



News Release

Puget Sound Energy, Industrial Customers Agree On New Power Arrangement

BELLEVUE, Wash.--(BUSINESS WIRE)--March 13, 2001--Puget Sound Energy, the utility subsidiary of Puget Energy (NYSE:PSD), today announced the filing with the Washington Utilities and Transportation Commission (WUTC) of a proposed settlement among PSE, 11 industrial customers served by PSE, WUTC staff, and the Public Counsel section of the Office of the Washington Attorney General related to a complaint proceeding before the WUTC initiated in December 2000 by certain of the industrial customers.

In their December 2000 complaint, certain PSE industrial customers had sought emergency relief from the market-index-based tariff they agreed to in 1996. Under terms of the proposed settlement, which must be approved by the WUTC to become effective, about 85 percent of the industrial loads in question would now be able to purchase electricity from other suppliers at negotiated prices or, if they chose, to self-generate the electricity they use. In turn, these industrial customers would give up any rights to electricity PSE will use to supply to its other customers. A few of the smaller customers in this case will have the ability to transfer to a new rate designed especially for their needs.

Tim Hogan, PSE's vice president of external affairs, said: "We're pleased that we were able to reach agreement on a package that enhances the ability of these customers to better manage their power costs while staying true to the principle of protecting the power supply for PSE's residential and small-business customers."

The WUTC has scheduled a hearing on March 21 to review the proposed settlement.

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