



News Release

Puget Sound Energy Completes Purchase of Goldendale Generating Station

Utility's latest power-plant acquisition trims electricity-supply shortfall

BELLEVUE, Wash.--(BUSINESS WIRE)--Feb. 21, 2007--Puget Sound Energy (PSE) (utility subsidiary of Puget Energy (NYSE:PSD)) today completed its purchase of a modern, 277-megawatt (MW) power-generating facility in south-central Washington from the Calpine Corporation.

The 2-year-old power plant in Klickitat County, acquired for \$120 million under a bankruptcy proceeding, is designed to help PSE serve a steadily growing customer base across the vibrant Puget Sound region. PSE plans a smooth transition with operations and personnel remaining largely unchanged at the newly named Goldendale Generating Station.

"This plant is a great addition to our resource portfolio," said Stephen P. Reynolds, PSE's chairman, president and CEO. "Its purchase price gives our customers a very cost-effective source of power. And its advanced technology is among the best in the West."

The plant's turbines, fired by natural gas, employ "combined-cycle" technology that generates electricity using both a natural gas cycle and a steam cycle. The process provides higher operating efficiencies, lower fuel costs, and lower air emissions. The 250 MW plant can generate up to 277 MWs of power with duct-firing capacity.

The acquisition stems from PSE's need to secure about 1,500 average MWs of new power supply by 2015 to meet its customers' energy needs. PSE is still negotiating potential contracts on several other power-supply projects it identified as part of a 2005 request for outside proposals.

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 primarily to the growing Puget Sound region of western Washington. For more information, visit: www.pugetenergy.com.

About Puget Sound Energy

Washington 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. PSE meets the energy needs of its growing customer base through incremental, cost-effective energy conservation, low-cost procurement of sustainable energy resources, and far-sighted investment in the energy-delivery infrastructure. For more information, visit www.pse.com.

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