

June 2008 Puget Sound Energy bill package inserts and information 1.4 million bills

- Outside envelope: Customer Service Guarantee message
- Return envelope: Go paperless with e-Bill message
- Back of bill: Ways to pay your bill; Customer services phone numbers; Bill statement codes; Bill statement definitions; Emergency or power outage phone numbers in English, Spanish, Chinese and Russian; Customer Service Guarantee; Contact for questions about your bill or service; and Late payment fee information
- EnergyWise Newsletter May/June – PSE pursues infrastructure investments to meet customer needs. Update on merger proposal. Residential electric customers receive one-time credit. We'll be there on time, guaranteed. Check the natural gas piping you own. Ask Andy. Go Paperless with your PSE bill. Understanding meter readings. Energy tip.
- Insert: Notice Concerning Customer Information
- Insert: Save \$500 on new ENERGY STAR[®] qualified windows through PSE's Contractor Referral Service.
- Insert: Save Energy and money with rebates from PSE
- Insert: Join the Green Power Program and receive a complimentary gourmet chocolate sampler
- Insert: Resolve to be greener with PSE's 100% green option.



PUGET SOUND ENERGY

The Energy To Do Great Things

*P.O. Box 90868
Bellevue, WA 98009-0868*

PRESORTED
FIRST-CLASS MAIL
U.S. POSTAGE PAID
PSE

YOUR PUGET SOUND ENERGY BILL ENCLOSED

1-1/16"

1-1/8" x 4-1/8"

3/4"

Customer Service Guarantee

When you make a service appointment with Puget Sound Energy, we'll be there on time. We guarantee that we will arrive at the time mutually agreed upon to:

- ▶ *Connect new permanent service lines and meters*
- ▶ *Re-establish existing natural gas or electric service following move-out/move-in or disconnection for nonpayment.*
- ▶ *Keep natural gas equipment service appointments.*

If we cannot meet our commitment, we'll credit \$50 to your PSE bill. This guarantee applies in the absence of major storms, earthquakes, supply interruptions, or other significant adverse events beyond our control. In those cases, appointments will be rescheduled as soon as possible.



PLACE
STAMP
HERE

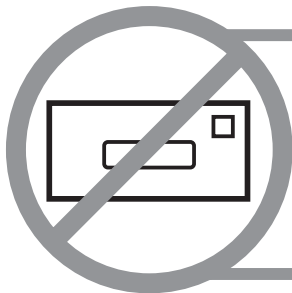




PUGET SOUND ENERGY

The Energy To Do Great Things

Prints on flap



Go Paperless with e-Bill.

**Sign up for Puget Sound Energy's
free online bill payment service at
www.pse.com.**

Ways to Pay Your Bill

For your convenience, Puget Sound Energy (PSE) offers several payment options:

- **Online at PSE.com** via My PSE Account
- **Automatic withdrawal** from your bank account
- **Credit/debit cards or check by phone** (transaction fee applies)
- **By mail to** Puget Sound Energy, Payment Processing BOT-01H, P.O. Box 91269, Bellevue, WA 98009-9269
- **Budget Payment Plan** helps even out bills
- **In person** at an authorized pay station see PSE.com for payment locations

Ways to Reach Us

PSE Customer Service 1-888-225-5773

Local, outside Washington state or Internet 1-425-452-1234

TTY hearing/speech impaired 1-800-962-9498

TRS Telecommunications Relay Services 1-866-831-5161

PSE Customer Construction Services 1-888-321-7779

Business hours: 7 a.m. – 5 p.m. Monday – Friday

PSE Energy Advisors 1-800-562-1482

Business hours: 8 a.m. to 5 p.m. Monday – Friday

Bill Statement Codes

ESTM — *Estimated*

PRRT — *Prorated*

CORR — *Corrected/Adjusted*

ACTL — *Actual*

Emergency or Power Outage

Dial 1-888-225-5773

To report a natural gas or electric emergency or a power outage, 24 hours a day, call **1-888-225-5773**

Para informar sobre la emergencia del fallo de gas o electricidad 24 horas al dia, llame **1-888-225-5773**

若欲報告有關煤氣或電力故障，或停電，每天24小時均可致電 **1-888-225-5773**。

Чтобы сообщить об аварии, связанной с природным газом или электроэнергией, или о перерыве в подаче электроэнергии, звоните по телефону **1-888-225-5773** круглосуточно

We can translate for other languages.

