



## News Release

### **Puget Sound Energy, IBEW-Local 77 Reach New Contract Agreement**

BELLEVUE, Wash., Jan 3, 2002 (BUSINESS WIRE) -- Puget Sound Energy (the utility subsidiary of Puget Energy (NYSE:PSD)) employees represented by Local 77 of the International Brotherhood of Electrical Workers (IBEW) yesterday approved a new, three-year contract with a 78 percent favorable vote.

Approximately 1,200 PSE employees are represented by the union. The new contract is effective Jan. 1, 2002, through March 31, 2005.

"We are very pleased to have a ratified agreement that establishes the framework for facing the challenges of our changing industry while meeting the needs and interests of both parties," said Gary B. Swofford, Puget Sound Energy vice president and chief operating officer-delivery. "Approval of this contract gives PSE and the IBEW the opportunity to advance our mission of delivering the highest quality of service at the lowest cost."

The new contract paves the way for transferring all construction and maintenance work for PSE's power-distribution system to Quanta Services, Inc., a service provider under contract with PSE. The utility will retain IBEW-represented employees needed to provide initial response to power outages.

The transfer of eligible employees to Quanta Services will be voluntary, and they will remain union workers. Swofford said PSE expects many of the 390 employees affected by the contract's transfer provisions to accept a job with Quanta Services.

Last year PSE moved maintenance and construction work for its natural-gas operations to another service provider, Pilchuck Contractors Inc. At that time, approximately 80 PSE employees represented by the United Association of Plumbers and Pipefitters accepted union jobs with Pilchuck.

Prior to the ratification of new contracts with PSE's two unions, approximately half the construction and maintenance work on the utility's energy-distribution system already was being performed by outside subcontractors.

About 800 IBEW-represented employees will remain PSE employees, performing non-construction functions. The employees' new contract with PSE contains a 2 percent general wage increase effective Jan. 31, 2002, followed by another 2 percent increase on April 1, 2002. Three percent increases in general wages will take effect April 1, 2003, and April 1, 2004.

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