



## News Release

### **Puget Sound Energy Natural Gas Rates Reset to Reflect Lower Market Costs; WUTC Approves Purchased Gas Adjustment Request to Decrease Rates by 11%**

BELLEVUE, Wash., Aug 29, 2001 (BUSINESS WIRE) -- The Washington Utilities and Transportation Commission today approved a decrease in Puget Sound Energy natural gas rates that will lower natural gas bills for homes and businesses in six Washington counties by an annual average of 11 percent.

Puget Sound Energy is the utility subsidiary of Puget Energy (NYSE:PSD).

The reset natural gas rates, known as a purchased gas adjustment, go into effect Sept. 1, 2001. The rate decrease will lower PSE residential natural gas rates by 8.2 percent for the winter months, followed by another reduction of up to 20 percent to go into effect June 1, 2002, if the current drop in wholesale natural gas prices continue. Commercial and industrial customers would see comparable reductions.

Over a 12-month period, a typical Puget Sound Energy residential customer would pay \$7 less on monthly natural gas bills, an overall 9.7 percent decrease. The average household natural gas bill would be \$70.

Puget Sound Energy's approved purchased gas adjustment recovers high prices the company paid last winter to purchase natural gas for its customers and passes along current and forecasted lower prices. Purchased gas adjustments, a mechanism used by Washington's natural gas utilities for more than 20 years, are designed to solely reflect changes in the wholesale market without affecting utility profits.

Puget Sound Energy, a combined electric and natural gas utility, serves 598,000 natural gas customers in Snohomish, King, Pierce, Thurston, Lewis and parts of Kittitas counties.

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