

Exhibit ___ (KLE-6)
Docket No. UE-031725
Witness: Kenneth L. Elgin

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant,

v.

PUGET SOUND ENERGY, INC.,

Respondents.

DOCKET NO. UE-031725

EXHIBIT OF

Kenneth L. Elgin

STAFF OF
WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION

PSE Form 8-K (October 22, 2003)

January 30, 2004

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549

FORM 8-K

CURRENT REPORT PURSUANT TO SECTION 13 OR 15 (d) OF
THE SECURITIES EXCHANGE ACT OF 1934

Date of report (Date of earliest event reported): October 22, 2003

Commission File Number	Exact name of registrant as specified in its charter, state of incorporation, address of principal executive offices, Telephone	I.R.S. Employer Identification Number
1-16305	PUGET ENERGY, INC. A Washington Corporation 10885 NE 4 th Street Bellevue, Washington 98004-5591 (425) 454-6363	91-1969407
1-4393	PUGET SOUND ENERGY, INC. A Washington Corporation 10885 NE 4 th Street Bellevue, Washington 98004-5591 (425) 454-6363	91-0374630

ITEM 5. Other Events

On October 22, 2003, Puget Sound Energy issued the attached press release announcing the acquisition of a 49.85 percent share of the Frederickson Power LP's generation facility near Tacoma, Washington.

On October 24, 2003, Puget Sound Energy issued the attached press release announcing the filing of a request with the Washington Utilities and Transportation Commission to increase its electric rates due to higher power-supply costs. The request will also include recovery of the projected costs of the new Frederickson facility.

ITEM 7. Exhibits

- Exhibit 99.1 October 22, 2003 press release regarding Puget Sound Energy acquiring a share of Frederickson Power LP's generation facility.
- Exhibit 99.2 October 24, 2003 press release regarding Puget Sound Energy's request to the Washington Utilities and Transportation Commission for an electric rate increase.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrants have duly caused this report to be signed on their behalf by the undersigned hereunto duly authorized.

PUGET ENERGY, INC.

PUGET SOUND ENERGY, INC.

/s/ James W. Eldredge

James W. Eldredge
Corporate Secretary and
Chief Accounting Officer

Date: October 24, 2003



Exhibit 99.1

News Release

For Immediate Release

Contacts:

PSE Media: Grant Ringel /
Dorothy Bracken
888-831-7250

PSE Analysts: Durga D Waite
425-462-3808

EPCOR Media: Jay Shukin
780-412-8877

PSE advances strategy to ensure energy supplies, stabilize prices *Investment in energy-supply portfolio a move away from wholesale energy market*

BELLEVUE, Wash. (Oct. 22, 2003) – Building upon the analysis of its Least Cost Plan, Puget Sound Energy [*the utility subsidiary of Puget Energy (NYSE: PSD)*] today announced new steps in its return to a traditional energy-utility business model. The first component of PSE’s plan for providing reliable, reasonably priced energy in a volatile energy market is the purchase of a share of a 249-megawatt power plant – an investment of approximately \$80 million. [*Investment price includes anticipated upgrades and other related costs.*]

PSE is acquiring a 49.85 percent share of Frederickson Power LP’s generation facility near Tacoma, Wash. Frederickson Power LP is held by EPCOR Power Development Corporation (EPDC), a subsidiary of EPCOR Utilities Inc., based in Edmonton, Alberta. The clean-burning, natural gas-fired plant, equipped with the latest environmental technology, began commercial operation last year. PSE will pay approximately \$590 per kilowatt of electric capacity for the plant, which is lower cost than construction of a new plant. The acquisition, subject to approval by the Washington Utilities and Transportation Commission (WUTC), could be completed by March 2004.

EPCOR is in the process of upgrading the power plant to boost its maximum output to 275 megawatts. PSE’s share of the expanded plant will be 137 megawatts.

“The western energy crisis painfully underscored the danger of not owning your own energy resources and over-reliance on the short-term power market,” said Steve Reynolds, PSE’s president and CEO. “Puget Sound Energy doesn’t want to place itself, or its customers, at the mercy of that market. Obviously, the risks are much too great.”

PSE will need about 475 average megawatts (aMW) of additional power by January 2005 to fully meet its customers' electricity demand under normal conditions. Unaddressed, the projected supply deficit grows to 1,700 aMW by 2013, and to 2,400 aMW by 2023. The supply gap stems from above-average customer growth and expiration of decades-old PSE power-purchase contracts for energy supplied by other utilities.

Reynolds acknowledged that satisfying customers' unmet power needs with PSE purchases on the wholesale market might, in the short term, be slightly less expensive if market prices do not rise sharply. "But over the long term, securing our own generation protects customers from the potential of vastly higher power costs should the market run wild again."

Reynolds said PSE's resource strategy is based on exhaustive research of its power-supply options. The research is reflected in the Least Cost Plan PSE filed in April with the WUTC. The strategy recommends a balanced, diversified mix of energy resources to limit customers' financial risks and provide the greatest assurance of stable rates, long-term.

