PUGET SOUND ENERGY (PSE)
UTILITY FACTS AND LOAD RESEARCH STATUS
Spring 2014 Western Load Research Association Conference

- General Rate Case (GRC), which had been filed almost every year, will be replaced by gas and electric revenue decoupling mechanism with a revenue escalation factor in July 2013. It is intended to reduce the regulatory lags and burdens caused by the general rate cases. Next GRC filing is anticipated between April 2015 and April 2016.

- With the revenue decoupling being implemented, burdens of load research to support frequent rate cases have been reduced significantly.

- The company now focuses on customer satisfaction, safety, DSM and energy efficiency programs, and rate of return.

- PSE load research functions are geared toward new vs. existing customers' load analysis, innovative rate design, rate-schedule sales and revenue weather normalization, earnings test, profitability study for new product and service development, marketing research support for major account sales and management, and end-use load research for energy efficiency and DSM program impact evaluation.

PSE PUGET SOUND ENERGY

About Puget Sound Energy

Washington's oldest local energy utility

Company Overview

Puget Sound Energy is Washington state's oldest local energy company, providing electric and natural gas service to homes and businesses primarily in the vibrant Puget Sound area.

The region has experienced dramatic change during PSE's century-plus history, but one thing has remained constant: PSE's focus on safe, dependable and efficient energy service. Our commitment to serving communities and to helping make them better places to live and work is as steadfast as ever.

PSE's service area is home to some of America's most recognized and respected businesses, including the Boeing Commercial Airplane Group, Microsoft, Amazon.com, Weyerhaeuser, Starbucks, Costco and Nordstrom.

Combined electric and natural gas service

Electric service

Natural gas service

Headquarters: Bellevue, Wash.

Revenues: $3.19 billion

Assets: $10.8 billion

Employees: 2,700

Customers:

- More than 1 million electric
- More than 770,000 natural gas

Service area: 6,000 square miles, primarily in Puget Sound region of Western Washington

Service-area population: Approximately 4 million

Counties served:

- Island (electric)
- King (combined)
- Kitsap (electric)
- Kittitas (combined)
- Lewis (natural gas)
- Pierce (combined)
- Skagit (electric)
- Snohomish (natural gas)
- Thurston (combined)
- Whatcom (electric)

pse.com/aboutpse

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Goldendale Generating Station

Energy sales (2013):

- 22.9 million megawatt hours
- 1.131 billion therms (1 therm = 100,000 Btu or about 100 cubic feet of natural gas)

Average residential rate (January 1, 2014):

- 9.75¢ per kWh (based on average monthly household usage of 1,000 kWh)
- $1.14 per therm (based on average monthly household usage of 68 therms)

Green Power Program 41,000 participating customers

- 380 million kWh renewable power purchased in 2013
- $4 per month for 320 kWh; $2 each additional 160 kWh; or 100 percent option

Power distribution system:

- 2,597 miles of transmission lines (55 kV and above)
- 20,428 miles of distribution lines (under 55 kV)
  - » 10,357 miles of overhead lines
  - » 10,071 miles of underground lines
- 428 transmission and distribution substations
- 1,073 distribution circuits

Natural gas distribution system:

- 12,192 miles of natural gas mains
- 13,657 miles of service lines
- 40 gate stations
- 2 gas-storage facilities: Jackson Prairie, Washington (partnership); Clay Basin, Utah (contract operations)

Equivalent length of PSE energy-delivery systems:

- Electric lines: Seattle to Washington, D.C., 8 times
- Natural gas lines: once around Earth, at equator

Natural gas supply (2013):

- 23 percent from western United States
- 77 percent from Canada

Electric supply (2013):

- 54.6 percent from PSE-controlled resources
- 45.4 percent from purchased resources

PSE-owned generating capacity:

- 3,597 MW

PSE-owned power plants capacity:

Wind

- Wild Horse – 273 MW
- Hopkins Ridge – 157 MW
- Lower Snake River – 343 MW

Hydro

- Baker River – 200 MW
- Snoqualmie Falls – 54 MW
- Electron – 22 MW

Natural gas

- Cogeneration
  - » Sumas Generating Station – 127 MW
  - » Ferndale Generating Station – 253 MW
  - » Encogen Generating Station – 165 MW
- Combined cycle
  - » Goldendale Generating Station – 278 MW
  - » Frederickson 1 Generating Station – 136 MW
  - » Mint Farm Generating Station – 297 MW
- Simple cycle
  - » Fredonia Generating Station – 314 MW
  - » Frederickson Generating Station – 149 MW
  - » Whitehorn Generating Station – 149 MW

Coal

- Colstrip – 677 MW

Diesel

- Crystal Mountain – 3 MW (backup generator)

Wild Horse Wind and Solar Facility

PSE investments in renewable energy:

PSE is a national leader in wind power, and is recognized by the American Wind Energy Association as the second-largest utility owner of wind energy facilities in the United States. PSE owns the Hopkins Ridge Wind Facility, which entered commercial production in 2005, the Wild Horse Wind and Solar Facility, which entered production in 2006, and the Lower Snake River Wind Facility which went into production in 2012.