



## News Release

### Puget Sound Energy Announces Constructive Settlement With Industrial Customers

BELLEVUE, Wash.--(BUSINESS WIRE)--April 6, 2001--Puget Sound Energy, the utility subsidiary of Puget Energy (NYSE:PSD), said it is pleased by state regulators' approval yesterday of a new power arrangement between the utility and several large industrial customers.

Richard L. Hawley, PSE's chief financial officer, said: "We built our power-supply portfolio around the premise that our large industrial customers would be supplied by the market, preserving the benefit of PSE's resources for our core residential and commercial customers. We are gratified a solution is now in place that meets this fundamental business and financial objective while giving our industrial customers new options to better manage their energy requirements."

The agreement marks the settlement of a December 2000 complaint the industrial customers made to the Washington Utilities and Transportation Commission (WUTC). In their complaint, the customers sought emergency relief from a tariff they agreed to in 1996 that tied their electricity rates to a market-based index.

Under the agreement approved yesterday by the WUTC, PSE's six largest industrial customers -- with a combined load of about 250 average megawatts -- now can purchase electricity directly or through PSE, from other suppliers at negotiated prices or, if they choose, they can self-generate their electricity. Certain small industrial customers, representing a small portion of the current market index load of PSE (approximately 25 average megawatts) will be allowed to transfer to other fixed rate plans under the settlement.

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