



## News Release

### Puget Energy Reports 2000 Earnings

BELLEVUE, Wash.--(BUSINESS WIRE)--Feb. 13, 2001--Puget Energy (NYSE:PSD) today reported 2000 income for common stock of \$184.8 million, or \$2.16 per diluted share, up from reported income of \$174.5 million, or \$2.06 per diluted share, in 1999.

Puget Energy became the holding company parent of Puget Sound Energy on Jan. 1, 2001.

"We made significant strides over the past year with continued improvement of our regulated utility distribution business and expansion of the non-regulated business with our new InfrastruX subsidiary completing two acquisitions," said President and Chief Executive Officer William S. Weaver. "Within the utility, careful management of electric supply resources, coupled with one of the most efficient distribution operations in the country, led to good results despite extreme price-volatility experienced in the West Coast wholesale power markets. The company has avoided the financial difficulties experienced by other West Coast utilities by being slightly long on electricity supply resources during a time of volatile high prices in the energy markets."

Fourth-quarter income for common stock for the period ended Dec. 31, 2000 was \$67.0 million, or 78 cents per diluted share, compared to income of \$57.5 million, or 68 cents per diluted share for the fourth quarter of 1999.

#### Factors in Annual Results

Operating revenues for the 12-month period were \$3.4 billion, up from \$2.1 billion for the same period in 1999. Increased revenues reflect increased wholesale and other market-priced electric sales volumes and prices and increased natural gas revenues.

Higher overall total operating expenses in 2000 were primarily due to increased costs for purchasing natural gas and electricity as well as fuel for electric generation. Utility operations and maintenance expenses for the 12-month period were flat compared to the previous year.

Over the 12-month period, the company served an additional 20,900 natural gas and 16,600 electricity customers representing an annual growth rate of 3.7 percent and 1.8 percent respectively.

#### Factors in 3-Month Results

Operating revenues for the three-month period ended Dec. 31, 2000 were \$1.3 billion, up from \$645 million from a year ago. Improved results for the fourth quarter were primarily due to favorable energy margins from increased wholesale electric sales.

Operations and maintenance expenses in the fourth quarter of 2000 increased over the prior year principally because of increased maintenance costs associated with the utility's generating resources.

During the fourth quarter, the company did make sales to the California Independent System Operator (ISO). At December 31, 2000, the net amount reflected in the financial statements as a receivable from the ISO is approximately \$40 million.

#### PUGET ENERGY -- SUMMARY INCOME STATEMENT

(In thousands, except per-share amounts)

	3 months ended 12/31(1)		12 months ended 12/31	
	2000	1999(2)	2000	1999(2)
Operating revenues				
Electric	\$ 1,009,152	\$ 475,046	\$ 2,771,695	\$ 1,558,012
Gas	236,026	162,767	612,311	485,488
Other	31,489	7,291	57,666	24,444
Total operating revenues	1,276,667	645,104	3,441,672	2,067,944
Operating expenses				
Purchased electricity	672,068	240,074	1,766,625	780,162
Purchased gas	142,654	80,746	332,927	220,010
Electric generation fuel	76,944	26,853	182,978	59,439
Residential exchange	(11,745)	(11,131)	(41,000)	(39,000)
Utility operations				

& maintenance	70,903	61,042	240,094	240,645
Other operations				
& maintenance	33,399	4,591	60,612	27,178
Depreciation & amortization	51,635	46,999	196,513	175,710
Conservation amortization	1,643	2,372	6,830	7,841
Other taxes	58,245	51,111	203,230	180,141
Federal income taxes	53,651	40,618	128,991	108,002
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Total operating expenses	1,149,397	543,275	3,077,800	1,760,128
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Operating income	127,270	101,829	363,872	307,816
Other income	(11,480)	(803)	5,061	28,135
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Income before interest charges	115,790	101,026	368,933	335,951
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Interest charges	46,515	41,191	175,102	150,384
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Net Income	69,275	59,835	193,831	185,567
Less preferred stock dividend accruals	2,230	2,376	8,994	11,065
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Income for common stock	\$ 67,045	\$ 57,459	\$ 184,837	\$ 174,502
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Common shares outstanding	85,771	84,730	85,411	84,613
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Basic earnings per common share	\$ 0.78	\$ 0.68	\$ 2.16	\$ 2.06
Diluted earnings per common share(3)	\$ 0.78	\$ 0.68	\$ 2.16	\$ 2.06

(1) Partial-year results may not accurately predict full-year performance, as earnings are significantly affected by weather.

