



News Release

Lakewood Council drops takeover bid

LAKEWOOD, Wash. (Aug. 4, 2000) – The Lakewood City Council unanimously voted Wednesday to rescind a September citywide vote on whether to attempt a municipal takeover of Puget Sound Energy's Lakewood electric system. At the Wednesday meeting, the Council also unanimously approved an agreement with PSE to work collaboratively on ways to improve utility service for PSE's electricity customers in Lakewood.

Representatives of the City and PSE agreed that a cooperative effort to improve utility service is in the best interests of the 8,800 Lakewood homes and businesses served by PSE.

"We both want customers to have the absolute best electric and natural-gas service," said Tim Hogan, PSE's vice president of external affairs. "This agreement gives us the framework to accomplish that goal. It's clear that a costly condemnation of PSE's facilities is not the answer for addressing service concerns or obtaining lower energy costs."

The condemnation and purchase of PSE's power-distribution system in Lakewood would have cost the city somewhere between \$42 million and \$60 million, according to a recent analysis by the Reddy Corporation International, an engineering consulting firm based in Albuquerque, N.M. Initial city estimates began at \$4 million and later climbed to \$5 million and then to \$8 million.

The new agreement between PSE and Lakewood includes provisions for the creation of a citizen advisory committee, appointed by the City Council, to identify utility-service issues and potential solutions. The ad hoc committee's proposals would provide items for consideration in a separate, binding Memorandum of Agreement between PSE and the City.

The agreement also provides for a cooperative effort, perhaps through a coalition with other cities, to seek a larger share of low-cost federal hydropower benefits for PSE customers. Today, customers served by investor-owned utilities like PSE – representing 60 percent of the Northwest's population – receive less than 25 percent of the benefits of low-cost federal hydropower from the Bonneville Power Administration.

"This agreement gets everyone moving in a positive direction," Hogan said. "We've all spent way too much time debating an issue (condemnation) that was in no one's best interests. I'm confident our Lakewood customers will soon see the merits of this new pact between PSE and the City, and we are anxious to roll up our sleeves and get to work."

Media Contact: 1-888-831-7250