

**Exhibit No. DCP-17
Dockets UE-090704 and UG-090705
Witness: David C. Parcell
Revised November 18, 2009**

**BEFORE THE WASHINGTON STATE
UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

PUGET SOUND ENERGY, INC.,

Respondent.

DOCKET UE-090704

DOCKET UG-090705

EXHIBIT TO TESTIMONY OF

DAVID C. PARCELL

**ON BEHALF OF
STAFF OF
WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION**

PSE Rating Agency Ratios

**November 17, 2009
Revised November 18, 2009**

**PUGET SOUND ENERGY
RATING AGENCY RATIOS**

ITEM	PERCENT	COST RATE	WEIGHTED COST	PRE-TAX COST
Short-Term Debt	3.95%	2.47%	0.10%	0.10%
Long-Term Debt	51.05%	6.45%	3.29%	3.29%
Common Equity	<u>45.00%</u>	10.00%	<u>4.50%</u>	<u>6.92%</u> (1)
TOTAL CAPITAL	100.00%		7.89%	10.31%

(1) Post-tax weighted cost divided by .65 (composite tax factor)

$$\text{Pre-tax coverage} = \frac{10.24\%}{(0.17\% + 3.42\%)} = 3.04 \text{ X}$$

Standard & Poor's Utility Benchmark Ratios:

	<u>BBB</u>
Pre-tax coverage (X)	
Business Position:	
5	2.4 - 3.5 x
Total Debt to Total Capital (%)	
Business Position	
5	50 - 60 %

Note: Standard & Poor's no longer employs the pre-tax coverage ratios as one of its qualitative ratings criteria. The above-cited S&P benchmark ratios reflect the 1999 criteria reported by S&P.