



News Release

Utilities Commission Confirms Puget Sound Energy Natural Gas Adjustment

BELLEVUE, Wash.--(BUSINESS WIRE)--Jan. 11, 2001--Under a routine mechanism to pass through increased or decreased costs of natural gas purchased for customers by Washington's regulated utilities, the Washington Utilities and Transportation Commission (WUTC) today (Jan. 11) confirmed an upward adjustment averaging 19.4 cents per therm for customers of Puget Sound Energy, a subsidiary of Puget Energy (NYSE:PSD). The WUTC also approved similar increases for Avista Utilities and Cascade Natural Gas.

Under state regulations, PSE and other utilities do not profit from any change in retail gas prices resulting from a PGA.

The higher rates, which apply to industrial, commercial and residential customers, are a result of continued, increased market demand nationwide for natural gas heating and the expanded use of gas as fuel to generate electricity. With the overall 26-percent increase, effective Jan. 12, 2001, the average household bill will go up 25 percent, from \$64 a month to \$80.

The price passed through to consumers is based on what it has cost Puget Sound Energy to purchase natural gas supplies in previous months, and what the market predicts will be the future price of supplies.

The Energy Information Administration of the U.S. Department of Energy reported on December 6, 2000 that wholesale natural-gas prices have quadrupled over the past year. That jump translates into about a 50 percent increase, on average, in retail natural-gas prices nationwide compared to a year ago, the agency said.

Puget Sound Energy offers programs that can assist customers in paying their heating bills. Their customers are urged to call the company at 1-888-225-5773 to review payment options. Some households may qualify for winter heating bill assistance through the federal Low-Income Home Energy Assistance Program (LIHEAP), which is administered through local community action agencies. PSE customers may include a donation to the Warm Home Fund through their energy-bill payments.

Additionally, through The Salvation Army Warm Home Fund, which applies donations from PSE customers, employees and shareholders, Puget Sound Energy customers having difficulty paying their winter heating bills may qualify for assistance.

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