

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

Puget Sound Energy recently filed requests with the state Utilities and Transportation Commission (UTC) to adjust electric and natural gas rates. The requested changes, proposed to be effective on May 1, 2017, include:

- **Conservation Program Charge** (listed on statement): An increase in electric rates and a decrease in natural gas rates to offset the costs of investments made in energy efficiency programs that are made available to customers.
- **Property Tax Adjustment:** A decrease in most electric and natural gas rates to pass through costs of PSE's property tax charges. Electric retail wheeling, back up and lighting customers, as well as some natural gas interruptible and transportation customers will see a slight increase in rates. The proposed changes would be reflected in the Electricity charge listed on the electric statement and in the Delivery charge listed on the natural gas statement.
- **Revenue Decoupling Adjustment:** An increase in most electric and natural gas rates under the decoupling mechanism, which adjusts rates up or down based on allowed revenue and projected revenue for the year. Large secondary and general primary electric customers, and some interruptible and transportation natural gas customers will see a slight decrease or no change in rates. The proposed changes would be reflected in the Electricity charge listed on the electric statement and in the Delivery charge listed on the natural gas statement.

If approved by the UTC, the requests will increase electric rates by an overall average of 2.7 percent and natural gas rates by an overall average of 2.2 percent. For the typical residential customer using 900 kilowatt hours (kWh) of electricity per month, the proposed adjustments will result in an overall increase of \$3.48 per month.

The overall average increase for electric customers is as follows:

TYPE OF SERVICE—ELECTRIC SCHEDULE	PERCENT CHANGE
Residential Service (Schedule 7).....	3.7 increase
Master Metered Residential Service (Schedule 7A)	3.6 increase
Small General Service (Schedule 8).....	2.3 increase
Small General Service (Schedule 24).....	2.1 increase
Medium General Service (Schedule 11)	2.3 increase
Medium General Service (Schedule 25)	2.1 increase
Large General Service (Schedule 12)	0.3 increase
Large General Service (Schedule 26)	0.2 increase
Seasonal Irrigation & Drainage Pumping Service (Schedule 29)	2.6 increase
Primary Voltage General Service (Schedules 31 & 10)	0.4 decrease
Primary Voltage Irrigation & Drainage Pumping (Schedule 35)	4.3 increase
Large General Service Greater Than 3 aMW (Schedule 40)	3.4 increase
Primary Voltage Interruptible Schools (Schedule 43)	2.0 increase
High Voltage Interruptible Service (Schedule 46)	2.6 increase
High Voltage General Service (Schedule 49).....	3.5 increase
Lighting (Schedules 50–59)	1.4 increase
Retail Wheeling & Back-up Service (Schedules 448–459)	0.1 increase

For the typical residential customer using 64 therms of natural gas per month, the proposed adjustments, will result in an overall increase of \$1.81 per month. The overall average increase for natural gas customers is as follows:

TYPE OF SERVICE—NATURAL GAS SCHEDULE	PERCENT CHANGE
Residential Service (Schedules 23 & 53)	2.7 increase
Lighting (Schedule 16)	0.1 decrease
Commercial & Industrial (Schedule 31)	1.3 increase
Commercial & Industrial Transportation (Schedule 31T)	2.6 increase
Large Volume (Schedule 41).....	1.0 increase
Large Volume Transportation (Schedule 41T).....	2.9 increase
Interruptible with Firm Option (Schedule 85)	0.2 decrease
Interruptible with Firm Option Transportation (Schedule 85T)	0.04 decrease
Limited Interruptible (Schedule 86)	1.3 increase
Limited Interruptible Transportation (Schedule 86T)	2.2 increase
Non-Exclusive Interruptible Gas Service (Schedule 87)	0.2 decrease
Non-Exclusive Interruptible Gas Service Transportation (Schedule 87T)	0.2 increase
Rental Equipment (Schedules 71–74)	0.8 increase

PSE requested these changes through the existing Conservation Rider, Property Tax Tracker, and 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 actual costs. The UTC has the authority to set final rates that may vary from PSE's requests, 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 these proposals by using the online comment form at www.utc.wa.gov/comment; e-mailing to comments@utc.wa.gov; faxing to 360-664-4291; or mailing your 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 a description of the filing(s). You may also ask questions of the UTC and request 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 Office of the Attorney General. 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.

To contact PSE about these proposals: by email, customer-care@pse.com, in writing, ATTN: Customer Care, P.O. Box 97034, Bellevue, WA 98009-9734, by phone, 888-225-5773. Additional information about the electric and natural gas filings is available at www.pse.com.