

January 2009 Puget Sound Energy bill package inserts and information 1.5 million bills

- Outside envelope: For information on PSE's power supply fuel mix, please visit PSE.com; part of the month, Customer Service Guarantee message
- Return envelope: Never burn your grill indoors. The carbon monoxide it creates can kill you.
- 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 January/February – Energy assistance funds boosted; Energy-assistance centers; PSE works with you to manage energy bills; Sign up for the Budget Payment Plan; 2009 outlook: Planning for the future; Here is a brief summary of PSE accomplishments in 2008: Cold weather tips; Check your bill; Go paperless with your PSE bill; Help people in need this winter; Energy Tip: Green Resolutions; \$50 service guarantee credit for prolonged power outage; Keep natural gas meters clear of snow and ice; PSE announces region's largest clean-energy partnership
- Bill print messages
- Insert: Green Power - Be a part of your green community! It's easy to participate, simply visit PSE.com or call 1.800.562.1482.
- Insert: Weatherization Rebate - Receive instant insulation rebates up to \$500 per home from PSE for electric heated homes.
- Insert: Heating/Water Heating - Sign up for PSE's Contractor Referral Service program and receive information on residential heating and weatherization incentives.
- Insert: Water Heater and Furnace - Heat for less this winter! PSE offers rebates on ENERGY STAR qualified natural gas furnaces and water heaters. For more information, visit PSE.com or call 1.800.562.1482



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"



1101 • 8/08

Prints under flap

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.

Imprint Line



This envelope uses 100% post consumer recycled paper.

For information on PSE's power supply fuel mix, please visit PSE.com



PLACE
STAMP
HERE





PUGET SOUND ENERGY

The Energy To Do Great Things

Prints on flap



Never burn your grill indoors.

The carbon monoxide it creates can kill you.

Nunca use una parrilla dentro de su casa.

El monóxido de carbono que éste produce puede causar la muerte.



This envelope uses 100% post consumer recycled paper.

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
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 día, 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, power supply fuel mix, regulations and customer rights and responsibilities, as well as an annual report, are available by calling 1-888-225-5773 and at PSE.com.

Late Payment Fee

Your bill is due and payable upon delivery. A late payment fee of 1 percent per month will be assessed on balances which remain unpaid more than 11 business days after the due date of the bill. A 30-day delay of the late fee will be granted to low-income customers who notify PSE of their application to a low-income organization for financial aid. Customers participating in the Budget Payment Plan will be exempt from any late payment fee as long as the agreed-upon payment terms are kept current.

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 Energy Exchange Credit is the Federal Columbia River Benefits supplied by the Bonneville Power Administration for residential and small farm customers with electrical service.

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.

January 2009 bill-print messages for all customers: Your bill this month reflects changes in rates that went into effect Jan. 1. The Energy Exchange Credit, which is the Federal Columbia River Benefits supplied by the Bonneville Power Administration, applies to residential and small farm customers with electric service.

January 2009 targeted bill-print message:

<City tax message for customers in the City of Roy>

ENERGYWISE

JANUARY-FEBRUARY 2009



Energy assistance funds boosted

Customers having trouble paying their winter heating bills may be eligible to receive assistance from two programs that recently received increased funding.

The federal government doubled the funding for this winter's Low Income Home Energy Assistance Program (LIHEAP), appropriating \$14 million to the community energy-assistance agencies serving PSE customers.

A \$4.8 million boost to PSE's Home Energy Lifeline Program, or HELP, will provide nearly \$14.7 million to help low-income households pay their natural gas and electricity bills.



LIHEAP
LOW INCOME HOME ENERGY
ASSISTANCE PROGRAM

HELP
PROGRAM

Energy-assistance centers

Island County
Opportunity Council
360-679-6577
1-800-317-5427

Jefferson County
Olympic Community
Action Programs
360-385-2571

King County
Multi-Service Center
(for South King County)
1-800-348-7144

Hopelink (for North and
East King County)
1-800-348-7144

Central Area Motivation
Program (for Seattle)
1-800-348-7144

Kitsap County
Kitsap Community Resources
360-479-1507
www.kcr.org

Kittitas County
HopeSource
1-509-674-2375 (Cle Elum)
1-509-962-0435 (Ellensburg)
www.hopesource.us

Lewis County
Community Action Council
of Lewis, Mason and
Thurston counties
360-736-1800
www.caclmt.org

Pierce County
Pierce County Department
of Community Services
(county residents)
1-866-223-1359

Metropolitan Development
Council (Tacoma residents)
253-572-5557

Skagit County
Skagit County Community
Action Agency
1-360-428-1011

Snohomish County
Snohomish County
Human Services Department
425-388-3880

Thurston County
Community Action Council
of Lewis, Mason and
Thurston counties
360-438-1100
www.caclmt.org

Whatcom County
Opportunity Council
360-255-2192
1-888-586-7293

Depending on income and household size, a qualified low-income recipient can receive up to \$1,000 in LIHEAP bill credits and another \$750 from HELP.