Just call **1-888-225-5773**

Customer Service Guarantee

When you make a service appointment with PSE to install new service, re-establish existing service, or for natural gas appliance diagnostic and repair service, we'll be there on time. If we cannot meet our commitment, we'll credit \$50 to your PSE bill. Exceptions apply for major storms or adverse events beyond our control.

Questions about Your Bill or Service

If you have questions or concerns or a dispute regarding your energy bill or service, please call us Monday - Friday, 7:30 a.m. to 6:30 p.m. at 1-888-225-5773 for billing inquiries. Any necessary corrections will be made promptly. If further follow-up is required, ask a PSE Customer Services supervisor to assist you. Every effort will be made to resolve disagreements and misunderstandings. If you are dissatisfied with the resolution, you may contact the Consumer Affairs section of the Washington Utilities and Transportation Commission at 1-800-562-6150 or complete an online complaint form at www.wutc.wa.gov. Copies of information on rules, rates, regulations and customer rights and responsibilities are available by calling 1-888-225-5773 and at PSE.com.

Late Payment Fee

Your bill is due upon delivery. When a bill remains unpaid for more than 30 days after the bill mailing date, a 1 percent per month late fee will be applied to the unpaid balance. The late payment fee will be delayed 30 days for customers with past due balances who have notified PSE that they have applied to an agency for financial aid. Customers on the Budget Payment Plan will be exempt from the late payment fee as long as they remain on the Budget Payment Plan

Bill Statement Definitions

Customer Charge

A customer charge covers a portion of the costs for billing, meter reading and other related fixed costs. These fixed costs do not vary with the amount of electricity or natural gas used.

Delivery Charge

This charge is for the construction, operation and maintenance of natural gas pipes, gate stations, pressure regulators and other equipment necessary for the delivery of natural gas to you, based on the amount of natural gas used.

Electric/Natural Gas Conservation Program Charge

Every customer helps pay for the costs of weatherization and conservation programs.

Energy Exchange Credit

The credit is from Columbia River benefits supplied by the Bonneville Power Administration. The credit is paid to our residential and small farm electricity customers of low-cost power generated by federal hydroelectric dams.

Btu Factor

British thermal unit is a measure of heat content. The Btu factor is an adjustment factor based on the actual heat content of the natural gas.

CCF

CCF stands for hundreds of cubic feet, a measure of the volume of natural gas used.

Therm

A therm is a unit of heat that equals 100,000 Btu. A therm is the volume of gas (CCF) that when multiplied by the Btu factor equals 100,000 Btu. A natural gas stovetop burner burning for 10 hours would use approximately one therm of natural gas. One therm of natural gas is equivalent to 29.3 kWh of electricity.

kWh

A kilowatt hour is a measure of 1,000 watts of electricity consumed in 1 hour. A 100-watt light bulb consumes 1kWh of electricity over 10 hours.



PSE pursues infrastructure investments to meet customer needs

In the next 20 years, our region's population is expected to grow by 1 million people, or nearly 30 percent. With that population increase comes increasing demand for both natural gas and electricity. Here are some of the steps PSE is taking to keep up with our customers' needs:



- ◆ **More renewable generation** – PSE has announced a proposed expansion to the Wild Horse Wind Facility in Kittitas County, increasing its generating capacity to the equivalent of the needs of more than 65,000 households.
- ◆ **More natural gas-fired generation** – PSE will finalize the purchase of a 125-megawatt generation plant in Sumas later this year.
- ◆ **More natural gas storage and delivery** – PSE has just finished drilling the last of 10 wells at our Jackson Prairie natural gas storage facility in Lewis County, which will increase capacity by 35 percent later this year.
- ◆ **Future projects** – Rising electricity use is expected to add demand equivalent to that of two cities the size of Seattle to PSE's service territory by the year 2025. In addition to increasing energy efficiency efforts, PSE's planners are examining new sources of wind power and other renewable energy sources, as well as natural gas supplies and natural gas-fired generation, through request for proposal processes.

