



News Release

WUTC OKs Extension, Expansion of Puget Sound Energy's Time-of-day Program

BELLEVUE, Wash., Sep 26, 2001 (BUSINESS WIRE) -- Puget Sound Energy, the utility subsidiary of Puget Energy (NYSE:PSD), today gained state regulators' approval to continue and expand a ground-breaking conservation program that helps customers shift their electricity use to lower-cost, "off-peak" times of day.

A 5-month-old power-pricing trial under the utility's nationally recognized Personal Energy Management(TM) program will now continue through May 2002 for about 300,000 PSE residential customers. In addition, the Washington Utilities and Transportation Commission authorized the utility to begin charging variable, time-of-day electricity rates to approximately 20,000 businesses. Since last December, these businesses have been receiving detailed information each month from PSE about their peak and off-peak energy usage, along with information on the fluctuating wholesale cost of providing their power.

The residential customers in the trial have been paying variable, time-of-day rates for electricity since May. The customers pay about one-third less during low-demand, off-peak hours than at high-demand times of day. The same time-based price differential will now apply to the businesses being added to the billing trial.

Gary Swofford, the utility's vice president and chief operating officer-delivery, said customer response to the program has been exceptional. "We're empowering our customers with technology and information to take more control of their energy use and its costs," he said. "We're putting them in the driver's seat."

In a July survey of 821 PSE customers paying time-of-day rates, 89 percent said the program has encouraged them to shift some of their power use to off-peak hours. Forty-nine percent said they have cut their overall energy consumption.

Additionally, power-usage data from June and July indicate that variable, time-sensitive rates are promoting a strong conservation ethic among PSE customers. Residential customers paying time-of-day rates shifted about 5 percent of their electricity usage, on average, away from the morning and early evening hours when public demand for power -- and wholesale power prices -- are highest. In addition, these customers reduced their overall electricity usage in June by more than 6 percent compared to their June 2001 usage.

Swofford noted that maintaining the time-of-day pricing trial for a full 12 months, both for residential and business customers, will enable the utility and state regulators to evaluate the program's benefits over a winter season, when demand for electricity -- and its cost to provide -- are highest.

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