

**EXHIBIT NO. DEG-16
DOCKET NOS. UE-090704/UG-090705
2009 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-090704
Docket No. UG-090705**

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

DECEMBER 17, 2009

OVERALL RATE OF RETURN

PSE (Witness Gaines):	<u>Ratio</u>	<u>Cost Rate</u>	<u>Weighted Cost</u>	<u>After Tax</u>
Short-term Debt	3.95%	2.47%	0.10%	0.06%
Long-term Debt	48.05%	6.70%	3.22%	2.09%
Common Equity	48.00%	10.80%	5.18%	5.18%
Total	100.00%		8.50%	7.34%

Commission Staff (Witness Parcell):

Short-term Debt	3.95%	2.47%	0.10%	0.06%
Long-term Debt	51.05%	6.48%	3.31%	2.15%
Common Equity	45.00%	10.00%	4.50%	4.50%
Total	100.00%		7.91%	6.71%

Public Counsel (Witness Hill):

Short-term Debt	4.00%	2.47%	0.10%	0.06%
Long-term Debt	53.00%	6.70%	3.55%	2.31%
Common Equity	43.00%	9.50%	4.09%	4.09%
Total	100.00%		7.73%	6.46%

PSE's Last General Rate Case (WUTC):

Debt	53.97%	6.64%	3.58%	2.33%
Preferred Stock	0.03%	8.61%	0.00%	0.00%
Common Equity	46.00%	10.15%	4.67%	4.67%
Total	100.00%		8.25%	7.00%