Update on merger proposal

Shareholders of Puget Energy, the parent company of Puget Sound Energy, at a special meeting in April approved the merger with a consortium of North American infrastructure investors by more than the required two-thirds vote. Also in April, the Federal Energy Regulatory Commission conditionally approved the merger, which remains subject to review and approval by the Washington Utilities and Transportation Commission and other federal agencies. Puget Energy expects reviews of the merger to be completed in the second half of 2008. The merger will give PSE access to capital to upgrade and build the electric and natural gas systems, and invest in new generation resources.

Residential electric customers receive one-time credit

PSE residential electric customers are receiving a one-time rate cut. The 24 percent decrease is the result of a \$20 million benefit the Bonneville Power Administration has agreed to pay PSE as an interim way to share the Northwest's low-cost federal hydropower. The credit, which amounts to about \$22.44 for an average home, is appearing in PSE's bills for one month, from April 11 through May 11. PSE continues to work to restore the residential exchange credit, which was suspended by the BPA in May 2007.

04/11/08	05/11/08	Customer Charge		\$6.02
04/11/08	05/11/08	Energy Charge	600 KWHS @ \$.074636 Per KWH	\$44.78
04/11/08	05/11/08	Energy Charge	400 KWHS @ \$.092444 Per KWH	\$36.98
04/11/08	05/11/08	Electric Conservation Program Charge	1000 KWHS @ \$.003137 Per KWH	\$3.14
04/11/08	05/11/08	Power Cost Adjustment	1000 KWHS @ \$.003245 Per KWH	\$3.25
04/11/08	05/11/08	Energy Exchange Credit	1000 KWHS @ \$.022444 CR Per KWH	\$22.44CR
04/11/08	05/11/08	Wind Power Production Credit	1000 KWHS @ \$.001404 CR Per KWH	\$1.40CR
Current Electricity Charges				\$70.31

Puget Sound Energy 1-888-225-5773 • PSE.com • Go paperless. Manage your account and pay online.



We'll be there on time, guaranteed

When you make a service appointment with PSE, we guarantee that we'll be on time. What's more, we'll credit \$50 to your PSE bill if we're unable to follow through with our commitment. The guarantee applies to the following services:

- ◆ New permanent service line and meter connections
- ◆ Re-connects of existing natural gas or electric service after move-outs and move-ins, or following disconnection for nonpayment
- ◆ Natural gas equipment service appointments

Our customer service guarantee almost always applies, with only a few exceptions: during and after major storms, earthquakes, energy supply interruptions, or other significant events beyond PSE's control. In these cases, we will reschedule your appointment as quickly as possible.



Guarantee

Check the natural gas piping you own

PSE regularly inspects the underground natural gas pipelines in the street and to your meter to make sure they are operating properly and safely. If you have buried piping to personal property, including pools, hot tubs, natural gas barbecues or detached buildings, the piping is not maintained by PSE, unless PSE installed and agreed to maintain the piping.

Buried piping may leak or corrode if it is not maintained. Buried piping should be periodically inspected for leaks and corrosion and repaired if any unsafe condition is discovered. Have a licensed plumbing contractor do the inspection and any necessary repairs. If you plan to excavate near your buried piping, it should be located by the contractor in advance and the excavation should be done by hand.

Understanding meter readings

Your natural gas meter measures the amount of natural gas you use in therm units. Your electric meter measures the amount of electricity in kilowatt hour (kWh) units.

The amount of natural gas you use is listed on your bill in the "Delivery Charge" and "Cost of Gas" sections, and your electric use is itemized as the "Energy Charge." Your use of either natural gas or electricity appears on the bar graph of the chart. If you see \$.00 in the delivery or energy charge sections (see illustration) and no bar lines on the graph on your bill during a month you know you used the energy, please call us at 1-888-225-5773 to help us make sure your bill is correct.

Natural gas			
04/11/08	05/11/08	Customer Charge	\$8.25
04/11/08	05/11/08	Delivery Charge	\$.00
04/11/08	05/11/08	Cost of Gas	\$.00
			\$8.25
Electricity			
04/11/08	05/11/08	Customer Charge	\$6.02
04/11/08	05/11/08	Energy Charge	\$.00
			\$6.02

Ask Andy

AskAndy@PSE.com is a new way to get your energy efficiency questions answered. Meteorologist Andy Wappler, now part of the PSE team, is posting his answers to your questions at PSE.com.

