

**EXHIBIT NO. \_\_\_(DEG-3)  
DOCKET NO. UE-11\_\_\_/UG-11\_\_\_  
2011 PSE GENERAL RATE CASE  
WITNESS: DONALD E. GAINES**

**BEFORE THE  
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION,**

**Complainant,**

**v.**

**PUGET SOUND ENERGY, INC.,**

**Respondent.**

**Docket No. UE-11\_\_\_  
Docket No. UG-11\_\_\_**

**SECOND EXHIBIT (NONCONFIDENTIAL) TO THE  
PREFILED DIRECT TESTIMONY OF  
DONALD E. GAINES  
ON BEHALF OF PUGET SOUND ENERGY, INC.**

**JUNE 13, 2011**

## Estimated Benefits of Ratings Upgrades

PSE Bond Issuances Post-Merger

Issuance Date	Pricing Date	Maturity	Principal	Coupon	Est'd Ratings Benefit	Est'd Annual Interest Savings	Est'd Lifetime Interest Savings	Tenor	Pymts per year	PV Pre-tax Savings
01/23/09	1/20/09	1/15/16	\$ 250,000,000	6.750%	0.225%	\$ 562,500	\$ 3,937,500	7	2	\$ 3,097,312
09/11/09	9/8/09	10/1/39	\$ 350,000,000	5.757%	0.240%	\$ 840,000	\$ 25,200,000	30	2	\$ 11,932,623
03/08/10	3/3/10	3/15/40	\$ 325,000,000	5.795%	0.167%	\$ 542,750	\$ 16,282,500	30	2	\$ 7,678,281
06/29/10	6/24/10	7/15/40	\$ 250,000,000	5.764%	0.119%	\$ 297,500	\$ 8,925,000	30	2	\$ 4,222,922
03/25/11	3/22/11	4/15/41	\$ 300,000,000	5.638%	0.154%	\$ 462,000	\$ 13,860,000	30	2	\$ 6,648,734
Totals			<b><u>\$1,475,000,000</u></b>							<b><u>\$ 33,579,872</u></b>