



News Release

PSE's InfrastruX Group completes acquisition of Lineal Industries

BELLEVUE, Wash. (September 28, 2000) — Puget Sound Energy (NYSE: PSD) today announced that its wholly owned subsidiary, Infrastrux Group, has completed the acquisition of Lineal Industries, a privately held pipeline infrastructure construction company based in Pittsburgh, Pa. This acquisition represents the second for InfrastruX Group since it was created in June 2000, producing annualized revenues of approximately \$125 million and employing more than 1,000 people.

"With a strong track record of installing and maintaining major pipeline systems in congested, metropolitan areas with minimum disruption to service and traffic, Lineal Industries fits in with InfrastruX's strategy of acquiring first-rate companies," said John Durbin, CEO of InfrastruX.

Lineal specializes in pipeline construction, maintenance and rehabilitation primarily for the natural gas and petroleum industries. The company currently operates in seven states including Pennsylvania, Ohio, Virginia, West Virginia, Maryland, New York and the District of Columbia. No changes in Lineal's exceptional management group are anticipated.

In addition to Lineal Industries, InfrastruX acquired the UTILX Corporation on June 29, 2000. UTILX is a Kent, WA-based provider of infrastructure construction services to utilities and telecommunications providers.

"InfrastruX is off to a fast start with the acquisition of two excellent companies with very strong management teams in the four months since we were formed," Durbin said. "We have invested in these two firms as part of our strategy to take ownership of high-quality specialty network infrastructure firms that offer utilities and other businesses new methods of improving service to their customers and cutting costs."

"As the industry continues to change, we believe that utilities will aggressively look to generate greater efficiencies by partnering with exceptional outsource providers, and InfrastruX is positioned to be a major force that is able to meet these needs," he added. "We are excited about using these two acquisitions as a springboard to build, over the next five years, a company with revenues in excess of \$1 billion."

Puget Sound Energy, headquartered in Bellevue, Wash., is an investor-owned utility delivering electric and natural gas service to more than 1.2 million homes and businesses, primarily in the greater Puget Sound region of Washington state.

Certain statements contained in this news release, including statements with respect to future revenues, are "forward looking statements" within the meaning of the federal securities laws. Although Puget Sound Energy Inc. and its wholly-owned subsidiary InfrastruX Group believe that the expectations reflected in such statements are reasonable, there can be no assurance that the expected results will be achieved. For additional information concerning certain assumptions, risks and uncertainties involved in the forward-looking statements contained herein, please refer to Puget Sound Energy's reports on file with the SEC.

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