

**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

PUGET SOUND ENERGY, INC.'S
MOTION FOR LEAVE TO FILE
REVISED TESTIMONY

1 Pursuant to WAC 480-07-375(1)(d), Puget Sound Energy, Inc. ("PSE" or "the Company") hereby requests that the Commission grant it leave to file the revised testimony submitted with this motion. The purpose of these revisions is to correct the hearing transcript testimony of Donald E. Gaines, relating to PSE's issuance of common stock, after PSE became aware of minor, but substantive, errors in the testimony. In support of this motion, PSE relies upon the Declaration of Donald E. Gaines, filed herewith.

2 Donald Gaines testified before the Washington Utilities and Transportation Commission ("WUTC" or "Commission") on Tuesday, September 19, 2006, as part of the hearings in the Company's general rate case, in the above-referenced dockets. After reviewing the transcript of his testimony, Mr. Gaines became aware of substantive errors that require correction.

Accordingly, PSE would like to revise the following testimony:

- transcript page 409, line 19, "\$20.80" should be "\$20.67";
- transcript page 410, line 2, "2 percent" should be "3 percent";

- transcript page 410, line 4, "\$20.80" should be "\$20.67", and
- transcript page 410, line 5, "21.22" should be "\$20.80"

3 The Commission's procedural rules authorize PSE to file motions to limit or add to the record in a proceeding. WAC 480-07-375(1)(d). PSE therefore files this motion seeking such leave.

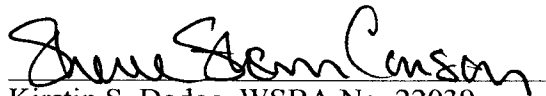
4 PSE's motion should be granted. PSE seeks to make relatively minor revisions to the evidence in the general rate case record, and PSE has sought to prepare and present its revised evidence in a manner that makes it easy for other parties to understand the changes that are required.

5 For the reasons set forth above, PSE respectfully requests that the Commission enter an order granting PSE leave to revise the transcript of Donald E. Gaines in this proceeding and accept for filing the revised transcript submitted with this motion.

DATED: October 13 2006

Respectfully Submitted,

PERKINS COIE LLP



Kirstin S. Dodge, WSBA No. 22039
Sheree Strom Carson, WSBA No. 25349
Jason Kuzma, WSBA No. 31830
Attorneys for Puget Sound Energy, Inc.

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WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

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Respondent.

Docket No. UE-060266

Docket No. UG-060267

DECLARATION OF DONALD E.
GAINES CORRECTING TESTIMONY

Donald E. Gaines declares as follows:

1. I am the Vice President Finance and Treasurer for Puget Sound Energy, Inc. ("PSE" or "the Company"). I make this Declaration based upon personal knowledge of which I am competent to testify.

2. I testified before the Washington Utilities and Transportation Commission ("WUTC" or "Commission") on Tuesday, September 19, 2006, as part of the hearings in the Company's 2006 general rate case, in the above-referenced dockets. After reviewing the transcript of my testimony, I provide the following substantive correction to my testimony:

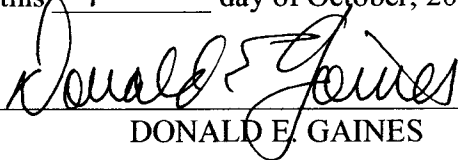
3. In response to Mr. Cedarbaum's question regarding the price received for the Company's common stock issuance in November 2005, I stated that we sold the stock at \$20.80 per share at a discount of 2 percent. *See* pages 409-410 of the hearing transcript, attached hereto as Exhibit A.

4. Having now reviewed my testimony and the stock price per share, I have determined that the Company did not receive \$20.80 per share from Lehman Brothers for its

November 2005 common stock issuance. The Company actually received \$20.67 per share for the common stock issuance at a 3 percent discount, for a resale price of \$20.80.

I declare under penalty of perjury under the laws of the State of Washington that the foregoing is true and correct.

