



Ongoing maintenance ensures energy system reliability and safety

Maintaining our energy delivery system to withstand powerful storms and the effects of record-breaking hot and cold temperatures is a priority for Puget Sound Energy.

While our system's facilities depreciate over a long period of time, PSE every year invests in major projects to replace and upgrade infrastructure to provide safe and reliable service to our more than 1 million electric and nearly 750,000 natural gas customers.

We plan to spend more than \$200 million of our 2010 capital budget on improvements to replace aging equipment and enhance parts of the "pipes and wires" system to stay current with new and existing state and national regulatory standards.

Some of the projects in 2010 include replacing more than 90 miles of underground power cable, enhancing 32 miles of 115 kilovolt transmission lines to meet new regulatory requirements, and changing 20 miles of bare steel natural gas pipe laid in the 1970s to coated or plastic pipe designed to resist corrosion.

PSE's distribution and transmission facilities

Power poles
330,000 poles
45 years



Natural gas pipe
24,000 miles
50 years (mains)
40 years (services)

Substations
354 substations
55 years



Power cable
10,000 miles
35 years

Power lines
13,000 miles
50 years (transmission)
40 years (distribution)



Natural gas gate stations
40 stations
45 years

Years represent depreciable facility life.

With an additional 1 million people expected to reside in PSE's 11-county service area by 2030, our deliberate plan to replace aging utility infrastructure, while adding new resources to meet demand, will provide customers with an electric and natural gas system that is reliable, safe and has room to grow well into the future.

PSE helps customers save money with energy efficiency and investments

Whether in long-term energy resource planning or in developing solutions to sustain system reliability, PSE puts energy efficiency first. This year and next, we've expanded our offerings to help you save energy and money.

PSE has budgeted \$93 million this year to bring energy efficiency measures to local communities, residential customers, multifamily housing units and municipal buildings, as well as to schools, businesses and industries.

You can save money with offerings such as rebates and

incentives, an in-home energy audit, as well as through no-cost measures like setting back your thermostat.

Your efforts to save energy pay off. Over the January 2008-December 2009 period, our customers' energy-efficiency efforts helped lower their energy bills by more than \$60 million.



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



New electricity and natural gas rates set

In April, state regulators set new rates for electricity and natural gas following an 11-month review. Electricity rates for PSE residential customers increased 4 percent, while natural gas rates increased 0.8 percent.

The average electric bill for a PSE customer using 1,000 kilowatt-hours a month will increase by \$3.76, for a total of \$97.96. The average natural gas bill for a PSE customer using 68 therms a month will increase by 88 cents, for a total of \$79.70.

The increased rates recover investments made in our Mint Farm Generating Station, the expansion of our Wild Horse Wind Facility, and a portion of costs related to higher power supply and overall operating expenses.

Even out your utility bill

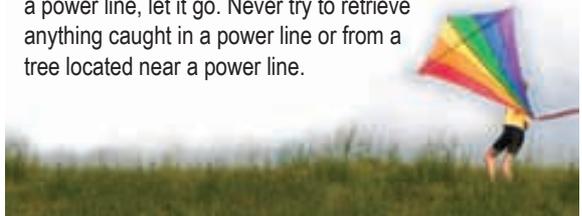
The start of summer is a good time to enroll in our Budget Payment Plan, which spreads your estimated winter heating costs over a 12-month period and helps you plan your energy costs into your household budget.

When you sign up for the program, we estimate your usage for the next 12 months based on current energy costs and your actual usage from the previous 12 months. Then we average the estimate to determine your initial Budget Payment Plan amount.

To sign up for the Budget Payment Plan, visit PSE.com or call 1-888-225-5773.

Look up, look out

When working outdoors around your house, remember to keep tall ladders, roofing materials and pruning equipment clear of overhead power lines to avoid a hazardous situation. Also, if your kite or mylar balloon drifts near a power line, let it go. Never try to retrieve anything caught in a power line or from a tree located near a power line.



PSE representatives are easy to identify by phone or in person

If you ever have any doubts or concerns that the person on the phone or at the door represents PSE, call us toll free at 1-888-225-5773 to confirm the person's identity before giving them any information.

Make your family aware of ways to avoid becoming victims by following these tips:

At the door Ask for identification

- ◆ All PSE employees and contractors carry photo identification badges and are required to display their badge if asked. We encourage you to ask for identification.
- ◆ If you are unsure about an employee's identification, or want to verify the nature of the work to be done at your home, call us at 1-888-225-5773.
- ◆ Call the police if you believe the person at your door is posing as a utility worker.

On the phone Ask for identification

- ◆ If you have caller ID, the display will indicate that the call is from PSE.
- ◆ PSE representatives do not ask for credit card or bank account information.
- ◆ If the person asks for your credit card or bank account number, hang up and call us toll free at 1-888-225-5773 or by TTY at 1-800-962-9498 to confirm the status of your account and payments.
- ◆ If you have received a call from someone claiming to be from PSE, and you gave your account information, contact your local police immediately.



Less paper. Go paperless with your bill.

Join the thousands of PSE customers who have opted to receive and pay their bills online.

