

**EXHIBIT NO. \_\_\_(DEG-16)  
DOCKET NO. UE-072300/UG-072301  
2007 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.,**

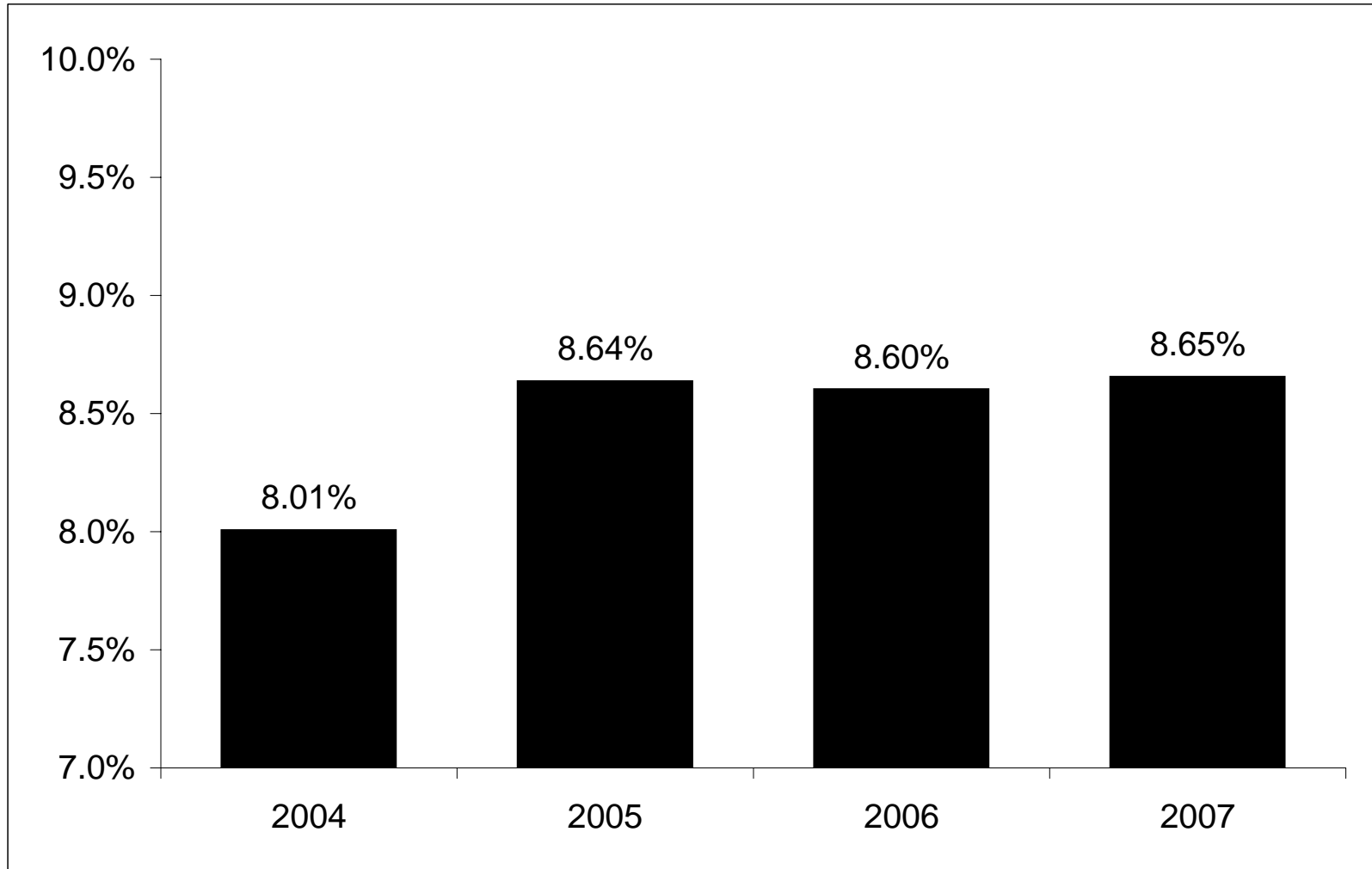
**Respondent.**

**Docket No. UE-072300  
Docket No. UG-072301**

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

**JULY 3, 2008**

## PSE EARNED RETURN ON EQUITY



### Earned ROE's History - PSE

Simple ROE calc includes full income statement including below the line items

Puget Sound Energy	2004					2005			
	Dec-03	Mar-04	Jun-04	Sep-04	Dec-04	Mar-05	Jun-05	Sep-05	Dec-05
(\$ in 000's)	(a)	(a)	(a)	(a)	(a)			(a)	(a)
Short-Term Debt	\$ 111,000	\$ 37,000	\$ 173,100	\$ 61,000	\$ 150,000	\$ 97,051	\$ 159,623	\$ 293,871	\$ 41,000
Long-Term Debt & Hybrid	2,053,005	2,032,864	2,002,815	2,146,569	2,095,360	2,095,360	2,145,360	2,114,360	2,264,360
Trust Pref'd & Pref'd Stock	282,139	282,139	282,139	282,139	282,139	282,139	239,639	239,639	239,639
Common Equity (Book)	1,555,469	1,601,023	1,576,108	1,556,670	1,592,433	1,650,741	1,630,954	1,636,775	1,986,621
Total Capitalization	\$ 4,001,613	\$ 3,953,026	\$ 4,034,162	\$ 4,046,377	\$ 4,119,932	\$ 4,125,291	\$ 4,175,576	\$ 4,284,645	\$ 4,531,620
Average Equity for Year (5 Qtr ends)					\$ 1,576,341				\$ 1,699,505
Avg of Quarters	\$ 1,578,246	\$ 1,588,566	\$ 1,566,389	\$ 1,574,551	\$ 1,621,587	\$ 1,640,848	\$ 1,633,865	\$ 1,811,698	
