



News Release

Dividends Declared on Puget Energy Common, Puget Sound Energy Preferred Stock; Higher-Cost Preferred Stock Redeemed in Third Quarter

BELLEVUE, Wash.--(BUSINESS WIRE)--Oct. 7, 2003--The Board of Directors of Puget Energy (NYSE:PSD) today (October 7) declared quarterly dividends on the company's common stock.

A quarterly dividend of 25 cents per share was declared on Puget Energy's common stock, payable November 15, 2003, to shareholders of record as of the close of business, October 17, 2003. The dividend rate for Puget Energy common stock was unchanged. The third-quarter dividend will be the 241st consecutive quarterly dividend paid by Puget Energy and its predecessor companies.

The Board of Directors of Puget Sound Energy, which is a wholly-owned subsidiary of Puget Energy, also declared quarterly dividends on Puget Sound Energy preferred stock at rates shown below:

Quarterly dividends declared 10/07/2003 on Puget Sound Energy preferred stock:

SERIES	DIVIDEND	PAYMENT DATE	RECORD DATE
4.70%	\$1.175	Nov. 15, 2003	Oct. 17, 2003
4.84%	\$1.21	Nov. 15, 2003	Oct. 17, 2003

Puget Sound Energy has notified the holders of its 7.45% Series II Preferred Stock that the company will redeem the outstanding shares on November 1, 2003. This stock was non-voting and will be redeemed at its par value of \$25 per share, plus accrued dividends, on November 1, 2003. This transaction, along with an earlier third-quarter redemption of the 7.75% Series Preferred Stock, are examples of the company's ongoing strategy to refinance high-cost securities at more favorable terms. The two redemptions will result in a total reduction of \$93.8 million of outstanding preferred stock.

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SOURCE: Puget Energy