



News Release

Puget Sound Energy sells Cabot Oil & Gas preferred stock

Bellevue, Wash. (May 25, 2000) — Puget Sound Energy (NYSE:PSD) yesterday (May 24) sold all of its 1,134,000 shares of 6% convertible redeemable preferred stock in Cabot Oil & Gas Corporation (NYSE:COG), for \$51.4 million, after expenses. The sale produces approximately \$40.8 million in after-tax proceeds. There is no significant gain or loss on the transaction.

The sale furthers Puget Sound Energy's initiatives to refocus non-core assets towards its growing unregulated businesses, principally ConneXt, a developer of advanced customer information systems for mid-sized to large energy utilities; and a newly-formed business focused on providing design, engineering, construction and maintenance services to utility companies.

In May 1999, Puget Sound Energy sold its investment in common stock of Cabot Oil & Gas Corporation. As a result of these two transactions, Puget Sound Energy no longer holds any securities of Cabot Oil & Gas.

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