



## News Release

### Puget Sound Energy to Buy 125-Megawatt Power Plant in Sumas

#### Gas-Fired Facility Will Help PSE Meet Customers' Growing Energy Needs

BELLEVUE, Wash., Dec 10, 2007 (BUSINESS WIRE) -- Puget Sound Energy (utility subsidiary of Puget Energy (NYSE:PSD)) today announced the utility has signed an agreement to purchase a 125-megawatt power plant in Sumas, Wash., to help the company meet its customers' steadily growing electricity demands.

"Sumas is a good fit for us," said Kimberly Harris, PSE executive vice president and chief resource officer. "PSE will acquire an efficient, clean-burning source of power right inside our service area. What's more, the plant is already tied into our utility's power-transmission grid and comes with direct pipeline access to Canada's main natural-gas supply line into the Pacific Northwest, Westcoast Pipeline."

PSE signed a contract last Friday to buy the natural gas-fired power plant from Sumas Cogeneration Company, L.P. PSE also will acquire part ownership in the plant's feeder pipeline that ties into the main Canadian supply line. PSE intends to retain appropriate staff currently operating Sumas.

Knowing PSE was close to signing a purchase agreement, noted Harris, the Sumas plant's acquisition costs are part of the general rate case PSE filed earlier this month with the Washington Utilities and Transportation Commission.

The power plant, built in 1993 north of Seattle near the U.S.-Canada border, is a combined-cycle cogeneration facility, capable of generating electricity using both a natural gas cycle and a steam cycle. The process affords higher operating efficiencies, lower fuel costs, and lower air emissions.

PSE had been purchasing the output of the Sumas power plant under a 20-year contract since the facility's opening. The two companies began negotiations on a purchase-sale of the facility last summer.

The transaction now awaits review and approval from the Federal Energy Regulatory Commission. PSE expects the transaction to close in fall 2008.

PSE, facing a projected 20-year need for about 2,600 average-megawatts (aMW) of additional power supply, is steadily looking for new, cost-effective, environmentally sound resources, Harris noted. The company's electric-customer base, currently numbering more than 1 million, is anticipated to continue growing by about 20,000 customers annually.

Over the past year, PSE purchased a nearly new, 277-MW gas-fired combined-cycle plant in Goldendale, Wash. and signed a long-term contract for 50 megawatts of wind power with PPM Energy from Klondike III, a new energy facility in north-central Oregon. Since 2003, PSE acquired two large wind farms - Wild Horse and Hopkins Ridge -- in Central and Eastern Washington, respectively, making the utility the largest producer of renewable energy today in the Pacific Northwest. The utility also bought a half-interest in the Frederickson 249-MW gas-fired generating plant in Pierce County, Washington. Meanwhile, PSE is also constructing the Northwest's largest solar-power generating facility, a 500-kilowatt demonstration project located at the Wild Horse Wind Facility.

PSE plans to issue a request for outside proposals in February 2008 for up to 1,340 aMW of additional electricity resources by 2015.

PSE was represented in the transaction by Perkins Coie LLP and Sumas was represented by Stoel Rives LLP and Oles Morrison Rinker & Baker LLP.

#### About Puget Sound Energy

Washington state's oldest and largest energy utility, with a 6,000-square-mile service area stretching across 11 counties, PSE serves more than 1 million electric customers and nearly 725,000 natural gas customers, primarily in Western Washington. PSE meets the energy needs of its growing customer base through incremental, cost-effective energy efficiency, procurement of sustainable energy resources, and far-sighted investment in the energy-delivery infrastructure. PSE employees are dedicated to providing great customer service to deliver energy that is safe, reliable, reasonably priced, and environmentally responsible. For more information, visit [www.PSE.com](http://www.PSE.com).

#### 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. For more information, visit: [www.pugetenergy.com](http://www.pugetenergy.com).

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