(2) Certain amounts previously reported have been reclassified to conform with current year presentations with no effect on net income.

(3) Diluted earnings per common share include the dilutive effect of securities related to employee compensation plans.

PUGET SOUND ENERGY -- UTILITY OPERATING DATA  
3 months ended 12/31      12 months ended 12/31

	2000	1999	2000	1999
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Energy sales revenues (\$ in thousands)				
Electricity				
Residential	\$ 148,145	\$ 152,101	\$ 604,881	\$ 608,259
Commercial	125,303	123,461	489,596	472,899
Industrial	104,776	51,702	297,661	175,901
Other(1)	120,470	27,115	130,263	(15,775)
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Subtotal, retail sales	498,694	354,379	1,522,401	1,241,284
Sales to other utilities and marketers	510,458	120,667	1,249,294	316,728
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Total electricity sales	1,009,152	475,046	2,771,695	1,558,012
Gas				
Residential	153,186	101,737	372,900	296,032
Commercial	65,605	46,275	180,204	137,327
Industrial	11,775	8,984	36,159	27,859

Transportation	3,004	2,953	12,137	13,117
Other	2,456	2,818	10,911	11,153
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Total gas sales	236,026	162,767	612,311	485,488
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Total energy sales revenues	\$ 1,245,178	\$ 637,813	\$ 3,384,006	\$ 2,043,500

Energy sales volumes

Electricity (in mwh)				
Residential	2,531,190	2,442,884	9,810,393	9,861,791
Commercial	1,942,277	1,872,055	7,677,032	7,482,280
Industrial	1,063,214	1,004,779	4,026,344	3,980,246
Other(1)	495,530	455,621	338,343	107,215
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Subtotal, retail sales	6,032,211	5,775,339	21,852,112	21,431,532
Sales to other utilities and marketers				
	4,368,453	3,472,763	15,093,731	11,733,507
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Total mWh	10,400,664	9,248,102	36,945,843	33,165,039
Gas (in 000's of therms)				
Residential	191,477	165,738	517,561	507,978
Commercial	92,589	93,930	305,440	298,781
Industrial	18,393	19,970	67,524	65,236
Transportation	49,316	59,398	204,035	236,704
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Total gas volumes	351,775	339,036	1,094,560	1,108,699

Customers served(2)

Electricity				
Residential	818,440	803,694	811,443	797,421
Commercial	99,514	97,670	98,758	96,769
Industrial	4,054	4,177	4,111	4,224
Other	1,621	1,501	1,548	1,497
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Total electricity customers	923,629	907,042	915,860	899,911
Gas				
Residential	541,576	521,851	532,333	509,384
Commercial	46,173	44,916	45,524	44,302
Industrial	2,877	3,024	2,991	3,017
Transportation	112	93	98	103
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Total gas customers	590,738	569,884	580,946	556,806

Weather

Actual heating degree days	1,792	1,603	4,970	4,956
Normal heating degree days	1,729	1,729	4,928	4,908
% colder (warmer) than normal	4%	(7%)	1%	1%

(1) Includes change in unbilled revenues, Conservation Trust collections and sales of natural gas and oil to generators. Also includes the gain on the sale of the Centralia power plant which was refunded to customers in November 2000.

(2) Quarterly data represents average served during December; 12-month data represents average for the year. In 2000, approximately 294,000 customers purchased both forms of energy from the company.

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