



News Release

Puget Sound Energy Asks for Extension of Personal Energy Management; Time-of-Day Electric Rates Prompting Customers to Use Less Power in Peak Hours

BELLEVUE, Wash., Sep 4, 2001 (BUSINESS WIRE) -- Puget Sound Energy, the utility subsidiary of Puget Energy (NYSE:PSD), is seeking to extend a nationally recognized conservation program that is helping customers shift a sizable share of their power use to lower-cost, "off-peak" times of day.

A five-month pricing trial of the utility's groundbreaking Personal Energy Management(TM) program, currently set to end Sept. 30, would continue through May 2002 under a proposal PSE filed Friday afternoon with the Washington Utilities and Transportation Commission.

"Offering Personal Energy Management's time-of-day pricing trial for a full 12 months will enable PSE and state regulators to evaluate customer response to the program through a winter season, when overall demand for power -- and the benefits of shifting consumption to off-peak hours -- are greatest," said Penny Gullekson, PSE's vice president-Customer Services.

Since May, about 300,000 PSE customers have been paying variable, time-of-day rates for electricity. The customers pay about 30 percent less during low-demand, off-peak hours than at high-demand times of day.

Power-usage data from June and July indicate that variable, time-sensitive rates are promoting a strong conservation ethic among PSE customers. Customers paying time-of-day rates shifted about 5 percent of their electricity usage, on average, from the morning and early evening hours when public demand for power -- and wholesale power prices -- are highest. That 5 percent shift is in comparison to the peak-period power use of PSE customers who already are receiving detailed personal reports on the timing of their electricity consumption, but not time-of-day rates. In addition, customers paying time-of-day rates reduced their overall electricity usage in June by more than 6 percent compared to their June 2001 usage.

"Our customers overwhelmingly appear to want the information and the price incentive to use energy more efficiently," said Gullekson. "Their response to Personal Energy Management's time-of-day pricing plan has been impressive."

In a July survey of 821 PSE customers paying time-of-day rates, 89 percent said the program has spurred them to shift some of their power use to off-peak hours. Forty-nine percent said they have cut their overall energy consumption. Nine in 10 said they would recommend the time-of-day pricing program to a friend.

That kind of customer response, Gullekson said, is noteworthy. Various studies indicate that even a modest drop in peak-demand power use can produce a dramatic reduction in wholesale power prices.

In today's filing with the WUTC, Puget Sound Energy also proposed that about 40,000 business customers be added to the group of 300,000 residential customers now paying time-of-day rates. These are businesses that have been receiving peak-versus-off-peak usage reports from PSE since last December.

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