



News Release

Williams to construct pipeline project to improve natural gas reliability and meet growing Puget Sound Energy demand in Snohomish County (04/29/03)

BELLEVUE, Wash. (April 25, 2003) - Puget Sound Energy (utility subsidiary of Puget Energy [NYSE:PSD]) and Williams Northwest Pipeline (Northwest), a unit of Williams (NYSE:WMB), today announced they have reached an agreement for Northwest to construct a pipeline expansion project to increase the reliability of the utility's natural gas system in Snohomish County.

The project, known as the Everett Delta Project, will help Puget Sound Energy (PSE) meet the demand for natural gas in the county's high-growth region.

"This project will significantly increase the reliability of natural gas delivery available to Snohomish County's residents and businesses, particularly on cold days," said Sue McLain, senior vice president of operations for Puget Sound Energy. "Through our transaction with Northwest, with whom we have been planning a Snohomish County project for the past three years, we will have a more reliable natural gas system with the capability to serve additional load to accommodate the region's peak day demand and on-going baseload growth."

The project consists of approximately 9 miles of 16-inch diameter pipeline in western Snohomish County, connecting with Northwest's existing pipeline near Lake Stevens, Wash. and then extending south and west to an interconnect with Puget Sound Energy near the Port of Everett.

The pipeline will reinforce the north portion of PSE's natural gas service territory, serving Everett and surrounding areas.

This summer Northwest will ask the Federal Energy Regulatory Commission to amend the certificate and authorization originally granted for the Everett Delta Project in October 2001 to reflect, among other considerations, a reduction in the size and capacity of the new pipeline as a result of the slowdown in the merchant power marketplace.

"The Everett Delta Project remains a necessary means for bringing additional supplies of natural gas to utility customers in western Washington. We were pleased when Puget Sound Energy approached us about the utility's continuing need to improve system reliability in Snohomish County," said Allison Bridges, vice president of commercial operations for Northwest Pipeline.

Construction on the pipeline will begin summer of 2004 and is targeted to be in service by November 2004.

About Puget Sound Energy

Puget Sound Energy is the largest combination natural gas and electric utility in the Pacific Northwest, serving nearly 1.3 million customers in 11 Washington state counties. Its 6,000 square-mile service territory covers the largest metropolitan region north of San Francisco and west of Chicago. Based in Bellevue, Wash., Puget Sound Energy is the utility subsidiary of Puget Energy (NYSE:PSD). Company information is available at www.pse.com.

About Williams (NYSE:WMB)

Williams moves, manages and markets a variety of energy products, including natural gas, liquid hydrocarbons, petroleum and electricity. Based in Tulsa, Okla., Williams' operations span the energy value chain from wellhead to burner tip. Company information is available at www.williams.com.

Portions of this document may constitute "forward-looking statements" as defined by federal law. Although the company believes any such statements are based on reasonable assumptions, there is no assurance that actual outcomes will not be materially different. Any such statements are made in reliance on the "safe harbor" protections provided under the Private Securities Reform Act of 1995. Additional information about issues that could lead to material changes in performance is contained in the company's annual reports filed with the Securities and Exchange Commission.

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