



News Release

Puget Energy Establishes Charitable Foundation; To Enhance Puget Sound Energy's Legacy of Giving

BELLEVUE, Wash.--(BUSINESS WIRE)--July 24, 2006--Puget Energy (NYSE:PSD), the parent of Puget Sound Energy (PSE), which serves more than 1 million electric and 700,000 natural gas customers in Washington state, today announced that the company is establishing the Puget Sound Energy Foundation (Foundation) with a \$15 million endowment from a portion of the recent sale of InfrastruX Group, a former utility construction services subsidiary.

"PSE has a long history of contributing to local causes and efforts to help others in the Puget Sound region," said Stephen P. Reynolds, chairman, president and CEO of Puget Energy and PSE. "Puget Energy's Board of Directors is pleased to be able to expand the depth of our reach with this endowment of shareholder dollars. The Foundation will increase our ability to make a sustainable charitable giving impact in the Pacific Northwest, the region we live in and serve."

Headquartered in Bellevue, Wash., the Foundation, a nonprofit corporation, will award charitable grants to qualifying 501(c) (3) organizations within PSE's service territory and in other areas where the utility produces or purchases energy in the Pacific Northwest. The Foundation, which expects to begin awarding grants in early 2007, will support programs in a variety of sectors with a special focus on those initiatives that promote economic and environmental sustainability. None of the funds required to create or administer the Puget Sound Energy Foundation will come from PSE's utility customers.

PSE Senior Vice President of Corporate Affairs Phil Bussey will serve as Chairman of the Foundation.

About Puget Energy

Puget Energy (NYSE:PSD) is the parent company of Puget Sound Energy (PSE), a regulated utility, providing electric and natural gas service to the growing Puget Sound region of western Washington.

About Puget Sound Energy

The state's oldest and largest energy utility, with a 6,000-square-mile service territory stretching across 11 counties, Puget Sound Energy (PSE) serves more than 1 million electric customers and 700,000 natural gas customers primarily in western Washington. PSE meets the energy needs of its growing customer base through incremental, cost-effective energy conservation, low-cost procurement of sustainable energy resources, and prudent investment in the energy-delivery infrastructure.

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