News Release

Puget Sound Energy Files Revision for Greater Decrease on Natural Gas Bills

BELLEVUE, Wash., Aug 23, 2001 (BUSINESS WIRE) -- Puget Sound Energy, the utility subsidiary of Puget Energy (NYSE:PSD), today asked state regulators to revise a filing made last month that would lower natural gas bills even more, to an average 11 percent annual reduction for all gas customers.

The revision, filed with the Washington Utilities and Transportation Commission (WUTC), proposes to lower natural gas rates in two stages to reflect a drop in wholesale natural gas prices. The request represents a dollar-for-dollar pass through to customers of costs PSE already has paid for natural gas as well as estimated forward natural gas costs. The utility's previous filing, submitted on July 24, proposed a three-phased reduction, averaging 8 percent, and centered primarily on a seasonal schedule. The revised filing reflects a continued drop in the cost of gas in the wholesale market.

In today's filing, the reduction for residential customers averages 9.7 percent over the 12-month period, or about $7.00 a month. The average monthly household natural gas bill would drop to $70.

To reflect these savings, PSE would reduce residential rates by approximately 8.2 percent on Sept. 1, followed by another reduction on June 1, 2002, if current market conditions continue. Commercial and industrial customers would see comparable reductions.

Puget Sound Energy's request follows a routine purchased gas adjustment (PGA) mechanism to pass through increased or decreased costs of natural gas purchased for customers. Changes in purchased-gas costs are passed along directly to customers, without profit or loss to the utility.

PSE has requested the WUTC to approve the rate reductions at its August 29 open meeting.

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