

**EXHIBIT NO. ___(DEG-19)
DOCKET NO. UE-060266/UG-060267
2006 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-060266
Docket No. UG-060267**

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

AUGUST 23, 2006

2nd Quarter 2006

InfrastruX Sale Disposition of Proceeds

July 11, 2006

Exhibit No. ____ (DEG-19)
Page 1 of 4

InfrastruX Sale: Sale Price and Pre-tax Cash Proceeds

Sale Price	\$275.0mm
Add: Estimated Net Working Capital	\$ 3.2
Cash Balance	4.5
Less: Estimated retained debt	(7.7)
Debt to be paid off	(144.9)
Escrow Amount	(3.7)
50% of rep and warranty premium	<u>(1.2)</u>
Pre-tax Cash Proceeds	\$125.2mm

Exhibit No. ____ (DEG-19)

Page 2 of 4

InfrastruX Sale: Pre-tax Proceeds and Net Cash to PE

Pre-tax Cash Proceeds	\$125.2mm
Less: Tax on gain from sale	(11.4)
Payments to minority shareholders	(10.5)
Change of control payments & payroll taxes	(4.3)
Sagent Advisors fee	(2.6)
Legal fees paid at closing	(0.4)
D&O Insurance	<u>(0.1)</u>
Net Cash to PE	95.9mm

Exhibit No. ____ (DEG-19)

Page 3 of 4

InfrastruX Sale: Disposition of Net Cash to PE

Net Cash to PE		\$95.9mm
Plus: Plus temporary investment income		0.4
Less: PE equity investment in PSE		(60.0)
Demand promissory note to PSE		(26.5)
Fund PSE Foundation (pre-tax)	\$15mm	
less: Tax benefit at 35%	(5.2)	(9.8)
Funds Remaining		-0-

Exhibit No. ____ (DEG-19)

Page 4 of 4