



News Release

PSE Completes Jackson Prairie Natural Gas Storage Expansion

Facility can now meet more customers' energy demand

BELLEVUE, Wash.--(BUSINESS WIRE)--Nov. 4, 2008--Puget Sound Energy (utility subsidiary of Puget Energy (NYSE: PSD)) yesterday finished a \$44 million, 18-month expansion effort at the Pacific Northwest's largest natural gas storage reservoir, enabling the Lewis County facility to now meet one-fourth of the region's peak wintertime demand for natural gas.

The project's completion allows the Jackson Prairie Underground Natural Gas Storage Facility to accommodate the peak daily natural gas demand of 1.2 million homes across the Northwest. That represents a 35 percent increase in the facility's natural gas-withdrawal capacity -- from 850 million cubic feet of natural gas per day to 1.15 billion cubic feet per day.

"The Jackson Prairie expansion helps ensure that our customers will have reliable service on even the coldest winter days," said Kimberly Harris, executive vice president and chief resource officer at PSE. "The existing natural gas transportation system, on its own, simply can't deliver enough natural gas from Canada and the Rockies to meet our region's peak wintertime daily demands. This expansion lets us store and withdraw significantly more natural gas to supplement the regional pipeline system and keep people's homes warm."

Over the past year and a half, construction crews added 10 new wells -- each about 2,000 feet deep -- to the 35 wells already at Jackson Prairie. Crews also installed new piping, compressors, and control systems to enable greater injection and withdrawal of natural gas.

The expansion increases by 10 percent the total amount of natural gas available on a peak-usage day -- both from natural gas transportation pipelines and from storage -- to the region's utilities.

Harris noted that Jackson Prairie not only is instrumental in maintaining the wintertime reliability of the region's natural gas system, but also in smoothing the price of natural gas for consumers. PSE is able to buy natural gas supply in the summer, when prices tend to be lower, and store it at Jackson Prairie to serve homes and businesses in the winter, when wholesale prices usually run higher.

In addition to boosting Jackson Prairie's natural gas-withdrawal capacity, PSE has since 2002 been steadily increasing the underground facility's total storage capacity. The target is a 34 percent increase in storage of deliverable gas -- to nearly 25 billion cubic feet -- by 2012.

Developed in the early 1960s, Jackson Prairie currently can store and redeliver 23 billion cubic feet of natural gas. PSE owns the 3,200-acre reservoir's equipment and facilities jointly with Avista Corp. and the Williams Companies, Inc., with PSE managing the storage operations.

For more information about PSE's natural gas system, visit www.PSE.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 739,000 natural gas customers. PSE, a subsidiary of Puget Energy (NYSE:PSD), meets the energy needs of its growing customer base primarily in Western Washington through incremental, cost-effective energy conservation, low-cost 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.

CONTACT: Media:
Puget Sound Energy
Roger Thompson, 1-888-831-7250

SOURCE: Puget Sound Energy