

April 2008 Puget Sound Energy bill package inserts and information

1.4 million bills (Note: April bills are split to show rate change in the Electric and Gas Conservation Program Charge)

- 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 March/April – Spring the season of renewal and a reminder to think and be green. Customers are buying and producing their own green power. Have a question? Ask Andy! Please call before you dig. Fluorescent light disposal just got easier. Bringing biodiesel into the picture. PSE programs can help pay the bills. Going paperless with your PSE bill. Arbor Day 2008. Energy Tip: Convert to natural gas water heating.
- Bill print message
- Insert: Notice of requested rate increase
- Insert: Notice of proposed merger
- Insert: 2007 customer service performance report card, 2006-2007 energy efficiency performance report card
- Insert: PSE offers rebates on energy-efficient products for your home.
- Insert: Join the Green Power Program and receive a complimentary gourmet chocolate sampler
- Insert: Save energy and money with rebates from PSE.



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.*

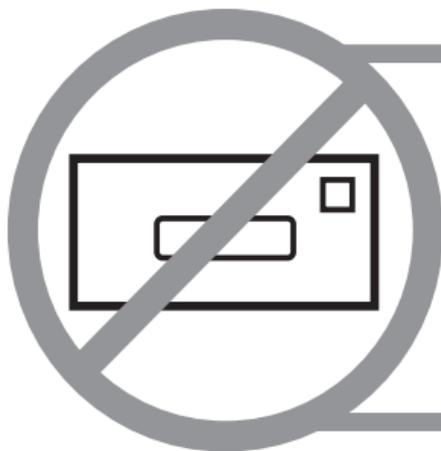
If we cannot meet our commitment, we'll credit \$50 to your PSE bill. This guarantee applies in the absence of major storms, earthquakes, supply interruptions, or other significant adverse events beyond our control. In those cases, appointments will be rescheduled as soon as possible.



PUGET SOUND ENERGY

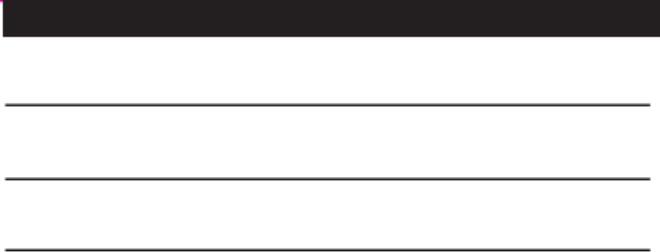
The Energy To Do Great Things

Prints on flap



Go Paperless with e-Bill.

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



PLACE
STAMP
HERE



4-13/16

3/4 x 2-7/16 window

BELLEVUE. WA 98009-9269

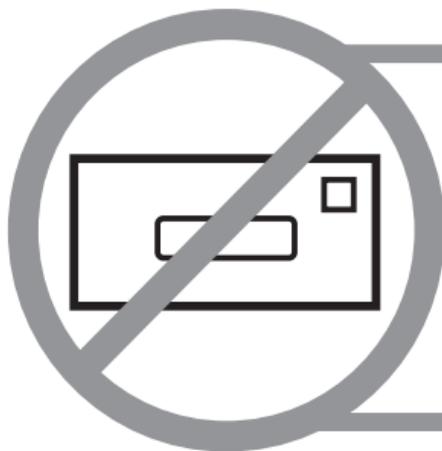
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PUGET SOUND ENERGY

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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.

Bill Print Message April 2008:

Effective April 1, 2008 your bill reflects a slight increase in the rate for the Conservation Program Charge to offset higher costs for the energy-efficiency services we provide customers. The rate increase averages 1.48 percent for all electric customers and 0.11 percent (about one-tenth of 1 percent) for all gas customers. The percent increase varies with energy use and rate classification.

