



News Release

Puget Sound Energy Completes Purchase of Sumas Power Plant

125-Megawatt Facility Will Help PSE Meet Customers' Growing Electricity Demands

BELLEVUE, Wash., Jul 28, 2008 (BUSINESS WIRE) -- Puget Sound Energy (utility subsidiary of Puget Energy (NYSE:PSD)) today announced that it has completed the purchase of a 125-megawatt (MW) power plant in northwest Washington to help the company meet its customers' steadily growing electricity demands.

The utility bought the natural-gas-fired power plant in Sumas, Wash., from Sumas Cogeneration Co., a subsidiary of National Energy Systems Co., based in Kirkland, Wash.

"This acquisition not only gives our customers another efficient, clean-burning source of power right here in our service territory, but the plant comes already connected to PSE's power-transmission grid and has direct pipeline access to the region's natural gas supply," said Kimberly Harris, PSE executive vice president and chief resource officer.

The approximately \$30 million transaction also gives PSE part ownership in a 3.7-mile pipeline that brings natural gas to the Sumas plant from the main Canadian gas-transmission pipeline into Washington state.

Built in 1993 near the U.S.-Canada border north of Seattle, the power plant is a combined-cycle cogeneration facility, capable of generating electricity using both a natural gas cycle and a steam cycle.

A growing customer base and the expiration of large purchased-power contracts in coming years are driving PSE's need to acquire a large amount of new power supplies. The utility estimated in 2007 that it will need approximately 2,600 average-megawatts (aMW) of new electricity supply by 2027 - roughly equivalent to the power load of two cities the size of Seattle.

With the Sumas transaction, PSE has acquired more than 830 MW of new power-supply capacity over the past three years. These acquisitions include the development of two large PSE wind facilities in Eastern Washington, the purchase of a 277-MW gas-fired combined-cycle power plant in Goldendale, Wash., and the long-term purchase of 50 MW of wind power from a wind facility in north-central Oregon. PSE also has constructed the Northwest's largest solar-power generating facility, a 500-kilowatt (KW) demonstration project located at PSE's Wild Horse Wind and Solar Facility near Ellensburg.

PSE continues to pursue other cost-effective power-supply resources, Harris said. The efforts include the utility's recently announced plan for installing approximately 50 MW of additional generating capacity to PSE's 229-MW Wild Horse facility. The utility also is considering various power-supply bids submitted by outside companies under a January 2008 "request for proposals" by PSE.

Conservation is another key element of PSE's long-range energy-supply strategy. The utility anticipates that it will, in essence, acquire more than 500 aMW of added power supply over the next two decades through expanded energy-efficiency services to customers. A power-demand reduction of that size would avert the need to build two medium-sized natural gas-fired power plants.

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 735,000 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.

SOURCE: Puget Sound Energy

Puget Sound Energy
Roger Thompson, 1-888-831-7250