

ENERGYWISE

MARCH-APRIL 2010



PSE focuses on utility basics to control costs and improve service

At Puget Sound Energy, we challenge ourselves every day to provide better service and control costs for our existing and new customers. We are committed to managing expenses and ensuring sufficient energy supplies and reliable infrastructure to serve more than 1 million electric customers and nearly 750,000 natural gas customers.

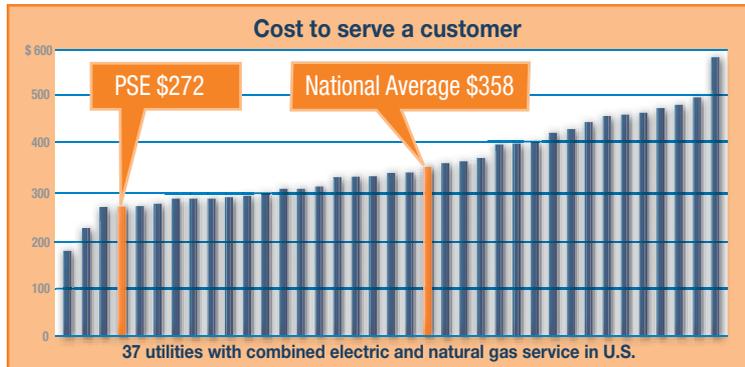
According to Bert Valdman, executive vice president and chief operating officer, it currently costs PSE \$272 a



In 2009, the utility achieved a number of measurable cost reductions, while also implementing new technologies, finding ways to streamline work, consolidating suppliers for items such as pipes, valves, fittings and fuel, and creating other efficiencies in the purchasing process.



Over the year, the number of employees in PSE's field operations staff remained unchanged while serving an additional 13,100 customers and operating an expanded energy



delivery system. Field workers include electric and natural gas first responders and technicians, and line service employees responsible for restoring power outages, controlling natural gas leaks and performing maintenance. While holding employee levels steady, technology and process improvements helped PSE cut average response times by up to four minutes over the past year for service calls and emergencies involving electricity and natural gas. This was helped by equipping service vehicles with wireless devices that

allow scheduling and other "paperwork" to be done quickly and easily in the field.

year in operating expenses to serve a single PSE customer, compared to the national average of \$358. This puts PSE among the lowest-cost combined electric and natural gas utilities in the nation. Among other day-to-day operating expenses, the cost to serve a customer includes maintenance and operation of pipes and wires, but does not include fuel.

"PSE employees are always looking to improve their service to customers and the efficiency in daily operations without creating additional costs," says Valdman.

In addition to improving field performance, PSE continuously works to speed its response to customers calling with billing and service questions. In 2009, 77 percent of PSE's electric customers surveyed by J.D. Power and Associates came away satisfied with their first-time requests. PSE's customer satisfaction score in this category was just one percentage point below the top score.

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PUGET SOUND ENERGY
The Energy To Do Great Things

Diverse energy portfolio includes purchased and PSE-owned energy supplies

PSE anticipates the need to provide energy to about a million more residents over the next 20 years. This growth, combined with the expiration of large purchased-power contracts and the potential retirement of aging power plants, is driving the utility's ongoing search for new power supplies and enhanced energy-efficiency programs.

The company's Integrated Resource Plan, filed in 2009, estimates that PSE will need the equivalent of about 1,800 megawatts of new electricity supply by winter 2016-17, and considerably more in following years.

Through energy efficiency, PSE expects to help customers lower their electric and natural gas demand considerably. But even with increased energy efficiency, the company still must secure about 1,300 MW of new electric-resource capacity by 2017. PSE is actively exploring all available sources for that new energy, including purchases from independent power producers, marketers, and utilities with excess electric supplies, as well as investments in existing or new power plants.

PSE's energy strategy calls for a mix

The sources of PSE's energy supplied for customers includes a mix of long-term agreements with independent power producers, contracts with other utilities, and PSE-owned and -operated generation and natural gas storage facilities.

ENERGY TYPE	SOURCE	
	PURCHASED SUPPLIES	PSE-OWNED SUPPLIES
Electricity	54.1 percent	45.9 percent
Natural gas (all purchased)	UNITED STATES	BRITISH COLUMBIA AND ALBERTA
	46 percent	54 percent

Come see wind and solar power at work

The power of the wind and sun, as well as the beauty of the Kittitas Valley, is on display from April 1 through Nov. 30 at the Renewable Energy Center at PSE's Wild Horse Wind and Solar Facility. Opened in 2008, the center offers visitors an up-close look at how wind and solar power work, along with insights into the natural history and people of Central Washington. The facility, which has welcomed 40,000 visitors to date, is free and open from 9 a.m. to 5:30 p.m. daily. Wild Horse is located on the Old Vantage Highway east of Ellensburg, just north of I-90. For directions and tour information, please call 509-964-7815 or visit PSE.com.



