



News Release

PSE Begins Construction on the Hopkins Ridge Wind Project; Hopkins Ridge to Provide 150 Megawatts of Wind Power by Late 2005 to Mid-2006

BELLEVUE, Wash. --(BUSINESS WIRE)--March 17, 2005--Puget Sound Energy (the utility subsidiary of Puget Energy (NYSE:PSD)) began construction this week on the 150-megawatt Hopkins Ridge Wind Project in southeastern Washington state. RES America Construction Inc., Puget Sound Energy's (PSE) key contractor, started building the roadwork necessary to install and maintain more than 80 wind turbines. This is the first phase of the construction project.

"The start of construction is a tribute to the efforts of the local community and RES America to make the Hopkins Ridge Wind Project a reality," said Stephen P. Reynolds, PSE president and CEO. "Their hard work has made this project a cost-effective resource for our diversified portfolio. With construction underway, Hopkins Ridge could be providing our customers with low-cost wind power by late 2005 to mid-2006."

PSE issued RES America Construction a notice-to-proceed with construction on March 11, following the completed acquisition of the Hopkins Ridge Wind Project from Blue Sky Wind LLC. Both RES America Construction and Blue Sky Wind are affiliates of United Kingdom-based Renewable Energy Systems, Ltd. The utility anticipates spending up to \$200 million on the project, which it will solely own. This total includes approximately \$180 million to acquire and construct the wind farm, \$10 million to fund upgrades to the transmission systems of the Bonneville Power Administration and other regional transmission providers, and the balance on development, transaction and financing costs.

"We welcome Puget Sound Energy's acquisition of the Hopkins Ridge Wind Project," said Dwight Robanske, a Columbia County commissioner. "Hopkins Ridge and Puget Sound Energy will be great additions to our community. The project will create new local jobs during both construction and operation phases, as well as provide approximately \$1.3 million in taxes annually for local schools and other public services."

Hopkins Ridge is situated on 11,000 acres of remote, open wheat fields approximately 15 miles northeast of Dayton, Wash. It will feature more than 80 Vestas 1.8-MW wind turbines providing up to 150 MW of capacity, enough energy to serve 50,000 homes. The energy from the project will be delivered to PSE's service territory by the Bonneville Power Administration's transmission system.

"The Hopkins Ridge site has a superior wind resource resulting in an extremely competitive levelized cost of energy for Puget Sound Energy," said Vic Fryling, CEO of RES America Developments. "In addition, the project's wind resource has the unique characteristics of matching Puget Sound Energy's seasonal load requirements."

The Hopkins Ridge acquisition, along with PSE's letter of intent to purchase the proposed 230-MW Wild Horse Wind Power Project in Washington state's Kittitas County, is part of the utility's strategic plan to diversify its supply portfolio by adding secure low-cost resources for its growing customer base.

"The Hopkins Ridge Wind Project will be an excellent addition to our portfolio of electric resources," said Eric Markell, PSE senior vice president of energy resources. "It will provide more control over our power supply and minimize the risk to our customers from a volatile short-term energy market."

PSE's decision to pursue the Hopkins Ridge proposal 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 generation technologies, including more than 40 proposal options from 10 developers of new wind-power projects in the Pacific Northwest that taken together represented approximately 1,800 MW of renewable energy.

About Puget Sound Energy

Puget Sound Energy is Washington state's largest and oldest energy utility, serving nearly 1 million electric customers and more than 668,000 natural gas customers, primarily in the vibrant Puget Sound region. A subsidiary of Puget Energy (NYSE:PSD), the utility is meeting its customers' future energy needs with an ongoing initiative to secure sufficient energy supplies and build adequate energy-delivery infrastructure -- at the lowest possible cost. PSE is pursuing the development or purchase of additional power-generating resources. Renewable resources, such as wind power, and expanded conservation services also are integral parts of this long-term strategy.

About Blue Sky Wind LLC

Blue Sky Wind is an affiliate of RES America Developments and Renewable Energy Systems, Ltd., one of the largest wind-energy companies in the world. As of March 2005, companies in Renewable Energy Systems (RES) group have developed and constructed over 30 wind projects in six countries with a combined generating capacity of more than 900 MW. Renewable Energy Systems, a subsidiary of England's 130-year-old Sir Robert McAlpine group of engineering and construction companies, has an expanding portfolio of several thousand megawatts of wind projects at various stages of development around the world.

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