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Functions and Sub-Functions Addressed In UMS Benchmarking Studies

Power Generation	Power Delivery
<ul style="list-style-type: none"> • Fossil Plant Operations • Fossil Plant Maintenance • Nuclear Plant Operations 	<ul style="list-style-type: none"> • Bulk Power Systems (Operations and Maintenance) • Substation Operations and Maintenance • Substation Design and Construction • Distribution • Transmission • Project Implementation
Retail	Corporate Support
<ul style="list-style-type: none"> • Customer Service • Marketing & Sales • Demand Side Management 	<ul style="list-style-type: none"> • Accounting • Communications • Facilities Mgmt. • Fleet Mgmt. • Risk Mgmt. • Information Technology • Legal • Finance & Treasury • Internal Audit • Procurement • Human Resources

Comparison of Service Quality Indices Performance to Peer Group / Industry Averages

	Metric	Definition	PSE 2000 Performance	2000 Industry Average
1	Overall Customer Satisfaction	Percent of Surveyed Customers rating 5 or higher on a 7 point scale	89.0%	85.6%
2	WUTC Complaint Ratio	Number of complaints to the WUTC per 1,000 Customers	0.30	0.58
3	SAIDI	Length of Non-Storm Outages per year (minutes)	103.8	106.9
4	SAIFI	Frequency of Non-Storm Outages per year	0.826	1.17
5	Telephone Center Answering Performance	Percent of calls answered "live" within 30 seconds	76.0%	69.0%
6	Telephone Center Transactions Customer Satisfaction	Percent of surveyed customers rating 5 or higher on a 7 point scale	91.0%	88.0%
7	Gas Safety Response Time	Time from customer call to arrival of field technicians in response to gas emergencies (minutes)	39	26
8	Field Service Operations Transactions Customer Satisfaction	Percent of surveyed customers rating 5 or higher on a 7 point scale	91.0%	89.7%
9	Percent Disconnects	Percent of customers disconnected for non-payment	1.80%	1.67%
10	Percent of Appointments Kept	Percent of in-home service appointments kept as promised	95.0%	97.5%

Footnote:

- Source: PSE SQI Report Card 1998 – 2000, Pennsylvania Public Utility Commission, Edison Electric Institute, Mid-American, Wisconsin Power, NSTAR, and Memphis Light, Gas, and Water
 - SAIDI and SAIFI: Zero (0) values reported to EEI were excluded from average
 - Field Operations Transactions Customer Satisfaction Industry Average is the percentage of customers who indicated that they were "satisfied." Data split between "very satisfied" and "somewhat satisfied" is not available.
 - Percent of Appointments Kept Industry Average is for Customer Field Services only and does not include New Construction Appointments. Data split is not available. Comparable PSE performance is 98%.

PSE Performance On Service Quality Indices From 1998 – 2001

	Metric	Definition	2001 Target	1998	1999	2000	2001
1	Overall Customer Satisfaction	Percent of Surveyed Customers rating 5 or higher on a 7 point scale	>90%	92%	92%	89%	85%
2	WUTC Complaint Ratio	Number of complaints to the WUTC per 1,000 Customers	<0.5	0.3	0.3	0.3	0.3
3	SAIDI	Length of Non-Storm Outages per year (minutes)	<142.7	98	142.7	103.8	112.4
4	SAIFI	Frequency of Non-Storm Outages per year	<1.428	0.919	0.992	0.826	0.909
5	Telephone Center Answering Performance	Percent of calls answered "live" within 30 seconds	>75%	81%	76%	76%	75%
6	Telephone Center Transactions Customer Satisfaction	Percent of surveyed customers rating 5 or higher on a 7 point scale	>91%	92%	93%	91%	90%
7	Gas Safety Response Time	Time from customer call to arrival of field technicians in response to gas emergencies (minutes)	<55	50	45	39	41
8	Field Service Operations Transactions Customer Satisfaction	Percent of surveyed customers rating 5 or higher on a 7 point scale	>85%	88%	91%	91%	91%
9	Percent Disconnects	Percent of customers disconnected for non-payment	<3.8%	1.80%	2.20%	1.80%	2.10%
10	Percent of Appointments Kept	Percent of in-home service appointments kept as promised	>92%	98%	95%	95%	96%

Footnote:

1. Source: PSE SQI Report Card 1998 – 2001

Comparison of PSE Electric and Gas Reliability to National Averages

SAIDI	1998	1999	2000
PSE	1.95	2.17	1.71
National Average	1.69	1.97	1.78

SAIFI	1998	1999	2000
PSE	0.85	1.00	0.85
National Average	1.38	1.21	1.15

Gas Leaks Repaired per Mile of Main	1998	1999	2000
PSE	0.17	0.12	0.08
National Average	0.31	0.26	0.25

Gas Leaks Repaired Per Service	1998	1999	2000
PSE	0.005	0.005	0.004
National Average	0.008	0.008	0.007

Footnote:

1. Source: PSE SAIDI and SAIFI from Delivery Business Unit Benchmark, 2001 Mid-Term Update
2. Source: National Average Electric Reliability Measures from EEI Report "2000 Reliability Report," June 2000
3. Source: PSE and National Average Gas Reliability Measures from US DOT, Office of Pipeline Safety "Natural Gas Distribution Annuals 1995 - 2000"

The National Panel of Electric Companies (90 Utilities)

National Panel

Alabama Power Company	MidAmerican Energy Company
Appalachian Power Company	Monongahela Power Company
Arizona Public Service Company	Narragansett Electric Company
Atlantic City Electric Company	Nevada Power Company
Avista Corporation	New York State Electric & Gas Corp
Baltimore Gas and Electric Company	Niagara Mohawk Power Corporation
Boston Edison Company	Northern Indiana Public Service Co.
Carolina Power & Light Company	Northern States Power Company- Minn
Central Illinois Public Service Co.	Ohio Edison Company
Central Maine Power Company	Ohio Power Company
Central Power and Light Company	Oklahoma Gas and Electric Company
Cincinnati Gas & Electric Co.	Pacific Gas and Electric Company
Cleveland Electric Illuminating	PacifiCorp
Columbus Southern Power Company	PECO Energy
Commonwealth Edison Company	Pennsylvania Electric Company
Commonwealth Electric Company	Portland General Electric Company
Connecticut Light and Power Co.	Potomac Edison Company
Consolidated Edison Company of N.Y.	Potomac Electric Power Company
Consumers Energy Company	PPL Electric Utilities Corporation
Dayton Power and Light Company	PSI Energy, Inc.
Delmarva Power & Light Company	Public Service Company - New Mexico
Detroit Edison Company	Public Service Company of Colorado
Duke Energy Corporation	Public Service Company of New Hamp
Duquesne Light Company	Public Service Company of Oklahoma
El Paso Electric Company	Public Service Electric and Gas Co.
Entergy Arkansas, Inc.	Reliant Energy HL&P
Entergy Gulf States, Inc.	Rochester Gas and Electric Corp
Entergy Louisiana, Inc.	San Diego Gas & Electric Company
Entergy Mississippi, Inc.	Sierra Pacific Power Company
Florida Power & Light Company	South Carolina Electric & Gas Co.
Florida Power Corporation	Southern California Edison Company
Georgia Power Company	Southwestern Electric Power Company
Gulf Power Company	Southwestern Public Service Company
Idaho Power Company	Tampa Electric Company
IES Utilities, Inc.	Toledo Edison Company
Illinois Power Company	Tucson Electric Power Company
Indiana Michigan Power Company	TXU Electric Company
Indianapolis Power & Light Company	Union Electric Company
Jersey Central Power & Light Co.	United Illuminating Company
Kansas City Power & Light Company	UtiliCorp United Inc.
Kentucky Utilities Company	Virginia Electric and Power Company
Louisville Gas and Electric Company	West Penn Power Company
Massachusetts Electric Company	Western Resources - KPL
Metropolitan Edison Company	Wisconsin Electric Power Company
	Wisconsin Power and Light Company
	Wisconsin Public Service Corp

Footnote:

1. Source: FERC Form 1
2. Panel includes U.S. IOUs with greater than 300,000 customers in year 2000

The Northwest Panel (NW) of Electric Companies (8 Utilities)

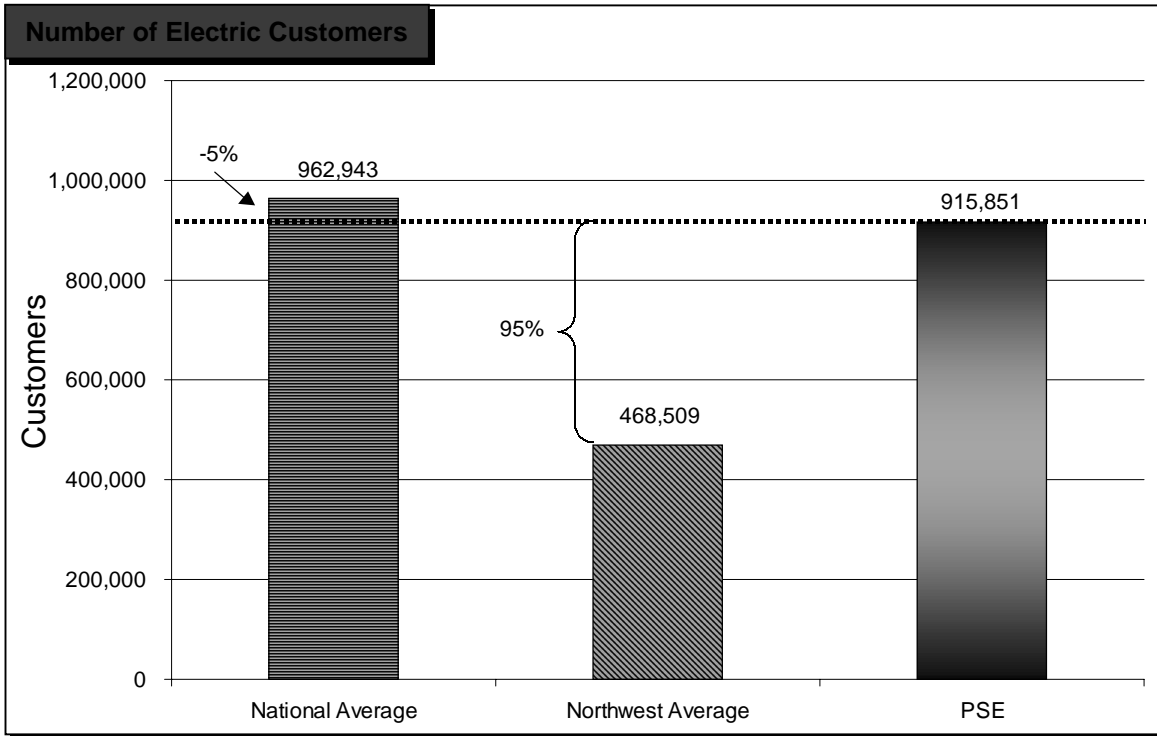
Northwest Panel

Avista Corporation
Idaho Power Company
PacificCorp
Portland General Electric Company
PUD of Clark County
PUD of Snohomish County
City of Seattle
City of Tacoma

Footnote:

1. Source: FERC Form 1 and EIA Form-412
2. Panel includes IOUs with greater than 300,000 customers that provide electric service in Washington, Oregon, Idaho, and Utah
3. Panel includes Municipal Utilities with greater than 100,000 customers that provide electric service in Washington state only

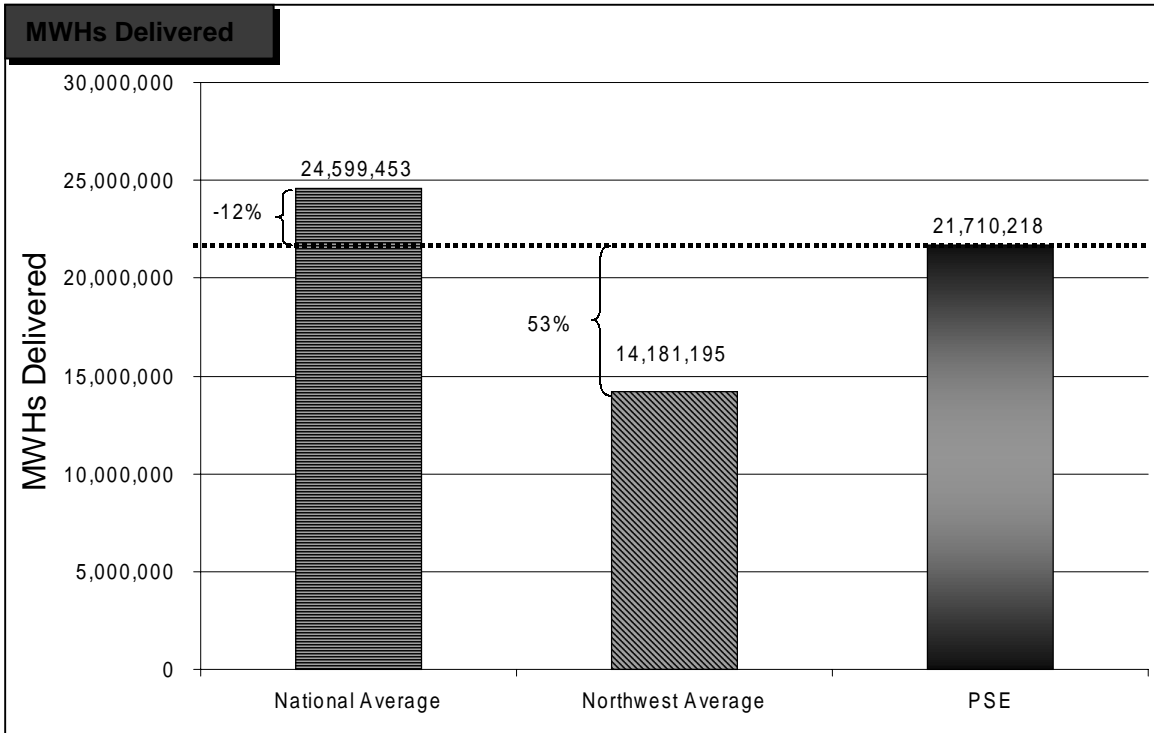
Comparison of PSE Electric Customers to the National and Northwest Panels



Footnote:

1. Source: FERC Form 1 and EIA Form-412 (SNL Database)
2. Data for year 2000

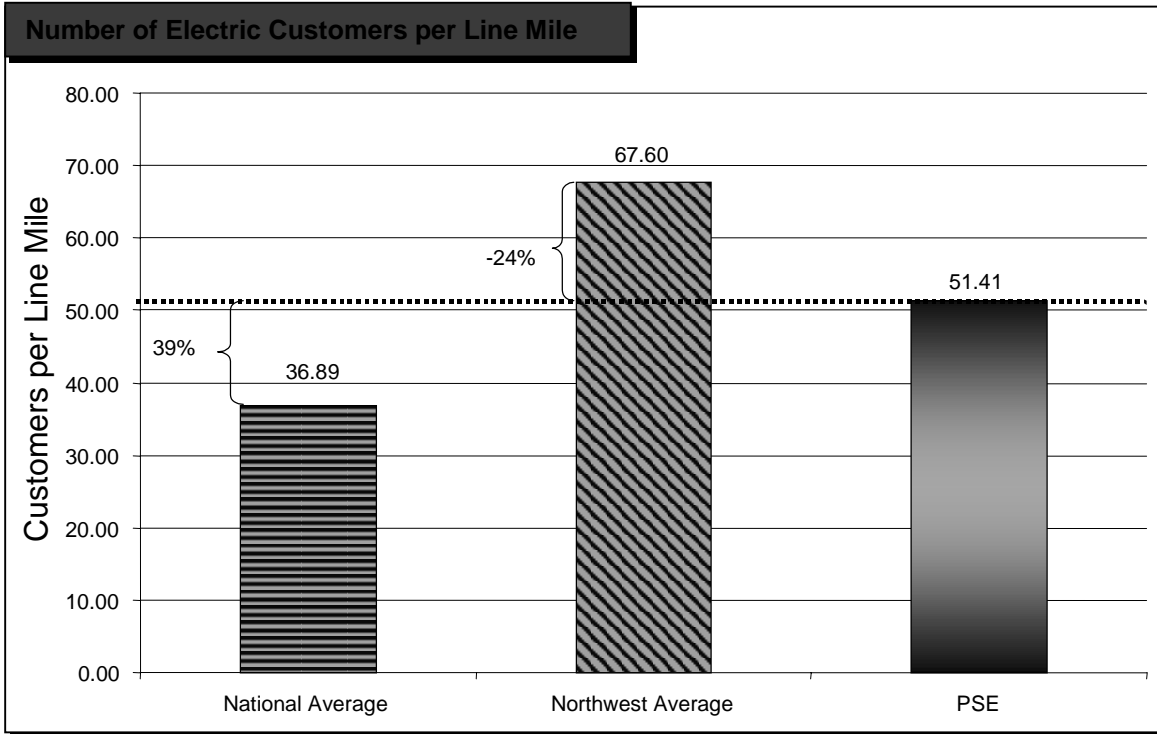
Comparison of PSE MWH Delivered to the National and Northwest Panels



Footnote:

