



News Release

PSE Files Plan Rewarding Customers Who Conserve and Shift Electricity Usage; 'Next Generation' of Energy Management Empowers Customers to Manage Use, Control Costs

BELLEVUE, Wash. --(BUSINESS WIRE)--March 27, 2001--Puget Sound Energy, the utility subsidiary of Puget Energy (NYSE:PSD), is proposing the "next generation" of energy conservation that rewards customers both for using less electricity and for shifting their power use to less-expensive times of the day.

The plan, filed today with the Washington Utilities and Transportation Commission, couples a new incentive for energy conservation with PSE's ground-breaking technology that will let consumers pay less for the electricity they use during "off-peak" hours when overall demand for power drops.

"We believe our customers are ready to take energy conservation to the next level," said Gary Swofford, PSE's vice president and chief operating officer. "This plan represents the next generation of conservation, one that puts the customer in control and allows the homes and businesses we serve to save money by using electricity more wisely and efficiently."

Under one element of its integrated proposal, PSE is offering to provide its residential and business customers a credit of 5 cents for every kilowatt hour they save in excess of a 10 percent cutback in their electricity use. A customer's latest month of power usage would be compared with that same month a year earlier to calculate eligibility for the credit.

The second component of PSE's energy strategy is its Personal Energy Management (PEM) rate-adjustment plan. The PSE residential and business customers involved in the PEM program -- initially about 420,000 -- would pay less for the power they use during off-peak periods, and more for high-demand, on-peak energy. The program's goal, Swofford said, is to enable existing power resources to serve more customers while reducing power costs.

"Our customers have told us they want control over their energy usage and costs," Swofford said. "This program gives them the tools and information they need to make informed choices not just about how much energy they use, but when they use it. That's a critical point, especially during this time of regional energy crisis. It costs substantially more, both in dollars and in environmental impact, to supply customers with power during the hours of the day when demand for electricity is highest."

Puget Sound Energy has asked the WUTC to put this integrated plan into effect April 16, 2001. This would allow customers to see the results of their efforts reflected in their bills beginning in mid-May.

PSE is the first utility in America, and perhaps in the world, that is providing a large-scale group of business and residential customers with time-differentiated power-pricing signals. The technology enabling this break-through is PSE's new wireless, two-way, automated meter-reading network and ConsumerLinX(TM), the exclusive customer-information software system recently developed by ConneXt(R), a PSE subsidiary. PSE's "talking" electric and natural-gas meters are capable of sending energy-usage data from customers' homes and businesses every 15 minutes. The technology is capable of matching hour-by-hour energy usage with real-time energy-market pricing, and delivering this information to consumers over the Internet.

"Because of our investment in the newest technologies," Swofford added, "this new program is an action we can take -- and in light of the looming regional energy emergency -- must take, to help our customers effectively manage their energy usage."

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