



News Release

Puget Sound Energy Requests Recovery of Wholesale Costs of Gas Supplies

Also Requests Bill-Assistance Boost to Low-Income Customers

BELLEVUE, Wash.--(BUSINESS WIRE)--Aug. 28, 2008--Puget Sound Energy (utility subsidiary of Puget Energy (NYSE: PSD)) today filed with the Washington Utilities and Transportation Commission (UTC) a request to pass through the higher costs the utility pays for purchasing natural gas supplies for its customers.

The Purchased Gas Adjustment (PGA) increase, which PSE has asked to take effect Oct. 1, would raise Puget Sound Energy natural gas bills by 11.1 percent overall, across all groups of customers. For households using the year-round average of 68 therms of natural gas per month, bills would increase 10.3 percent, or \$8.49 a month, on average. The rate change would bring the average monthly residential bill to \$90.64 -- about what the utility's customers were paying in October of 2006. (The PGA request is separate from PSE's General Rate Case currently in review with the UTC.)

Last season, for the 2007-08 winter, lower wholesale natural gas prices contributed to an overall 13 percent rate reduction for PSE customers.

"Natural gas prices have been very volatile and increased significantly since the UTC approved our request for a 13 percent reduction a year ago," said Bert Valdman, PSE executive vice president and chief operating officer. "With natural gas prices stabilizing recently, we have been able to minimize our current request and are reaching out to customers to help them manage their energy use and obtain bill payment assistance."

Puget Sound Energy recommends that homeowners take steps now to minimize high heating bills this winter and use energy wisely in their homes, including:

- Avoid huge bills in the coldest months by paying a flat rate every month--balancing out winter's high bills with summer's low ones -- through PSE's Budget Payment Plan. Homeowners can call PSE at 1-888-225-5773 to sign up.
- Seal up air leaks around windows and doors.
- Have furnaces inspected and serviced to ensure proper working order.
- Insulate attics, outside walls and floors over crawlspaces.
- Find out if you qualify for PSE's low-income bill-payment assistance plans, or for weatherization funding for your home. Contact PSE at 1-888-225-5773 to find out more about:
 - PSE's HELP fund
 - The Salvation Army Warm Home Fund
 - Low Income Weatherization Program
- Install energy-efficient natural-gas equipment. For information about obtaining rebates for purchasing efficient natural gas water heaters and furnaces, contact a PSE Energy Advisor at 1-800-562-1482.

The PGA is a UTC-approved mechanism that allows Washington state's natural gas utilities to periodically adjust rates to reflect changes in the price of natural gas charged by producers and wholesale marketers. The cost of natural gas purchased on the open market is recovered at PSE's cost, without any profit to the company.

"Even with fluctuations in market prices, natural gas is still a cost- and energy-efficient fuel for heating homes and water," added Valdman. "PSE has rebate programs to help customers install energy efficient natural gas furnaces and water heaters."

PSE also filed a separate request today with state regulators to increase the monthly charge PSE customers pay into a fund for helping low-income households cover their utility bills. The monthly usage-based fee would increase by about 22 cents for electric customers and by 2 cents for natural gas customers. The fee provides approximately \$15 million annually for a direct utility-bill assistance program to more than 25,100 customers served by PSE.

About Puget Sound Energy

Washington state's oldest and largest energy utility, with a 6,000-square-mile service area stretching across 11 counties, Puget Sound Energy serves more than 1 million electric customers and 737,000 natural gas customers, primarily in western Washington. PSE, a subsidiary of Puget Energy (NYSE:PSD), 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. 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.

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SOURCE: Puget Sound Energy