1. Source: FERC Form 1 and EIA Form-412 (SNL Database)
2. Data for year 2000

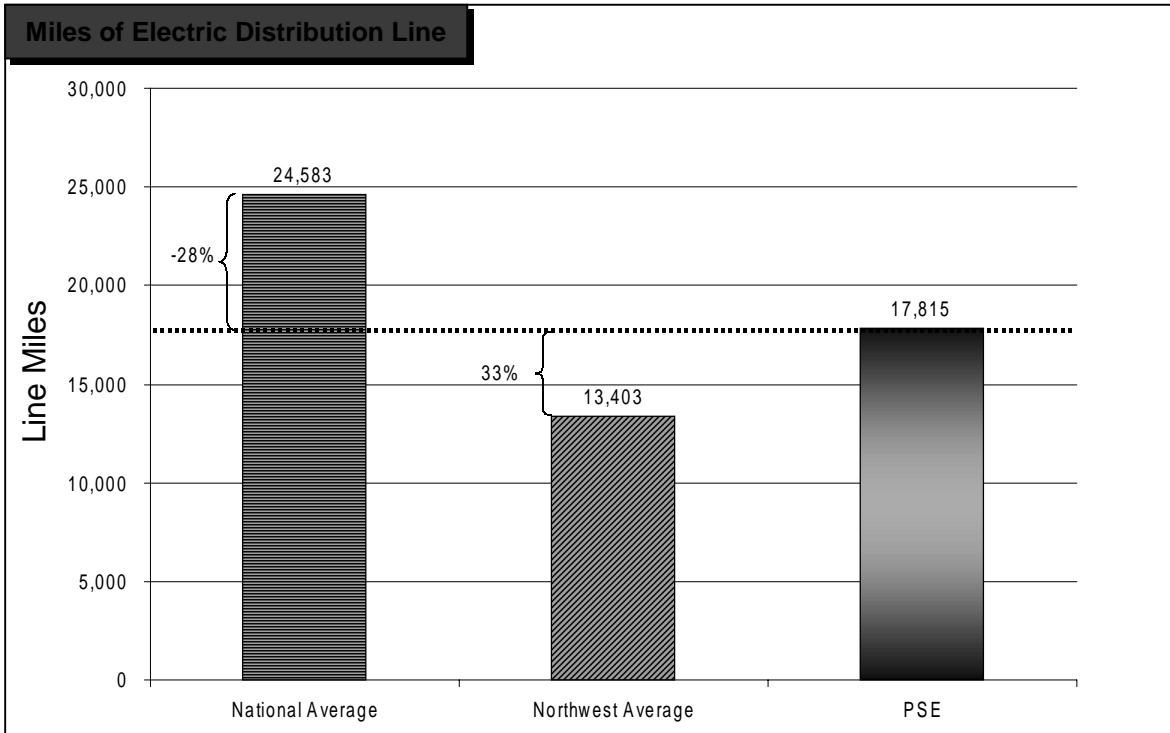
Comparison of PSE Electric Customer Density to the National and Northwest Panels



Footnote:

1. Source: Customer information from FERC Form 1 and EIA Form-412 (SNL Database)
2. Source: Line mile information from McGraw-Hill Directory of Electric Utilities (1998-2001)
3. Data for year 2000

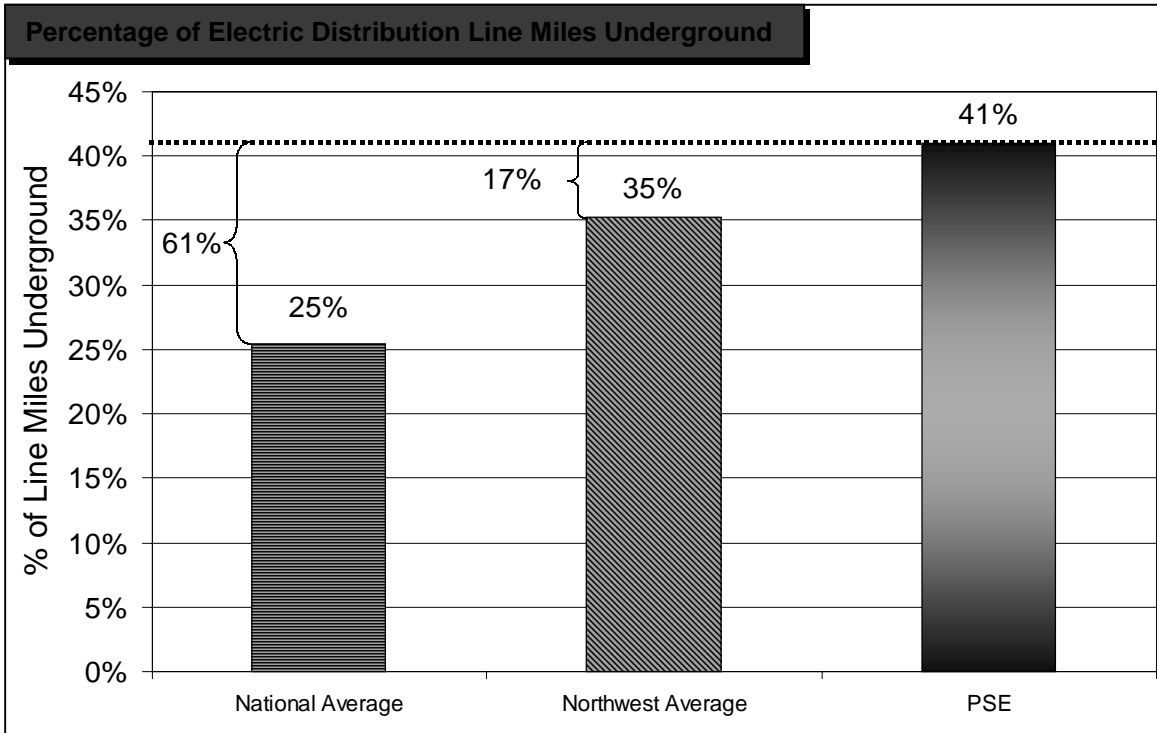
Comparison of PSE Electric Distribution Line Miles to the National and Northwest Panels



Footnote:

1. Source: McGraw-Hill Directory of Electric Utilities (1998-2001)
2. Data for year 2000

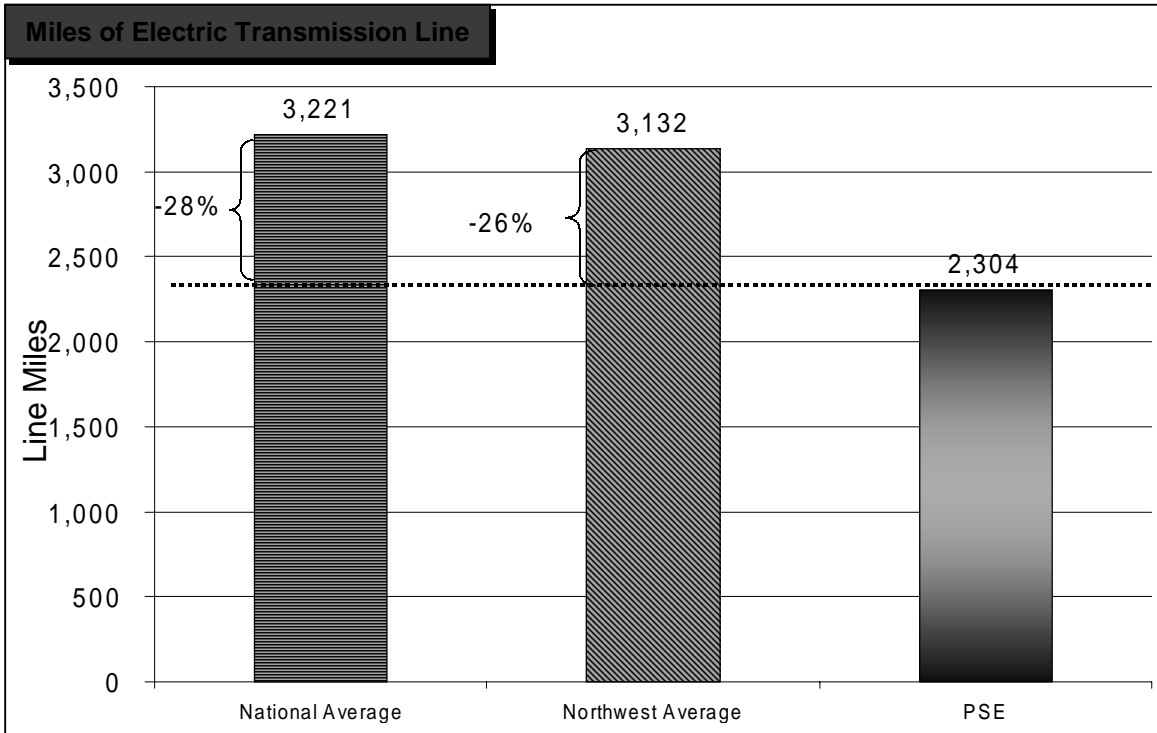
Comparison of PSE Percentage of Electric Distribution Line Miles Underground to the National and Northwest Panels



Footnote:

1. Source: McGraw-Hill Directory of Electric Utilities (1998-2001)

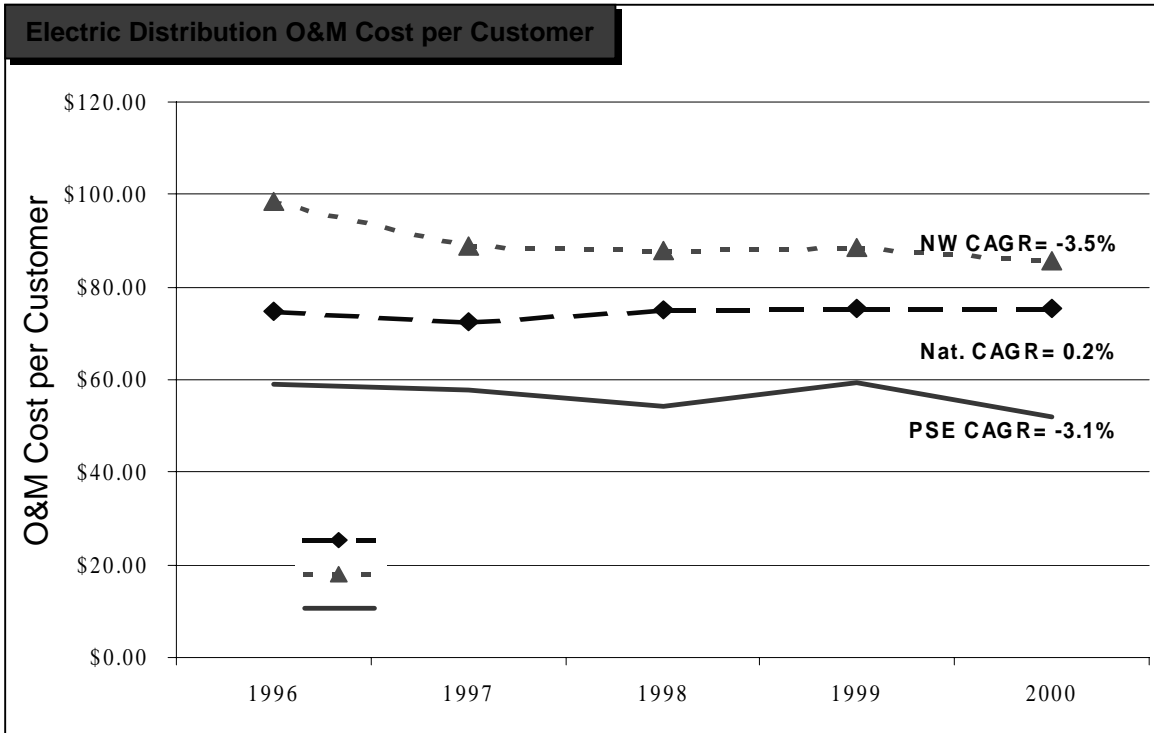
Comparison of PSE Electric Transmission Line Miles to the National and Northwest Panels



Footnote:

1. Source: McGraw-Hill Directory of Electric Utilities (1998-2001)
2. Data for 2000
3. PSE Transmission Line Miles excludes 9% of the 3rd AV Line that they own jointly with the Bonneville Power Authority (approximately 20 miles)

Comparison of PSE Electric Distribution O&M Cost Per Customer to the National and Northwest Panels

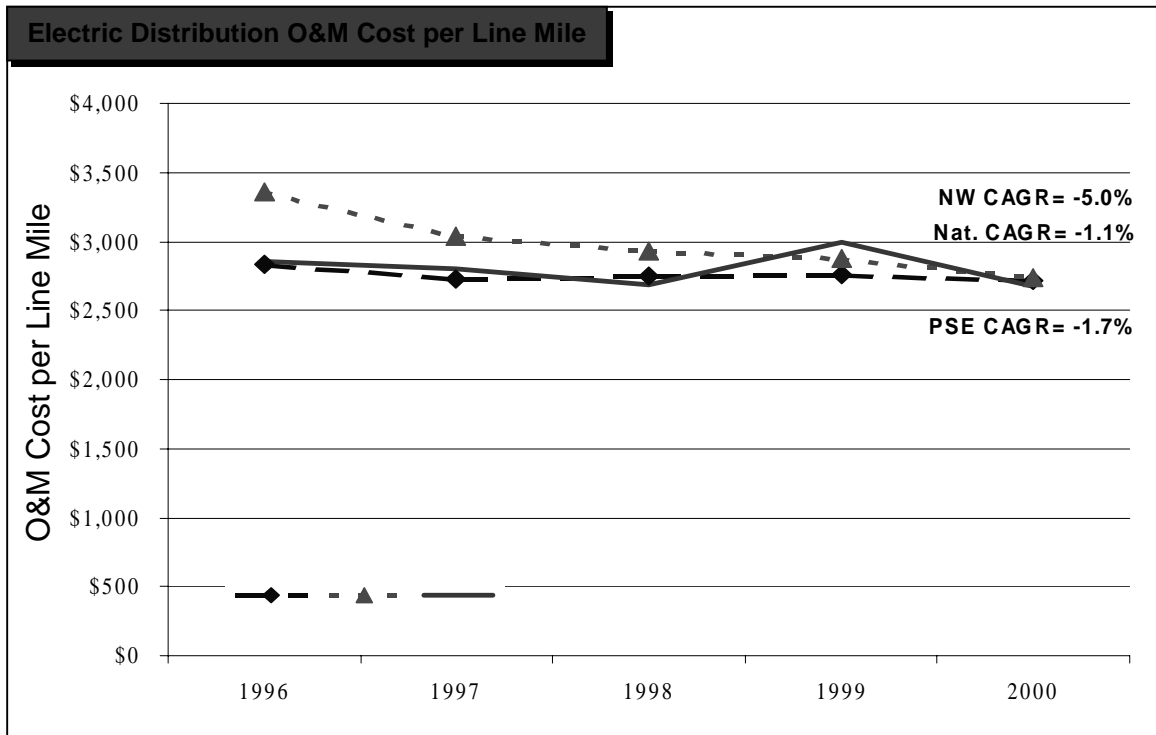


	1996	1997	1998	1999	2000	Comparison to PSE 2000 Performance
PSE	\$58.94	\$57.74	\$54.27	\$59.31	\$52.04	
National	\$74.76	\$72.48	\$75.10	\$75.32	\$75.37	+45%
NW	\$98.63	\$88.83	\$87.87	\$88.59	\$85.70	+65%

Footnote:

1. Source: FERC Form 1 and EIA Form-412 (SNL Database)
2. No 2000 data available for Washington Municipal Utilities. Data extrapolated by applying average 4 year growth rate to 1999 data
3. Cost data inflated using Bureau of Labor Statistics Consumer Price Index
4. CAGR is the Compound Annual Growth Rate

Comparison of PSE Electric Distribution O&M Cost Per Line Mile to the National and Northwest Panels

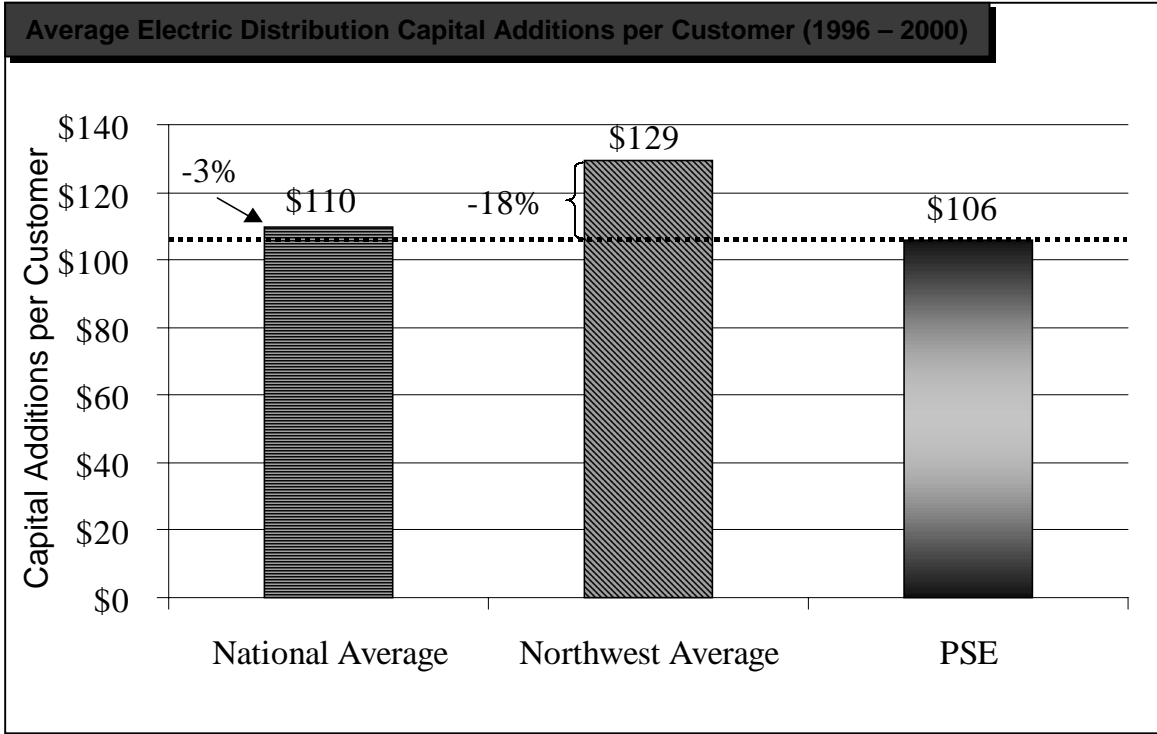


	1996	1997	1998	1999	2000	Comparison to PSE 2000 Performance
PSE	\$2,861	\$2,802	\$2,686	\$2,996	\$2,675	
National	\$2,829	\$2,731	\$2,747	\$2,764	\$2,711	+1%
NW	\$3,358	\$3,038	\$2,934	\$2,875	\$2,738	+2%

Footnote:

1. Source: Cost information from FERC Form 1 and EIA Form-412 (SNL Database)
2. Source: Line mile information from McGraw-Hill Directory of Electric Utilities (1998-2001)
3. No 2000 data available for Washington Municipal Utilities. Data extrapolated by applying average 4 year growth rate to 1999 data
4. 1996 Line Mile Data extrapolated by taking percent change in number of customers from 1996 to 1997 and applying it to 1997 Line Miles
5. Cost data inflated using Bureau of Labor Statistics Consumer Price Index
6. CAGR is the Compound Annual Growth Rate
7. Seattle and Tacoma Municipal Utilities excluded since low Line Mile figures distort results.

