

**EXHIBIT NO. \_\_\_(DEM-8C)  
DOCKET NO. UE-06 \_\_\_/UG-06 \_\_\_  
2006 PSE GENERAL RATE CASE  
WITNESS: DAVID E. MILLS**

**BEFORE THE  
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION,**

**Complainant,**

**v.**

**PUGET SOUND ENERGY, INC.,**

**Respondent.**

**Docket No. UE-06 \_\_\_  
Docket No. UG-06 \_\_\_**

**SEVENTH EXHIBIT (CONFIDENTIAL) TO THE  
PREFILED DIRECT TESTIMONY OF  
DAVID E. MILLS  
ON BEHALF OF PUGET SOUND ENERGY, INC.**

**REDACTED  
VERSION**

**FEBRUARY 15, 2006**

**PSE's and Its Currently Approved Counterparties'  
CREDIT RATINGS**

**REDACTED  
VERSION**

| <b>Line No.</b> | <b>Company Name</b>                  | <b>S&amp;P Rating</b> | <b>Moody Rating</b> |
|-----------------|--------------------------------------|-----------------------|---------------------|
| 1               | XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX | AAA                   | Aaa                 |
| 2               | XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX | AA+                   | Aa2                 |
| 3               | XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX | AA+                   | Aa2                 |
| 4               | XXXXXXXXXXXXXXXXXXXX                 | AA+                   | Aa2                 |
| 5               | XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX | AA+                   | Aa2                 |
| 6               | XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX | AA+                   | Aa2                 |
| 7               | XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX | AA+                   | Aa2                 |
| 8               | XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX | AA                    | Aa2                 |
| 9               | XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX | AA                    | Aa2                 |
| 10              | XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX | AA                    | Not Available       |
| 11              | XXXXXXXXXXXXXXXXXXXX                 | AA                    | Aaa                 |
| 12              | XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX | AA                    | Aa2                 |
| 13              | XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX | AA                    | Not Available       |
| 14              | XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX | AA                    | Aa2                 |
| 15              | XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX | AA-                   | Aaa                 |
| 16              | XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX | AA-                   | A1                  |
| 17              | XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX | AA-                   | A1                  |
| 18              | XXXXXXXXXXXXXXXXXXXX                 | AA-                   | Aa3                 |
| 19              | XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX | AA-                   | Aa2                 |
| 20              | XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX | AA-                   | Aa3                 |
| 21              | XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX | AA-                   | Aa1                 |
| 22              | XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX | AA-                   | Aa3                 |
| 23              | XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX | AA-                   | Aa2                 |
| 24              | XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX | AA-                   | Aa1                 |
| 25              | XXXXXXXXXXXXXXXXXXXX                 | AA-                   | Aa3                 |
| 26              | XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX | A+                    | A2                  |
| 27              | XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX | A+                    | A1                  |
| 28              | XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX | A+                    | A2                  |
| 29              | XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX | A+                    | A1                  |
| 30              | XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX | A+                    | Aa3                 |
| 31              | XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX | A+                    | Aa3                 |
| 32              | XXXXXXXXXXXXXXXXXXXX                 | A+                    | Aa3                 |
| 33              | XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX | A+                    | Aa3                 |
| 34              | XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX | A+                    | Aa3                 |
| 35              | XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX | A+                    | Not Available       |
| 36              | XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX | A+                    | A1                  |
| 37              | XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX | A+                    | Aa3                 |
| 38              | XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX | A+                    | A2                  |
| 39              | XXXXXXXXXXXXXXXXXXXX                 | A+                    | Not Available       |
| 40              | XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX | A+                    | Aa3                 |
| 41              | XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX | A+                    | Aa2                 |

