 2011.

You are invited to comment on PSE's requested rate increase. You may comment:

- in person at a public hearing (described below)
- via the online comment form at: <http://www.utc.wa.gov/comment>
- by e-mail at: comments@utc.wa.gov
- by fax at 360-664-4291
- by telephone at 1-888-333-WUTC (9882)
- in writing to: UTC
P.O. Box 47250,
Olympia, WA 98504-7250

Please include your name and mailing address, the name of the company (PSE), and reference Docket No. UG-101644 in your comment. If you have questions about the UTC's process, please contact the UTC using one of the above methods.

Public Hearing. The UTC will hold a public hearing on the request. At the public hearing, ratepayers and other stakeholders will have the opportunity to comment directly to the UTC commissioners. The hearing is scheduled for: March 14, 2011 at 6:30 P.M. in the Commission's offices, Room 206, 1300 S. Evergreen Park Dr. SW, Olympia, WA. The UTC may alter this schedule by subsequent notice. Any changes to the date, time and place for a public comment hearing will be posted on the UTC website (utc.wa.gov) and on PSE.com.

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 e-mail at utility@atg.wa.gov.



PUGET SOUND ENERGY

SUMMARY OF REQUESTED RATE INCREASES

Description	Overall Increase	
Natural gas	\$24,384,451 / 2.3% ⁽¹⁾	
Natural Gas Schedule	Type of Service	Average Increase ⁽¹⁾
23, 16, 53	Residential	2.5%
31, 61	Commercial & Industrial	2.2%
41, 41T	Large-volume	1.6%
85, 85T	Interruptible	2.6%
86, 86T	Limited Interruptible	1.4%
87, 87T	Non-exclusive Interruptible	1.3%
N/A	Transportation Contracts	2.5%
71-74	Rental Water Heaters/Burners	2.9%

Effects on Residential Customers

The monthly bill effect of the requested rate increase for the typical residential natural gas customer using 68 therms per month is shown below. Customers will see a greater or lesser increase than what is shown, depending on their amount of usage. PSE has proposed to increase the monthly residential natural gas basic charge from \$10 to \$10.62.

Natural Gas Service	Current Bill ⁽³⁾	Proposed ⁽³⁾
Total bill at 68 therms per month ⁽¹⁾	\$82.91	\$84.99
Delivery charge ⁽²⁾ per therm	34.897¢	37.043¢
Basic charge per month	\$10.00	\$10.62

Note: The figures shown here are ranges and averages. It is not possible to set out every service or every variation in this brief notice.

⁽¹⁾ Individual customers will see a greater or lesser increase depending on the amount and type of service.

⁽²⁾ Current and proposed delivery charges per therm represent the delivery charge except for the low income charge.

⁽³⁾ All natural gas customers are billed monthly.

To contact PSE with questions or comments, you may reach us in writing at: Puget Sound Energy, Attn.: Customer Service, P.O. Box 90868, Bellevue, WA 98009-0868 or by e-mail at GeneralRateCase@pse.com. For more information visit PSE.com or call 1-888-225-5773.

Notice issued: December 2010.

How to reach Puget Sound Energy
Call 1-888-225-5773

PSE.com