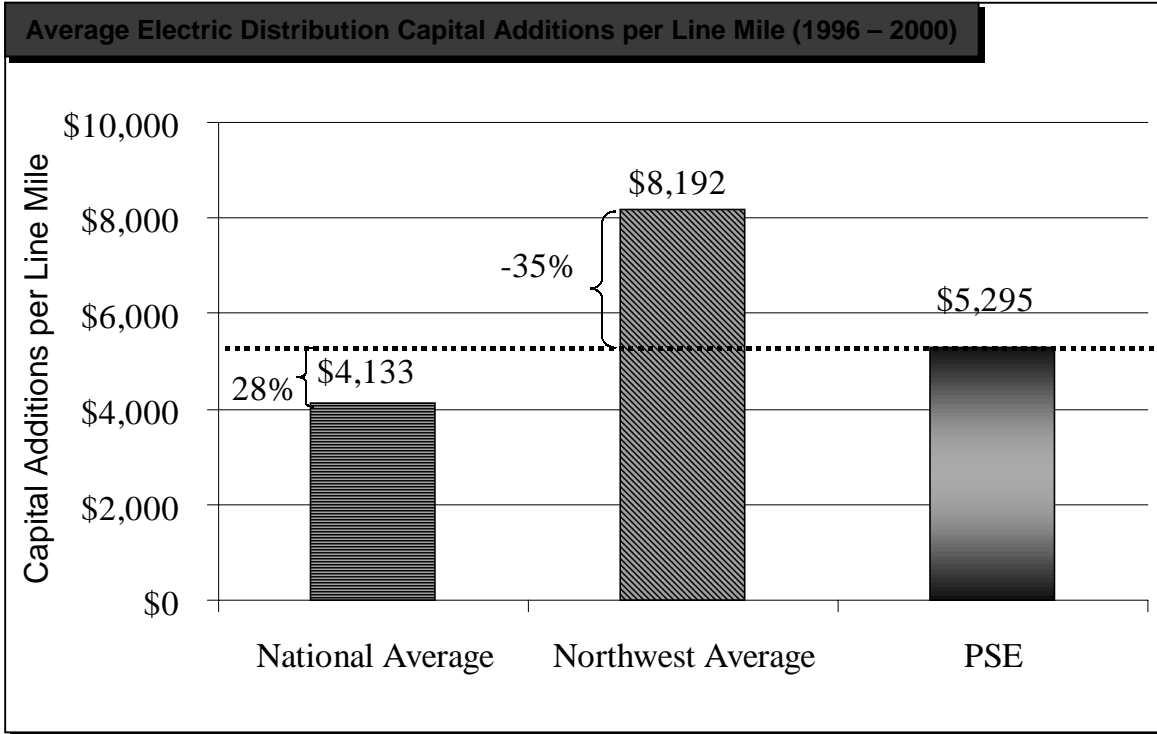
Comparison of Five-Year Average PSE Electric Distribution Incremental Annual Capital Additions Per Customer to the National and Northwest Panels



Footnote:

1. Source: FERC Form 1 and EIA Form-412 (SNL Database)
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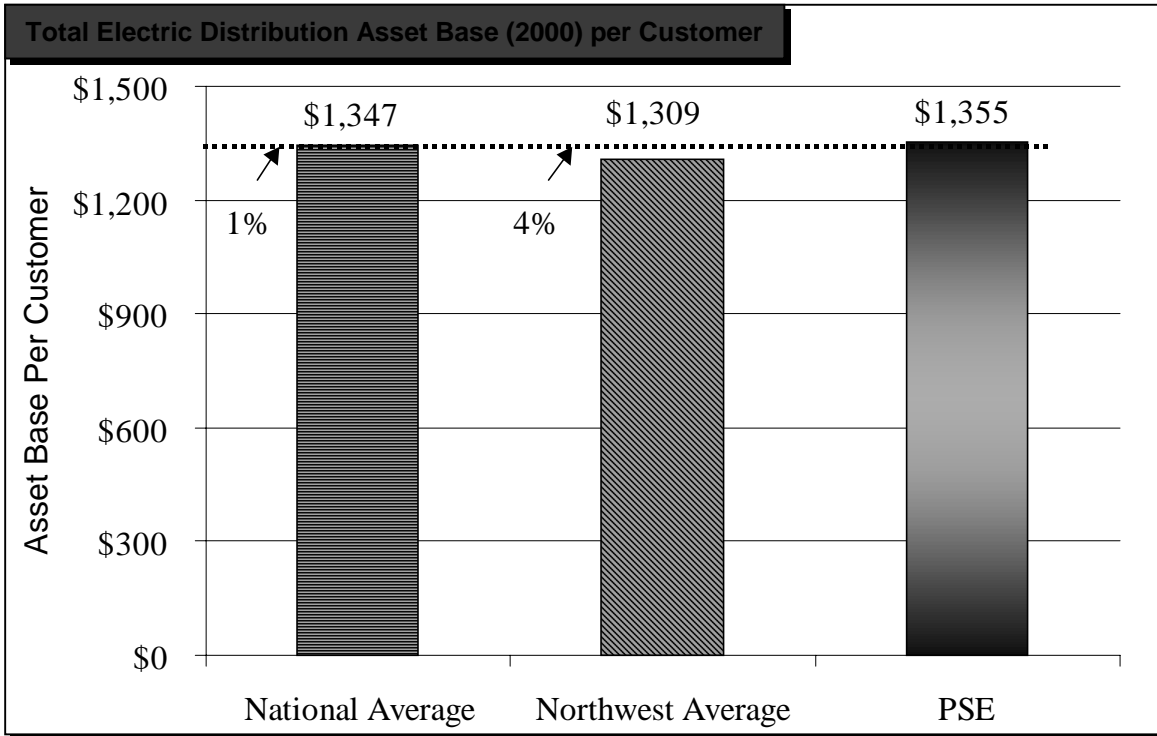
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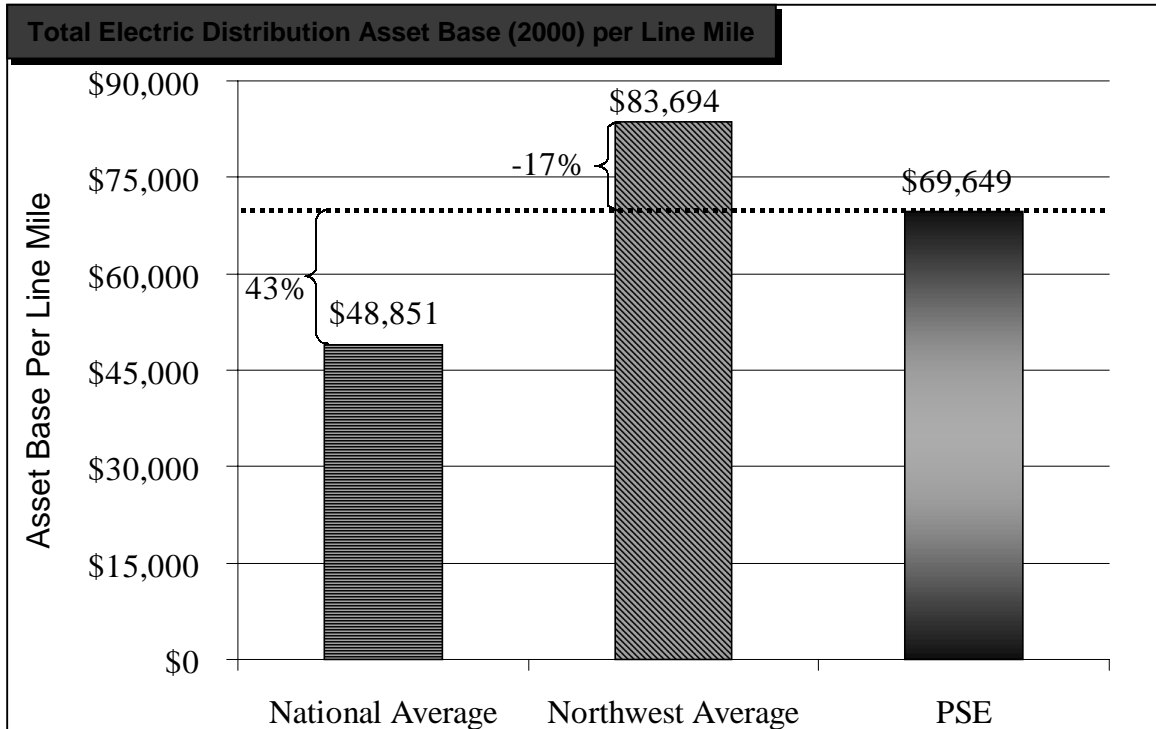
Comparison of PSE Electric Total Distribution Asset Base (2000) Per Customer to the National and Northwest Panels



Footnote:

1. Source: FERC Form 1 and EIA Form-412 (SNL Database)
2. No 2000 data available for Washington Municipal Utilities. Data extrapolated by applying average 4 year growth rate to 1999 data
3. Asset Base equals Gross Plant minus Accumulated Depreciation. For municipal utilities, accumulated depreciation is allocated by taking the ratio of Distribution Plant to Total Plant and applying that ratio to Total Accumulated Depreciation Expense.
4. Cost data inflated using Bureau of Labor Statistics Consumer Price Index

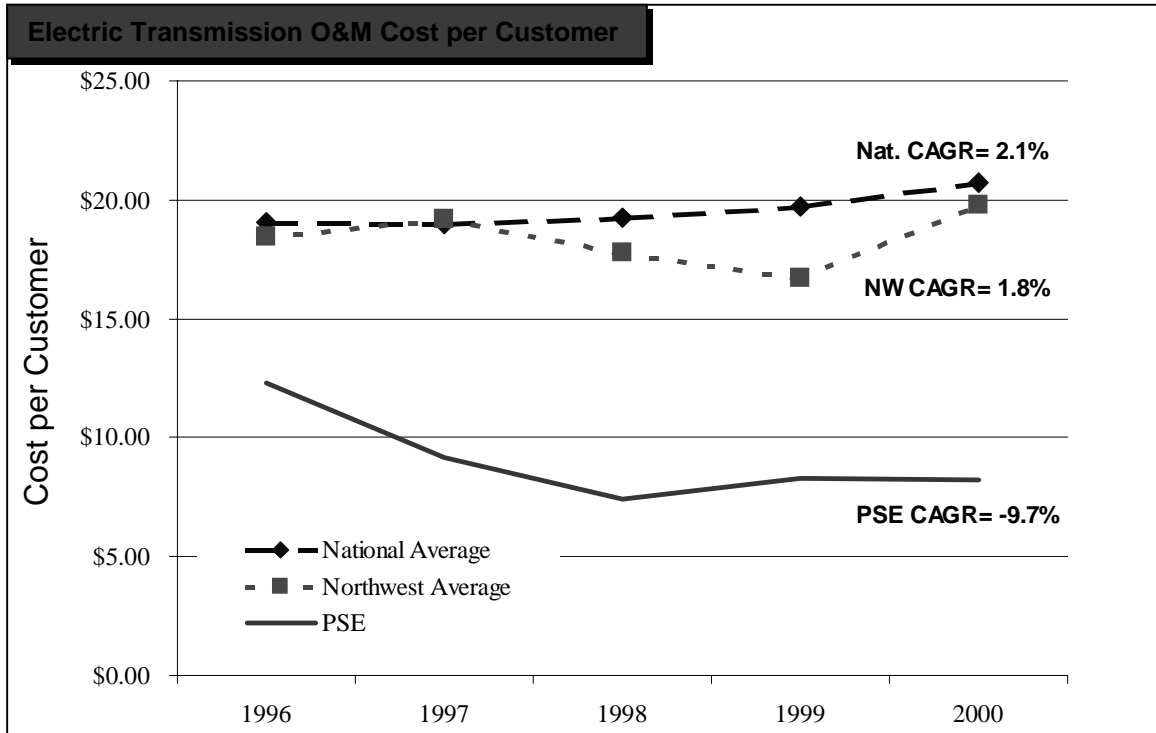
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5. 1996 Line Mile Data extrapolated by taking percent change in number of customers from 1996 to 1997 and applying it to 1997 Line Miles
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Comparison of PSE Electric Transmission O&M Cost (excluding FERC Account 565) Per Customer to the National and Northwest Panels

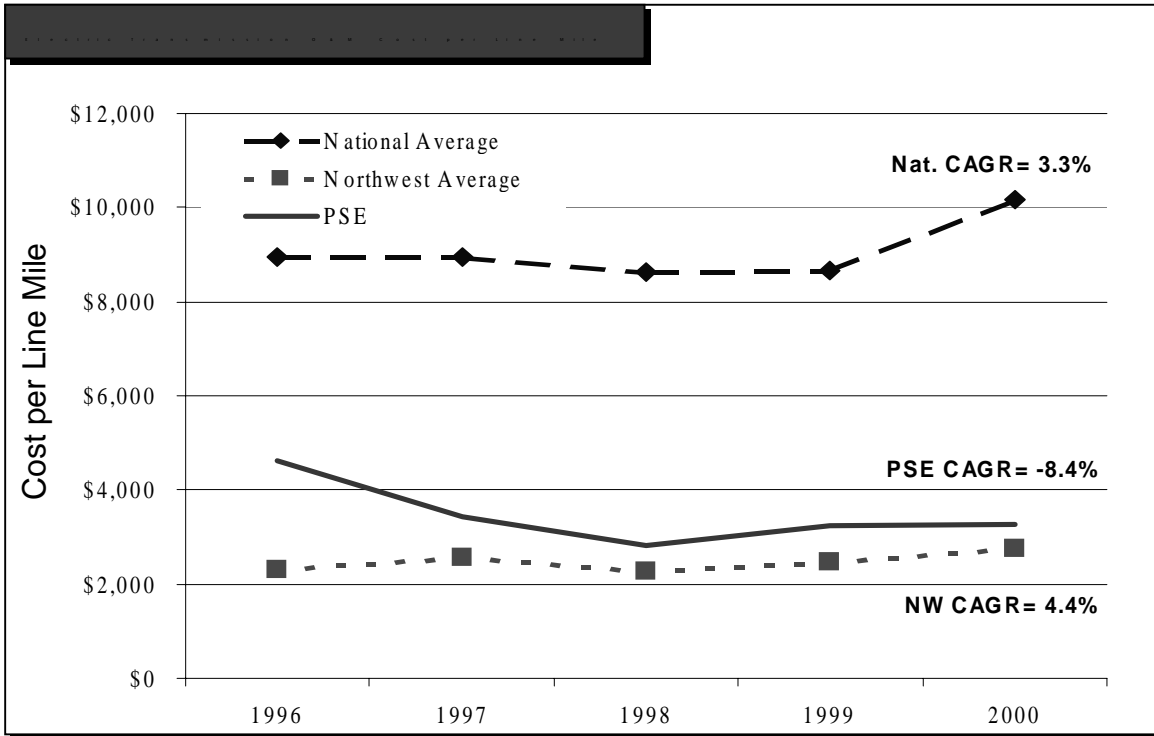


	1996	1997	1998	1999	2000	Comparison to PSE 2000 Performance
PSE	\$12.32	\$9.18	\$7.42	\$8.31	\$8.20	
National	\$19.08	\$18.95	\$19.23	\$19.75	\$20.73	+153%
NW	\$18.48	\$19.17	\$17.76	\$16.72	\$19.82	+142%

