



## News Release

### Puget Sound Energy Requests Recovery of Higher Wholesale Costs of Gas Supplies

BELLEUVUE, Wash.--(BUSINESS WIRE)--Aug. 29, 2003--Puget Sound Energy, utility subsidiary of Puget Energy (NYSE: PSD), today filed with the Washington Utilities and Transportation Commission (WUTC) a request to pass through the higher costs the utility pays for purchasing natural gas supplies for its customers.

The Purchased Gas Adjustment (PGA) increase, which PSE has asked to take effect Oct. 1, would raise Puget Sound Energy natural gas bills by 13.3 percent overall, across all groups of customers. For households using the year-round average of 80 therms of gas per month, bills would increase 12.2 percent, or \$7.70 a month on average. The rate change would bring the average monthly residential bill to \$70.10 -- about what the utility's customers were paying during the 2001-02 winter.

Wholesale natural gas prices, driven by the market forces of supply and demand, have steadily increased since last fall.

"While there is a plentiful supply of natural gas to be taken out of the ground, and drilling activity is increasing, the current wholesale market is tight primarily due to flat gas production over the past two years, coupled with increased demand," said Julia Ryan, Puget Sound Energy's vice president of energy portfolio management.

"To help cushion PSE customers from the full effects of market-price volatility when the weather gets cold, we have secured fixed prices for a portion of our winter supply and replenished our underground natural gas storage facilities in preparation for the 2003-04 heating season," added Ryan. "Even with fluctuations in market prices, natural gas still is a cost- and energy-efficient fuel for heating homes and water."

Puget Sound Energy recommends that homeowners take steps now to minimize high heating bills this winter and use energy wisely in their homes. (A tip sheet follows end of news release)

PSE's request with the WUTC is called a Purchased Gas Adjustment (PGA), a mechanism that allows Washington state's natural gas utilities to periodically adjust rates to reflect changes in the price of natural gas charged by producers and wholesale marketers. The cost of gas purchased on the open market is recovered at PSE's cost, without any profit to the company.

PSE, a combined electric and natural-gas utility, serves 633,000 gas customers in Snohomish, King, Pierce, Thurston, Lewis, and Kittitas counties.

Puget Sound Energy's tips for managing winter heating bills

- Avoid huge bills in the coldest months by paying a flat rate every month--balancing out winter's high bills with summer's low ones--through PSE's Budget Payment Plan. Call PSE at 1-888-225-5773 to sign up for the Budget Payment Plan.
- Seal up air leaks around the windows and doors in your home.
- Have your furnace inspected and serviced to be sure it's in proper working order.
- Insulate attics, outside walls and floors over crawlspaces.
- Find out if you qualify for PSE's low-income bill-payment assistance plans, or for weatherization funding for your home. Contact PSE at 1-888-225-5773 to find out more about:
  - PSE's HELP fund
  - The Salvation Army Warm Home Fund
  - Low Income Weatherization Fund.
- Install energy-efficient natural-gas equipment. For information about obtaining rebates for purchasing efficient natural gas water heaters and furnaces, contact a PSE Energy Advisor at 1-800-562-1482.

Contact:

Puget Sound Energy

Media: Dorothy Bracken, 1-888-831-7250

Analysts: Durga Waite, 425/462-3808

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