

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

Puget Sound Energy (PSE) 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, 2018, include:

- **Federal Tax Reform:** A decrease in electric and natural gas rates to pass through corporate tax savings to all PSE customers due to the new federal tax reform law. The proposed changes would be reflected in multiple charges listed on the electric and natural gas statements.
- **Federal Wind Power Credit:** A reduction in the pass-through of federal income tax benefits derived from PSE's investments in utility-owned and operated wind facilities due to the new federal tax reform law. The filing requests to decrease the credit, which will increase rates for all electric customers. The proposed changes would be reflected in Other Electric Charges & Credits on the electric statement.
- **Conservation Program Charge** (listed on statement): A decrease in electric rates and both decreases and increases to natural gas rates to offset the costs of investments made in energy efficiency programs that are made available to customers.
- **Property Tax Adjustment:** An increase in most electric and a decrease in all natural gas rates to pass through costs of PSE's property tax charges. 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 rates and a decrease or no change, to most natural gas rates under the decoupling mechanism, which adjusts rates up or down based on allowed revenue and actual revenue for the year. Residential natural gas customers would see an 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.

If approved by the UTC, the requests would decrease electric and natural gas rates by overall average percentages of 5.0 percent and 1.3 percent, respectively. For the typical residential customer using 900 kilowatt hours (kWh) of electricity and 64 therms of natural gas per month, the proposed adjustments would result in an overall decrease of \$6.87 per month, and an overall increase of \$0.41 per month, respectively.

TYPE OF SERVICE—ELECTRIC SCHEDULE

PERCENT CHANGE

Residential Service (Schedule 7)	7.0 decrease
Master Metered Residential Service (Schedule 7A).....	2.1 decrease
Small General Service (Schedules 24 & 8)	2.9 decrease
Medium and Large General Service (Schedules 25, 11, 12 & 26)	2.1 decrease
Seasonal Irrigation & Drainage Pumping Service (Schedule 29)	3.6 decrease
Primary Voltage General Service (Schedules 31 & 10).....	2.6 decrease
Primary Voltage Irrigation & Drainage Pumping (Schedule 35)	5.7 decrease
Large General Service Greater Than 3 aMW (Schedule 40)	4.1 decrease
Primary Voltage Interruptible Schools (Schedule 43)	4.7 decrease
High Voltage Interruptible Service (Schedule 46)	1.8 decrease
High Voltage General Service (Schedule 49)	2.4 decrease
Lighting (Schedules 50–59).....	4.8 decrease
Retail Wheeling & Back-up Service (Schedules 448–459)	5.8 decrease

TYPE OF SERVICE—NATURAL GAS SCHEDULE

PERCENT CHANGE

Residential Service (Schedules 23 & 53)	0.6 increase
Lighting (Schedule 16)	3.4 decrease
Commercial & Industrial (Schedule 31).....	6.4 decrease
Commercial & Industrial Transportation (Schedule 31T)	9.5 decrease
Large Volume (Schedule 41)	2.7 decrease
Large Volume Transportation (Schedule 41T).....	7.0 decrease
Interruptible with Firm Option (Schedule 85)	1.2 decrease
Interruptible with Firm Option Transportation (Schedule 85T)	5.1 decrease
Limited Interruptible (Schedule 86).....	3.2 decrease
Limited Interruptible Transportation (Schedule 86T)	7.6 decrease
Non-Exclusive Interruptible Gas Service (Schedule 87)	0.8 decrease
Non-Exclusive Interruptible Gas Service Transportation (Schedule 87T)	6.2 decrease
Rental Equipment (Schedules 71–74)	6.9 decrease

PSE requested changes to the existing Conservation Rider, Property Tax Tracker, and Decoupling Adjustment through 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@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.