Footnote:

1. Source: FERC Form 1 and EIA Form-412 (SNL Database)
2. No 2000 data available for Washington Municipal Utilities. Data extrapolated by applying average 4 year growth rate to 1999 data
3. Cost data inflated using Bureau of Labor Statistics Consumer Price Index
4. Excludes FERC Account 565: Transmission of Electricity by Others
5. Washington Municipal Utilities excluded from the Northwest Average because they do not report FERC Account 565
6. CAGR is the Compound Annual Growth Rate

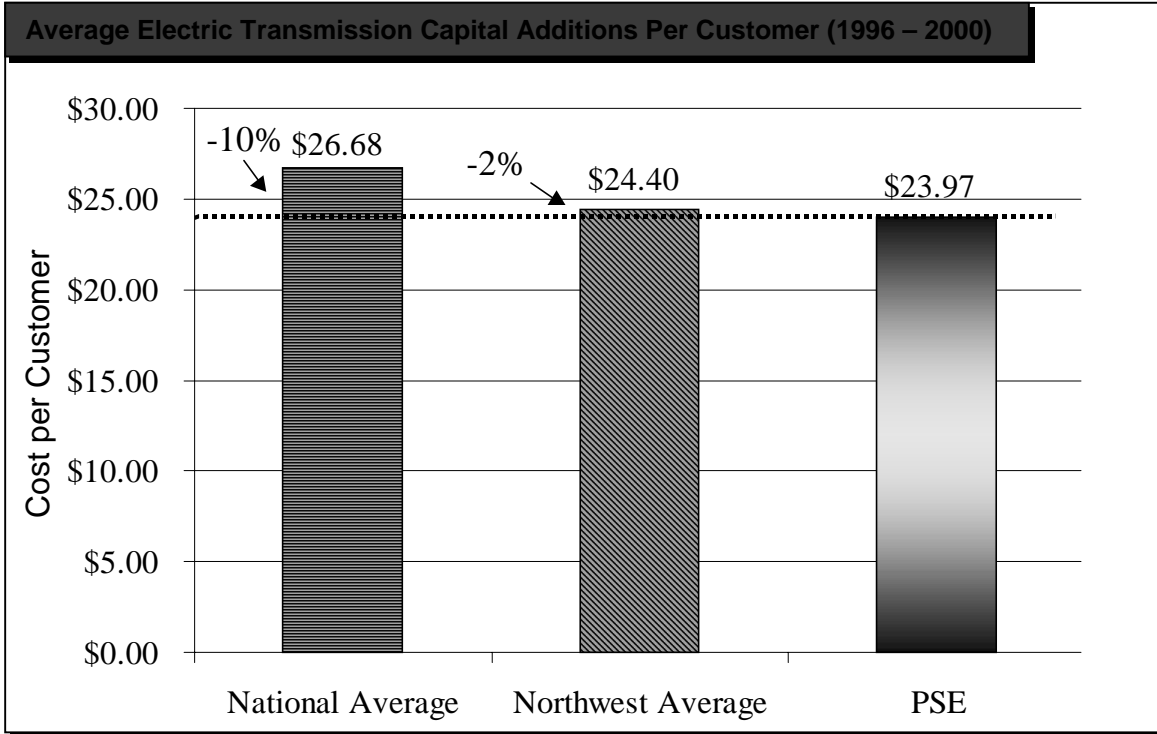
Comparison of PSE Electric Transmission O&M Cost (excluding FERC Account 565) Per Line Mile to the National and Northwest Panels



	1996	1997	1998	1999	2000	Comparison to PSE 2000 Performance
PSE	\$4,625	\$3,445	\$2,840	\$3,247	\$3,259	
National	\$8,942	\$8,953	\$8,624	\$8,673	\$10,187	+213%
NW	\$2,326	\$2,553	\$2,262	\$2,481	\$2,765	-15%

1. Source: Cost information from FERC Form 1 and EIA Form-412 (SNL Database)
2. Source: Line mile information from McGraw-Hill Directory of Electric Utilities (1998-2001)
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9. PSE Transmission Line Miles excludes 9% of the 3rd AV Line that they own jointly with the Bonneville Power Authority (approximately 20 miles)

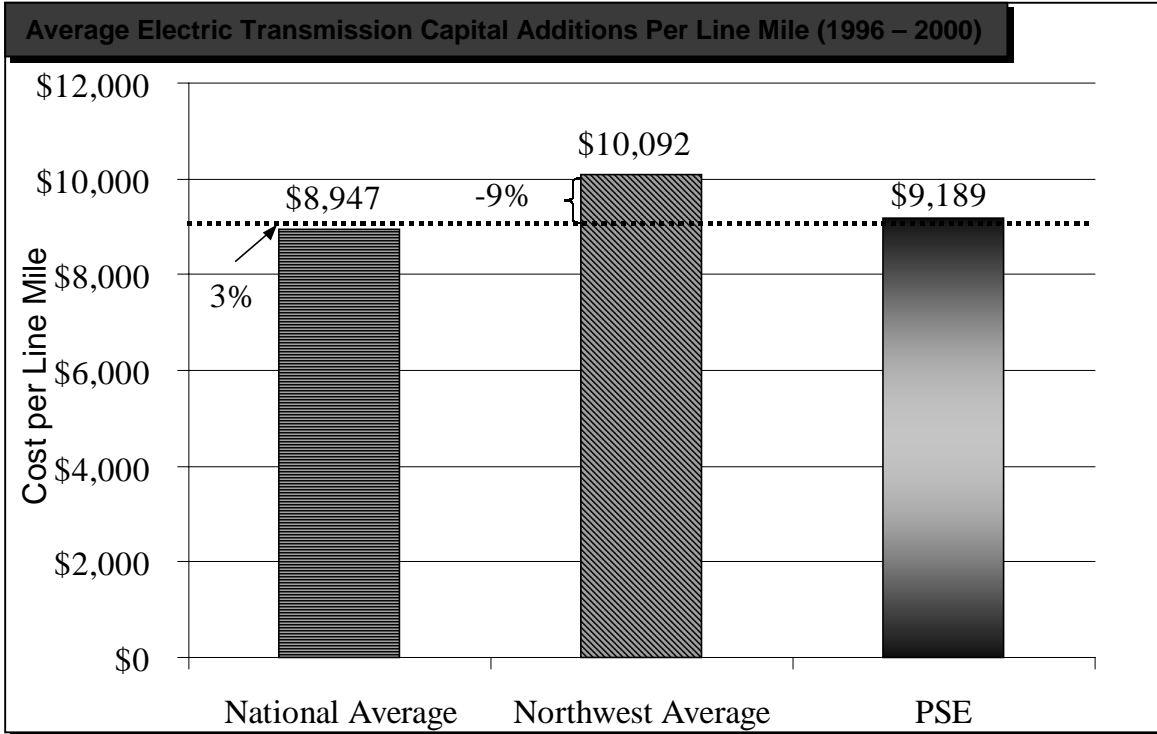
Comparison of Five-Year Average PSE Electric Transmission Incremental Annual Capital Additions Per Customer to the National and Northwest Panels



Footnote:

1. Source: FERC Form 1 and EIA Form-412 (SNL Database)
2. No 2000 data available for Washington Municipal Utilities. Data extrapolated by applying average 4 year growth rate to 1999 data
3. PUD Clark County is excluded from the 2000 Northwest Average because of overly large increase in Transmission Capital Additions from 1998-1999. This anomaly skews their average 4 year growth rate, and thus the extrapolated 2000 Capital Additions.
4. Cost data inflated using Bureau of Labor Statistics Consumer Price Index

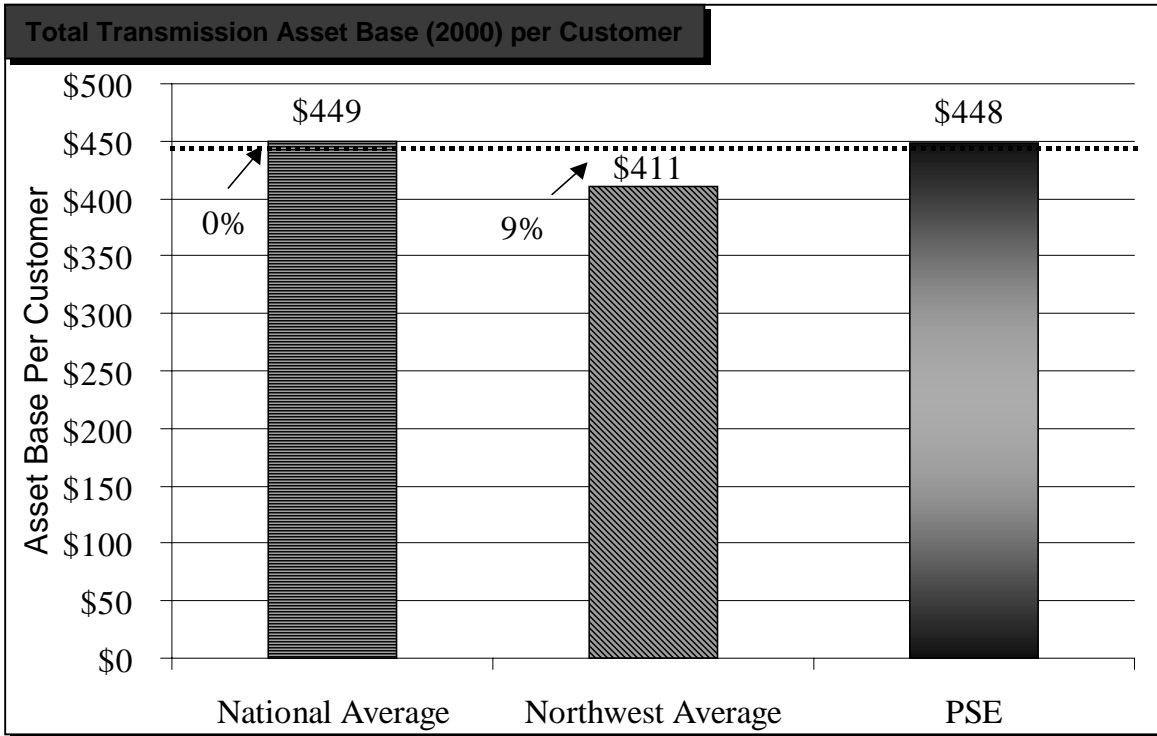
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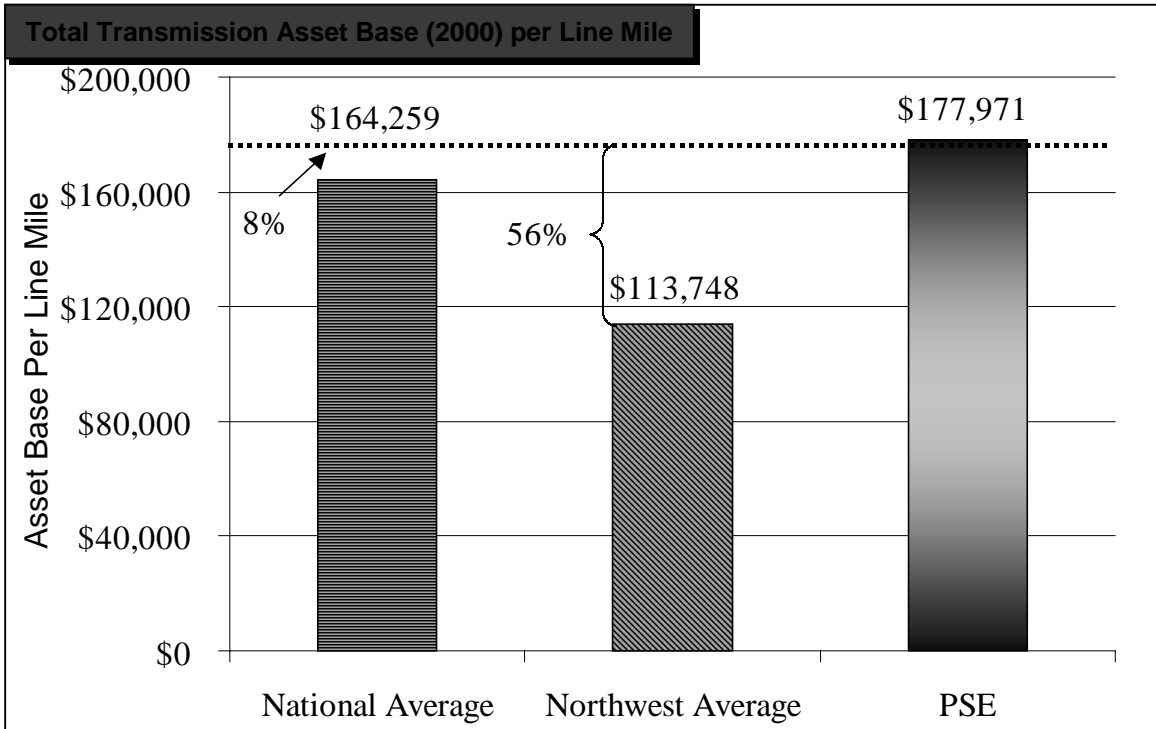
Comparison of PSE Electric Total Transmission Asset Base (2000) Per Customer to the National and Northwest Panels



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3. Asset Base equals Gross Plant minus Accumulated Depreciation. For municipal utilities, accumulated depreciation is allocated by taking the ratio of Distribution Plant to Total Plant and applying that ratio to Total Accumulated Depreciation Expense.
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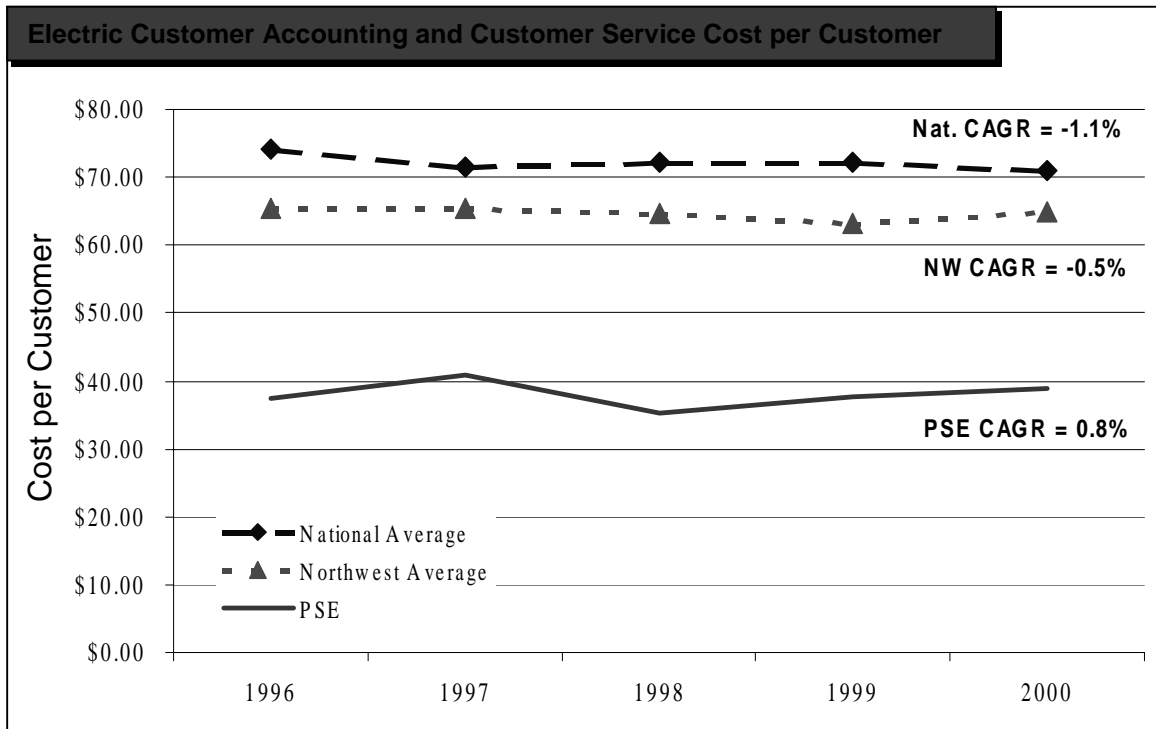
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Comparison of PSE Electric Customer Accounting and Customer Service Cost Per Customer to the National and Northwest Panels

