



News Release

Puget Sound Energy/BPA agreement enhances benefits for utility's customers

BELLEVUE, Wash. - Households and small farms served by Puget Sound Energy will receive increased benefits from the Bonneville Power Administration under an agreement struck earlier this month between BPA and the Bellevue-based utility.

PSE, the utility subsidiary of Puget Energy (NYSE:PSD), last year signed a contract with BPA that entitles the utility to 700 average megawatts of federal power benefits commencing Oct. 1 this year. Those power benefits, provided under the Northwest Regional Power Act, were split into two parts: 368 average megawatts of actual electricity, and 332 average megawatts of equivalent financial benefit. The utility and BPA recently agreed to convert the entire five-year, 700-megawatt annual allocation into monetary benefits for PSE customers.

As a result of the new agreement, BPA will pay PSE approximately \$175 million annually over the next five years.

The benefits of this agreement pass through to PSE's 846,000 residential and small-farm customers. PSE customers receive their federal power benefits in the form of a reduction in their monthly bills. As a result of the new agreement, the amount of benefits currently reflected in these PSE customers' bills will increase by approximately \$65 million per year, beginning Jan. 1, 2002.

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