



News Release

Proposed natural gas pipeline to supply NW Washington

Vancouver, British Columbia, Canada (Apr. 14, 2000) – Westcoast Energy Inc. (Westcoast), Cascade Natural Gas Corporation and Puget Sound Energy (PSE) today announced that they will jointly study and evaluate the development of a new natural gas pipeline to serve Northwest Washington consumers.

The new natural gas pipeline is in response to the growing demand for clean natural gas in Northwest Washington, where the population has grown 7.5 percent in the past five years. The proposed Orca Natural Gas Pipeline (ONGP) project would transport natural gas from Sumas, Washington, at the Canada-U.S. border, to new and existing markets in Northwest Washington. It would also add a new link to the North American interconnected natural gas pipeline grid.

"We are pleased to have this chance to pursue this exciting opportunity with PSE and Cascade," said Michael Phelps, Chairman and CEO of Westcoast. "The development of the this project is consistent with Westcoast's objective of increasing our activities in the Pacific Northwest, where we already have a significant market and asset presence."

"Westcoast has a proven track record of developing sustainable energy projects of this magnitude in a safe, efficient, and environmentally responsible manner," added Irv Koop, Westcoast's Executive Vice President, in citing one of the reasons that Westcoast is leading the project evaluation and development for the three companies and would be the lead developer as the project moves forward.

"This new pipeline has the potential to provide substantial savings for our customers while increasing the reliability of their natural gas supply," said Brian Matsuyama, Chairman and CEO of Cascade Natural Gas Corporation. "It will further enhance Cascade's ability to provide cost-effective, quality service to our customers."

Acknowledging the importance of providing safe, reliable service, Bill Gaines, Vice President, Energy Supply of Puget Sound Energy, said, "The Orca Natural Gas Pipeline project can add versatility and diversity to PSE's natural gas supply portfolio, while reducing costs to our customers. It can also allow PSE to better serve its electric customers by delivering fuel to natural gas-fired generation projects more cost-effectively."

The ONGP project is still in the preliminary design stages and will be developed in broad consultation with local communities and government officials. Currently targeted to be in service by late 2004, the natural gas pipeline is anticipated to be approximately 140 miles (225 km) in length, including potential laterals to Whidbey Island, and the Olympic, Quimper and Kitsap Peninsulas, areas not currently served by natural gas. The capacity of the new state-of-the-art pipeline will be determined by projected market demand for natural gas in the region.

The companies plan to evaluate two general corridors for the natural gas pipeline. One alignment would roughly follow the Interstate 5 corridor south to Everett and include an extension across Puget Sound to Port Townsend. The other would be a mostly offshore underwater route south from Whatcom County to Port Townsend. Both scenarios could also provide service to Whidbey Island.

The three companies have a tremendous amount of experience building and operating natural gas pipelines and currently operate a combined 51,000 miles (82,000 kilometers) of natural gas pipelines. Westcoast operates a 51 mile (94 kilometer) offshore natural gas pipeline crossing the Georgia Strait from just north of Vancouver, B.C. to Vancouver Island, and another in the Gulf of Mexico.

Natural gas pipelines have an excellent safety record in Canada and the U.S. Because natural gas is lighter than air, if it is accidentally released into the air or water, it dissipates quickly and harmlessly into the atmosphere. Unintentional ignition of natural gas is rare because it dissipates quickly and combustion requires a precise mixture of natural gas and oxygen.

Natural gas is the cleanest burning fossil fuel. It has far fewer harmful effects on the environment than other fuels because it has virtually no sulfur emissions, lower emissions of nitrogen oxides, and extremely low particulate emissions. It produces approximately 30 percent lower carbon dioxide emissions than oil.

Westcoast Energy Inc. (TSE: W; NYSE: WE) headquartered in Vancouver, British Columbia, is a leading North American energy company with assets of approximately \$CDN 12 billion. The Company's interests include natural gas gathering, processing, transmission, storage and distribution, as well as power generation, international energy businesses, and financial, information technology and energy services businesses. More information is available on the Company's web site at www.westcoastenergy.com.

Cascade Natural Gas Corporation (NYSE:CGC) is a local natural gas distribution company serving parts of Washington and Oregon. The Company focuses on natural gas distribution services to 185,000 residential, commercial and large industrial customers.

Puget Sound Energy (NYSE:PSD), Washington state's largest energy utility, delivers natural gas and electricity to more than 1.2 million customers in 11 counties, primarily in western Washington.

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