



News Release

New Chief Executive Selected to Run Washington State's Largest Utility

BELLEVUE, Wash., Jan 7, 2002 (BUSINESS WIRE) -- The Board of Directors of Puget Energy (NYSE:PSD), parent company of Puget Sound Energy, today elected as its president and chief executive officer a prominent energy industry executive who also has experience in the high technology sector and multiple facets of energy regulation.

Stephen P. Reynolds is succeeding William S. Weaver, who last summer announced his plans to retire after a 33-year association with the company. Weaver remains Chairman of the Board of Directors.

"Steve Reynolds has a solid track record of achieving positive results as a chief executive in the energy industry," Weaver said. "Steve's unique set of experiences is a perfect fit as PSE builds on its record of improving service to customers, particularly through use of technology. Steve also has a wealth of experience in identifying ways to increase shareholder value, in this case, through greater innovation in use of PSE's substantial power and natural gas assets."

As president and CEO of Reynolds Energy International since 1998, Reynolds has run his own company advising various preeminent energy companies and leading-edge technology firms that concentrate in the energy industry. Among his core clients has been Peace Software, which provides billing solutions to regulated and unregulated businesses that serve over 14 million customers worldwide. For the last year, Reynolds has also served in the role as a trustee for the U.S. Federal Trade Commission overseeing compliance in a significant energy industry merger.

Prior to the energy advisory business, Reynolds held top-level management positions within the energy industry. He joined Pacific Gas and Electric Co. (PG&E) in 1972 and for several years served as Vice President of Rates. In 1987, Reynolds became president and CEO of PG&E's Portland-based subsidiary, Pacific Gas Transmission (PGT). PGT operates the largest natural gas pipeline from Canada, which provides service to both the Pacific Northwest and California. Reynolds also briefly served as the chief executive of PG&E's gas transmission and energy trading operations in Texas before retiring from PG&E in 1997. Reynolds has over two decades of experience in both gas and electric power matters, including significant accomplishments in regulatory restructurings at both the state and federal levels.

"I look forward to the opportunity to lead the Puget Energy organization. The superb location and value of its assets and the receptivity of the region and its energy users to technology-enabled solutions make for an exciting future," said Reynolds. "I have been involved for many years in the Pacific Northwest energy sector and look forward to the contributions the company and I can make to strengthening PSE's relationships in the business and civic community."

Reynolds, 54, is a graduate of the University of California-Berkeley with a degree in Economics. He holds a Masters in Business Administration from the University of Oregon. He is a director of Oregon Steel (NYSE:OS) and a trustee and member of the Executive Committee of the Nature Conservancy of Oregon.

He has one married son, Matthew, who resides in Portland.

CONTACT: Puget Sound Energy Grant Ringel, 888/831-7250