

**EXHIBIT NO. ___(DEG-8)
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.,

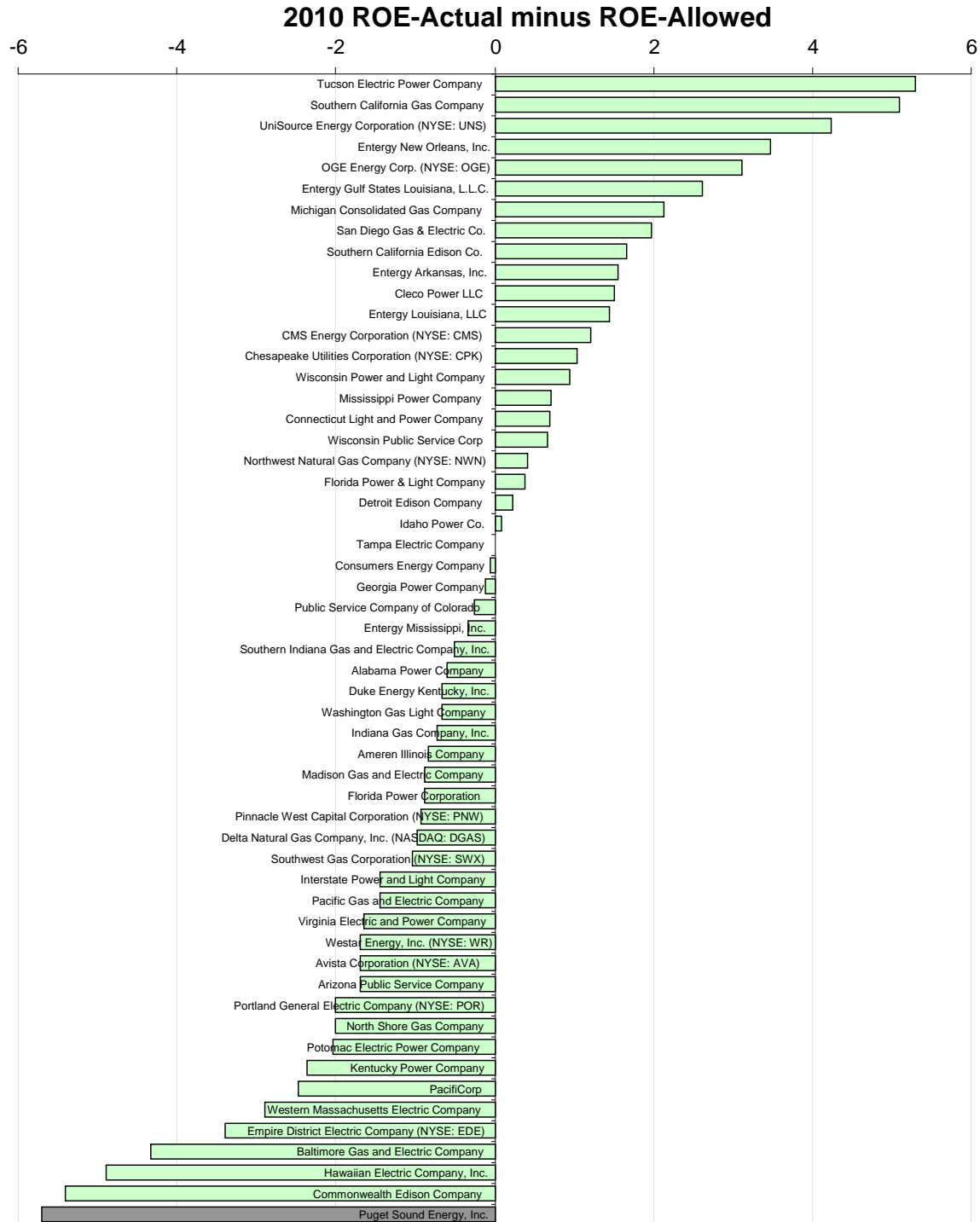
Respondent.

**Docket No. UE-11___
Docket No. UG-11___**

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

JUNE 13, 2011

In a comparison of actual earned ROE in 2010 compared to the allowed ROE (ROE-Actual *minus* ROE-Allowed), Puget Sound Energy had the largest amount of under-earning of selected utilities. In the chart below, a positive number represents over earning the allowed ROE and a negative number is the amount of under-earning.



Another way to compare earned and authorized ROE is to express the earned return as a percentage of the allowed return. Among utilities nationwide, PSE earned 44% of its allowed ROE, the average for the group of utilities was 97%. In 2010, Puget Sound Energy had the lowest earned return as a percent of authorized returns among the group.

