



News Release

Puget Sound Energy Expresses Surprise At Being Included in Memos

BELLEVUE, Wash., May 9, 2002 (BUSINESS WIRE) -- Puget Sound Energy expressed surprise that it was mentioned in a recently released series of memos outlining Enron energy trading strategies and making reference to PSE, (utility subsidiary of Puget Energy (NYSE:PSD)), receiving services from Enron.

"We absolutely do not have a corporate strategy of manipulating energy markets," said Julia Ryan, PSE's vice president, energy portfolio management.

"PSE is a load-serving utility," said Ryan. "That is, we are in the business of providing electricity and natural gas to our retail customers. We engage in energy marketing not as a primary business strategy but as a necessary part of serving our customers."

When PSE customers are not using all the power the utility has available for them, PSE sells the excess to others. When additional supply is needed, PSE buys from other wholesale sources.

"Our principal mission is to acquire least cost energy resources on behalf of our customers," said Ryan.

Utilities that serve retail customers commonly buy and sell electricity on the wholesale market and commonly deal with traders such as Enron. This was true for PSE, although the company did business with many other energy traders as well.

"PSE conducts its business within the letter and intent of the law," said Ryan. "PSE President and CEO Steve Reynolds has initiated an independent inquiry to make sure this matter is fully examined and will take immediate and decisive actions if any inappropriate trading activities are identified."

PSE will be open and cooperate fully with the Federal Energy Regulatory Commission to answer any questions the Enron memos may raise, Ryan said.

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