



# A decade of investing in customers and communities

For 145 years, Puget Sound Energy has provided our customers and local communities with the energy to do great things. As the state's largest utility, we are proud to keep the lights on and heat running for our 1.5 million customers and will continue to do so now and into the future.

Below are highlights of the many investments we've made in our region in the nearly 10 years since we transitioned to our current ownership structure.

## Serving our customers and communities

- Continuously upgraded the electric and natural gas systems, with more than \$5 billion of work to improve the dependability and safety of critical infrastructure serving our local communities. These include:
  - New natural gas pipeline safety monitoring technology.
  - New electric grid technology to detect and isolate power outages.
- Ensured energy costs remained reasonable for both electric and natural gas customers:
  - PSE average monthly residential electric bill of \$101, as compared to Tacoma Power (\$96), Snohomish PUD (\$106) and Seattle City Light (\$116).
  - PSE average monthly natural gas bill of \$68 per month—equal to 2003.
- Improved customer service:
  - Deployed web and mobile customer service tools for account management, including bill payment and outage information.
  - Exceeded the 2018 JD Power national and West Region overall customer satisfaction averages for residential and business electric utilities.
- Served our neighbors with 3,100 Washington-state employees (up from 2,800 in 2008, primarily due to in-sourcing of new customer construction work).
- Achieved first-quartile national electric utility rankings for employee safety each year since 2012.

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## Bringing more clean energy to the Northwest

- Committed to reducing our carbon footprint 50 percent by 2040 through transitioning from coal, providing customers new clean-energy products and resources, and advancing alternative fuels for both road and maritime transportation.
- Helped Washington state transition from coal. With the retirements of Colstrip Units 1 and 2 no later than July 2022 and the Centralia coal plant in 2025, PSE will be nearly 90 percent clean—meaning non-coal generation—and on the path to 100 percent by the early 2030s.
- Brought more wind power to the Northwest with the expansion of the Wild Horse Wind Facility and the construction of the Lower Snake River Wind Facility. PSE is the largest wind-power producer in Washington and the third-largest utility owner of wind power in the nation.
- Increased the clean-energy output of its Snoqualmie Falls and Baker River hydroelectric facilities while enhancing fish habitat and public recreational facilities. We even built a "fish taxi" that transports juvenile salmon in the Baker River, helping spur the dramatic recovery of the Baker River sockeye salmon.
- Helped our residential and business customers lower their bills through energy efficiency programs that cut electricity consumption by more than 21 billion kilowatt hours—that's enough to power every home and business we serve for a full year.

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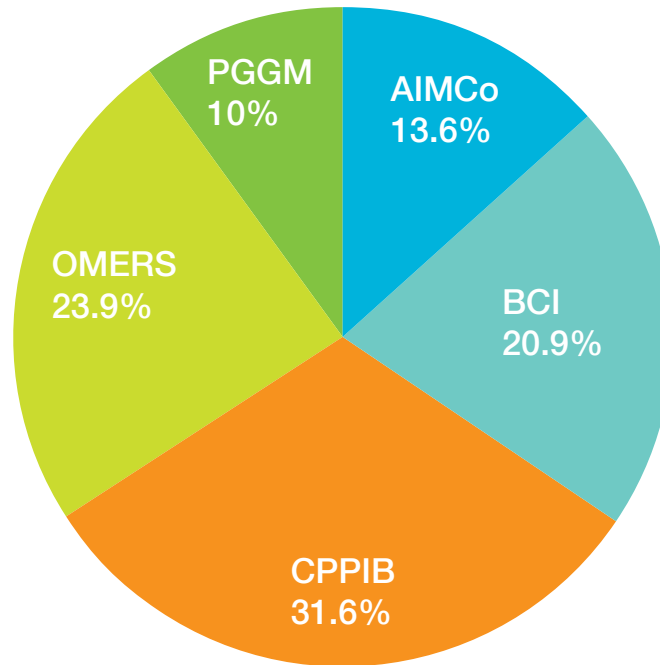
- Contributed more than \$17 million to the community through PSE, the Puget Sound Energy Foundation and employee contributions and volunteerism, including support for United Way, the American Red Cross, Food Lifeline, Forterra and the Mountains-to-Sound Greenway.
  - Aided those in need with \$127 million in bill payment assistance and \$33 million in low-income home weatherization grants.
  - Continued a legacy of local executive leadership with executives based at our headquarters in Bellevue, WA and our board of directors led by a local resident and PSE customer.
  - Remained regulated by multiple state and federal agencies, including the Washington Utilities and Transportation Commission (UTC) and the Federal Energy Regulatory Commission (FERC).
  - Maintained financial transparency through filings with the U.S. Securities and Exchange Commission SEC.
- Partnered with local business and municipal customers to create Green Direct, an industry-leading renewable energy program that is building the first wind farm west of the Cascades.
  - Offered customers expanded choices for clean energy:
    - o Exceeded 43,000 Green Power customers.
    - o Increased grid-connected solar array customers from 250 to 6,500.
    - o Introduced our Solar Choice program so our customers can harness the power of the sun without having to purchase or install pricey solar panels.
    - o Supported electric vehicle adoption, including at-home fast chargers.



Before Washington was even a state, PSE was investing in the future of our region. When our hydroelectric plant at Snoqualmie Falls was built in 1898, it was the first in the world to be built underground. That plant still operates today, providing clean energy to thousands of local homes and businesses.

## Ownership structure/transaction process

- Our investors manage public- and private-sector pension and retirement funds and are experienced in utilities and infrastructure.
- The new investment is comprised of an increase in position of two current investors, the Alberta Investment Management Corporation (AIMCo) and the British Columbia Investment Management Corporation, (BCI), both of which have been investors since 2009, as well as the addition of OMERS, the defined benefit pension plan for municipal workers in Ontario, Canada, and Dutch pension fund manager PGGM.
- The Canada Pension Plan Investment Board (CPPIB), an investor since 2009, continues to hold its current position.
- The investment composition is:



- The increased and new investments are acquiring the non-controlling, 44 percent interest held by Macquarie Infrastructure Partners (MIP) funds. The funds, which include investments other than PSE, are nearing the end of their terms as was anticipated when the 2009 investment was made.
- All new investments in PSE will be reviewed and approved by the Washington Utilities and Transportation Commission (UTC).
- The requirements set by the UTC in 2008 for our current investment structure (including maintaining a local headquarters, local leadership on the board of directors, and achieving customer service benchmarks) are expected to remain.
- Customer rates, service and safety will continue to be regulated by the UTC and other state and federal agencies just as they are today.