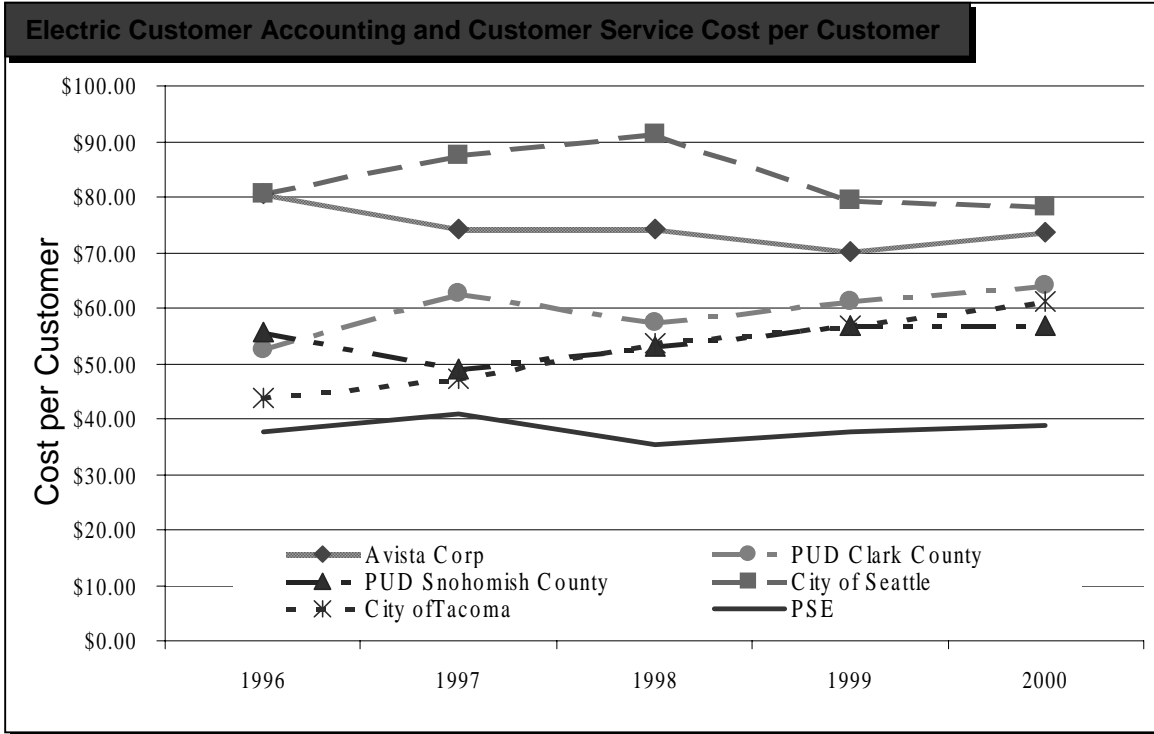


	1996	1997	1998	1999	2000	Comparison to PSE 2000 Performance
PSE	\$37.56	\$40.75	\$35.25	\$37.66	\$38.96	
National	\$74.15	\$71.42	\$72.13	\$72.28	\$71.04	+82%
NW	\$65.35	\$65.31	\$64.71	\$63.33	\$64.84	+66%

Footnote:

1. Source: FERC Form 1 and EIA Form-412 (SNL Database)
2. No 2000 data available for Washington Municipal Utilities. Data extrapolated by applying average 4 year growth rate to 1999 data
3. Cost data inflated using Bureau of Labor Statistics Consumer Price Index
4. CAGR is the Compound Annual Growth Rate

Comparison of PSE Electric Customer Accounting and Customer Service Cost Per Customer to Individual Companies Included in Northwest Panel

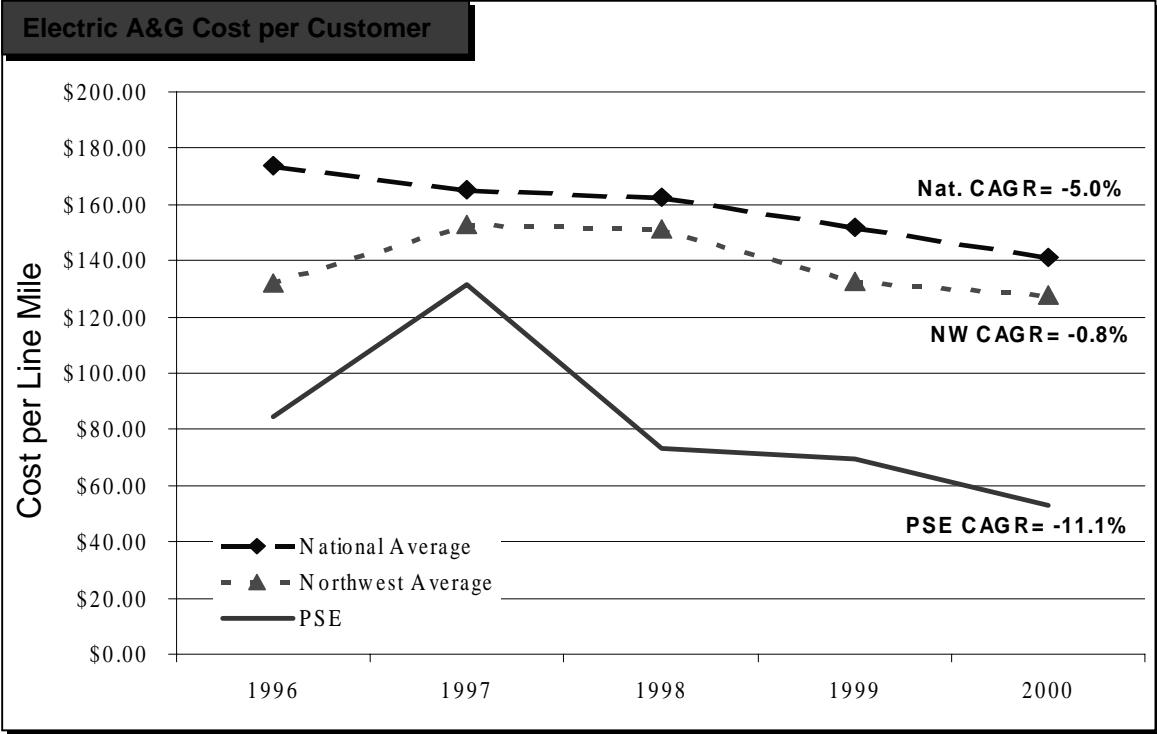


	1996	1997	1998	1999	2000	Comparison to PSE 2000 Performance
PSE	\$37.56	\$40.75	\$35.25	\$37.66	\$38.96	
Avista	\$80.58	\$74.32	\$74.29	\$70.13	\$73.63	+89%
Clark	\$52.58	\$62.72	\$57.30	\$61.30	\$64.04	+64%
Snoh.	\$55.68	\$49.08	\$53.10	\$56.78	\$56.93	+46%
Seattle	\$80.45	\$87.53	\$91.41	\$79.31	\$78.19	+101%
Tacoma	\$43.65	\$47.18	\$53.52	\$56.82	\$61.24	+57%

Footnote:

1. Source: FERC Form 1 and EIA Form-412 (SNL Database)
2. No 2000 data available for Washington Municipal Utilities. Data extrapolated by applying average 4 year growth rate to 1999 data
3. Cost data inflated using Bureau of Labor Statistics Consumer Price Index

Comparison of PSE Electric A&G Cost Per Customer to the National and Northwest Panels

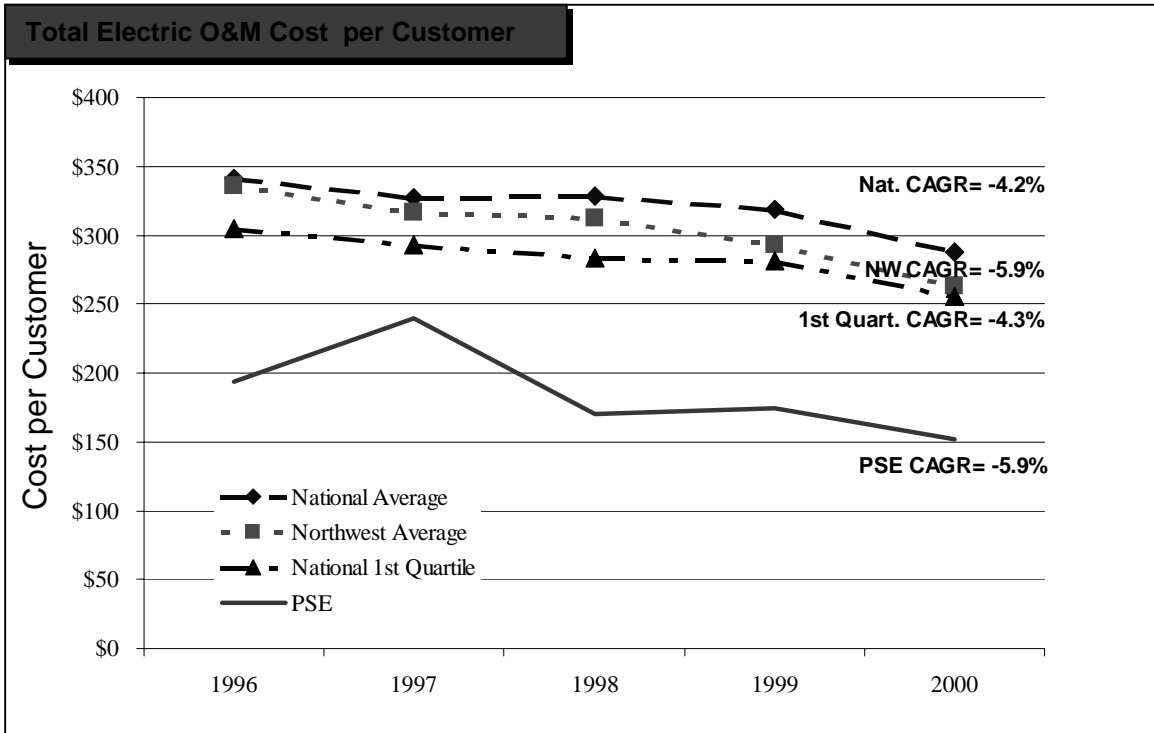


	1996	1997	1998	1999	2000	Comparison to PSE 2000 Performance
PSE	\$84.49	\$131.79	\$73.14	\$69.26	\$52.88	
National	\$173.79	\$165.27	\$162.57	\$152.04	\$141.39	+167%
NW	\$132.26	\$153.13	\$151.36	\$132.79	\$128.00	+142%

Footnote:

1. Source: FERC Form 1 and EIA Form-412 (SNL Database)
2. No 2000 data available for Washington Municipal Utilities. Data extrapolated by applying average 4 year growth rate to 1999 data
3. Cost data inflated using Bureau of Labor Statistics Consumer Price Index
4. CAGR is the Compound Annual Growth Rate
5. Excludes FERC Account 565: Transmission of Electricity by Others

Comparison of PSE Total Electric O&M Costs Per Customer to the National and Northwest Panels



	1996	1997	1998	1999	2000	Comparison to PSE 2000 Performance
PSE	\$193	\$239	\$170	\$175	\$152	
National	\$341	\$328	\$329	\$319	\$287	+89%
Nat. 1Q	\$304	\$293	\$283	\$282	\$256	+68%
NW	\$336	\$317	\$313	\$293	\$263	+73%

Footnote:

1. Source: FERC Form 1 and EIA Form 412 (SNL Database)
2. Electric Total O&M is the sum of Distribution O&M, Transmission O&M, Customer Accounting and Customer Service O&M, and A&G O&M.
3. No 2000 data available for Washington Municipal Utilities. Data extrapolated by applying average 4 year growth rate to 1999 data
4. Cost data inflated using Bureau of Labor Statistics Consumer Price Index
5. CAGR is the Compound Annual Growth Rate
6. Excludes FERC Account 565: Transmission of Electricity by Others
7. Washington Municipal Utilities excluded from the Northwest Average because they do not report FERC Account 565

The National Panel of Gas Companies (68 Utilities)

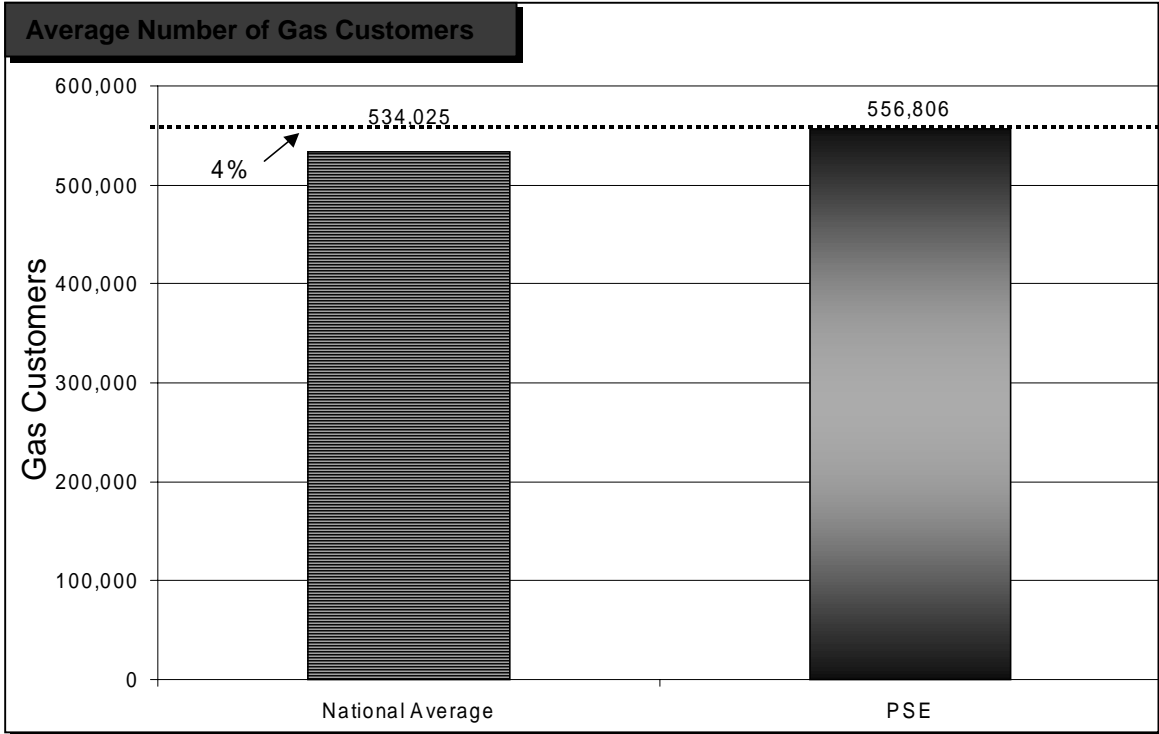
National Panel

Avista Corporation - WA LDC
Baltimore Gas & Electric Co - MD LDC
Bay State Gas Company - MA LDC
Boston Gas Company - MA LDC
Brooklyn Union Gas Company - NY LDC
Central Illinois Light Company - IL LDC
Central Illinois Public Serv Co - IL LDC
Colonial Gas Company - MA LDC
Columbia Gas of Kentucky - KY LDC
Columbia Gas of Ohio - OH LDC
Connecticut Natural Gas Corp - CT LDC
Consolidated Edison Co of N.Y. - NY LDC
Consumers Energy Company - MI LDC
Dayton Power and Light Co - OH LDC
East Ohio Gas Company - OH LDC
Elizabethtown Gas Company - NJ LDC
Equitable Gas Company - PA LDC
IES Utilities, Inc. - IA LDC
Illinois Power Company - IL LDC
Indiana Gas Company, Inc. - IN LDC
KeySpan Gas East Corporation - NY LDC
Laclede Gas Company - MO LDC
Louisville Gas & Electric Co - KY LDC
Madison Gas and Electric Co - WI LDC
Michigan Consolidated Gas Co - MI LDC
Mississippi Valley Gas Co - MS LDC
Montana Power Company - MT LDC
Mountain Fuel - Total LDC
Mountaineer Gas Company - WV LDC
National Fuel Gas Dist Corp - NY LDC
National Fuel Gas Dist Corp - PA LDC
National Fuel Gas Dist Corp - Total LDC
New Jersey Natural Gas Co - NJ LDC
New York State Electric & Gas Co- NY LDC
Niagara Mohawk Power Corp - NY LDC
North Shore Gas Company - IL LDC
Northern Illinois Gas Company - IL LDC
Northern States Power Co - MN LDC
Northwest Natural Gas Company - Total LDC
Orange and Rockland Utilities - NY LDC
Pacific Gas and Electric Co - CA LDC
PECO Energy Company - PA LDC
Peoples Gas Light And Coke Co - IL LDC
Public Service Co of Colorado - CO LDC
Public Service Co.- North Carolina - NC LDC
Public Service Electric & Gas Co - NJ LDC
Reliant Energy-Arkla Division - AR LDC
Reliant Energy-Entex Division - TX LDC
Reliant Energy-Minnegasco Div - MN LDC
Rochester Gas & Electric Corp. - NY LDC
SEMCO Energy Gas Company - MI LDC
Sierra Pacific Power Company - NV LDC
South Jersey Gas Company - NJ LDC
Southern Union Company - MO LDC
Southwest Gas Corporation - AZ LDC
Southwest Gas Corporation - CA LDC
TECO-Peoples Gas System - FL LDC
TXU Gas Company - TX LDC
Union Electric Company - Total LDC
UtiliCorp-Michigan Gas Utils- MI LDC
UtiliCorp-Peoples Nat Gas- Total LDC
Virginia Natural Gas, Inc.- VA LDC
Washington Gas Light Company - Total LDC
Western Kentucky Gas Company - KY LDC
Wisconsin Electric Power Co - WI LDC
Wisconsin Power and Light Co - WI LDC
Wisconsin Public Service Corp - WI LDC
Yankee Gas Services Company - CT LDC

Footnote:

