



News Release

Dividends Declared On Puget Energy Common, Puget Sound Energy Preferred Stock; Holding Company Structure Became Effective Jan. 1, 2001

BELLEVUE, Wash.--(BUSINESS WIRE)--Jan. 8, 2001--The Board of Directors of Puget Energy (NYSE:PSD) today (January 8) declared quarterly dividends on the company's common stock.

A quarterly dividend of 46 cents per share was declared on Puget Energy's common stock, payable February 15, 2001, to shareholders of record as of the close of business, January 19, 2001. Effective January 1, 2001, Puget Energy was established as the holding company parent of Puget Sound Energy with the previously, publicly-held common shares of Puget Sound Energy automatically converting one-for-one to shares of Puget Energy. The dividend rate for common stock for Puget Energy was unchanged from that of Puget Sound Energy.

The Board of Directors of Puget Sound Energy also declared quarterly dividends on Puget Sound Energy preferred stock at the rates shown below.

Quarterly dividends declared 01/08/2001 on Puget Sound Energy preferred stock:

SERIES	DIVIDEND	PAYMENT DATE	RECORD DATE
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4.70%	\$1.175	Feb. 15, 2001	Jan. 19, 2001
4.84%	\$1.21	Feb. 15, 2001	Jan. 19, 2001
7.45% Series II	\$0.465625	April 1, 2001	Mar. 15, 2001
7.75%	\$1.9375	Feb. 15, 2001	Jan. 19, 2001

The change to a holding company structure makes Puget Sound Energy, an electric and natural gas utility, a wholly-owned subsidiary of Puget Energy. InfastruX Group, the unregulated operation providing construction and maintenance services to other utilities, also became a subsidiary of Puget Energy, effective January 1, 2001.

Outstanding shares of Puget Energy are continuing to be quoted as "PSD" on the New York Stock Exchange. Existing certificates of Puget Sound Energy do not need to be exchanged to represent Puget Energy common shares.

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