

IMPORTANT NOTICE FOR PUGET SOUND ENERGY CUSTOMERS ABOUT CHANGES IN NATURAL GAS RATES TO COMPLY WITH THE CAP AND INVEST PROGRAM

In compliance with a new state law and new rules adopted by the State Department of Ecology, Puget Sound Energy (PSE) recently filed a request with the Washington Utilities and Transportation Commission (UTC) requesting an adjustment to natural gas rates in order to recover the costs and to provide benefits through credits to certain customers from the Company's implementation of the Washington State Greenhouse Gas Emissions Cap and Invest Program (Cap and Invest Program) as prescribed in Chapter 70A.65 Revised Code of Washington (RCW) and administered by the State Department of Ecology.

Schedule 111 - Greenhouse Gas Emissions Cap and Invest Adjustment: PSE has requested to increase natural gas rates by an overall average 3.23% to comply with the Cap and Invest Program. The Greenhouse Gas Emissions Cap and Invest Adjustment has two components – one is a State Carbon Reduction Charge which is a projection of the amount of costs for PSE to comply with the Cap and Invest Program pursuant to RCW Chapter 70A.65, as well as provides for a true-up of amounts from prior periods, and the other is a State Carbon Reduction Credit which is a projection of the amount of revenues from allowances sold at auction pursuant to RCW Chapter 70A.65, as well as provides for a true-up of amounts from prior periods. The State Carbon Reduction Credit is reserved exclusively for PSE customer locations connected to the natural gas system prior to July 26, 2021 and Identified Low-Income Customers.*

* Residential customers may qualify for a reduced rate if they are considered an Identified Low-Income Customer. These are customers whose household income, as defined by the Department of Commerce or the UTC as low-income, does not exceed the higher of eighty percent of area median household income or two hundred percent of the federal poverty level, adjusted for household size and who are also receiving bill assistance under Schedule 129 – Low Income Program or have received bill assistance under Schedule 129 within the last 24 months. Customers who believe they may qualify as an Identified Low-Income Customer can apply for bill assistance by visiting <https://www.pse.com/account-and-billing/assistance-programs>.

The overall average changes for natural gas customers are as follows:

EFFECTS ON TYPICAL RESIDENTIAL CUSTOMERS:

NATURAL GAS SERVICE	Current Bill	Bill Effective August 1, 2023
Basic Charge	\$12.50	\$12.50
Energy—all therms	\$82.88	\$86.59
Total Bill at 64 therms per month	\$95.38	\$99.09

EFFECTS ON TYPICAL RESIDENTIAL IDENTIFIED LOW-INCOME CUSTOMERS:

NATURAL GAS SERVICE	Current Bill	Bill Effective August 1, 2023
Basic Charge	\$12.50	\$12.50
Energy—all therms	\$82.88	\$82.88
Total Bill at 64 therms per month	\$95.38	\$95.38

NATURAL GAS SCHEDULE

Type of Service	Previous Average Rate per Therm	Average Eff. Aug. 1, 2023 Rate per Therm	Change
Residential—Schedules 23, 53	\$1.48890	\$1.52602	2.49% increase
Residential – Schedule 23 Identified Low-Income Customers	\$1.48890	\$1.48890	0.00% increase
Commercial & Industrial – Schedule 31	\$1.28170	\$1.32459	3.35% increase
Large Volume – Schedule 41	\$0.92288	\$0.96576	4.65% increase
Interruptible – Schedule 85	\$0.74798	\$0.79085	5.73% increase
Limited Interruptible – Schedule 86	\$0.82254	\$0.86541	5.21% increase
Non-exclusive Interruptible – Schedule 87	\$0.69267	\$0.73555	6.19% increase
Commercial & Industrial Transportation – Schedule 31T	\$0.70131	\$0.74418	6.11% increase
Large Volume Transportation – Schedule 41T	\$0.23146	\$0.27433	18.52% increase
Interruptible Transportation – Schedule 85T	\$0.12448	\$0.16735	34.44% increase
Limited Interruptible Transportation – Schedule 86T	\$0.20570	\$0.24857	20.84% increase
Non-exclusive Interruptible Transportation – Schedule 87T	\$0.05716	\$0.10004	75.01% increase
Gas Lighting – Schedule 16	\$1.39593	\$1.43869	3.06% increase
Special Contracts	\$0.05371	\$0.09659	79.83% increase

Note: The figures above represent averages by rate schedule including the basic charge. Individual customers will see a change that is greater or lesser than what is shown, depending on the amount of usage. During the UTC's consideration of these proposed rates, other rates may change due to pending or previously approved rate filings.

Bill assistance programs are available to qualified customers who need help with their energy bills. PSE customers can go to <http://www.pse.com> or call 1-888-225-5773 to learn if they are eligible. Payment plans are also available.

The UTC will review each filing and 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. To comment to the UTC on PSE's requested rate changes: use the online comment form at <http://www.utc.wa.gov/consumers/submit-comment>; email comments@utc.wa.gov; phone 1-888-333-9882; or write to P.O. Box 47250, Olympia, WA, 98504-7250. Please include your name, mailing address, the name of the company (PSE), and electric and natural gas docket number(s). If you have questions about the UTC's process, please contact the UTC using one of the above methods. UTC Staff will make a recommendation to the Commissioners at an Open Meeting. You will have an opportunity to provide your comments at this meeting either in person or remotely. If you intend to listen or participate remotely, call 360-664-1234 at least one business day before the Open Meeting for instructions and to sign in. You should also call this number if you plan to attend in person to verify that the docket has not been rescheduled to a later Open Meeting date. Open Meetings will be held at 621 Woodland Square Loop SE, Lacey WA 98503. The UTC is committed to providing reasonable accommodations for participants with disabilities. If you need reasonable accommodations to participate in the Open Meeting, please contact the Commission at 1-888-333-9882 or email consumer@utc.wa.gov.

The public is represented by the Public Counsel Section of the Washington Attorney General's office and can be reached by writing to Public Counsel, Assistant Attorney General, 800 5th Avenue, Suite 2000, Seattle, WA 98104-3188, or by emailing utility@atg.wa.gov.

To contact PSE about these proposals: email customercare@pse.com; call 1-888-225-5773 (TTY: 1-800-962-9498); or write to Puget Sound Energy, ATTN: Customer Care, P.O. Box 97034, Bellevue, WA, 98009-9734. Each of the proposed requests can be accessed at <https://www.pse.com/pages/rates/pending-utc-filings>.