In 2008, nearly 18,000 families received bill assistance from LIHEAP and PSE's HELP funds.

PSE works with you to manage energy bills

Because January is typically the coldest month of the year, energy usage increases as customers heat their homes. We know some customers have difficulty paying their heating bills. PSE can help. Please call us to work out payment arrangements and available financial energy assistance.

We offer a Budget Payment Plan that evens out payments for a 12-month period to avoid the highs and lows in energy bills with the changing seasons. Visit PSE.com or call us at 1-888-225-5773.

Sign up for the
Budget Payment Plan



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



PUGET SOUND ENERGY
The Energy To Do Great Things

2009 outlook: Planning for the future

While the slower economy currently has reduced the number of newly-built homes and businesses requesting electric and natural gas service, the need continues for Puget Sound Energy to make substantial investments in the replacement of aging infrastructure, in renewable energy resources and energy-efficiency measures to ensure reliability, combat climate change and bring new energy supplies to customers in Western Washington.

With more than 1 million new residents expected in our region over the next 20 years, PSE is planning for the future to meet customers' energy requirements in 2009 and beyond.

Here is a brief summary of 10 PSE accomplishments in 2008:

1 Helped customers save 273 million kilowatt hours of electricity and 3.6 million therms of natural gas (January-December 2008 estimate). That's enough electricity to meet the power needs of more than 23,000 households and enough natural gas to serve more than 4,300 homes. Grew the number of customers voluntarily participating in our Green Power Program to more than 21,000.

2 Opened and welcomed 17,000 visitors to the Renewable Energy Center at our Wild Horse Wind and Solar Facility in Kittitas County. Added four new turbines at our Hopkins Ridge Wind Facility in Columbia County. Began 18-month expansion of Wild Horse to add 22 more wind turbines for a total of 236 turbines producing renewable electricity to serve 110,000 homes and advancing our goal to secure 10 percent of PSE's power supply from renewable sources by 2013, and 15 percent by 2020.

3 Strengthened the process for responding to power outages by doubling the number of trained outage assessors, expanding our call center capabilities and launching an improved online outage-restoration map.

4 Obtained a 50-year license for our Baker River Hydroelectric Project in Skagit and Whatcom counties and completed the construction of a \$52 million floating surface collector at the facility to protect salmon.

5 Increased funding by \$5 million to help low-income customers pay bills.



6 Purchased two power-generating facilities — Sumas in Whatcom County for \$30 million and Mint Farm in Cowlitz County for \$240 million — with a combined capacity of 435 megawatts to help meet the demand for electricity in our growing region.

7 Completed \$44 million expansion of Jackson Prairie Underground Natural Gas Facility in Lewis County to accommodate the peak daily natural gas demand of 1.2 million homes across the Pacific Northwest.

8 Invested \$420 million to serve new customers and upgrade and improve the reliability of our electric and natural gas systems:

- ♦ Installed or replaced 220 miles of natural gas pipeline
- ♦ Built six new substations and rebuilt seven existing ones
- ♦ Rebuilt two natural gas gate stations
- ♦ Replaced 800 power poles
- ♦ Installed 125 miles of transmission and distribution power lines

9 Opened new local Customer Service Offices in Port Townsend and on Vashon and Whidbey islands for a total of eight community-based locations where customers can meet in-person with a PSE customer service representative.

10 Contributed more than \$1 million through the Puget Sound Energy Foundation and corporate contributions and sponsorships to human services, education, environmental, arts and other organizations in the communities where we serve and operate.

Cold weather tips

Brrrrr! Did you know there are ways you can stay warm and energy efficient at the same time during these coldest winter months?

Here are some tips:

- ◆ Keep your home at the lowest comfortable temperature. For most homes, the heating bill drops by about two percent for every degree the thermostat is lowered.
- ◆ Check the furnace filter every month during the heating season and clean or replace it.
- ◆ Turn down the furnace thermostat at night during the time when you are sleeping.