1. Source: State LDC Filings (SNL Database)
2. Panel includes U.S. IOUs with greater than 100,000 customers in year 2000

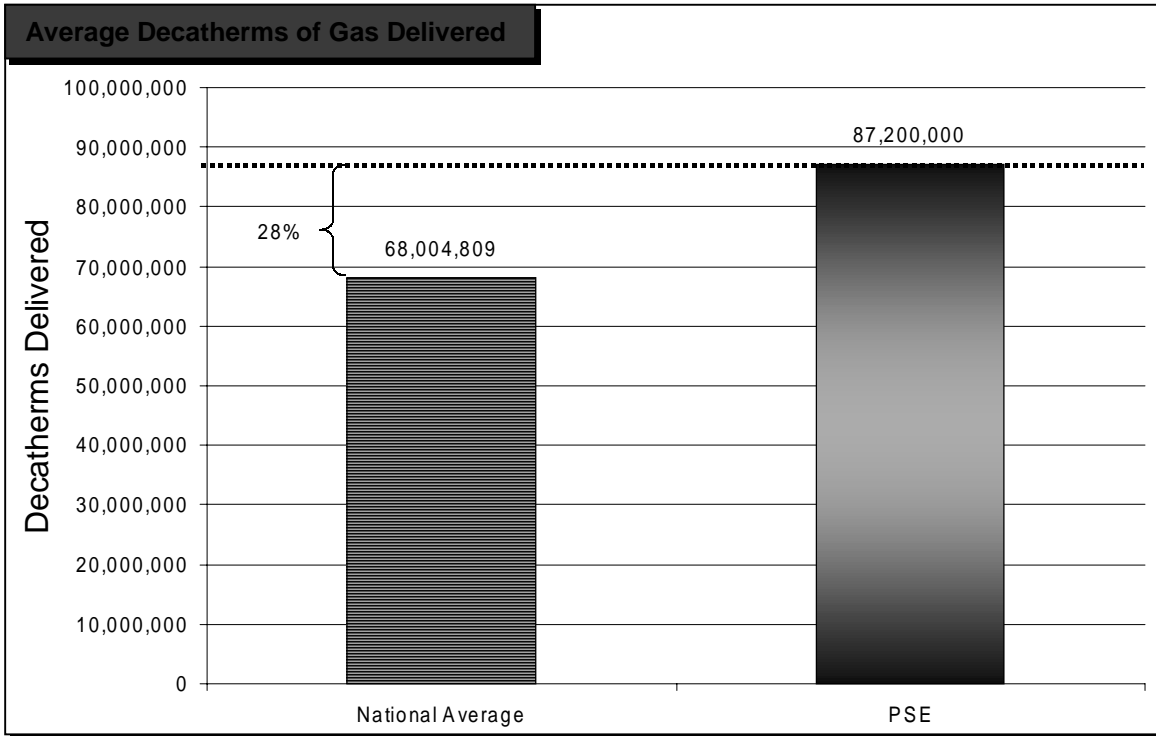
Comparison of PSE Gas Customers to the National Panel



Footnote:

1. Source: State LDC filings (SNL Database)
2. Data is for year 1999

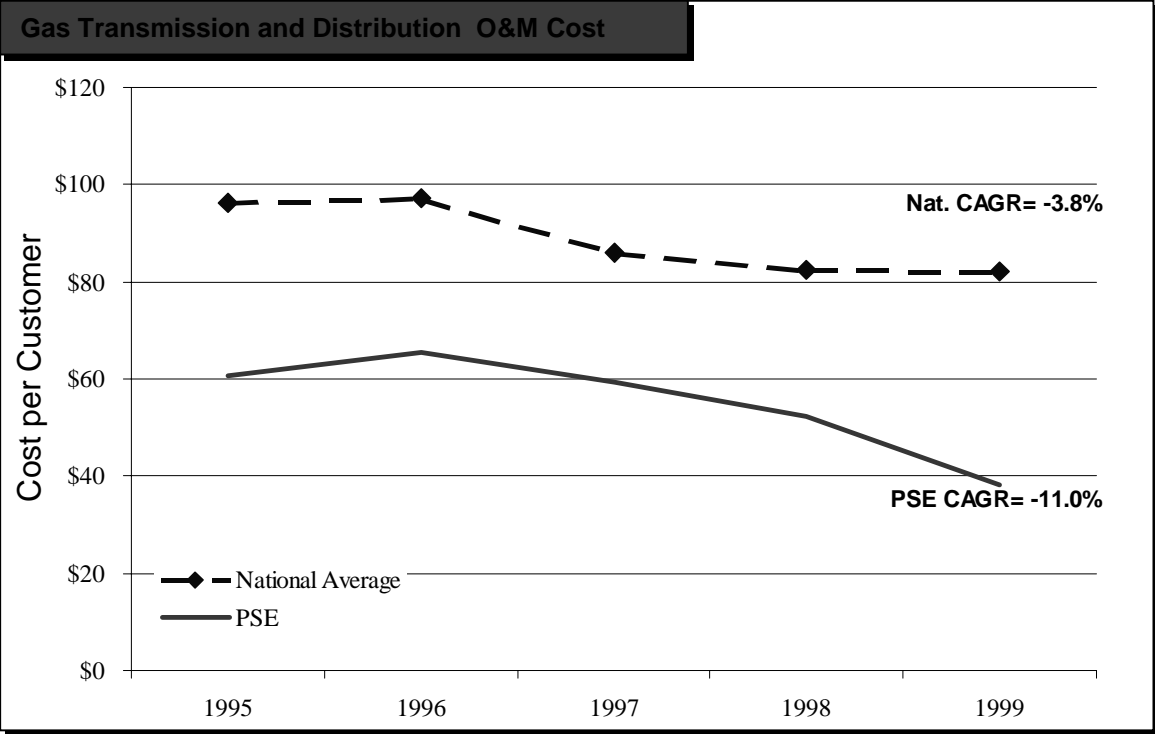
Comparison of PSE Gas Delivery to the National Panel



Footnote:

1. Source: State LDC filings (SNL Database)
2. Data is for year 1999

Comparison of PSE Gas Transmission and Distribution O&M Cost Per Customer to the National Panel

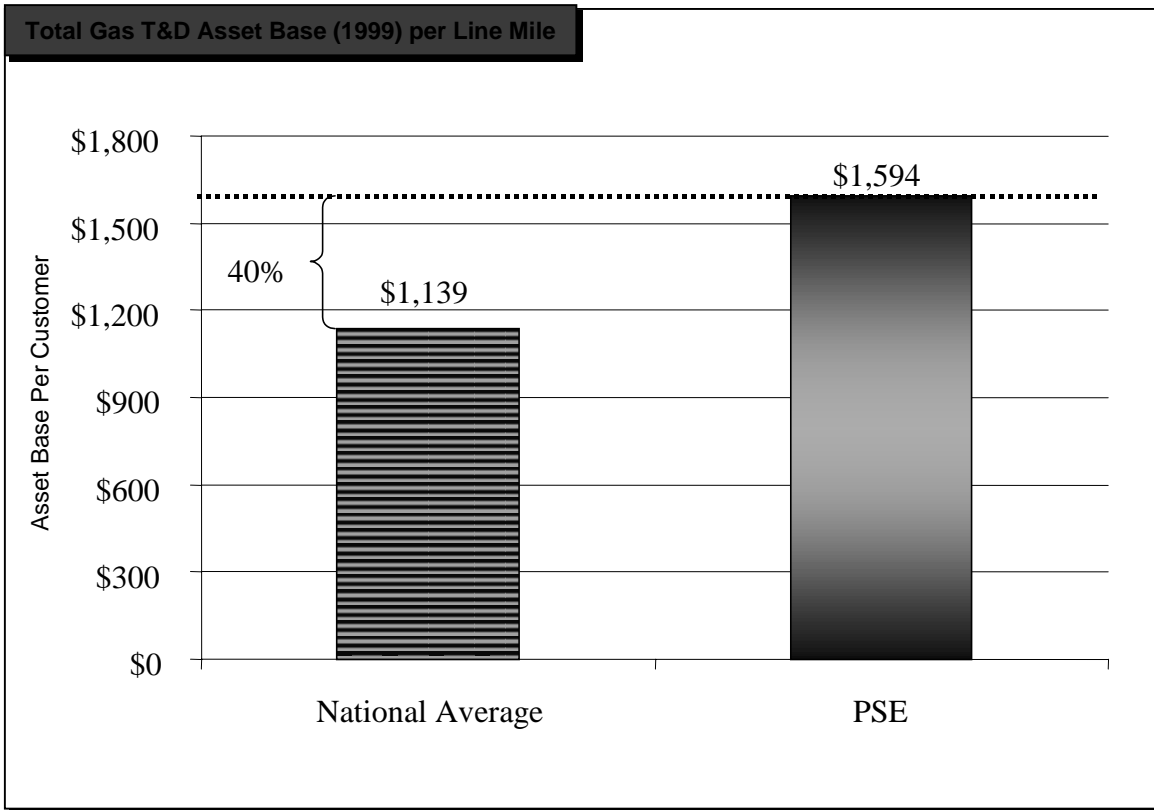


	1995	1996	1997	1998	1999	Comparison to PSE 1999 Performance
PSE	\$60.66	\$65.33	\$59.43	\$52.23	\$38.04	
National	\$96.18	\$97.38	\$85.96	\$82.58	\$82.25	+116%

Footnote:

1. Source: State LDC filings (SNL Database)
2. Cost data inflated using Bureau of Labor Statistics Consumer Price Index
3. CAGR is the Compound Annual Growth Rate

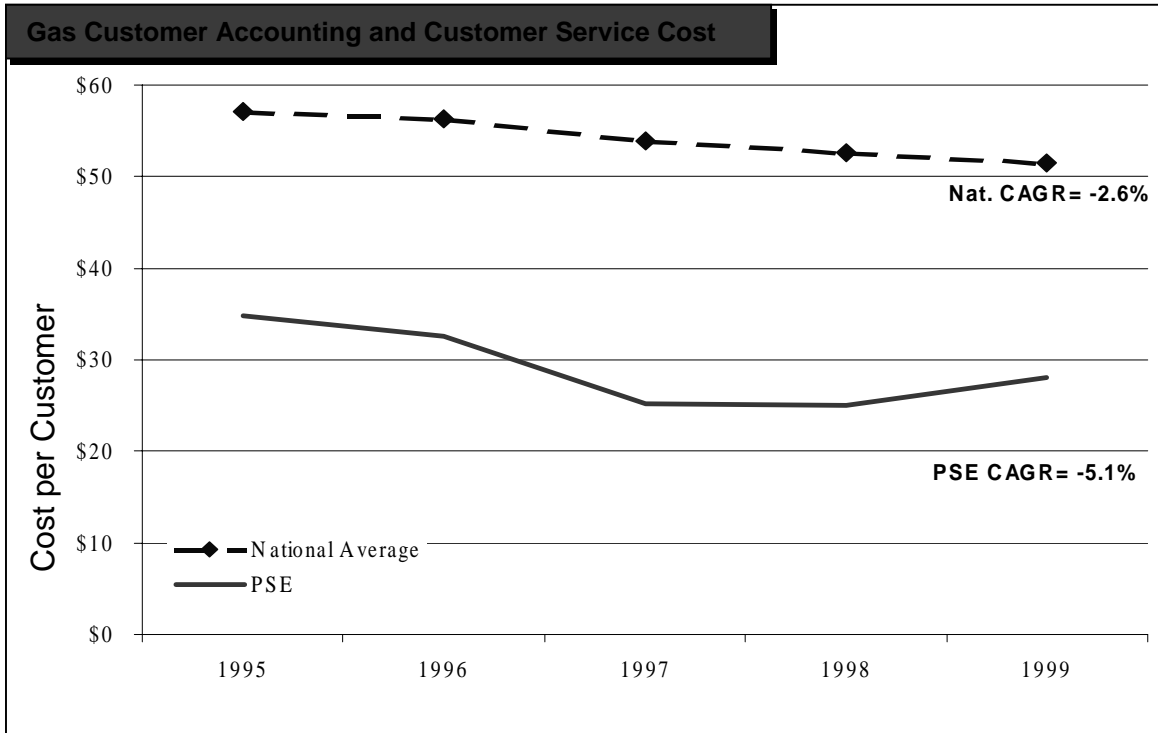
Comparison of PSE Gas Transmission and Distribution Net Asset Base (1999) Per Customer to the National Panel



Footnote:

1. Source: State LDC filings (SNL Database)
2. Asset Base equals Gross Plant minus Accumulated Depreciation. For all companies, Accumulated Depreciation is allocated by taking ratio of individual Plant type to Total Plant, and applying those ratios to Total Accumulated Depreciation Expense
3. Cost data inflated using Bureau of Labor Statistics Consumer Price Index

Comparison of PSE Gas Customer Accounting and Customer Service Cost Per Customer to the National Panel

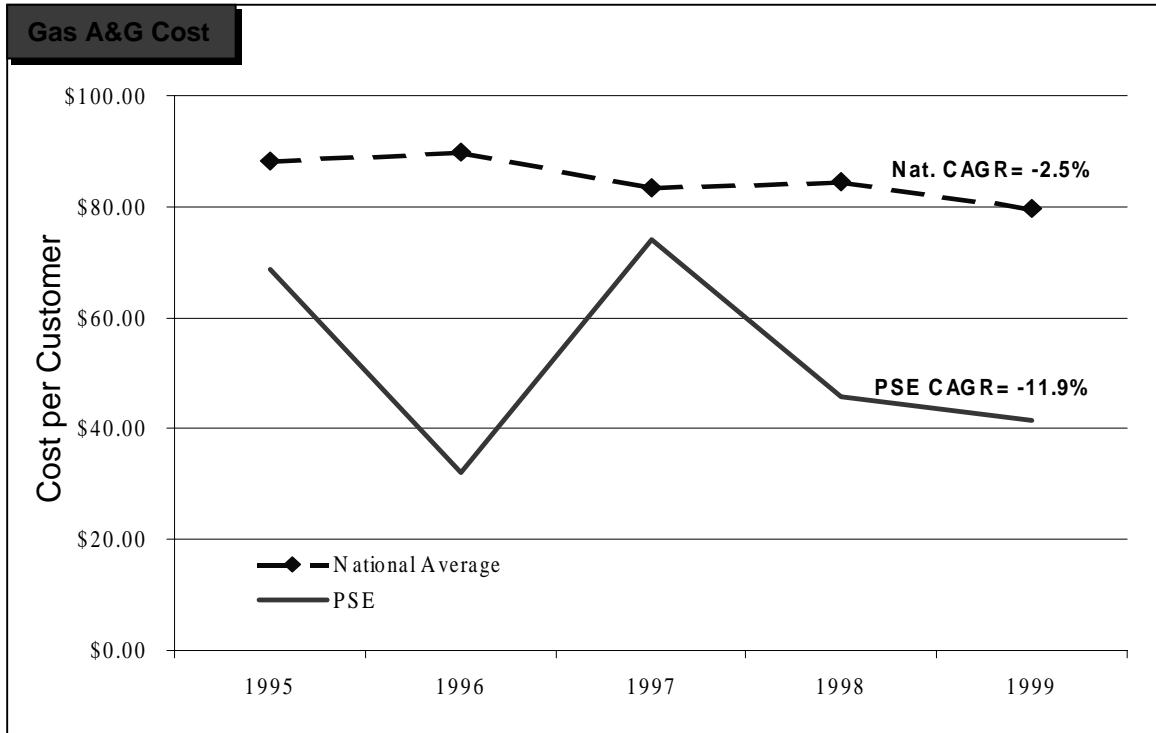


	1995	1996	1997	1998	1999	Comparison to PSE 1999 Performance
PSE	\$34.76	\$32.64	\$25.20	\$25.08	\$28.15	
National	\$57.14	\$56.38	\$53.90	\$52.56	\$51.53	+83%

Footnote:

1. Source: State LDC filings (SNL Database)
2. Cost data inflated using Bureau of Labor Statistics Consumer Price Index
3. CAGR is the Compound Annual Growth Rate

Comparison of PSE Gas A&G Cost Per Customer to the National Panel

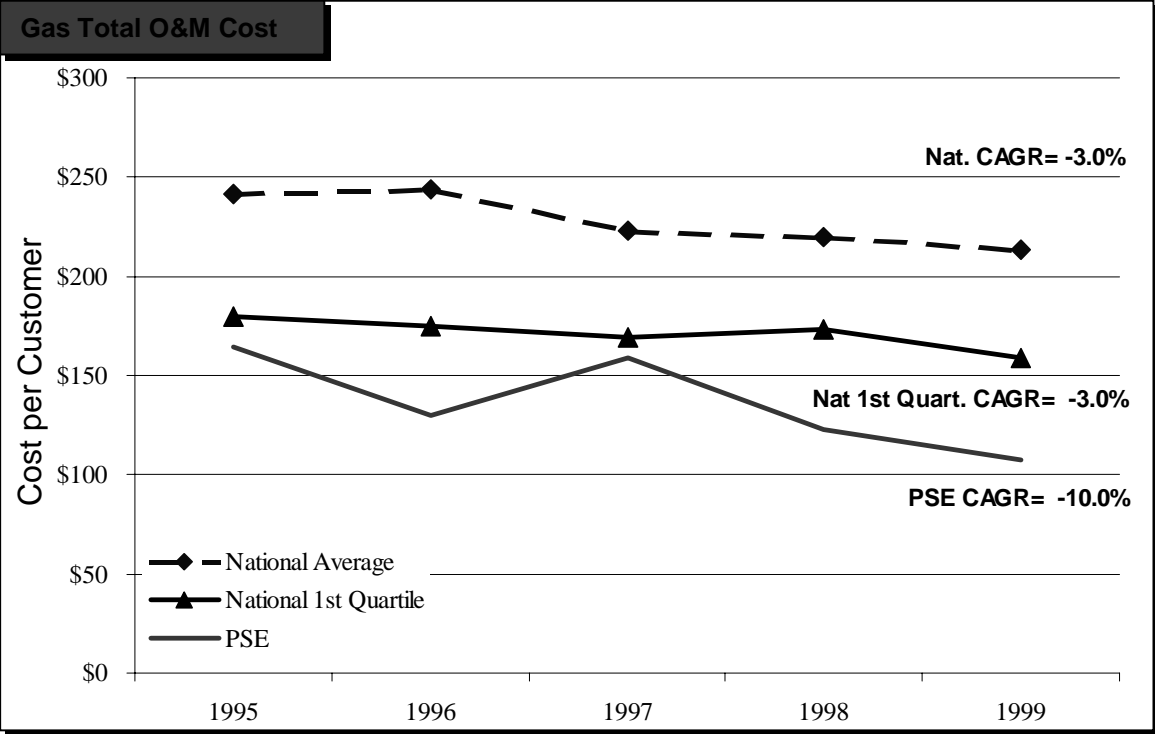


	1995	1996	1997	1998	1999	Comparison to PSE 1999 Performance
PSE	\$68.63	\$31.96	\$74.13	\$45.80	\$41.41	
National	\$88.11	\$89.80	\$83.31	\$84.46	\$79.78	+93%

