March , 2008

customer name address

Re: Proposed Puget Sound Energy rate increase to Schedule 57 customers

Dear Puget Sound Energy Schedule 57 gas customer:

We understand you may be a gas customer of Puget Sound Energy, receiving interruptible transportation service under Schedule 57. We are currently representing Seattle Steam Company, which also receives interruptible gas transportation service from Puget.

You may not be aware that Puget has filed a general rate proceeding with the Washington Utilities and Transportation Commission in which it has proposed to increase the rates to its largest Schedule 57 customers by 16% or more, is proposing to terminate Schedule 57 by 2012, and assumes that many large Schedule 57 customers will migrate to Schedule 87T in the meantime.

Attached are Puget's proposed revisions to its Schedule 57 and Schedule 87T tariffs. Seattle Steam is interested in having Schedule 57 customers concerned about this rate increase join with it in addressing this issue with the Utilities and Transportation Commission. If you would be interested in participating in this effort, please contact me at this address.

Sincerely,

GRAHAM & DUNN PC

Elaine L. Spencer

ELS/els M38141-1005373