

**NOTICE OF POTENTIAL DEFEASANCE AND REDEMPTION**

**PUBLIC UTILITY DISTRICT NO. 1 OF SNOHOMISH COUNTY,  
WASHINGTON  
Electric System Revenue Bonds, Series 2005**

The Public Utility District No. 1 of Snohomish County, Washington (the “District”) is considering the defeasance and/or optional redemption of all or a portion of its outstanding Electric System Revenue Bonds, Series 2005 (the “2005 Bonds”) with available funds of the District. The District is not obligated to proceed with defeasing and/or redeeming any of the 2005 Bonds and no assurance can be given that the District will redeem the 2005 Bonds.