

IMPORTANT NOTICE FOR PUGET SOUND ENERGY CUSTOMERS ABOUT PROPOSED CHANGE TO RATES

Puget Sound Energy intended to file on April 11, 2014 requests with the state Utilities and Transportation Commission (UTC) to adjust electric and natural gas rates under the Property Tax Tracker mechanisms approved by the UTC in 2013. The mechanisms allow PSE to pass through the cost of PSE's property tax charges, as they increase or decrease. The electric and natural gas requests represent an overall increase in rates for all customers, except those customers on schedules 46 and 49. The proposed changes are to become effective on May 1, 2014. This increase is reflected as a change in the Electric Energy 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 0.51 percent (51 one-hundredths of 1 percent) and natural gas rates by an overall average of 0.57 percent (57 one-hundredths of 1 percent).

For the typical residential customer who uses an average of 1,000 kilowatt hours (kWh) of electricity per month, the proposed adjustment to the property tax tracker rate would increase by 63 cents per month, increasing the total monthly charge due under the electric property tax tracker mechanism to \$2.87.

The overall average increase for electric customers is as follows:

| TYPE OF SERVICE—ELECTRIC SCHEDULE | PERCENT CHANGE |
|--|-----------------------|
| Residential Service (Schedule 7) | 0.57 increase |
| Residential Service (Schedule 7A) | 0.39 increase |
| Small General Service (Schedules 24 & 8) | 0.38 increase |
| Medium General Service (Schedules 25 & 11) | 0.39 increase |
| Large General Service (Schedules 26 & 12) | 0.56 increase |
| Seasonal Irrigation & Drainage Pumping Service (Schedule 29) | 0.39 increase |
| Primary Voltage General Service (Schedules 31 & 10) | 0.40 increase |
| Primary Voltage Irrigation & Drainage Pumping (Schedule 35) | 0.62 increase |
| Large General Service Greater Than 3 aMW (Schedule 40) | 0.87 increase |
| Primary Voltage Interruptible Schools (Schedule 43) | 0.87 increase |
| High Voltage Interruptible Service (Schedule 46) | 0.02 decrease |
| High Voltage General Service (Schedule 49) | 0.03 decrease |
| Choice/Retail Wheeling (Schedules 448, 449, 458 & 459) | 0.55 increase |
| Outdoor Lighting (Schedules 50–59) | 0.69 increase |

For the typical residential customer using 68 therms of natural gas per month, the proposed adjustment to the property tax rate would increase 42 cents per month, increasing the total monthly charge due under the natural gas property tax tracker mechanism to \$1.88.

The overall average increase for natural gas customers is as follows:

| TYPE OF SERVICE—NATURAL GAS SCHEDULE | PERCENT CHANGE |
|---|-----------------------|
| Residential Service (Schedules 23 & 53) | 0.55 increase |
| Commercial & Industrial (Schedule 31) | 0.70 increase |
| Large Volume (Schedules 41 & 41T) | 0.22 increase |
| Interruptible with Firm Option (Schedules 85 & 85T) | 0.23 increase |
| Limited Interruptible (Schedule 86) | 1.00 increase |
| Non-Exclusive Interruptible Gas Service (Schedule 87 & 87T) | 0.29 increase |
| Rentals (Schedules 71, 72 & 74) | 1.74 increase |

PSE requested this change through the existing Property Tax Tracker mechanisms previously approved by the UTC. The mechanisms allow PSE to periodically adjust its electric and natural gas rates to reflect changes in property tax assessed on PSE.

The UTC 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 on proposals: PSE customers may submit comments to the UTC about this proposal by using the online comment form at <http://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 Advice No. 2014-12 for electric property tax and Advice No. 2014-13 for natural gas property tax. You may also ask questions of the UTC and request that 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 Washington State 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 98104-3188, or by e-mail at utility@atg.wa.gov.

If you have questions or comments for PSE about these proposals, you may submit those questions or comments by mailing, e-mailing or calling PSE at: Puget Sound Energy, ATTN: Customer Service, P.O. Box 90868, Bellevue, WA 98009-0868, by e-mail at customer@pse.com or by telephone at 1-888-225-5773. Additional information about the electric and natural gas filings is available at www.pse.com.