

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

Puget Sound Energy on March 31, 2014 filed two requests with the state Utilities and Transportation Commission (UTC) to adjust electric and natural gas rates under the Revenue Decoupling Adjustment Mechanism approved by the UTC in 2013. Both requests— 1) an increase in overall electric rates and 2) a decrease in overall natural gas rates for residential customers and an increase in overall natural gas rates for commercial and other non-residential customers—are proposed to be effective on May 1, 2014.

If approved by the UTC, the requests will increase electric rates by an overall average of 0.5 percent (one-half of 1 percent) and decrease natural gas rates by an overall average of 0.12 percent.

For the typical residential customer using 1,000 kilowatt hours (kWh) of electricity per month, the proposed adjustment to the decoupling rate would increase 6 cents per month, increasing the total monthly charge under the electric decoupling mechanism to \$1.69.

The overall average increase for electric customers is as follows:

TYPE OF SERVICE—ELECTRIC SCHEDULE	PERCENT CHANGE
Residential Service (Schedule 7).....	0.05 increase
Residential Service (Schedule 7A).....	1.05 increase
Small General Service (Schedules 24 & 8).....	0.98 increase
Medium General Service (Schedules 25 & 11)	1.05 increase
Large General Service (Schedules 26 & 12)	1.34 increase
Seasonal Irrigation & Drainage Pumping Service (Schedule 29)	1.06 increase
Primary Voltage General Service (Schedules 31 & 10).....	0.68 increase
Primary Voltage Irrigation & Drainage Pumping (Schedule 35)	1.83 increase
Large General Service Greater Than 3 aMW (Schedule 40)	1.37 increase
Primary Voltage Interruptible Schools (Schedule 43).....	1.07 increase
High Voltage Interruptible Service (Schedule 46).....	1.42 increase
High Voltage General Service (Schedule 49).....	1.48 increase

For the typical residential customer using 68 therms of natural gas per month, the proposed adjustment to the decoupling rate will decrease by 97 cents per month, decreasing the total monthly charge under the natural gas decoupling mechanism to 46 cents.

The overall average change for natural gas customers is as follows:

TYPE OF SERVICE—NATURAL GAS SCHEDULE	PERCENT CHANGE
Residential Service (Schedules 23 & 53).....	1.28 decrease
Commercial & Industrial (Schedule 31)	2.79 increase
Large Volume (Schedule 41)	2.03 increase
Large Volume Transportation (Schedule 41T).....	7.24 increase
Interruptible with Firm Option (Schedules 85 & 85T).....	Increase TBD
Limited Interruptible (Schedule 86)	2.09 increase
Limited Interruptible Transportation (Schedule 86T)	3.81 increase
Non-Exclusive Interruptible Gas Service (Schedule 87 & 87T)	Increase TBD

PSE requested this change through the existing Revenue Decoupling Adjustment Mechanisms previously approved by the UTC. The mechanisms allow PSE to periodically adjust its electric and natural gas rates to reflect changes in company investments to provide safe and reliable service for customers.

The UTC 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.

Comments or questions on proposals: PSE customers may submit comments to the UTC about this proposal by using the online comment form at <http://www.utc.wa.gov/comment>; e-mailing to comments@utc.wa.gov; faxing to 360-664-4291; or mailing 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 Advice No. 2014-08 for electric decoupling and Advice No. 2014-09 for natural gas decoupling. You may also ask questions of the UTC and request that 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 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 98104-3188, or by e-mail at utility@atg.wa.gov.

If you have questions or comments for PSE about these proposals, you may submit those questions or comments by mailing, e-mailing or calling PSE at: Puget Sound Energy, ATTN: Customer Service, P.O. Box 97034, Bellevue, WA 98009-9734, by e-mail at customer@pse.com or by telephone at 1-888-225-5773. Additional information about the electric and natural gas filings is available at www.pse.com.