Spring clean your way to energy efficiency

Did you know your basement refrigerator is driving up your electric bill? Or that the extra freezer in your garage could be costing you as much as \$100 a year? If you're ready to replace these energy hogs, PSE can help. We'll pick up your secondary refrigerator or freezer and recycle it for free, plus give you a \$30 "thank-you" check.

While you're at it, be sure to properly dispose of any used compact fluorescent light (CFL) bulbs. PSE and its partners have convenient recycling locations throughout Western Washington. Visit PSE.com for a complete list.

For more information about PSE's energy-efficiency programs for our residential electric customers, visit PSE.com/ForYourHome or call a PSE Energy Advisor at 1-800-562-1482, Monday through Friday, 8 a.m. to 5 p.m.



Call before you dig

With the start of spring, several outdoor projects, such as building a new fence or deck, planting trees and shrubs, or even pulling out a tree stump, may require you to call 811 — the "call before you dig" hotline. To avoid potential hazards with striking or digging up underground utility pipes or lines, all utilities must be marked before you dig.



Check your natural gas piping

PSE regularly inspects the underground natural gas pipelines in the street and to the meter to make sure they are operating properly and safely. If you have buried piping to pools, hot tubs, natural gas barbecues or detached buildings, the piping is not maintained by PSE. There are a few special cases where PSE installed and agreed to maintain the piping. Buried piping may leak or corrode if it is not maintained. It should be periodically inspected for leaks and corrosion and repaired if any unsafe condition is discovered. Have a licensed plumbing contractor do the work. 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.

Customer service — guaranteed

PSE makes two service guarantees to you. First, we commit to keeping scheduled appointments, and second, we commit to restoring power outages as soon as we can. Here's how our guarantees work:

- ◆ If we don't keep an appointment to install new service, reconnect existing service, or inspect natural gas equipment, you'll receive a \$50 credit on your PSE bill.
- ◆ If your electric service is out for 120 consecutive hours or longer, you may be eligible to receive a \$50 credit on your PSE bill.

The two service guarantees are in addition to 10 service-quality measures that track PSE's performance in providing utility services to customers, and identify areas for improvement. Our service guarantees are subject to certain conditions and may be suspended during unusual and exceptional circumstances. For more information, visit PSE.com/guarantees.





In Your Community

What it means to be green

This time of year, with spring, Arbor Day and Earth Day celebrations just around the corner, it's a good time to think about what it means to be green. In the spirit of these celebrations, we share in our customers' commitment to help preserve the environment.

Here's how PSE and our customers are setting an example:

- ◆ PSE has received the Tree Line USA award from the Arbor Day Foundation for nine years in a row in recognition of the utility's efforts to protect and enhance urban forests while ensuring reliable service.
- ◆ More than 11,500 customers purchase 100 percent renewable energy through PSE's Green Power Program. If you haven't signed up already, Earth Day is a great time to commit to green power. PSE's Green Power Program is a voluntary program allowing electric customers to buy renewable energy equal to any portion of their use of electricity. Green power participants support local renewable energy projects. Enroll in the program online at PSE.com/Green Power. You can also become a fan of PSE's Green Power Program on Facebook!
- ◆ Nearly 580 PSE customers throughout Western Washington are generating their own green power, right from their very own roofs and backyards. Examples include solar power, wind power and hydroelectricity.



PSE employees help communities plant low-growing trees.

Bill-payment assistance available

With the current economic situation, we want to help ensure our customers have access to energy assistance and bill-payment programs. We urge anyone having difficulty paying their bills to contact us to make payment arrangements. Qualified low-income customers should contact their local energy-assistance agency to apply for bill-payment credits provided by the federal government and PSE. To find the nearest agency, call toll-free 1-866-223-5425.

Help people in need

Even with the warmer spring months upon us, some PSE customers continue to struggle with their energy bills. 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 the donation box on your payment stub or online payment page.



Save time and postage with paperless billing and online payments

When you sign up to receive and pay your energy bill online, you can choose recurring and one-time payment options. Log on to PSE.com and register for "My PSE Account" to monitor your daily energy use and pay your bills online. Each month, instead of a paper bill, you'll receive an e-mail notification that a new bill is ready for viewing and payment. Look and sign up for the "Go Paperless" option when you sign in to "My PSE Account".



Go Paperless
Save time and postage
PSE.com

Visit our local customer service offices

Most offices are open Monday-Friday, 9 a.m. - 5 p.m.

Bellingham – 1329 N State St
Burlington – 1660 Park Lane
Ellensburg – 207 N Pearl St

Freeland – 1794 Main St
Oak Harbor – 231 SE Barrington Dr #101
Olympia – 2711 Pacific Ave SE

Port Townsend – 181 Quincy St #101
Vashon Island – 18125 Vashon Highway SW

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