



News Release

PSE Natural Gas Rates Reset to Reflect Higher Market Costs; WUTC Approves Purchased Gas Adjustment Request to Increase Rates by 13.3%

BELLEVUE, Wash. --(BUSINESS WIRE)--Sept. 24, 2003--The Washington Utilities and Transportation Commission today approved the pass-through of higher wholesale natural gas costs Puget Sound Energy (utility subsidiary of Puget Energy (NYSE:PSD)) pays for purchasing gas supplies for its customers.

The increase, which will go into effect Oct. 1, will raise Puget Sound Energy natural gas bills in six Washington counties by an overall annual average of 13.3 percent, across all groups of customers. For households using the average of 80 therms of gas per month, bills would increase 12.5 percent, or \$7.81 a month on average. The rate change would bring the average monthly residential bill to \$70.23 -- about what the utility's customers were paying during the 2001-02 winter.

The adjustment, called a purchased gas adjustment, is a mechanism used by Washington state's natural gas utilities, to reflect changing supply costs, which are passed on to customers with no markup or effect to utility profits.

Wholesale natural gas prices have steadily increased in the past year, primarily due to a combination of flat gas production and increased demand.

Puget Sound Energy, a combined electric and natural gas utility, serves 633,000 natural gas customers in Snohomish, King, Pierce, Thurston, Lewis and parts of Kittitas counties.

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SOURCE: Puget Sound Energy