ENERGYWISE

MARCH-APRIL 2008



SPRING — The season of renewal... and a reminder to think and be green

This time of year, with spring, Earth Day and Arbor Day celebrations around the corner, it is a good time to think about what it means to be green and to do something about it. At Puget Sound Energy, our customers and employees take environmental responsibility seriously and set a strong regional example. Here are some details:

Customers are buying and producing their own green power

- ◆ More than 20,000 PSE customers from Bellingham to Olympia have signed up to purchase 100 percent green power, which supports the development of additional renewable energy resources in the Pacific Northwest. For as little as \$4 per month, you can support the purchase of 320 kwh of renewable electricity. Electricity generated by Green Power-supported renewable resources is delivered to the Northwest power supply grid, increasing the ratio of renewable energy in the Northwest power pool. Since 2002, PSE's Green Power Program, identified as one of the top 10 in the country by the National Renewable Energy Laboratory, has offered customers the option to voluntarily support renewable energy.



Have a question? Ask Andy!

Do you have a question about climate change, energy efficiency, renewable energy or local weather? Meteorologist Andy Wappler is now part of the

Puget Sound Energy team, and is ready with tips on how you and your family can make smart energy choices. Just e-mail him at AskAndy@PSE.com, and look for the answer at PSE.com.



Source: Port Townsend solar installation company

- ◆ Nearly 250 PSE customers throughout Western Washington are generating their own green power — by producing solar power, as well as wind, hydroelectricity and using dairy anaerobic digester systems and other resources right from their very own roofs and backyards.
- ◆ Thanks to PSE and the Bonneville Environmental Foundation, more schools in PSE's service area are installing solar photovoltaic systems. These schools' systems increase visibility of renewable energy generating technology and demand for renewable energy resources.

Please call before you dig

If your spring projects include building a fence, planting a tree or installing a sprinkler system, it's important to have all utilities marked before doing any digging at depths of 12 inches or more. That's the law. Dial 811 —



Know what's below.
Call before you dig.

"Call Before You Dig" — at least two working days in advance of any excavation. This is required even when working in your own yard. A utilities location technician will come to your address to mark where underground utilities are located so you can work safely around them.

Be careful when digging, because a scratch, dent or gouge to a natural gas pipe could become a safety concern. If you're aware of possible damage to natural gas pipes or to electric systems, or if you smell the odor of natural gas, take these steps:

- Quickly move to a safe location
- Call 911 after you're at a safe distance
- Report it to Puget Sound Energy at 1-888-225-5773

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

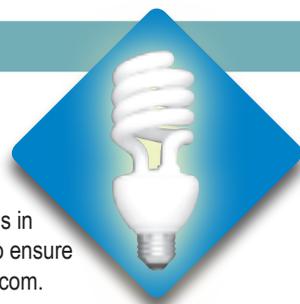


PUGET SOUND ENERGY

The Energy To Do Great Things

Fluorescent light disposal just got easier

Switching from traditional light bulbs to compact fluorescent lights (CFLs) is an effective way to save energy. As we encourage the use of CFLs, we want to help you dispose of them properly to protect the environment. PSE has set up drop-off locations in Bellevue, Bellingham, Tacoma, Olympia, Port Townsend, Burlington and Ellensburg to ensure that mercury from the lights is properly recycled. For a list of disposal sites, visit PSE.com.



Bringing biodiesel into the picture

Three years ago, PSE started using biodiesel fuel in 10 of our electric-service bucket trucks. In 2008, we will use the fuel in more than 250 of our vehicles and equipment. Over the next two years, we expect to reduce carbon emissions from our fleet by more than 5 percent. Making our fleet cleaner and greener will help achieve immediate gains in reduced greenhouse gas emissions.



Going paperless with your PSE bill

More than 330,000 customers have chosen to skip the hassles of writing checks and buying postage for the convenience of viewing and paying their energy bill and reading EnergyWise online. Our online customers save approximately 1 million pages of paper every month. To sign up, go to PSE.com.

We're proud of what we've accomplished together. We're confident that with your help we can take these efforts to new levels.

