



News Release

Puget Sound Energy Filing Designed to Protect Customers From Maneuver by Industrial Group

BELLEVUE, Wash.--(BUSINESS WIRE)--Dec. 13, 2000--Puget Sound Energy (NYSE:PSD) today made a filing with the Washington Utilities and Transportation Commission (WUTC) to determine how the power costs certain large industrial customers are seeking to avoid paying should be spread to other PSE customer classes if the industrial customers' attempts are successful.

Those customers yesterday (Dec. 12) filed with the WUTC to back out of an agreement they demanded be put in place in 1996 that set their electric rates based on the wholesale price of electricity. As a condition of the 1996 agreement, those customers indicated that they never again would come back and ask to share in the benefits of the pool of power resources that PSE was thereafter reserving for its other customers. This arrangement saved the industrial customers millions of dollars in energy costs.

Prices on the wholesale electric market have increased significantly, causing the electric costs of these industrial customers to increase as well.

"The actions of the complaining customers are an obvious attempt to make all PSE customers pay for the failure of those customers to properly manage their energy risks," said Tim Hogan, PSE's Vice President, External Affairs. "It's outrageous and our filing asks the WUTC to consider the impacts on all of our customers at the same time they review the those customers' filing."

About Puget Sound Energy

Puget Sound Energy (NYSE:PSD) is Washington state's largest energy utility, providing electric and natural gas service to more than 1.2 million customers, primarily in the Puget Sound region of western Washington. Additional information is available at <http://www.pugetsoundenergy.com>.

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