EXECUTED at Bellevue, Washington this 11th day of October, 2006.



DONALD E. GAINES

EXHIBIT A

BEFORE THE WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION

3	WASHINGTON UTILITIES AND)	
	TRANSPORTATION COMMISSION,)	
4)	
	Complainant,)	DOCKET NO. UE-060266
5	vs.)	DOCKET NO. UG-060267
)	
6	PUGET SOUND ENERGY, INC.,)	Volume IV
)	Pages 226-431
7	Respondent.)	

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9 A hearing in the above matter was held on

10 September 19, 2006, at 9:30 a.m., at 1300 South

11 Evergreen Park Drive Southwest, Room 206, Olympia,

12 Washington, before ADMINISTRATIVE LAW JUDGE DENNIS MOSS

13 and CHAIRMAN MARK SIDRAN, and COMMISSIONER PHILIP

14 JONES, and COMMISSIONER PATRICK OSHIE.

15 The parties were present as follows:

16 THE COMMISSION, by ROBERT D. CEDARBAUM,

17 Assistant Attorney General, 1400 South Evergreen

18 Park Drive Southwest, Post Office Box 40128,

19 Olympia, Washington 98504-0128, Telephone

(360) 664-1188, Fax (360) 586-5522, E-mail,

bcedarba@wutc.wa.gov.

20 THE PUBLIC, by SIMON J. FFITCH, Assistant

21 Attorney General, 900 Fourth Avenue, Suite 2000,

22 Seattle, Washington, 98164-1012, Telephone (206)

389-2055, Facsimile (206) 389-2058, E-mail

simonf@atg.wa.gov.

23

24 Deborah L. Cook, RPR, CSR

25 Court Reporter

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1 Commission set rates using an equity ratio of 43
2 percent?

3 A Yes, it did. And in my testimony in that
4 proceeding I showed that we would sell stock -- at
5 that time it was confidential. Since it was
6 completed, it no longer is -- in February of '07.
7 And we moved that up to -- I am sorry, February
8 of '06, and we moved that up to November of '05,
9 and we increased the size.

10 Q Earlier in the prior exhibit --

11 JUDGE MOSS: Give us a number.

12 MR. CEDARBAUM: Okay, Your Honor. Exhibit
13 151, page 4, shows the -- describes that equity
14 issuance in November 2005.

15 Q BY MR. CEDARBAUM: Is it correct that for
16 that issuance the Company earned just under \$21 per
17 share?

18 A I see now the nest price that we got. It
19 was ~~\$20.80~~
\$20.67.

20 Q I say "earned." I should say received.

21 A It was a discount of the previous close of
22 I want to say 2 or 3 percent.

23 Q So that would compare to the stock price
24 around the time of the 2004 rate order in February
25 of around \$24 per share?

1 A No. It would be more like 22 something.
2 I think if it was -- I think it was a ~~2~~³ percent
3 discount. What we sold it at, I believe, was
4 ~~\$20.80~~^{\$20.67} per share. So if I take ~~20.80~~^{20.67} and divide it
5 by .98, I would get ~~21.22~~^{20.80}. And I could get that
6 price. We have records of that if you would --

7 Q That price, then, would compare to the
8 stock price at the time of the rate order issued in
9 2005 of around \$24 per share?

10 A Well, the \$24.70 was the end of '04, and
11 what date did you say the order was?

12 Q Do you know what Puget Sound Energy's
13 stock price traded for at the time of the 2004 rate
14 order?

15 A I don't know that number off the top of my
16 head, but I could get that if you wanted me to.

17 Q And you don't know whether what has been
18 marked as Exhibit 152 is an accurate representation
19 of Puget Sound's stock price?

20 A My testimony was I don't have any reason
21 to believe that it's inaccurate.

22 MR. CEDARBAUM: Your Honor, I would offer
23 Exhibit 152.

24 MS. DODGE: Your Honor, we object to this
25 for the same reason. I mean, it's a printout from