



## News Release

### Dynamic Pricing Project Generates Interest

BELLEVUE, Wash.--(BUSINESS WIRE)--Sept. 27, 2000--Consumers in Washington state are accustomed to new frontiers being opened by the high-technology companies headquartered in the suburbs East of Seattle, with names like Microsoft, Nintendo, Teledesic among the leaders based in the area.

The public is used to being told they need to move ``at Internet speed" to keep up with the changes taking place.

However, some things have stayed the same for many years. Some businesses continue to do things the traditional way, like most of your local utility's sending someone to your house every month to read your energy meter.

Not any more, says Gary Swofford of Bellevue-based Puget Sound Energy(NYSE:PSD - news), which is the provider of power for many of the high technology companies trying to change the world.

``New technologies are changing the marketplace, and utilities that act first will be the ones positioned to take advantage of those changes," said Swofford, Vice President and Chief Operating Officer-Delivery for PSE. ``We're establishing a new kind of interactive relationship with our consumers, utilizing technology and dynamic pricing to provide unprecedented levels of information, convenience and energy management tools."

Swofford provided the blueprint for PSE's plans in a keynote address, titled ``Revolution in the Utility Industry", at the AMRA 2000 International Symposium today.

``Later this fall, we'll be debuting the convergence of a number of investments that Puget has made over the past two years," said Swofford, a 33-year veteran of the largest investor-owned utility in Washington state. ``By combining the Schlumberger data acquisition network with a customer information system that can organize all of this real-time data and a customer service center that allows us to stay in touch with our consumers, PSE is at the forefront of the coming revolution in our business."

PSE is scheduled to begin a pilot program with Schlumberger on November 1, 2000, which will feature an informational insert in the monthly bills of 400,000 of its 1.2 million customers. This insert will show the economic impact of each household's energy use at different times during the day, and begin familiarizing customers with the benefits of dynamic pricing.

``We plan to let our customers see how their choices about energy use can let them control what had been a very static process," said Swofford about the program. ``If we get the kind of response we're expecting, we plan to demonstrate that Washington state consumers are ready to lead the nation in the dynamic pricing revolution."

``With the utility industry landscape undergoing significant changes due to deregulation, Puget Sound Energy's pricing initiative is the first step toward a fully dynamic pricing and energy delivery model," said Brad Kitterman, president, Schlumberger RMS North America. ``Schlumberger is excited to partner with Puget Sound Energy in this dynamic pricing program and together we look forward to taking our experiences developed with Puget to our other customers in North America."

For more information on PSE's plans and Swofford's AMRA presentation, please contact Grant Ringel, Director of Corporate Communications, at 888/831-7250.

Background information for editors

Puget Sound Energy (NYSE: PSD - news) 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.

Puget Sound Energy is following a consistent strategy -- to be the industry leader in the energy distribution business and to grow the business of providing services to other utilities.

Making its distribution system faster, more efficient and less costly to operate, Puget Sound Energy is developing and integrating new technologies that are a natural extension of its utility business. The company has linked technologies, using an extensive wireless automated meter reading network and a suite of customer information systems, to provide faster service and new conveniences including real-time two-way data communication between customers and the utility. By the end of 2001, Puget Sound Energy will provide network meter reading services to more than 1.3 million meters. (Note: Puget Sound Energy operates 1.4 million natural gas and electric meters, with 295,000 of its customers receiving both types of energy service.)

The company's ConneXt subsidiary is a developer of advanced billing systems and customer management data capabilities for energy utilities. Puget Sound Energy is using ConneXt's advanced ConsumerLinX(TM) customer information system for flexible rate and billing structures, real-time pricing and load management, and customer access to billing and energy usage information.

Additional information is available at <http://www.pugetsoundenergy.com>.

Schlumberger Resource Management Services, Inc. (RMS) provides professional business services for utilities, energy service providers and industry worldwide. Through consulting, meter deployment and management, data collection and processing, and information analysis, RMS helps clients achieve network optimization, greater operating efficiency and increased customer loyalty. Active in all utility sectors -- water, gas, electricity and heat -- the RMS group is present in more than 30 countries. Schlumberger RMS posted revenues of \$1.38 billion in 1999.

Schlumberger RMS is a business segment of Schlumberger Limited (NYSE: SLB - news), a global leader in technical services spanning the oil and gas, utility, semiconductor, smart cards, network and Internet solutions industries. Schlumberger revenue was \$8.4 billion in 1999.

Additional information is available from Schlumberger Realtime at <http://www.slb.com>.

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