In addition to investing in Frederickson Power, the utility's energy-supply strategy includes:

- Aggressive expansion of PSE's energy-conservation program to help residential and business customers save more than 20 average megawatts (aMW) of electricity annually over the next 10 years (276 aMW total over 20 years). Those energy savings would serve the equivalent of 200,000 homes.
- Acquiring 10 percent of customers' total electricity supply, by 2013, from renewable-energy sources such as wind power. To help reach the target (270 average megawatts by 2013), PSE plans to solicit proposals to provide 50 aMW of new wind-power resources in the Northwest. PSE expects to conduct a final search for potential wind-power acquisitions, then select preferred proposals and enter into definitive agreements by September 2004.
- Ongoing exploration of other potential power-resource acquisitions by PSE to further reduce the gap between the utility's secured energy supply and customers' growing power demand.

PSE's proposed acquisition of EPCOR's Frederickson Power facility will be part of a *Power Cost Only Rate Review* the utility expects to file later this week with the WUTC. The commission will review all of PSE's power-supply costs – both for purchased power and for electricity that PSE generates. Customer rate increases from this filing, reflecting higher power-supply costs for PSE and the investment in the Frederickson Power plant, are expected to be in the low single digits.



Exhibit 99.2

News Release

For Immediate Release:
Oct. 24, 2003

Media Contact:
Grant Ringel
888-831-7250
Analyst Contact:
Durga D. Waite
425-462-3808

Puget Sound Energy files request to reset electric rates Filing reflects higher power costs and proposed power-plant acquisition

BELLEVUE, Wash. – Higher power-supply costs prompted Puget Sound Energy [*utility subsidiary of Puget Energy (NYSE:PSD)*] to file today for an increase in its electric rates.

The request, filed with the Washington Utilities and Transportation Commission, also would cover PSE's proposed investment in a 249-megawatt power plant in Pierce County. The utility announced Wednesday its intent to acquire nearly half ownership of the Frederickson-area plant to help meet the steadily growing electricity needs of its customers.

Today's filing would increase rates by 4.7 percent, on average, for the 972,000 residential and business customers who receive electric service from PSE. A typical monthly residential bill would be approximately \$62.25 – an increase of about \$3.40.

The utility's filing is expected to require a five-month regulatory review. PSE asked for the rate change to take effect April 1, 2004.

The cost of providing customers' electricity has increased, in part, because of rising wholesale prices for natural gas, which in turn affect wholesale power prices, the utility said.

PSE's is proposing to buy a 49.85 percent share of the 14-month-old Frederickson power plant owned by EPCOR Utilities, of Edmonton, Alberta. The acquisition, also subject to WUTC approval, is part of PSE's long-term strategy to secure a cost-effective, diversified mix of energy resources. That mix of resources, PSE said, will help to ensure reliable service and stable prices for its customers.

"Even with this proposed increase, our plan for providing cost-effective and reliable power should continue to play an important role in the economic growth and stability of our region," said PSE President and CEO Steve Reynolds.

###

FACT SHEET

**Puget Sound Energy's 49.85% interest
in Frederickson Power Plant**

- Name/Type of Plant:** Frederickson Power /
A 249-megawatt combined-cycle natural gas-fired facility
- Location:** Located 18 miles south of Tacoma in the Frederickson industrial areas of Pierce County, the facility is centrally situated in Puget Sound Energy's service territory. Frederickson borders dense urban areas, central to the growth in energy demand. The facility is in close proximity to the interstate natural gas pipeline, an adequate supply of water and three high-voltage electric transmission lines to carry power to PSE customers.
- Operation:** Commercial operation at the Frederickson Power facility began August 2002.
- Owner/operator:** EPCOR Utilities, known as EPCOR, headquartered in Edmonton, Alberta

EPCOR Power Development Corporation, a subsidiary of EPCOR, operates Frederickson Power.
- PSE ownership/capacity:** 49.85%, or 124.5 megawatts; PSE capacity will increase to 137 megawatts upon a plant upgrade.
- PSE investment:** Approximately \$80 million (includes pending plant-upgrade costs and other expenses).
- Fuel-supply arrangements:** PSE will integrate the Frederickson fuel-supply requirements into its aggregated power-generation fuel supply portfolio of short-term and long-term gas purchase agreements.
- Combined-cycle:** Combined-cycle technology is the most efficient commercially available technology for converting natural gas into electricity. A combustion turbine burns natural gas to produce electricity. Exhaust heat is used to create steam that produces additional power in a steam turbine.

PSE is striving to ultimately secure virtually all of its power supply under long-term arrangements.

“Our goal, which is in concert with the Washington State Energy Strategy, is to provide stable-priced, affordable energy for our customers in what we believe will be an increasingly volatile power market,” Reynolds said. “We intend to do that through a series of prudent, forward-looking investments that deliver to our customers, and our region, a bright and secure energy future.”

###

*Additional information about PSE’s acquisition of the Frederickson power plant follows.
PSE’s Least Cost Plan was prepared with the assistance of Chicago-based Navigant Consulting.*

Certain statements contained in this news release are “forward-looking statements” within the meaning of the federal securities laws. Although Puget Energy and Puget Sound Energy believe that the expectations reflected in such statements are reasonable, there can be no assurance that the expected results will be achieved. For additional information concerning certain assumptions, risks, and uncertainties involved in the forward-looking statements contained herein, please refer to Puget Energy’s reports on file with the SEC.