Arbor Day 2008

Each year PSE and our employees participate in Arbor Day events throughout the region, ranging from donating trees to the community, to sponsoring the state's Arbor Day Poster Contest for fifth grade students, to joining community volunteer activities. We'll be doing much the same for Earth Day.



PSE programs can help pay the bills

Spring is in the air, but customers are just now receiving their energy bills for the previous cold months. If you need help with your bill, visit PSE.com or call us at 1-888-225-5773.

There are a number of different options for customers seeking assistance with their energy bill:

- ◆ PSE's \$7.9 million Home Energy Lifeline Program, or HELP, assists qualifying low-income customers with up to \$750 in utility bill credits. Nearly 18,000 families already have participated during this past heating season.



- ◆ PSE's Warm Home Fund extends short-term emergency bill assistance each year to more than 4,000 qualifying households through The Salvation Army. You may contribute to the Warm Home Fund when you pay your PSE bill.



- ◆ PSE's Budget Payment Plan, available to all residential customers, averages bill payments over a 12-month period.

For energy-saving tips or for more information about bill assistance, call us at 1-888-225-5773 or visit PSE.com.

ENERGY TIP: Convert to natural gas water heating

Heating water is second largest energy user in home

If you already heat your home with a natural gas furnace, replacing your electric water heater with a natural gas model means lower energy bills, improved reliability and more hot water. Call a PSE Energy Advisor at 1-800-562-1482 or visit PSE.com.

NOTICE OF REQUESTED RATE INCREASE

You have an opportunity to comment on PSE's requested rate increase. The Washington Utilities and Transportation Commission will hold three public hearings on this rate request as well as PSE's merger application.

(Please see separate notice for additional merger information)

In December 2007, Puget Sound Energy (PSE) asked the Washington Utilities and Transportation Commission (UTC) for approval to increase its rates by \$174.5 million (9.5 percent overall) for electric customers and \$56.7 million (5.31 percent overall) for gas customers. The primary purpose of these increases would be to recover PSE's costs, including:

- New plant to provide service to customers—increases of \$25.8 million for electric and \$15.5 million for natural gas.
- Depreciation costs—increases of \$12.8 million for electric and \$18.9 million for natural gas.
- \$55.1 million for increases in electric power cost.
- Return on shareholder investment—increases of \$12.2 million for electric and \$5.0 million for natural gas.
- \$16.6 million increase in costs related to storm damage restoration. This amount is a portion of the

6:30 p.m. Public hearing dates and locations

May 15 Bellevue	May 20 Bellingham	June 4 Olympia
Bellevue Community College Room 130 B 3000 Landerholm Circle S.E.	Bellingham Senior Activity Center 315 Halleck Street	Washington Utilities and Transportation Commission 1300 S. Evergreen Park Dr. S.W.

\$83.6 million total cost of the 2006 Hanukkah Eve storm, as well as a portion of the \$28.5 million from other 2003 through 2007 storms. PSE's request would collect the total storm costs in rates over a period of years.

The UTC has the authority to approve rates that are higher or lower than PSE's request depending on the results of its investigation. The UTC will conduct an investigation to determine if the proposed rates are fair. The UTC staff, PSE, Public Counsel Section of the Attorney General's Office, and other parties will participate. The new rates will become effective upon completion of the UTC's investigation, which may take up to 11 months.

The UTC will hold three public hearings so that customers have an opportunity to tell the UTC commissioners their opinions about the rate increase request.



PUGET SOUND ENERGY
The Energy To Do Great Things

You are invited to comment to the UTC:

- in person at one of three public hearings (outlined in this notice)
- in writing (see card at right):
UTC
P.O. Box 47250
Olympia, WA 98504-7250
- by telephone at: **1-800-562-6150**
- via UTC web form:
<http://www.utc.wa.gov/comment>
- by email at:
comments@utc.wa.gov
- by fax at: **360-664-4291**

Please reference docket numbers **UE-072300 (electric) and/or UG-072301 (natural gas)** in your correspondence.

