

IMPORTANT NOTICE FOR PUGET SOUND ENERGY CUSTOMERS ABOUT PROPOSED RATE CHANGES

Puget Sound Energy on Oct. 30 filed a request with the Washington Utilities and Transportation Commission for a change to the pass-through of the federal income tax benefits derived from PSE's investments in the Hopkins Ridge and Wild Horse wind facilities. This income tax benefit, reflected on your PSE electric bill as the "Wind Power Production Credit," is passed through in its entirety to PSE customers and adjusted annually to correspond with the actual energy output of the two wind farms and tax credits actually taken.

The adjustment this year reflects a modest reduction in the amount of credit. **PSE has requested that the UTC approve the change in the credit to be effective Jan. 1, 2010.**

For the typical residential customer using 1,000 kilowatts (kWh) per month, this annual adjustment results in a 44-cent-per-month decrease in the credit, or a 0.48 (48 one-hundredths of 1) percent increase in the monthly bill.

The average proposed change for residential and commercial customers is:

Schedule 7	0.45 percent increase
Schedules 24, 25, 26, 29	0.46 percent increase
Outdoor Lighting.....	0.19 percent increase
Schedules 31, 35, 43.....	0.48 percent increase
Schedule 40	0.56 percent increase
Schedules 46, 49.....	0.59 percent increase
Schedules 449, 459.....	0.00 percent

In addition to the proposed rate adjustment from the change in the Wind Power Production Credit, PSE has proposed that the "Merger Credit" listed on electric and natural gas bills change effective Jan. 1, 2010. The change, representing a one-tenth of 1 percent overall average increase in both electric and natural gas rates for all customers, is due to a lower amount of the Merger Credit since the credit will be shared by a greater number of customers in 2010. The Merger Credit was established in February 2009.

PSE customers may comment to the UTC on this proposal by using the online comment form at www.utc.wa.gov/comment, or by email at comments@utc.wa.gov, or in writing at: UTC, P.O. Box 47250, Olympia, WA 98504-7250; or by fax at: 360-664-4291; or by telephone at 1-888-333-9882.

If you write, include your name and mailing address, the name of the company (PSE) and a description of the filing.

The public is represented by the Public Counsel Section of the Washington Attorney General's Office. You can write 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, you may reach us in writing at Puget Sound Energy, Customer Service, P.O. Box 90868, Bellevue, WA 98009-0868, by e-mail at customer care@pse.com; or by phone at 1-888-225-5773.