Help people in need this winter

Winter's cold months can be difficult for many in our area who may struggle to stay warm. Consider donating to The Salvation Army Warm Home Fund, which provides short-term, emergency bill-payment assistance to PSE customers facing financial difficulties. To donate to the Warm Home Fund, simply include a little extra in your next PSE bill payment, and check off your donation on the box on your payment stub. We transfer all donations directly to The Salvation Army Warm Home Fund.



Check your bill

Review your billing statements to make sure the payment amount seems accurate. If zeros appear on your statement when you know you have consumed energy, please contact PSE right away at 1-888-225-5773. PSE is required to collect for used energy, so please help us make sure we send you a correct bill.



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. Even if you pay online, you will need to sign up to go paperless to receive an email of your statement. Look for the "Go Paperless" sign up in the upper right hand corner when you log on.



ENERGY TIP:

Green Resolutions

The New Year is a great time to make a renewed commitment to using energy responsibly. By enrolling in PSE's Green Power Program, your participation will help support the development and use of wind, solar and other renewable energy in our region.

Sign up at PSE.com or by calling an Energy Advisor at 1-800-562-1482.



\$50 service guarantee credit for prolonged power outage

PSE has added a new service guarantee to commit restoration of an extended power outage or else issue a \$50 credit if your electric utility service is out for 120 consecutive hours (five days in a row) or longer. Some exceptions may apply. The new service guarantee compels PSE to further its promise in meeting customers' expectations of high levels of service.

The guarantee was developed after an in-depth review of the way PSE restored electric service following the damaging December 2006 Hanukkah Eve storm that knocked out power to 700,000 of our customers.

PSE's other service guarantee, established 12 years ago, commits the utility to keep a scheduled service appointment. If the appointment is missed, we'll credit your account \$50. Our on-time guarantee almost always applies, with only a few exceptions: during and after major storms, earthquakes, energy supply interruptions, or after significant events beyond PSE's control.

The two service guarantees are in addition to 11 service-quality measures that track how well PSE is performing in providing utility services to customers, and to identify areas for improvement.



Keep natural gas meters clear of snow and ice

During the winter, it is important to keep snow and ice from building up and covering your natural gas meter.

- ◆ Check your natural gas meter regularly to ensure there is no build-up of ice or snow.
- ◆ Use a broom to gently clear snow or ice from around your meter.
- ◆ Don't shovel snow up against your natural gas meter or piping.
- ◆ Don't allow water to drip onto the natural gas meter equipment.



If you see ice build-up and suspect there is a problem, call PSE at 1-888-225-5773.

PSE announces region's largest clean-energy partnership

The Northwest's capacity for generating clean electricity from the wind got a boost in December 2008 from an announcement made by PSE and Renewable Energy Systems Americas. The two companies, which worked together on PSE's Hopkins Ridge and Wild Horse wind facilities, have agreed to a partnership to develop new renewable energy resources in southeast Washington. Initial development work indicates the projects could one day be the largest wind facilities in the Northwest.





In the fight against climate change,

every step counts

You have the power to shape the world for our children. One important step is signing up for PSE's Green Power Program. You can ensure a portion of your electricity comes from renewable sources for as little as \$4 more a month. To enroll, simply fill out the form on the reverse side and mail it with your payment.



Yes, I'd like to take a step against climate change!

Choose how much green power you want to buy each month:

- 100%** Based on your monthly electricity use; \$0.0125 more per kwh than basic service, about \$10-\$12 additional per month for the average customer.
- OR** Choose a dollar amount below or fill in your own increment of \$2.00/month. Every \$2.00 supports 160 kwh of renewable energy.
- ___\$4.00 ___\$6.00 ___\$8.00 ___\$10.00
___Other amount (minimum \$4.00): \$_____

Complete this form: Name: _____

Service Address: _____ City: _____

Zip: _____ Daytime phone or email: _____

Account Number (optional): _____

Return this form with your bill payment. The amount of your purchase will be added to your bill each month. Available to PSE electric customers only; you may cancel participation at any time without penalty.