COMMENT CARD

----- cut along dotted line place in envelope, mail to UTC address at left -----

Please use this card or send a letter.

Customer Name: _____

Address: _____

Phone: _____ Email: _____

Docket Number: UE-072300 (electric) UG-072301 (natural gas)

Comments: _____

more room on back

Effects on residential customers

Based on the overall or average Increase ⁽¹⁾ shown below, the request will result in increases for the typical residential electric and for the typical natural gas customer as follows:

Electric Service at 1000 kWh per month⁽²⁾:		
	Current Bill	Proposed
Average rate ⁽³⁾ per kwh	8.53¢	9.29¢
Basic charge per month	\$6.02	\$9.00
Total	\$91.27	\$101.91

Natural Gas Service at 68 therms per month⁽²⁾:		
	Current Bill	Proposed
Average rate ⁽⁴⁾ per therm	31.248¢	23.719¢
Basic charge per month	\$8.25	\$18.00
Total	\$82.08	\$86.68

Note: The figures shown here are ranges and averages. It is not possible to set out every service or every variation in this brief notice.

⁽¹⁾ Individual rate schedules will see a greater or lesser increase than the overall or average Increase shown depending on the amount of usage.

⁽²⁾ Most electric and all gas customers are billed monthly. Some electric customers are billed every other month.

⁽³⁾ Current and proposed electric rates shown above represent the average cost of energy and other per kwh charges.

⁽⁴⁾ Current and proposed natural gas rates shown above represent per therm charges except for the cost of the gas commodity.

Summary of requested rate increases

	Overall \$ Increase	Overall % Increase
Electric	\$174,482,512	9.5%
Type of Service	Electric Schedule(s)	Average Increase ⁽¹⁾
Residential	7	11.8%
Non-Residential	24, 25,	6.4%
Secondary Voltage	26, 29	
Non-Residential Primary	31, 35, 43	9.4%
Campus	40	5.0%
Non-Residential High Voltage	46, 49	9.4%
Non-Residential		
Primary/High Voltage	449, 459	9.4%
Lighting	50-59	7.1%
PSE has proposed to increase the monthly residential electric basic charge from \$6.02 to \$9.00.		

⁽¹⁾ Individual rate schedules will see a greater or lesser increase than the overall or average Increase shown depending on the amount of usage.

	Overall \$ Increase	Overall % Increase
Natural Gas	\$56,770,922	5.31%
Type of Service	Natural Gas Schedule(s)	Average Increase ⁽¹⁾
Residential	23	5.73%
Commercial & Industrial	31	6.86%
Non-Residential		
High Load Factor	41	0.00%
Non-Residential Interruptible	85	0.00%
Non-Residential Interruptible	86	-1.76%
Non-Residential Interruptible	87	3.64%
Non-Residential Transportation	57	23.89%
Compressed for Vehicles	50	4.05%
Rental Water Heaters/Burners	71-74	5.20%
PSE has proposed to increase the monthly residential natural gas basic charge from \$8.25 to \$18.00, to cancel Schedules 36 and 51 and revise and expand schedules for transportation service and cancel Schedule 57 in 2012.		

Comments: (continued) _____

The public is represented by the Public Counsel Section of the Washington Attorney General's Office.

You can contact the office at:

Public Counsel
Assistant Attorney General
800 5th Avenue, Suite 2000
Seattle, WA 98104-3188

or by email: utility@atg.wa.gov

To contact Puget Sound Energy, you may reach us in writing at:

Puget Sound Energy
Attn.: Customer Service
P.O. Box 90868
Bellevue, WA 98009-0868

or by e-mail: generalratecase@pse.com

For more information visit PSE.com or call 1-888-225-5773, press option 4.



NOTICE OF PROPOSED MERGER

The Washington Utilities and Transportation Commission will hold three joint public hearings on this request and as well as PSE's recent request for a rate increase.

