

IMPORTANT NOTICE FOR PUGET SOUND ENERGY CUSTOMERS ABOUT PROPOSED RATE CHANGES

Puget Sound Energy (PSE) on Aug. 31 filed three separate requests with the Washington Utilities and Transportation Commission (UTC) to change natural gas and electric rates effective Oct. 1, 2009. The proposed changes in each request are outlined below:

Natural gas: Ample natural gas supplies expected for the coming winter, and reduced demand due to the slowed economy have enabled PSE to lock in lower-priced natural gas supplies which allows PSE to request a pass-through of lower natural gas-supply costs to customers. This requested rate decrease will reflect the lower cost of natural gas PSE purchases for customers. The requested rate decrease was filed under a Purchased Gas Adjustment (PGA), which allows for periodic adjustments in PSE natural gas rates to reflect the increased or decreased price of natural gas on the wholesale market. The market price of natural gas fluctuates continually, and the PGA mechanism periodically adjusts a customer's bill to reflect those changes. PSE does not financially lose or profit on the cost of natural gas purchased for customers. If approved by the UTC, the cost for PSE natural gas service will decrease for all classes of sales customers by 17.1 percent.

A typical monthly household natural gas bill, based on a 12-month average of 68 therms, would fall by 16 percent, or \$14.88 a month, to \$78.30 under this request.

The proposed decreases for residential and commercial natural gas customers are as follows:

Schedule 23 (residential)	21.887 cents per therm
Schedule 16.....	\$4.16 per mantle per month
Schedule 31	21.889 cents per therm
Schedule 41	21.930 cents per therm
Schedule 85	21.913 cents per therm
Schedule 86.....	21.912 cents per therm
Schedule 87	21.914 cents per therm

Electric: PSE has asked the UTC to approve a change in the amount of a credit, called the Energy Exchange Credit on utility bills, given to residential and small farm customers based on an updated agreement with the Bonneville Power Administration (BPA). This credit to customers of PSE and other investor-owned utilities in the Pacific Northwest represents customers' share of the federal power benefit. Based on the updated agreement, the lower Energy Exchange Credit would be 0.7269¢ per kilowatt hour (kWh), a 0.1866¢ per kWh decrease. BPA's lowering of the credit will increase the typical residential electric bill, based on 1,000 kWh average monthly usage over a 12-month period, by \$1.86 a month, or 2.1 percent.

Natural gas and electric: PSE has asked the UTC to adjust natural gas rates by an average of 1/100ths of 1 percent and electric rates by an average of 4/100ths of 1 percent to cover higher costs for the utility's low-income programs. For households using a 12-month average of 68 therms of natural gas, bills would increase by 1 cent a month. For households using a 12-month average of 1,000 kilowatt hours, bills would increase by 1 cent a month.

Natural gas—The proposed changes for residential and commercial customers are:

Schedules 23 and 53 (residential).....	0.019 cents per therm (increase)
Schedules 31 and 31T	0.041 cents per therm (increase)
Schedules 41 and 41T	0.005 cents per therm (increase)
Schedules 85 and 85T	-0.007 cents per therm (decrease)
Schedule 86.....	-0.018 cents per therm (decrease)
Schedules 87 and 87T	-0.004 cents per therm (decrease)

Electric—The proposed increases for residential and commercial customers are:

Schedule 7 (residential)	0.001 cents per kWh
Schedules 24, 25, 26 and 29.....	0.005 cents per kWh
Schedules 31, 35, 43 and 449 (primary voltage).....	0.010 cents per kWh
Schedule 40.....	0.004 cents per kWh
Schedules 46, 49 and 449 (high voltage)	0.002 cents per kWh
Schedules 50-59	0.012 cents per kWh

The UTC will review each of these filings. Upon its analysis, the UTC has the authority to set final rates, either higher or lower or structured differently that may vary from PSE's request. PSE bills all natural gas and most electric customers every month; some electric customers are billed every other month.

PSE customers may comment to the UTC on any or all of these proposed filings by using the online comment form, at www.utc.wa.gov/comment, or by e-mail at comments@utc.wa.gov, or in writing at UTC, P.O. Box 47250, Olympia, WA, 98504-7250; or by fax at 360-664-4291, or by telephone at 888-333-WUTC (9882).

If you write, include your name and mailing address, and the name of the company (PSE) and a description of the filing(s).

The public is represented by the Public Counsel Section of the Washington Attorney General. You can write to: Public Counsel Assistant Attorney General, 800 5th Avenue, Suite 2000, Seattle, WA 98164-1012, or e-mail at utility@atg.wa.gov.

To contact Puget Sound Energy, you may reach us in writing at: Puget Sound Energy, ATTN: Customer Service, P.O. Box 90868, Bellevue, WA 98009-0868, by e-mail at customercare@pse.com, or by phone at 888-225-5773, press option 5.