

IMPORTANT NOTICE FOR PUGET SOUND ENERGY CUSTOMERS ABOUT PROPOSED RATE CHANGES

Puget Sound Energy on Aug. 30, 2013 filed three separate requests with the state Utilities and Transportation Commission (UTC) to adjust natural gas and electric rates. The requests propose an effective date of Oct. 1, 2013. The proposed changes in each request are outlined below:

ENERGY EXCHANGE PROGRAM

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 higher Energy Exchange Credit rate would increase 0.2494 cents per kilowatt hour (kWh), or 36 percent. **BPA's increasing of the credit will decrease the typical residential electric bill, based on 1,000 kWh average monthly usage over a 12-month period, by \$2.49 a month, or 2.48 percent.**

LOW-INCOME PROGRAM

PSE has asked the UTC to increase natural gas rates by an overall average of 8 hundredths of 1 percent and electric rates by an overall average of 7 hundredths of 1 percent to cover higher costs for the utility's low-income assistance programs.

In the June 25, 2013 decision that set new electric and natural gas rates for PSE, the UTC allowed an increase to the utility's Low Income Program to increase by \$1.67 million. The adjustments request implementation of the June decision.

For households using a 12-month average of 68 therms of natural gas, bills would increase by 0.09 percent (9 hundredths of 1 percent), or 7 cents, more per month for service. For households using a 12-month average of 1,000 kilowatt hours of electricity, bills would increase by 0.08 percent (8 hundredths of 1 percent), or 8 cents, more per month.

The proposed changes for residential, commercial and industrial customers with natural gas service are:

TYPE OF NATURAL GAS SERVICE/SCHEDULES	PERCENT INCREASE
Residential (Schedules 23 and 53)	0.10
Commercial & Industrial (Schedules 31 and 31T).....	0.06
Commercial & Industrial (Schedules 41 and 41T).....	0.04
Commercial & Industrial (Schedules 85 and 85T).....	0.10
Commercial & Industrial (Schedules 86 and 86T).....	0.05
Commercial & Industrial (Schedules 87 and 87T).....	0.03

The proposed changes for residential, commercial and industrial customers with electric service, including the increased Energy Exchange Credit for residential customers are:

TYPE OF ELECTRIC SERVICE/SCHEDULES	PERCENT CHANGE
Residential (Schedule 7)	2.42 decrease
Commercial & Industrial (Schedules 24, 25, 26 and 29)	0.065 increase
Commercial & Industrial (Schedules 31, 35, 43 and 449)	0.065 increase
Campus Rate (Schedule 40)	0.062 increase
High Voltage (Schedules 46, 49, 449 and 459)	0.064 increase
Lighting (Schedules 50-59).....	0.072 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. PSE bills all natural gas and most electric customers every month, some electric customers are billed every other month.

Comments or questions on proposal: PSE customers may comment to the UTC on these proposed filings by using the online comment form at www.utc.wa.gov/comment; by email to comments@utc.wa.gov, by fax to 360-664-4291; by phone at 1- 888-333-9882; 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).

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 98164-1012, or by email at utility@atg.wa.gov.

If you have questions or comments for PSE about these proposals, you may submit them in writing to PSE at: Puget Sound Energy, ATTN: Customer Service, P.O. Box 97034, Bellevue, WA 98009-9734; by email at customer-care@pse.com or by phone at 888-225-5773, press option 5.