Green Power Program Facts:

Certified by a non-profit
(www.green-e.org)

Supports wind (77%), biomass (14%), low-impact hydro (9%) and solar (<1%) energy from the Pacific Northwest

PSE does not make a profit on the Green Power Program



For more information:

Call an Energy Advisor at
1.800.562.1482 or visit PSE.com

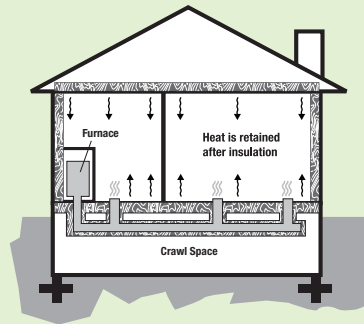
Take comfort in your home year round

Most homes built before 1980 and/or still using single-pane windows can significantly improve their ability to retain heat and save energy with weatherization upgrades. Getting started on your home improvements is easy; fill out the form on the back or call a PSE Energy Advisor at 1.800.562.1482.

Single-pane window upgrade:	PSE pays up to \$500 per home
Floor insulation:	PSE pays 50% of the cost, up to \$400
Attic insulation:	PSE pays 50% of the cost, up to \$400
Wall insulation:	PSE pays 50% of the cost, up to \$400
Duct insulation:	PSE pays 50% of the cost, up to \$200
Duct sealing:	PSE pays 50% of the cost, up to \$200

General Qualifications:

PSE customers living in a building with four units or less, heated mainly by electricity. Insulation work must be completed by an independent contractor pre-authorized by PSE. Call an Energy Advisor at 1.800.562.1482 for more detailed information on qualifications.



Insulation and windows are like a protective wrap for your home, holding in the winter warmth and blocking out the summer sun.

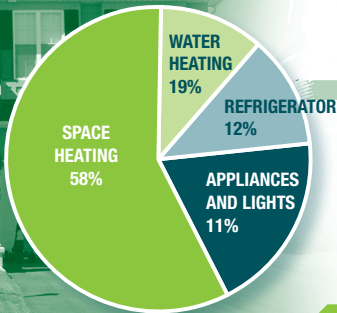


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LOOKING FOR WAYS TO SAVE ENERGY? PSE CAN HELP.

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[†])

Save on heat and help the environment with

ENERGY STAR[®] and PSE rebates

An **ENERGY STAR** qualified natural gas water heater can use up to **50 percent less energy*** than the standard model.

An **ENERGY STAR** qualified natural gas furnace can save up to **\$97 annually*** in heating costs compared to the standard model.

\$50 REBATE For an **ENERGY STAR** qualified natural gas water heater

\$150 REBATE For an **ENERGY STAR** qualified natural gas, **tankless** water heater

\$350 REBATE For an **ENERGY STAR** qualified natural gas furnace

Save money and green your home with **PSE and ENERGY STAR**

See back side for more savings

To qualify for these rebates, the water heater must be installed in PSE's natural gas service area. Natural gas water heater must have a 0.62 or higher energy factor and a capacity of 20-100 gallons of storage with a maximum input of 75,000 BTU per hour. Natural gas, tankless water heater must have a 0.82 or higher energy factor. *Actual energy savings vary.

For more information, visit PSE.com or call 1.800.562.1482, Mon. - Fri. 8 a.m. - 5 p.m.



PUGET SOUND ENERGY

The Energy To Do Great Things



WH



Save energy, money and the environment with rebates from PSE

Yes! I would like to receive more information about the following energy-efficient product rebates from PSE
Yes! I'm ready to have one or more contractors call me and give me free estimates on the following products

- | | | |
|--------------------------|--------------------------|---|
| <input type="checkbox"/> | <input type="checkbox"/> | ENERGY STAR qualified natural gas water heaters* |
| <input type="checkbox"/> | <input type="checkbox"/> | ENERGY STAR qualified natural gas tankless water heaters* |
| <input type="checkbox"/> | <input type="checkbox"/> | Natural gas furnaces* |
| <input type="checkbox"/> | <input type="checkbox"/> | Heat pumps* |
| <input type="checkbox"/> | <input type="checkbox"/> | Insulation/weatherization |
| <input type="checkbox"/> | | CFL fixtures and bulbs* |
| <input type="checkbox"/> | | Refrigerators* |
| <input type="checkbox"/> | | Clothes washers* |
| <input type="checkbox"/> | | FREE low-flow showerhead |

**Available to qualifying customers*

Fill out and return with your bill payment:

Name: _____ PSE Account# (optional): _____

Service Address: _____ City: _____ State: _____ Zip: _____

Mailing Address: _____ City: _____ State: _____ Zip: _____
(if different)

Daytime Phone: _____ Email Address: _____

I give permission for Puget Sound Energy 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 no-obligation estimates.

You signature is required below:

X _____

For more information, visit PSE.com or call a PSE Energy Advisor at 1-800-562-1482 (Mon - Fri. 8 a.m. - 5 p.m.)