



News Release

PSE Completes Acquisition of Wild Horse Wind Power Project; Wild Horse to Provide 229 Megawatts of Wind Power by Late 2006

BELLEVUE, Wash.--(BUSINESS WIRE)--Oct. 4, 2005--Puget Sound Energy, the utility subsidiary of Puget Energy (NYSE:PSD), today completed the acquisition of the development rights to the Wild Horse Wind Power Project from Horizon Wind Energy, formerly Zilkha Renewable Energy. The acquisition gives Puget Sound Energy (PSE) 100 percent ownership of the planned 229-megawatt project located in the eastern part of Washington state's Kittitas County.

"This acquisition is a result of hard work by the Kittitas County Commissioners, the state Energy Facility Site Evaluation Council, Gov. Christine Gregoire, the local community, Horizon Wind Energy and the Puget Sound Energy team," said Stephen P. Reynolds, PSE chairman, president and CEO. "Because of their efforts, our customers are gaining a second clean, renewable, cost-effective source of electricity. This project, along with the soon to be completed Hopkins Ridge Wind Project, is a valuable resource addition for our customers particularly as oil and natural gas prices are at all time highs."

Horizon Wind Energy developed and permitted the project and is responsible for the plant's construction, which is expected to be completed by the end of 2006. Vestas-American Wind Technology, Inc. will supply and install 127 Vestas V80 wind turbines -- a major component of the overall construction project. PSE anticipates spending up to \$380 million on Wild Horse, including the cost to acquire the land, the wind turbines and other necessary assets, construction costs, as well as transaction, financing and other costs.

"The successful collaboration between the local and state entities was critical in getting Wild Horse to this stage," said David Bowen, a Kittitas County commissioner. "Working together, we were able to ensure this project met local and state criteria, which will ultimately provide major economic benefits within our community and preserve traditional uses of the area surrounding the project."

Wild Horse is located on 9,200 acres of open rangeland approximately 11 miles east of Ellensburg, Wash. The project's 127 1.8-megawatt wind turbines will provide enough electricity to serve about 73,000 homes. The energy generated by the project will be delivered to PSE's more than 1 million electric customers via the utility's existing transmission system in the area.

"This wind project was the first to be approved by our state's energy facilities siting process," Gov. Gregoire said. "Its combination of environmental stewardship and economic development made it a very attractive project. Wild Horse will provide clean energy, generate new jobs and showcase the state in the renewable market."

The Wild Horse acquisition, along with PSE's 150-megawatt Hopkins Ridge Wind Project in Washington state's Columbia County, is part of the utility's strategic plan to diversify its power-supply portfolio by adding reliable, low-cost resources for its growing customer base.

"Wild Horse will be an excellent addition to our power-supply portfolio," said Eric Markell, PSE senior vice president of energy resources. "Based on our analysis, the project is a low-cost resource providing energy for our customers at stable, predictable prices. It features the economic, operational and environmental characteristics we look for in a wind project."

PSE's decision to pursue Wild Horse followed an extensive review process that started when PSE issued an "all-source" request for proposals in February 2004. PSE reviewed numerous proposals featuring a variety of power-generation technologies, including proposal options from new wind-power projects in the Pacific Northwest.

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