(Please see separate notice for additional rate case information)

Puget Sound Energy (PSE) has asked the Washington Utilities and Transportation Commission (UTC) for approval of the transfer of ownership of Puget Energy, and its subsidiary PSE, via a proposed merger.

Puget Energy, the parent company of Puget Sound Energy (PSE), has entered into a merger agreement with a group of long-term infrastructure investors. Under the terms of the merger agreement, Puget Holdings will acquire all of the outstanding common shares of Puget Energy. Puget Holdings is an international collection of investors from Australia, Canada, and the United States. The total value of the transaction is \$7.4 billion.

The merger must be approved by the UTC. PSE's request is currently under review by the UTC. The change in ownership must be in the public interest. The UTC has interpreted this to mean that the merger should not cause harm to PSE's customers. Issues to be reviewed may include impacts on service quality, infrastructure investment, financial and operational soundness, and on customers' rates.

6:30 p.m. Public hearing dates and locations

May 15 Bellevue	May 20 Bellingham	June 4 Olympia
Bellevue Community College Room 130 B 3000 Landerholm Circle S.E.	Bellingham Senior Activity Center 315 Halleck Street	Washington Utilities and Transportation Commission 1300 S. Evergreen Park Dr. S.W.



You are invited to comment to the UTC:

- in person at one of three public hearings (outlined in this notice)
- in writing (see card at right):
UTC
P.O. Box 47250
Olympia, WA 98504-7250
- by telephone at: **1-800-562-6150**
- via UTC web form:
<http://www.utc.wa.gov/comment>
- by email at:
comments@utc.wa.gov
- by fax at: **360-664-4291**

Please reference docket number **U-072375 (merger)** in your correspondence.

----- cut along dotted line place in envelope, mail to UTC address at left -----

COMMENT CARD

Please use this card or send a letter.

Customer Name: _____

Address: _____

Phone: _____ Email: _____

Docket Number: U-072375

Comments: _____

more room on back

2007 customer service performance report card

Each year Puget Sound Energy measures 11 key service-quality areas to track how well we are performing in providing our utility services to you, and to identify areas for improvement. Through customer satisfaction surveys, missed appointments, frequency and duration of power outages and the amount of time it takes to respond to a natural gas or electric emergency or answer your calls, among other measurements, we match our performance against a rating system of benchmarks (see chart). Here are the results.



2007 Puget Sound Energy performance report card

KEY MEASUREMENT	BENCHMARK	2007 PERFORMANCE	ACHIEVED
1. Percent of customers satisfied with our performance	90 percent	83 percent	<input type="checkbox"/>
2. Number of complaints to the WUTC per 1,000 customers	Less than 0.50 complaints	0.27 complaints	<input checked="" type="checkbox"/>
3. Length of non-major storm power outages per year	Less than 2 hours, 16 minutes	2 hours, 47 minutes	<input type="checkbox"/>
4. Frequency of non-major storm power outages, per year, per customer	Less than 1.30 outages	0.97 outages	<input checked="" type="checkbox"/>
5. Percent of calls answered live within 30 seconds by our Customer Access Center	At least 75 percent	75 percent	<input checked="" type="checkbox"/>
6. Percent of customers more than satisfied with our Customer Access Center, based on survey	90 percent	92 percent	<input checked="" type="checkbox"/>
7. Time from customer call to arrival of field technicians in response to gas emergencies	No more than 55 minutes	38 minutes	<input checked="" type="checkbox"/>
8. Percent of customers more than satisfied with field services, based on survey	At least 90 percent	90 percent	<input checked="" type="checkbox"/>
9. Percent of customers disconnected for non-payment	No more than 3.0 percent	2.8 percent	<input checked="" type="checkbox"/>
10. Percent of in-home service appointments kept, as promised	At least 92 percent	99 percent	<input checked="" type="checkbox"/>
11. Time from customer call to arrival of field technicians in response to power system emergencies	No more than 55 minutes	52 minutes	<input checked="" type="checkbox"/>

