



News Release

Puget Sound Energy Requests to Lower Natural Gas Bills by 22%

BELLEVUE, Wash., May 6, 2002 (BUSINESS WIRE) -- Puget Sound Energy (the utility subsidiary of Puget Energy (NYSE:PSD) has filed a request with state regulators to lower natural gas bills for homes and businesses in six Washington counties by an average 22 percent.

The request, filed with the Washington Utilities and Transportation Commission (WUTC), would end a temporary surcharge that went into effect Sept. 1, 2001 to recover costs for natural gas supplies purchased when gas prices were substantially higher in the winter of 2000-2001.

The reduction for residential customers averages 19.4 percent, or about \$12 a month. The average monthly household natural gas bill would drop to \$60. Commercial and industrial customers would see similar percentage reductions in their natural gas bills. PSE has requested the WUTC to have the lower natural gas bills go into effect June 1.

Expiration of the temporary surcharge would allow Puget Sound Energy to lower its natural gas bills for the second time in the past year. Natural gas rates were reduced by 8.2 percent last September. Then, the reset natural gas rates, known as a purchased gas adjustment, included the surcharge in addition to a pass-through of current and forecasted lower-priced natural gas.

Separately, new general rates for natural gas service are expected to go into effect by Sept. 1, 2002, upon regulatory approval of a proposed increase to cover gas-delivery costs to customers. In March, Puget Sound Energy, the staff of the Washington Utilities and Transportation Commission and other parties reached a settlement agreement on portions of PSE's general rate case for electric and natural gas service.

Under the settlement, the maximum increase proposed in the delivery-charge portion of the natural gas rate could raise the average residential gas bill by 13.8 percent, or about \$10 per month.

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