Footnote:

1. Source: State LDC filings (SNL Database)
2. Cost data inflated using Bureau of Labor Statistics Consumer Price Index
3. CAGR is the Compound Annual Growth Rate

Comparison of PSE Total Gas O&M Cost Per Customer to the National Panel



	1995	1996	1997	1998	1999	Comparison to PSE 1999 Performance
PSE	\$164	\$130	\$159	\$123	\$108	
National	\$241	\$244	\$223	\$220	\$214	+98%
Nat. 1Q	\$180	\$175	\$169	\$173	\$159	+48%

Footnote:

1. Source: State LDC Filings (SNL Database)
2. Gas Total O&M is the sum of Distribution O&M, Transmission O&M, Customer Accounting and Customer Service O&M, and A&G O&M.
3. Cost data inflated using Bureau of Labor Statistics Consumer Price Index
4. CAGR is the Compound Annual Growth Rate

The National Panel of Combination Utility Companies (37 Utilities)

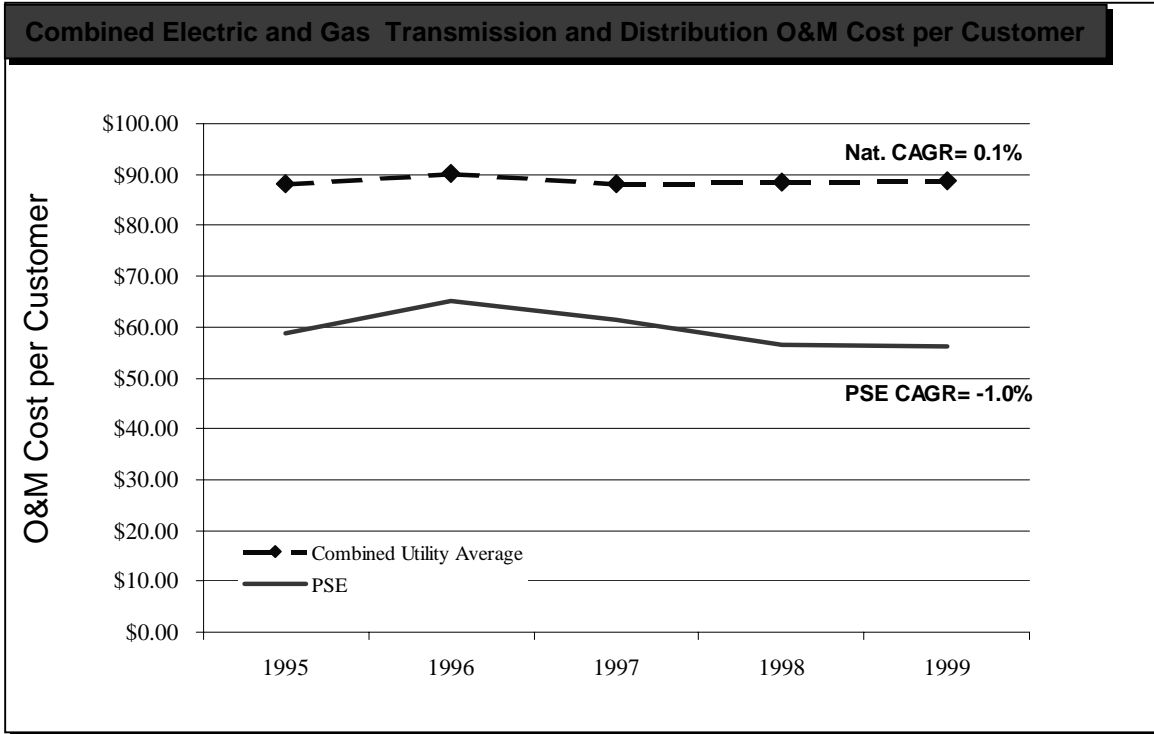
National Combination Panel

Avista Corporation	Northern Indian Public Service Co.
Baltimore Gas and Electric Company	Northern States Power - Minn.
Central Hudson Gas & Electric Corp	Northern States Power - Wisc
Central Illinois Light Company	Orange and Rockland Utilities, Inc.
Central Illinois Public Service Co.	Pacific Gas and Electric Company
Cincinnati Gas & Electric Co.	PECO Energy
Consolidated Edison Company of N.Y.	Public Service Company - New Mexico
Consumers Energy Company	Public Service Company of Colorado
Dayton Power and Light Company	Public Service Electric and Gas Co.
IES Utilities, Inc	Rochester Gas and Electric Corp
Illinois Power Company	San Diego Gas & Electric Company
Interstate Power Company	St Joseph Light & Power Company
Louisville Gas and Electric Company	TXU Electric Company
Madison Gas and Electric Company	Union Electric Company
MidAmerican Energy Company	Union Light, Heat and Power Co.
Montana Power Company	Wisconsin Electric Power Co.
New York State Electric and Gas Corp	Wisconsin Power and Light Company
Niagara Mohawk Power Corporation	Wisconsin Public Service Corp

Footnote:

1. Source: FERC Form 1 and State Gas LDC Filings (SNL Database)
2. Panel includes Investor Owned Utilities that provide both Electric and Gas Service

Comparison of PSE Electric and Gas Transmission and Distribution O&M Cost Per Customer to the National Panel of Combination Utilities

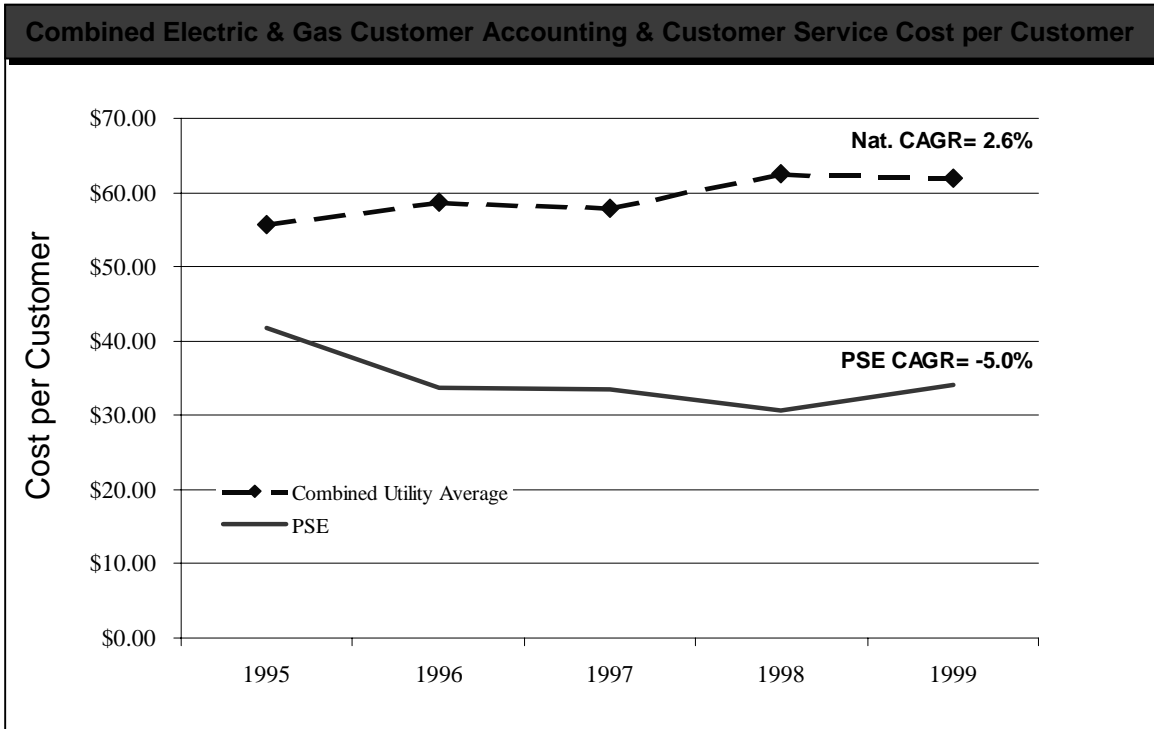


	1995	1996	1997	1998	1999	Comparison to PSE 1999 Performance
PSE	\$58.70	\$65.16	\$61.47	\$56.61	\$56.31	
Combination	\$88.33	\$90.28	\$88.17	\$88.37	\$88.80	+58%

Footnote:

1. Source: FERC Form 1 and State LDC Filings (SNL Database)
2. Cost data inflated using Bureau of Labor Statistics Consumer Price Index
3. CAGR is the Compound Annual Growth Rate
4. Excludes FERC Account 565: Transmission of Electricity by Others

Comparison of PSE Electric and Gas Customer Accounting and Customer Service Cost Per Customer to National Panel of Combination Utilities

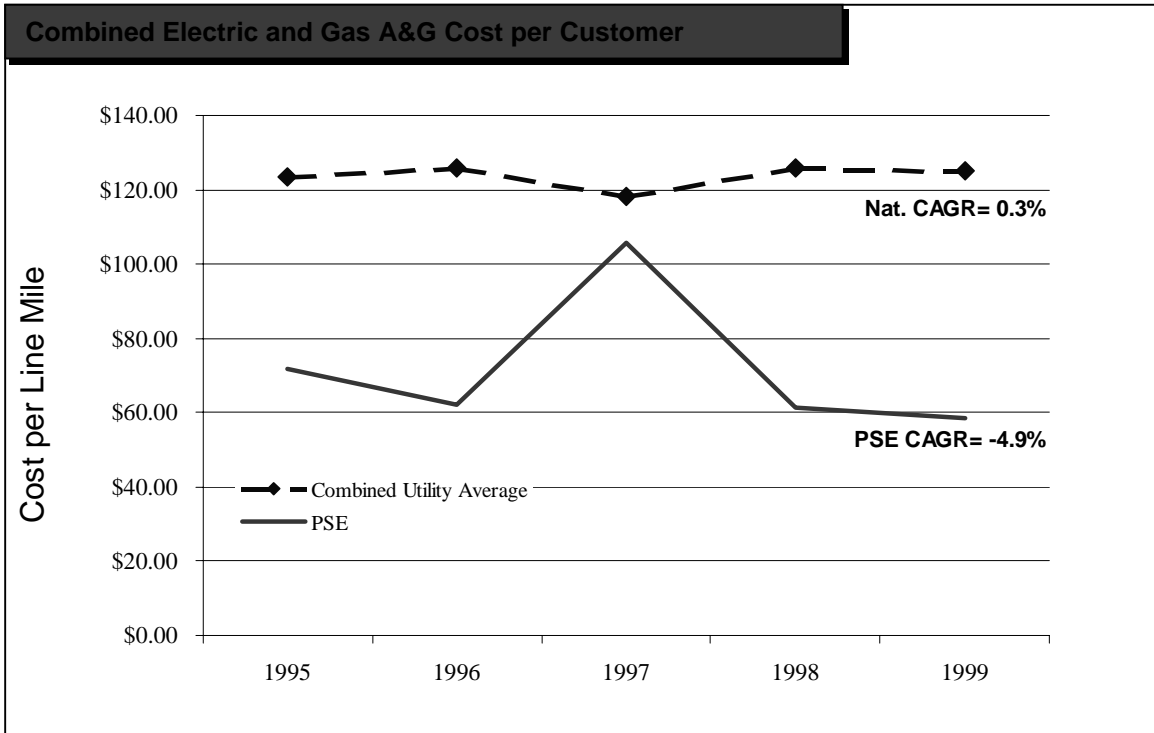


	1995	1996	1997	1998	1999	Comparison to PSE 1999 Performance
PSE	\$41.78	\$33.75	\$33.53	\$30.60	\$34.02	
Combination	\$55.78	\$58.62	\$57.86	\$62.53	\$61.83	+82%

Footnote:

1. Source: FERC Form 1 and State LDC Filings (SNL Database)
2. Cost data inflated using Bureau of Labor Statistics Consumer Price Index
3. CAGR is the Compound Annual Growth Rate

Comparison of PSE Electric and Gas A&G Cost Per Customer to the National Panel of Combination Utilities

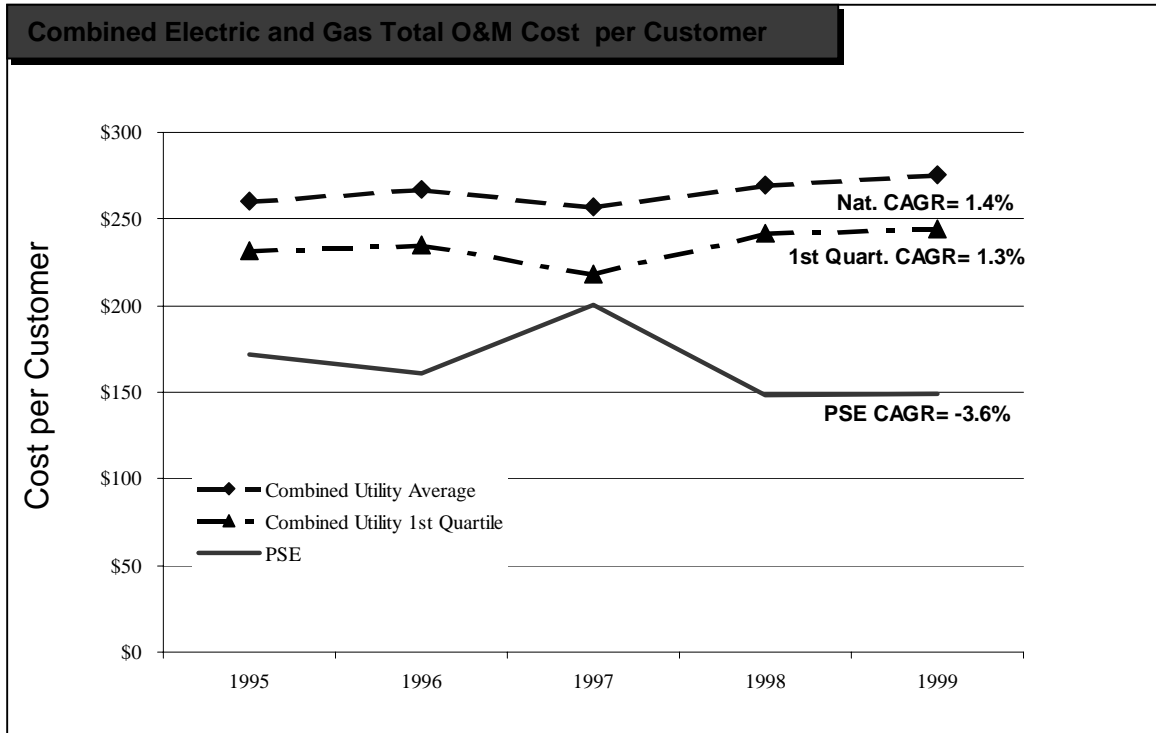


	1995	1996	1997	1998	1999	Comparison to PSE 1999 Performance
PSE	\$71.73	\$62.00	\$105.79	\$61.20	\$58.61	
Combination	\$123.34	\$125.76	\$118.16	\$125.97	\$124.92	+113%

Footnote:

1. Source: FERC Form 1 and State LDC Filings (SNL Database)
2. No 2000 data available for Gas LDCs. Data extrapolated by applying average 4 year growth rate to 1999 data
3. Cost data inflated using Bureau of Labor Statistics Consumer Price Index
4. CAGR is the Compound Annual Growth Rate

Comparison of PSE Electric and Gas Total O&M Cost Per Customer to the National Panel of Combination Utilities