Go paperless with your PSE bill

Log on to PSE.com and register for "My PSE Account" to monitor your daily energy use and pay your bills online.

ENERGY TIP:

Receive a rebate

Receive a rebate with free refrigerator pick-up

That old fridge or freezer taking up space in your garage or basement is also hogging energy (as much as four times the energy of newer models). For residential electric customers, PSE offers a \$30 rebate with free pick up and recycling for old refrigerators and/or freezers that are still working and have an inside measurement of 10 cubic feet or more. To schedule your pickup, visit www.jacoinc.net or call 1-877-577-0510.



Notice Concerning Customer Information

This notice describes how Puget Sound Energy (PSE) handles your private information (such as your name, address, telephone number and other personal information), collected by virtue of the customer-utility relationship.

PSE's business practices are regulated by the Washington State Utilities and Transportation Commission (UTC). The UTC has regulations which limit how PSE may disclose or sell your private customer information.

UTC regulations require PSE to obtain the customer's written permission before disclosing or selling any private customer information to affiliates, subsidiaries or other third parties for purposes of marketing services or products. In other words, before we provide your name, service address or other private information to any service or product provider who intends to market services or products to you, we must obtain your written permission to do so first. If you choose not to give us permission, we will not provide any of your personal information to these third parties.

We may, however, insert marketing information into our billing packets. PSE also may share aggregated information, which does not allow you to be personally identified or contacted (for example, information on demographic and site usage), with third parties such as partners and advertisers, without your authorization. This information will not contain any material which could personally identify any individual person, or customer.

We respect your privacy. For more information about our privacy policies, please contact us at 1-888-225-5773 or visit the PSE web site at www.pse.com.



PUGET SOUND ENERGY

The Energy To Do Great Things



SAVE \$500 **on new energy-efficient windows**

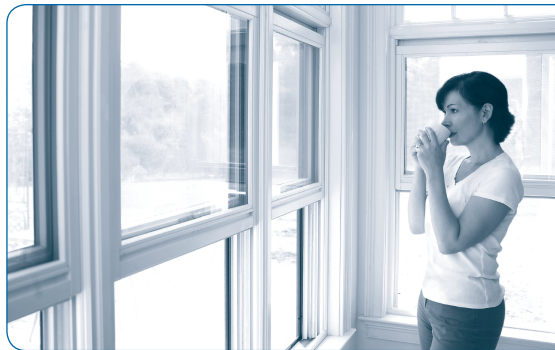
ACT NOW! Your window of opportunity ends soon.



Right now, you can save \$500 on your next purchase of seven or more ENERGY STAR® qualified windows from a pre-screened, independent contractor from Puget Sound Energy's Contractor Referral Service.

Energy-efficient windows:

- Keep you warmer in the winter, cooler in the summer
- Add value to your home
- Can reduce your energy bills by 15 percent



Hurry! Offer good through July 31, 2008. For more information, call a PSE Energy Advisor at 1.800.562.1482.

3230 4/08

Time for new windows? Get \$500 in savings!



PUGET SOUND ENERGY

The Energy To Do Great Things

Please fill out this form and return it in your bill payment envelope.

I give permission for Puget Sound Energy (PSE) to provide my contact information to independent, pre-screened contractors from PSE's Contractor Referral Service. I can expect a telephone call from one or more contractors to arrange for a no-obligation estimate(s). *Your signature is required below.*

Name _____ Signature _____
(please print)

Service Address _____ City _____ State _____ ZIP _____

Mailing Address (if different) _____ City _____ State _____ ZIP _____

Phone _____ PSE Account No. _____
(optional)

E-mail _____ Yes! Sign me up for PSE's free *Energy at Home* e-newsletter.

