



News Release

NW Utility Urges That Consumers be Allowed to Manage Electricity-Price Changes

Puget Sound Energy goes live with "real-time" pricing information for 400,000 customers

BELLEVUE, Wash.--(BUSINESS WIRE)--Nov. 9, 2000-- Puget Sound Energy (NYSE:PSD - news) today urged the Federal Energy Regulatory Commission to promote the use of new tools and innovations that will let consumers more efficiently manage their demand for electricity and help limit the number of new power plants needed.

During a FERC conference in Washington, D.C., to explore potential remedies for California's ailing electricity market, an executive with the Pacific Northwest utility said consumers should be allowed to take greater control over how and when they use electricity.

"FERC has recognized the critical role that demand-side response from consumers can play in California, but like others, the agency seems to be under the belief that the capability for this doesn't exist today and needs to be developed," said Gary Swofford, Puget Sound Energy's vice president and chief operating officer of energy delivery. "Well, I'm here to tell you that Puget Sound Energy is about to give 400,000 of our residential and business customers the ability to match their electricity use with electricity-market pricing -- allowing them to think ahead before they buy."

Starting with their December bills, these Puget Sound Energy customers will receive a summary report of their previous month's energy usage, displaying when they used their power within various daily blocks of time. The report also will reflect the average wholesale price of customers' electricity for each of the four blocks. The pilot program will monitor how consumers respond and make informed decisions about whether to use less electricity when its costs and environmental impact are higher.

The ability of utility customers to manage their electricity use in response to volatile market prices is key to building an effective and competitive marketplace, Swofford said.

"It doesn't matter what it's called -- real-time pricing, dynamic pricing or demand response -- it all comes down to providing customers with the information they need to make intelligent choices about the electricity they are purchasing," he testified.

Swofford noted that Puget Sound Energy, a leader in the 1970s and 1980s in promoting and investing in energy-efficiency measures for customers, is now focused on helping its customers be good stewards of energy resources "by providing them with the proper price signals so they can see the impacts of using energy inefficiently."

"By reducing demand at peak times, through the proper use of price signals to consumers, the industry can both stop using marginal resources that are more expensive and less efficient, and we can at a minimum significantly postpone the need for new resources whose only function is to serve peak loads."

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