

# IMPORTANT NOTICE FOR PUGET SOUND ENERGY CUSTOMERS ABOUT PROPOSED NATURAL GAS RATE CHANGE

Puget Sound Energy on Sept. 24 filed a request with the state Utilities and Transportation Commission (UTC) to increase natural gas rates. The request proposes an effective date of Nov. 1, 2013. The proposed change is described below.

**Natural Gas—Purchased Gas Adjustment (PGA):** PSE has requested an increase in natural gas bills under the purchased gas adjustment (PGA) rate-setting mechanism, which allows for periodic increases or decreases in PSE natural gas bills to reflect fluctuations in the price of natural gas in the wholesale market and the cost of transporting and storing natural gas for customers. The PGA has two components—one is a projection of the average cost of natural gas supplies over the next year, the other is a true-up of the difference between prior years' projected cost and the actual cost of the supplies. The current true-up component is a credit, which has reduced the overall cost of natural gas to customers. The requested change reduces the credit from approximately 4 cents per therm to approximately 1 cent per therm, which results in an increase in PSE bills.

The wholesale price of natural gas has increased slightly in the past year, but remained below recent historical averages. Projected natural gas costs, which include a combination of short- and longer- term wholesale purchases, are lower than the actual cost of the natural gas supplies purchased this past year for customers. PSE proposes to pass through to customers a reduced charge from an average of 59.3 cents per therm to an average of 57.8 cents per therm.

If approved by the UTC, the net effect of the two components of the PGA-- a lower credit and reduced costs --would increase the average cost of natural gas by 1.5 cents per therm, or by an overall average of 1.5 percent. The cost of natural gas is shown on your PSE bill as "Gas Cost." PSE is not allowed to profit on the natural gas it purchases for customers. PSE issues natural gas bills monthly.

**For households using a 12-month average of 68 therms per month, the PSE bill would increase by 1.4 percent, or \$ 1.07 per month, to \$78.55.**

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

TYPE OF SERVICE	PERCENT INCREASE
Residential, Schedule 23 .....	1.4
Residential Gas Lights, Schedule 16 .....	1.4
Commercial & Industrial, Schedule 31 .....	1.6
Large Volume, Schedule 41 .....	1.3
Interruptible, Schedule 85 .....	2.0
Limited interruptible, Schedule 86.....	1.7
Non-exclusive interruptible, Schedule 87.....	2.1

The UTC will review this filing 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.

**Comments or Questions:** PSE customers may comment to the UTC on this proposed filing by using the online comment form, at <http://www.utc.wa.gov/comment>; by emailing to [comments@utc.wa.gov](mailto:comments@utc.wa.gov); by faxing to 360-664-4291; or mailing your comments to 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. 2013-23. You may also ask questions of the UTC and request that the UTC notify you of the open meeting when this proposal 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](mailto:human_resources@utc.wa.gov).

The public, is represented by the Public Counsel Section of the Washington 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 98104-1012, or by email at [utility@atg.wa.gov](mailto:utility@atg.wa.gov).

If you have questions or comments for PSE about this proposal, 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@pse.com](mailto:customer@pse.com); or by phone at 1-888-225-5773, press option 5.