2007 customer service performance summary

- ◆ In 2007, in addition to meeting nine of the 11 service measurements, we improved slightly in two areas compared to 2006: 1) fewer complaints to state regulators, the Washington Utilities and Transportation Commission, and 2) fewer power outages.
 - ◆ An area where we fell short in meeting our target was in your satisfaction with our overall performance. The 83-percent score, similar to the previous two years, makes it clear we need to put extra attention in this area to meet the 90 percent performance target. Overall customer satisfaction, listed as number one in our report card, is foremost to us.
 - ◆ The other area where we missed the mark, even though we improved our year-to-year performance, was in the amount of time it took us to restore a power outage. The resulting 2 hour, 47 minute outage time per customer in 2007 exceeded the benchmark by about 30 minutes. We are concerned about this performance and are taking steps to improve in this area.
 - ◆ For the 2007 performance results, PSE incurred a \$513,000 penalty for missing the benchmark for the length of time some customers were without power. PSE refunded the penalty to customers as an offset to the costs included in the electric and natural gas conservation program charge effective April 1, 2008.
 - ◆ Through our Customer Service Guarantee program, we back up our pledge to you when you make a service appointment by crediting \$50 to your PSE bill if we do not meet our commitment. In 2007, PSE credited customers a total of \$11,950 for missing one percent of our total 130,000 scheduled appointments.
- We are working hard to meet your expectation of a high level of service from us.

2006-2007 energy efficiency performance report card

Your efforts in saving energy have helped raise the region's focus on environmental responsibility and stewardship.

In 2006 and 2007, you made your homes and businesses even more energy efficient, helping to make Puget Sound Energy a leader in energy efficiency.

Every other year, we evaluate how effective we are at doing our part to encourage you to save energy. We match the amount of energy saved against set targets. Over the 2006-2007 period, your efforts exceeded the targets. Here are the results.



2006-2007 energy savings achieved by customers:*

KEY MEASUREMENT	TARGET	2006-2007 PERFORMANCE	ACHIEVED
Electricity savings	40 average megawatts	44.4 average megawatts—enough electricity to serve more than 33,000 homes in one year	<input checked="" type="checkbox"/>
Natural gas savings	4.2 million therms	5 million therms—enough natural gas to serve more than 6,000 homes in one year	<input checked="" type="checkbox"/>

* During the last two years—2006-2007—Puget Sound Energy was required by state regulators to meet a certain threshold of cost-effective energy savings. In 2006, if goals were not met, PSE would have incurred a penalty of up to \$1.5 million. In 2007, the utility could have incurred a penalty of more than \$14 million if goals were not met for electric savings and a penalty of up to \$750,000 for missing natural-gas savings targets. In 2007, PSE also had the opportunity to earn a financial reward of up to \$4.2 million for exceeding electric-savings targets. For exceeding the electric target, in 2007 PSE earned an energy savings incentive valued at \$3.4 million.

In 2008, we are providing you with even more ways to help you achieve greater energy efficiency in your homes and businesses. Here are some of the ways.

For homes

- Lighting – Coupons to purchase compact fluorescent lights (CFLs)
- Appliances – Rebates to purchase energy-efficient clothes washers and dishwashers
- Heating equipment – Rebates for 90 percent energy efficient natural gas furnaces, high-efficiency heat pumps, energy-efficient tank and tankless water heaters
- Weatherization – Rebates for insulation and duct sealing of electric and natural gas heated homes
- New home construction – Incentives to install qualifying energy-efficient appliances, lighting, and equipment
- New technology – Pilot programs offering real-time access to energy consumption and cost data



For businesses

- Retrofit existing buildings – Incentives to make energy efficient improvements
- Lighting – Rebates for lighting fixtures and controls
- Design and construction – Incentives to implement energy-efficient design in new buildings
- HVAC equipment and motors – Rebates for efficient equipment
- Utility metering information – Access to 15 minute pulse data
- Tune-ups – For HVAC systems and boiler equipment
- On-site energy expert – Resource Conservation Managers placed at organizations with multiple facilities to optimize operations and implement sustainability initiatives

Visit PSE.com or call a PSE Energy Advisor at 1-800-562-1482 to find out more about rebates and incentives for purchasing energy-efficient products like lighting, heating, and water heating equipment for residences and technical assistance and custom incentives for businesses.

