

**EXHIBIT NO. DEG-18
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**

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

DECEMBER 17, 2009

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WUTC v. PSE

Docket Nos. UE-090704 & UG-090705

RESPONSE OF PUBLIC COUNSEL TO PSE

Request No: 011
Directed to: Simon J. ffitch
Date Received: November 19, 2009
Prepared by: Stephen G. Hill
Telephone No. (304) 562-3645
Date Prepared: November 30, 2009

PSE Data Request No. 011 to Public Counsel:

Exhibit No. SGH-1HCT Page 62, lines 8-15, and Exhibit No. SGH-16

Is it Mr. Hill's testimony that PSE will, or is likely to, achieve a pre-tax interest coverage ratio of 2.72 in the rate year, and maintain or improve its credit profile (Sr. Secured credit rating A-/Baa1), if all of Public Counsel's recommendations are granted? Provide support for your conclusion.

RESPONSE:

It is Mr. Hill's testimony that setting the Company's allowed return equal to its cost of equity capital will afford Puget Sound Energy an opportunity, under effective and efficient management, to earn a pre-tax interest coverage ratio of 2.72 times.