I would also like a referral for:

Weatherization
(Up to \$1,600 in rebates[†])

Natural Gas Furnace
(\$350 rebate*[†])

Air-Source Heat Pump
(Up to a \$350 rebate*[†])

Natural Gas Tankless Water
Heater (\$150 rebate*[†])

Natural Gas Water Heater
(\$50 rebate*[†])

[†] Available for qualifying homes

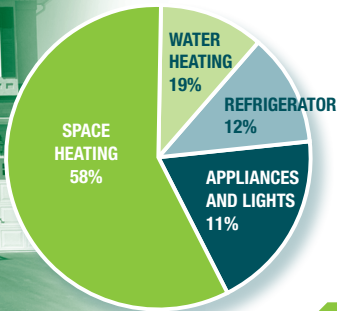
* Available for qualifying models



PSE.com



LOOKING FOR WAYS TO SAVE ENERGY? PSE CAN HELP.



Space heating and water heating can account for up to 77 percent of the energy usage in your home. Take advantage of PSE's rebates to save energy and increase your comfort. PSE can even recommend pre-screened, independent contractors to help with the purchase and installation of energy-efficient equipment.

**For more information, call a
PSE Energy Advisor at 1.800.562.1482.**

PSE.com



PUGET SOUND ENERGY

The Energy To Do Great Things

Save energy and money with rebates from PSE

Please fill out this form and return it in your bill payment envelope.

I give permission for Puget Sound Energy (PSE) to provide my contact information to independent, pre-screened contractors from PSE's Contractor Referral Service. I can expect a telephone call from one or more contractors to arrange for a no-obligation estimate(s). *Your signature is required below.*

ADDITIONAL
INCENTIVES
AVAILABLE!

Name _____ Signature _____
(please print)

Service Address _____ City _____ State _____ ZIP _____

Mailing Address (if different) _____ City _____ State _____ ZIP _____

Phone _____ PSE Account No. _____
(optional)

E-mail _____ Yes! Sign me up for PSE's free *Energy at Home* e-newsletter.

I would also like a referral for:

- Natural Gas Furnace (\$350 rebate*)
- Air-Source Heat Pump (Up to a \$350 rebate*)
- Natural Gas Tankless Water Heater (\$150 rebate*)
- Natural Gas Water Heater (\$50 rebate*)
- Weatherization (Up to \$1,600 in rebates†)

Join the Green Power Program

and receive a complimentary gourmet chocolate sampler

Puget Sound Energy and Theo Chocolate, a Pacific Northwest green power business, have teamed up to thank you for joining PSE's Green Power Program. Sign up today and receive a gourmet chocolate sampler compliments of Theo Chocolate.



Puget Sound Energy's Green Power Program supports the development and use of electricity from renewable sources here in the Pacific Northwest including wind (86%), sun (1%) and biomass (14%). It's easy to participate, simply fill out this form and return it in your bill payment envelope **or** visit PSE.com **or** call 1.800.562.1482. The complimentary gift offer is available until June 15, 2008.



Questions? Please call an Energy Advisor at 1.800.562.1482



PUGET SOUND ENERGY

The Energy To Do Great Things



Resolve to be greener

with PSE's new 100 percent Green Power option

Since 2003, Puget Sound Energy's voluntary Green Power Program has been an easy and affordable way to support the development of green power resources here in the Pacific Northwest with participation starting at \$4 per month.

PSE's Green Power Program is proud to now offer a 100 percent option. By choosing the 100 percent option you can automatically green all of your home's energy use. This means an energy-efficient household using 800 kWh per month would pay only \$10 more for green power each month!



Sign up today!

For more information, visit PSE.com or call a PSE Energy Advisor at 1.800.562.1482.



Join PSE's Green Power Program



Please sign me up for PSE's Green Power Program* at a per month level of:

- \$4/month (minimum) \$6/month **100 Percent Option** (adjusts to green all of your kWh electric usage each month.)
 Other _____ \$4 min.+ any multiple of \$2/month

Please return this completed form with your bill payment. The amount of your green power purchase will be added to your Puget Sound Energy (PSE) electric bill each month until you call 1.800.562.1482 to discontinue your participation.

Green-e



green-e.org



PSE.com

3781 6/07



Name _____ (optional) PSE Account #

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Service Address _____ City _____ State _____ ZIP _____

Mailing Address (if different) _____ City _____ State _____ ZIP _____

Phone _____ Best time to call _____

E-mail _____ Yes! Sign me up for PSE's free *Energy at Home* e-newsletter.

* Available to PSE electric customers only.