Through your efforts, we intend to build on the momentum for achieving even greater energy savings. Over the next 20 years, the energy savings achieved by our customers is expected to offset the need for building two midsized, 250-megawatt power plants.



Save energy, save money

Energy efficiency is about using less energy to get the same results you need. Using less energy can help you save money on your utility bills and it can also help conserve our natural resources. To start the savings, Puget Sound Energy offers customers rebates for energy-efficient products.

Want to know more about rebate qualifications? On the reverse side, please check the appropriate box(es), fill out the form below, and return it with your bill payment.

You can also visit PSE.com or call a PSE Energy Advisor at 1.800.562.1482.

Name _____

(optional)
PSE Account No.

--	--	--	--	--	--	--	--	--	--

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.

3770 02/08



PUGET SOUND ENERGY
The Energy To Do Great Things

PSE offers rebates for energy-efficient products

Want to know more about rebate qualifications? On the reverse side, please fill out the form, check the appropriate box(es) below, and return it with your bill payment.

You can also visit PSE.com or call a PSE Energy Advisor at 1.800.562.1482.

PSE rebates for electric service customers:

- Up to **\$350** for an air-source electric **heat pump**
- Up to **\$100** for a **clothes washer** meeting WashWise efficiency standards
- Up to **\$3** for an ENERGY STAR® qualified **CFL bulb**
- Up to **\$20** for an ENERGY STAR qualified pin-based **CFL fixture**
- Up to **\$1,600** for home **insulation and duct sealing** installed by an authorized contractor
- Free** efficient **showerhead** per single-family home
- \$30** and **free pickup** of your old refrigerator

PSE rebates for natural gas service customers:

- \$350** for an ENERGY STAR qualified natural gas **furnace**
- \$150** for a high-efficiency natural gas **tankless water heater**
- Up to **\$50** for a high-efficiency natural gas **water heater**
- Up to **\$1,600** for home **insulation and duct sealing** installed by an authorized contractor
- Free** efficient **showerhead** per single-family home

Contractor Referral Service

Need a contractor to install energy-efficient products? PSE can refer pre-screened, independent contractors from PSE's Contractor Referral Service to you.

Signature (Required):

X

I give permission for PSE to provide my contact information to one or more contractors to arrange for a no-obligation estimate(s) for:

- High-efficiency heating system
- High-efficiency natural gas water heating
- Insulation with rebates up to \$1,600 from PSE



PUGET SOUND ENERGY

The Energy To Do Great Things

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

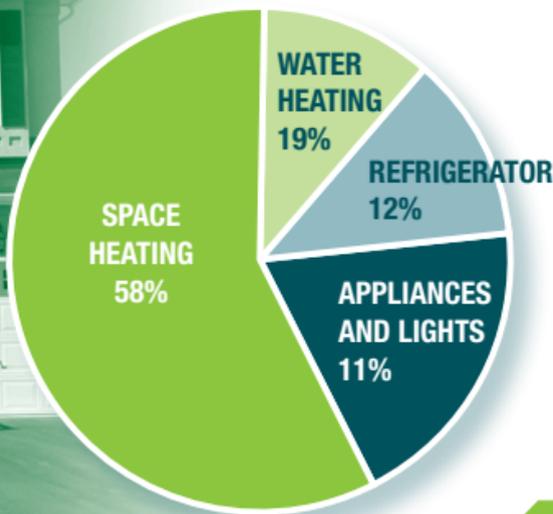
PSE

PUGET SOUND ENERGY

The Energy To Do Great Things



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†)