



News Release

Puget Sound Energy Requests to Lower Natural Gas Bills by 8.3%

BELLEVUE, Wash.--(BUSINESS WIRE)--July 24, 2001--With wholesale natural gas prices dropping, Puget Sound Energy, the utility subsidiary of Puget Energy (NYSE:PSD), has filed a request with state regulators to lower bills an overall average 8.3 percent over a 12-month period for all of its natural gas customers.

The request, filed with the Washington Utilities and Transportation Commission (WUTC), would allow customer bills to go down while also allowing PSE to recover its actual cost of natural gas supplies obtained for customers last winter.

The reduction for residential customers averages 7 percent over the 12-month period, or about \$5 a month. The average monthly household natural gas bill would drop to \$72.

To achieve these savings, PSE would reduce residential rates by approximately 3 percent on Sept. 1, followed by a 9 percent reduction on April 1, 2002. Further reductions are anticipated on June 1, 2002 if current market conditions continue. Commercial and industrial customers would see similar reductions.

The proposed lower rates are a result of greater natural gas supplies from increased production, more natural gas held in storage and lower nationwide demand this summer due to moderate temperatures compared to a year ago.

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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