Avg of Quarterly Averages				\$ 1,576,938				\$ 1,676,999	
Net Income for Year				\$ 126,192				\$ 146,769	
ROE (5 Quarters Avg)				8.01%				8.64%	

### Earned ROE's History - PSE

Simple ROE calc includes full income

Puget Sound Energy	2006				2007				2008
	Mar-06	Jun-06	Sep-06	Dec-06	Mar-07	Jun-07	Sep-07	Dec-07	Mar-08
	(\$ in 000's)								
Short-Term Debt	\$ 25,600	\$ 209,099	\$ 127,365	\$ 352,358	\$ 485,871	\$ 314,321	\$ 402,321	\$ 276,252	\$ 131,604
Long-Term Debt & Hybrid	2,264,360	2,468,360	2,768,360	2,733,360	2,633,360	2,883,360	2,858,360	2,858,360	2,858,360
Trust Pref'd & Pref'd Stock	239,639	39,639	39,639	39,639	39,639	1,889	1,889	1,889	1,889
Common Equity (Book)	2,026,486	2,091,660	2,075,810	2,092,283	2,154,254	2,154,161	2,137,113	2,504,091	2,576,878
Total Capitalization	\$ 4,556,086	\$ 4,808,758	\$ 5,011,174	\$ 5,217,640	\$ 5,313,125	\$ 5,353,731	\$ 5,399,684	\$ 5,640,592	\$ 5,568,731
Average Equity for Year (5 Qtr ends)				\$ 2,054,572				\$ 2,208,381	
Avg of Quarters	\$ 2,006,554	\$ 2,059,073	\$ 2,083,735	\$ 2,084,046	\$ 2,123,269	\$ 2,154,208	\$ 2,145,637	\$ 2,320,602	
Avg of Quarterly Averages				\$ 2,058,352				\$ 2,185,929	
Net Income for Year				\$ 176,740				\$ 191,127	
ROE (5 Quarters Avg)				8.60%				8.65%	