



## News Release

### Dividends Declared on Puget Energy Common, Puget Sound Energy Preferred Stock; Puget Energy Annual Meeting of Shareholders Set for May 10, 2005

BELLEVUE, Wash.--(BUSINESS WIRE)--Jan. 11, 2005--The Board of Directors of Puget Energy (NYSE:PSD) today (January 11) declared quarterly dividends on the company's common stock.

A quarterly dividend of 25 cents per share was declared on Puget Energy's common stock, payable February 15, 2005, to shareholders of record as of the close of business, January 21, 2005. The dividend rate for Puget Energy common stock was unchanged. The dividend will be the 246th consecutive quarterly dividend paid by Puget Energy and its predecessor companies.

The Board of Directors of Puget Sound Energy, which is a wholly-owned subsidiary of Puget Energy, also declared quarterly dividends on Puget Sound Energy preferred stock at rates shown below:

Quarterly dividends declared 01/11/2005 on Puget Sound Energy preferred stock:

SERIES	DIVIDEND	PAYMENT DATE	RECORD DATE
4.70%	\$1.175	Feb. 15, 2005	Jan. 21, 2005
4.84%	\$1.21	Feb. 15, 2005	Jan. 21, 2005

The Board of Directors of Puget Energy also set the date for the company's next Annual Meeting of Shareholders for Tuesday, May 10, 2005, to begin at 10 a.m. Pacific Time. The meeting will be held at the Kitsap Conference Center, 100 Washington Ave., in Bremerton, Wash.

Shareholders of record as of close of business March 11, 2005, will receive a proxy statement, and be entitled to vote at the Annual Meeting. The proxy statement will include four matters for shareholder vote. They are: election of four directors; approval of an amended long-term incentive plan for senior management; approval of an amended non-employee director stock plan; and ratification of Puget Energy's independent audit firm.

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