



News Release

Drop in Power Prices Initiates Early End to PSE Credit Program

BELLEVUE, Wash.--(BUSINESS WIRE)--Nov. 7, 2001--A steep reduction in regional wholesale power prices has made the cost of a temporary Puget Sound Energy program outweigh its benefits, prompting the Washington Utilities and Transportation Commission today to end the program seven weeks early.

With wholesale electricity now costing about one-tenth its price of last spring, Puget Sound Energy, the utility subsidiary of Puget Energy (NYSE:PSD), said its Conservation Incentive Program no longer was economically sound.

"Because of the dramatic turnabout in the energy market, customers who participated in the program were receiving 5 cents for saving electricity that costs 2 to 3 cents to acquire on the wholesale market," said Grant Ringel, PSE's director of corporate communications. "It made no sense to continue a program that paid more for energy than it currently costs."

Since last June, PSE residential and business customers have earned a 5 cent credit on their bills for every kilowatt hour of electricity they saved in excess of a monthly 10 percent cutback in their energy use. A customer's monthly power use was compared to the same month in 2000 to determine credit eligibility.

"Our customers stepped up and responded to the region's energy crunch by reducing their electricity consumption and shifting some power use to off-peak hours of the day," Ringel said. "Wise use of energy will always be important. We commend our customers for their efforts and encourage them to continue using energy as efficiently as possible."

The incentive-credit program, initially set to expire Dec. 31, terminates tomorrow (Nov. 8) under today's WUTC action.

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