Paperless billing allows you to view your account and previous statements, manage your energy use and securely access statements and payment options. You also avoid paper clutter, save postage and help the environment. If every PSE customer enrolled in online billing and payment, it would save 731,000 pounds of paper from bills and envelopes.

Go to PSE.com and register for "My PSE Account." Select the "Go Paperless" option to enroll in paperless billing. Each month you will receive an e-mail notification that a new bill is ready for viewing and payment.



Call before you dig

If your summertime outdoor projects include building a new fence or deck, planting trees and shrubs, or even pulling out a tree stump, please remember to call 811 – the "call before you dig" hotline – two business days prior to your project. To avoid striking or digging up underground utility pipes or lines, all utilities must be marked before you dig.



If you think you may have damaged a natural gas pipe or smell the odor of natural gas, follow these important steps:

- ◆ Quickly move a safe distance away from the damaged line.
- ◆ Call 911.
- ◆ Report the damage to PSE at 1-888-225-5773.

Bill payment assistance available

Have difficulty paying your bill? We encourage qualified, low-income customers to contact their local energy-assistance agency to apply for bill payment assistance provided by the federal government and PSE. To locate an agency in your area, call 1-866-223-5425.

For customers who are not eligible for bill-payment assistance but still have difficulty paying their PSE bill, please call us at 1-888-225-5773 to make payment arrangements and learn about energy-saving tips and rebates.

Free tours

Plan a Memorial Day weekend or summertime tour of PSE's Wild Horse Wind and Solar Facility, located on the Old Vantage Highway east of Ellensburg, just north of I-90.

Daily Tours: Monday-Sunday • 9 a.m. - 5:30 p.m.
Call : 509-964-7815



Keep natural gas meters unblocked and clear of debris

Here are some simple steps for protecting your natural gas meter and keeping pipes and fittings in satisfactory condition.

- ◆ Clear debris, dirt, bark or mulch from around the meter to ensure that no part of the meter, including the meter shut-off valve, becomes buried.
- ◆ Regularly trim the grass, plants or bushes around the meter so that water doesn't collect around the meter and piping.
- ◆ Use a broom to gently clear snow or overhead icicles from around the meter.
- ◆ Do not tie pets or objects to the meter or outside natural gas pipes.
- ◆ Do not enclose any part of the meter or piping to the meter, including the meter shut-off valve, in concrete or paving, or under a deck, porch or any other type of structure.



Snoqualmie Falls: renewing a renewable resource

Visitors to PSE's Snoqualmie Falls Park not only can see one of our region's most majestic waterfalls, but starting this summer, they may also see or hear construction work as the utility embarks on a comprehensive redevelopment of the historic Snoqualmie Falls Hydroelectric Project. Much of the energy infrastructure there dates to the 1890s and early 1900s. The redevelopment, scheduled to last into 2013, includes installation of new, higher-efficiency generating turbines and upgraded water-delivery systems for the facility's two powerhouses. PSE's park and wildlife lands at the falls also are undergoing major enhancements.



When complete, the redevelopment will ensure that Northwest homes and businesses continue receiving clean, renewable electricity from Snoqualmie Falls for decades to come. Although Snoqualmie Falls Park's hillside trails and riverside areas will be closed to the public during construction, their enhancements will provide visitors with even greater recreational opportunities when the work is completed. During construction, the park's cliff-top viewpoints and their panoramic vistas will remain open to visitors.

Customers promote local renewable energy



Many PSE customers realize the power of making their own investments in renewable energy through their voluntary participation in PSE's Green Power Program. More than 26,400 customers choose to pay an additional charge on their monthly bill to participate in this program. Collectively, they purchased 303,046 megawatt-hours of power in 2009 to support the development of renewable resources in the region.

Voluntary enrollment in the Green Power Program helps local, independent producers of clean energy bring more renewable resources on the grid.

If you would like to help promote the growth of local renewable energy, you can join PSE's Green Power Program, too. To thank you for joining the program by July 1, PSE will send you a stainless-steel water bottle.

To join, go online to PSE.com/GreenPower or call a PSE Energy Advisor at 1-800-562-1482, Monday through Friday, 8 a.m. to 5 p.m.

In Your Community

Help recycle 50,000 CFL bulbs with PSE's bulb recycling drive

PSE is recruiting local businesses with 20 or more employees to host a free compact fluorescent light bulb collection box to help us recycle 50,000 spent CFL bulbs. We encourage employees to bring in the bulbs from home or from friends and neighbors for recycling.

Participating companies must host a collection box at an office location in PSE's electric service area, designate a point person to set up the collection box and follow up with PSE on the company's progress.

For more information or to sign up, visit PSE.com/BulbDrive.

CFL bulbs contain a very small amount of mercury, so do not put used CFLs in the household garbage or recycling bins. While the amount of mercury in a single bulb is extremely small, it will harm the environment if large numbers of bulbs are discarded in landfills.

Select PSE offices, participating retail locations and county household hazardous waste facilities already recycle CFL bulbs for free. Visit PSE.com/CFLRecycle for a complete list of CFL recycling locations near you.



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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For information about rates and your rights and responsibilities, please call or visit us online.

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