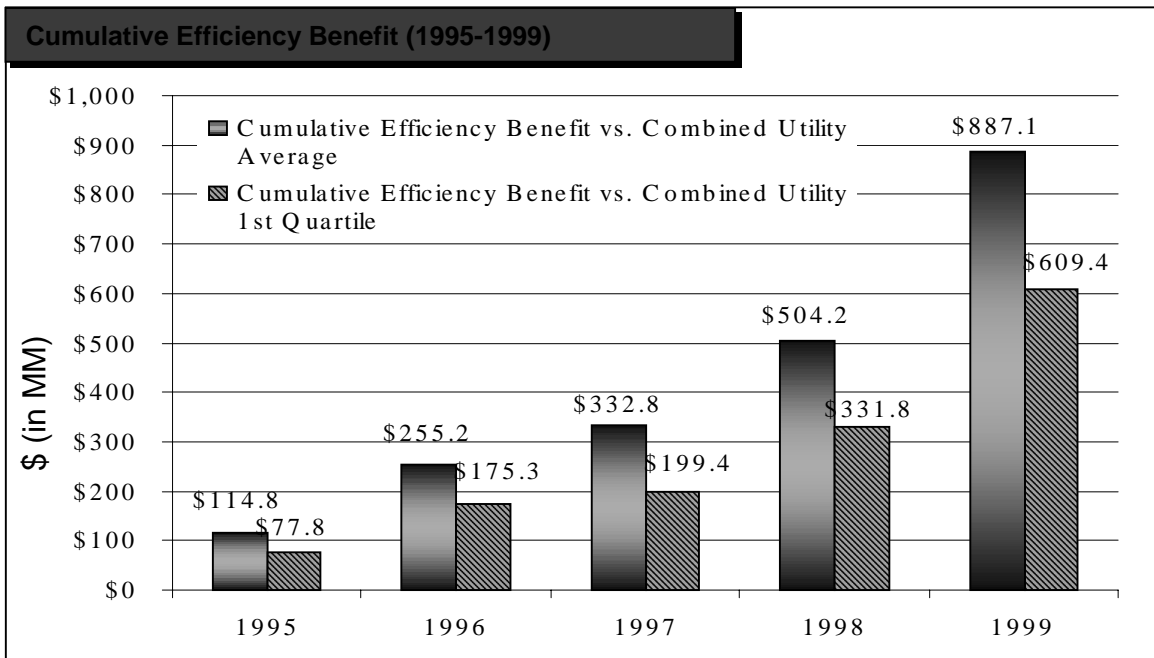
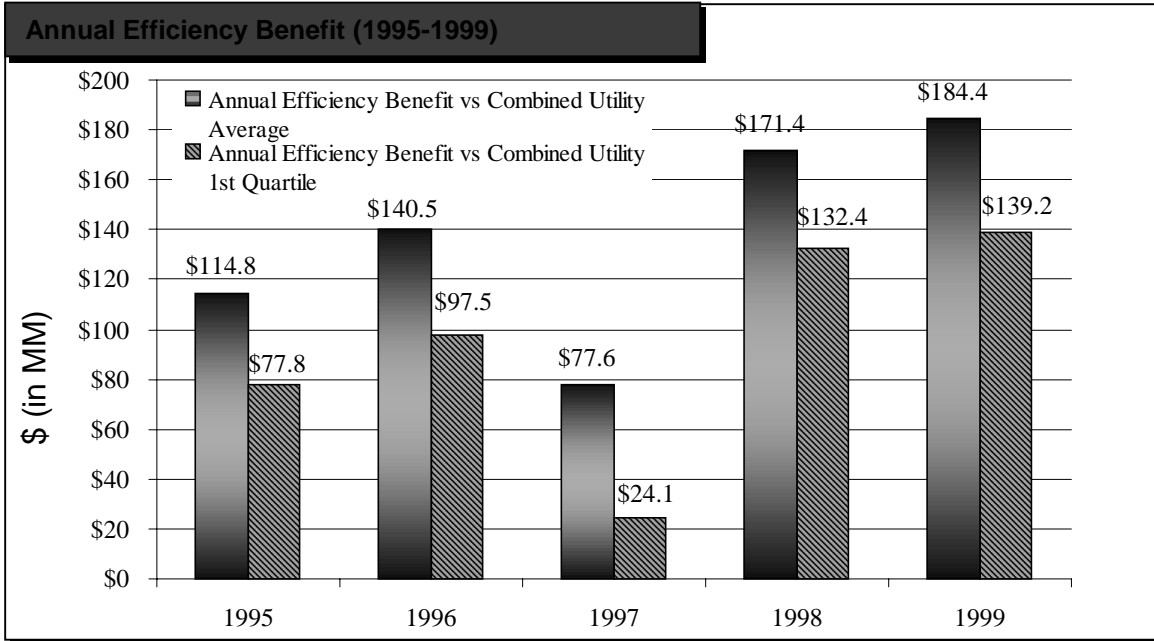


	1995	1996	1997	1998	1999	Comparison to PSE 1999 Performance
PSE	\$172	\$161	\$201	\$148	\$149	
Combination	\$260	\$267	\$257	\$270	\$276	+85%
Comb. 1st Quart	\$232	\$235	\$218	\$242	\$245	+64%

Footnote:

1. Source: FERC Form 1 and State LDC Filings (SNL Database)
2. No 2000 data available for Gas LDCs. Data extrapolated by applying average 4 year growth rate to 1999 data
3. Cost data inflated using Bureau of Labor Statistics Consumer Price Index
4. CAGR is the Compound Annual Growth Rate
5. Excludes FERC Account 565: Transmission of Electricity by Others

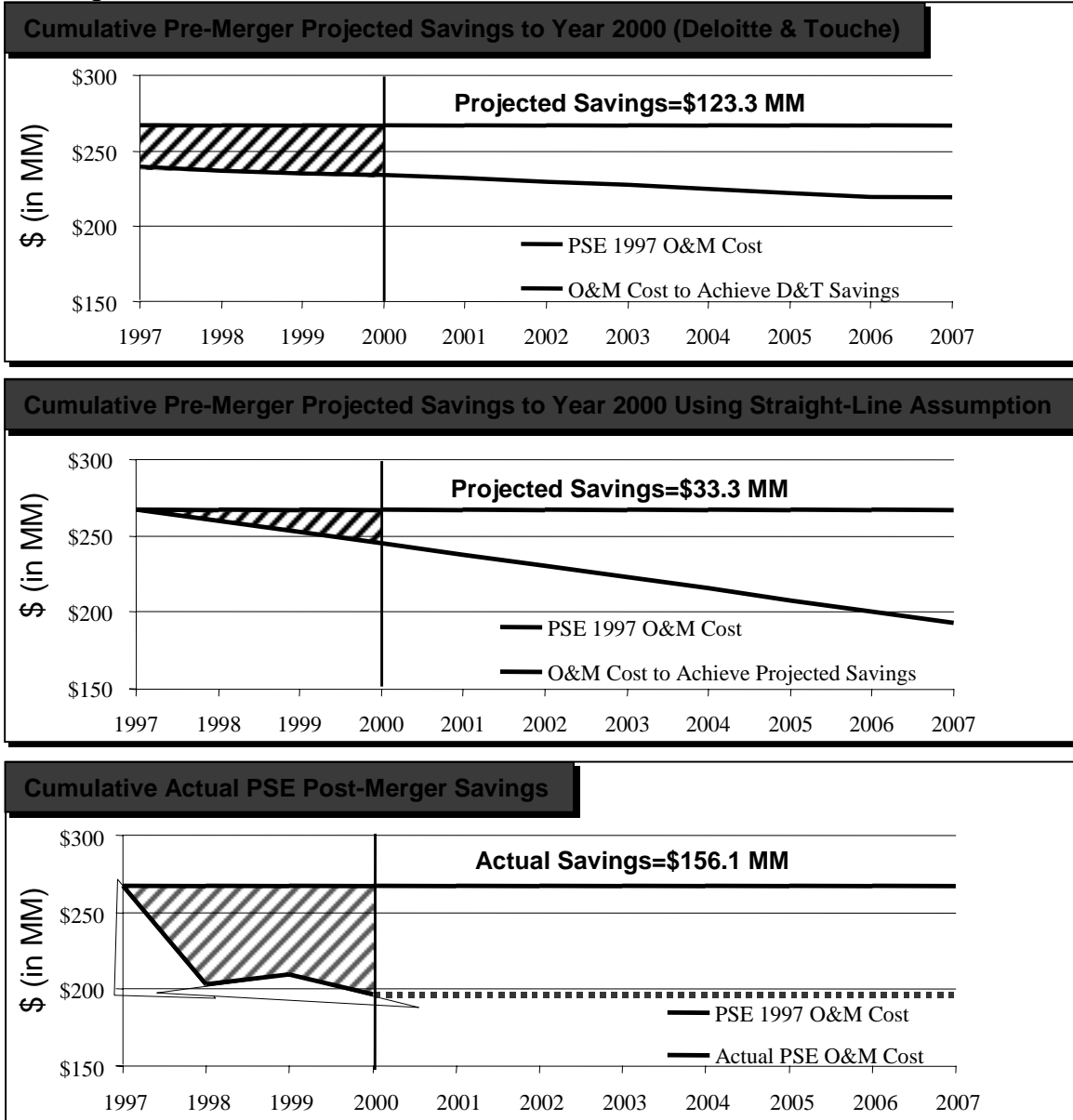
Value of PSE Efficiency Benefit to Customer vs. the National Combination Panel and National Combination First Quartile



Footnote:

1. Source: FERC Form 1 and State LDC Filings (SNL Database)
2. All values in \$ MM
3. Excludes FERC Account 565: Transmission of Electricity by Others
4. Cost data inflated using Bureau of Labor Statistics Consumer Price Index

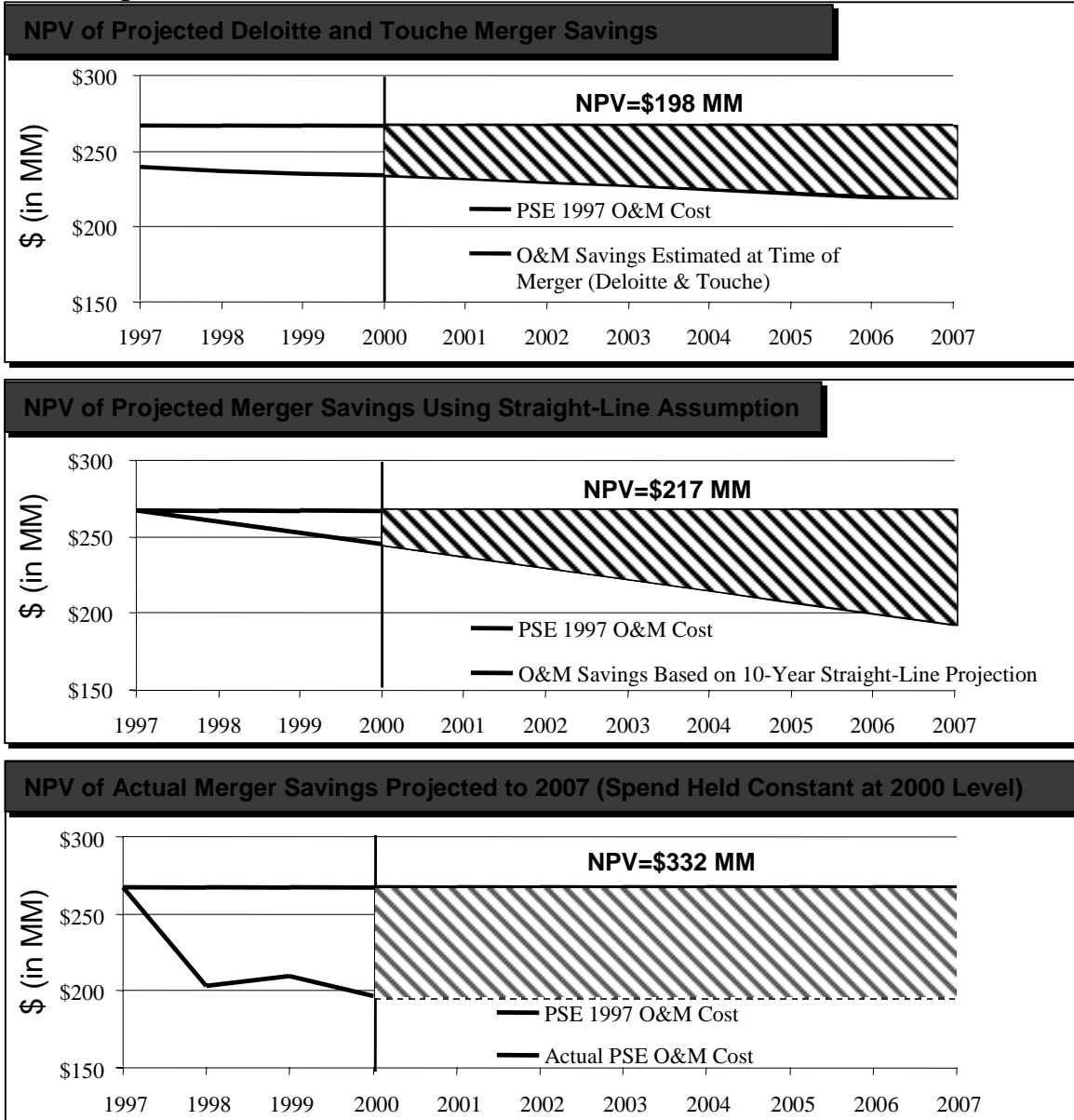
Comparison of Pre-Merger Projections to Actual PSE Post-Merger Performance (1997-2000)



Footnote:

1. Source: FERC Form 1 and State LDC Filings (SNL Database) and Deloitte and Touche Project Largent Report
2. Deloitte and Touche \$370 MM Savings includes O&M and Fixed Charges
3. All values in \$ MM
4. Excludes FERC Account 565: Transmission of Electricity by Others
5. All values not inflated
6. 10.36% Cost of Capital

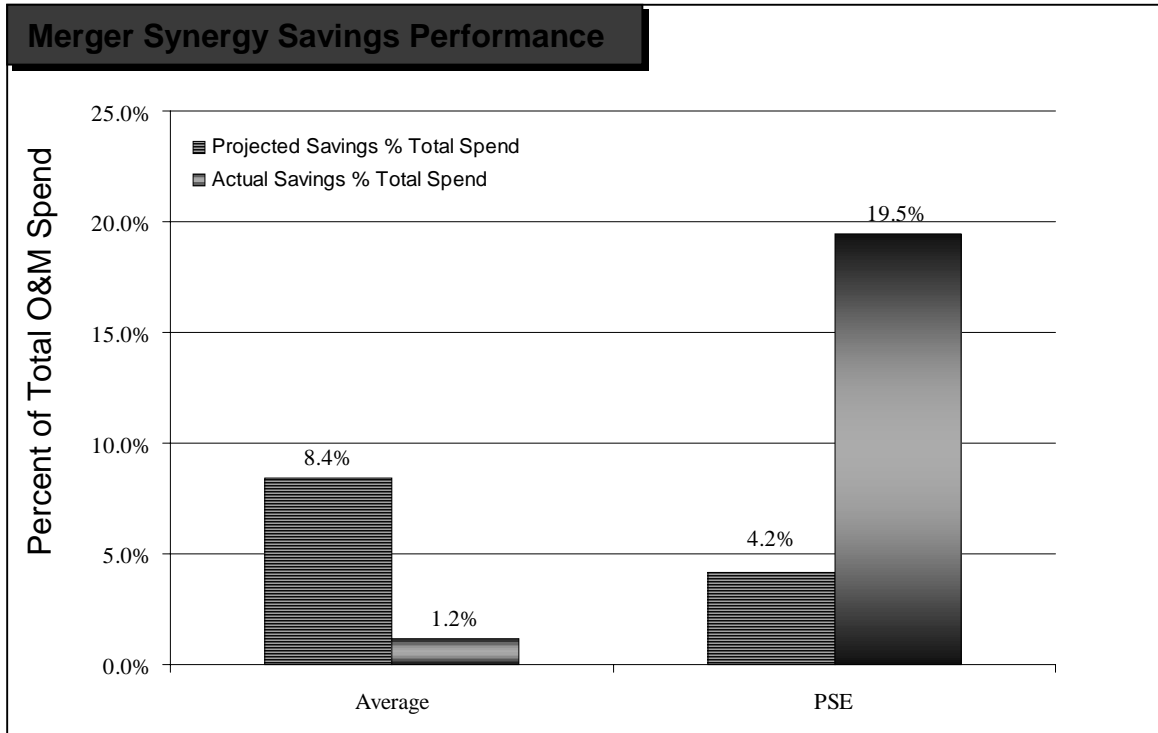
Net Present Value (NPV) Comparison of Projected Future Savings



Footnote:

1. Source: FERC Form 1 and State LDC Filings (SNL Database) and Deloitte and Touche Project Largent Report
2. Deloitte and Touche \$370 MM Savings includes O&M and Fixed Charges
3. All values in \$ MM
4. Excludes FERC Account 565: Transmission of Electricity by Others
5. All values not inflated
6. 10.36% Cost of Capital

Comparison of Projected and Actual Merger Synergy Savings Performance



Footnote:

1. Source: Cost Data from FERC Form 1 and State LDC Filings (SNL Database). Merger data from FERC Merger Filings, State Utility Commission Merger Filings (Kentucky), and Scientech's Mergers, Acquisitions and Convergence in the U.S. Electric Industry
2. Analysis compares synergy savings projections to actual post-merger performance on a Total O&M basis
3. Total O&M Cost is the sum of Distribution O&M Cost, Transmission O&M Cost, Customer Accounts and Customer Service O&M Cost, and A&G O&M Cost. It excludes Production O&M Cost and FERC Account 565 (Transmission of Electricity by Others).
4. Mergers considered occurred in 1997 and 1998.
5. Mergers for which publicly available data was not available for both the pre- and post-merger entities were excluded
6. Mergers for which Merger Filings did not contain synergy savings projections were excluded
7. All values not inflated