

IMPORTANT NOTICE FOR PUGET SOUND ENERGY CUSTOMERS ABOUT PROPOSED RATE CHANGES

Puget Sound Energy on Oct. 31, 2013, and on Nov. 22, 2013, filed requests with the state Utilities and Transportation Commission (UTC) for changes in rates. **PSE has requested that the UTC approve the changes to be effective on Jan. 1, 2014.**

The first filing seeks to adjust and true up the pass-through to customers of the federal income tax benefits derived from PSE's investments in the utility-owned and operated Hopkins Ridge and Wild Horse wind facilities. This income tax benefit, listed on PSE electric bills as the "Federal Wind Power Credit," is passed through in its entirety to PSE electric-service customers, and is adjusted annually.

For the typical residential customer using 1,000 kilowatt hours (kWh) of electricity per month, the adjustment of the Federal Wind Power Credit results in a credit reduction, causing a 37-cent per-month, or a 0.38 percent (38 one-hundredths of 1 percent) increase, in the monthly bill, if approved by the UTC. The proposed overall average change due to this annual adjustment for all customer groups with electric service is as follows:

| TYPE OF ELECTRIC SERVICE | PERCENT INCREASE |
|---|------------------|
| Residential—Schedule 7 | 0.37 |
| Secondary Voltage General—Schedules 24, 25, 26 and 29 | 0.31 |
| Outdoor Lighting—Schedules 50-59 | 0.51 |
| Primary Voltage General—Schedules 31, 35, 43 | 0.35 |
| Campus Rate—Schedule 40 | 0.09 |
| High Voltage General—Schedules 46, 49..... | 0.51 |
| Choice/Retail Wheeling—Schedules 449, 459 | 0.00 |

The second filing seeks to adjust the Merger Credit listed on **electric and natural gas bills**. The amount of the Merger Credit will be increased for most customers in 2014, but decreased for a few customers. The Merger Credit was established in February 2009.

For households with natural gas service using a 12-month average of 68 therms per month, the effect of the adjusted Merger Credit would lower the PSE bill by 2 cents, or 0.03 percent, effective Jan 1, 2014.

For households with electric service, using a 12-month average of 1,000 kWh per month, the combined effect of the adjusted Merger Credit and Federal Wind Power Credit would lower the PSE bill by 1 cent, or 0.01 percent, effective Jan. 1, 2014.

The UTC will review 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 it's review.

Comments or Questions: PSE customers may comment to the UTC on these proposed filings by using the online comment form, at <http://www.utc.wa.gov/comment> ; by emailing to comments@utc.wa.gov ;by faxing to 360-664-4261; or mailing your comments to the UTC at P.O. Box 47250, Olympia, WA 98504. If you write, include your name and mailing address, and the name of the company (PSE) and Docket Number UE-132023. You may also ask questions of the UTC and request that the UTC notify you of the open meeting when 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 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 e-mail at 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 e-mail at customer@pse.com; or by phone at: 1-888-225-5773, press option 5.