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| <b>Line No.</b> | <b>Company Name</b>                  | <b>S&amp;P Rating</b> | <b>Moody Rating</b> |
|-----------------|--------------------------------------|-----------------------|---------------------|
| 42              | XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX | A                     | A1                  |
| 43              | XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX | A                     | Not Available       |
| 44              | XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX | A                     | A1                  |
| 45              | XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX | A                     | A2                  |
| 46              | XXXXXXXXXXXXXXXXXXXX                 | A                     | Not Available       |
| 47              | XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX | A                     | A3                  |
| 48              | XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX | A                     | Aa3                 |
| 49              | XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX | A                     | Not Available       |
| 50              | XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX | A                     | Not Available       |
| 51              | XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX | A-                    | Not Available       |
| 52              | XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX | A-                    | Not Rated           |
| 53              | XXXXXXXXXXXXXXXXXXXX                 | A-                    | Not Available       |
| 54              | XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX | A-                    | Not Available       |
| 55              | XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX | A-                    | Not Rated           |
| 56              | XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX | A-                    | Not Available       |
| 57              | XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX | A-                    | A3                  |
| 58              | XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX | A-                    | A3                  |
| 59              | XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX | A-                    | A3                  |
| 60              | XXXXXXXXXXXXXXXXXXXX                 | A-                    | A2                  |
| 61              | XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX | A-                    | A3                  |
| 62              | XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX | A-                    | Baa1                |
| 63              | XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX | A-                    | A3                  |
| 64              | XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX | A-                    | Not Available       |
| 65              | XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX | A-                    | A2                  |
| 66              | XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX | A-                    | Not Available       |
| 67              | XXXXXXXXXXXXXXXXXXXX                 | A-                    | Not Available       |
| 68              | XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX | A-                    | A2                  |
| 69              | XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX | A-                    | Not Available       |
| 70              | XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX | A-                    | Not Available       |
| 71              | XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX | BBB+                  | Baa1                |
| 72              | XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX | BBB+                  | A3                  |
| 73              | XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX | BBB+                  | Baa1                |
| 74              | XXXXXXXXXXXXXXXXXXXX                 | BBB+                  | Baa1                |
| 75              | XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX | BBB+                  | Baa1                |
| 76              | XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX | BBB+                  | Baa1                |
| 77              | XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX | BBB+                  | Baa1                |
| 78              | XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX | BBB+                  | Not Available       |
| 79              | XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX | BBB+                  | Baa3                |
| 80              | XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX | BBB+                  | Not Available       |
| 81              | XXXXXXXXXXXXXXXXXXXX                 | BBB+                  | Baa1                |
| 82              | XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX | BBB+                  | Baa1                |

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| <b>Line No.</b> | <b>Company Name</b>                                  | <b>S&amp;P Rating</b> | <b>Moody Rating</b> |
|-----------------|--|-----------------------|---------------------|
| 83              | XX | BBB                   | Not Rated           |
| 84              | XX | BBB                   | A2                  |
| 85              | XX | BBB                   | Baa2                |
| 86              | XX | BBB                   | Baa3                |
| 87              | XX | BBB                   | Not Available       |
| 88              | XXXXXXXXXXXXXXXXXXXX                                 | BBB                   | Baa1                |
| 89              | XX | BBB                   | Baa2                |
| 90              | XX | BBB                   | A2                  |
| 91              | XX | BBB                   | Baa2                |
| 92              | XX | BBB                   | Baa1                |
| 93              | XX | BBB                   | Baa2                |
| 94              | XX | BBB                   | Not Rated           |
| 95              | XXXXXXXXXXXXXXXXXXXX                                 | BBB                   | Not Rated           |
| 96              | XX | BBB                   | Baa2                |
| 97              | XX | BBB                   | Not Available       |
| 98              | XX | BBB                   | Baa1                |
| 99              | XX | BBB                   | Baa1                |
| 100             | XX | BBB                   | Not Available       |
| 101             | XX | BBB                   | Baa2                |
| 102             | XXXXXXXXXXXXXXXXXXXX                                 | BBB-                  | Ba1                 |
| 103             | XX | BBB-                  | not rated           |
| 104             | XX | BBB-                  | Baa2                |
| 105             | XX | BBB-                  | Baa2                |
| 106             | XX | BBB-                  | Not Rated           |
| 107             | XX | BBB-                  | Not Rated           |
| 108             | XX | BBB-                  | Not Rated           |
| 109             | XX | BBB-                  | Not Rated           |
| 110             | XX | BBB-                  | Baa2                |
| 111             | XX | BBB-                  | Not Rated           |
| 112             | XXXXXXXXXXXXXXXXXXXX                                 | BBB-                  | Baa2                |
| 113             | XX | BBB-                  | Not Rated           |
| 114             | XX | BBB-                  | Baa3                |
| 115             | XX | BBB-                  | Not Available       |
| 116             | <b>Puget Sound Energy, Inc.</b>                      | <b>BBB-</b>           | <b>Baa3</b>         |
| 117             | XX | BBB-                  | Ba1                 |
| 118             | XX | BBB-                  | Not Available       |
| 119             | XX | BB+                   | Ba3                 |
| 120             | XXXXXXXXXXXXXXXXXXXX                                 | BB+                   | Ba2                 |
| 121             | XX | BB+                   | Ba1                 |
| 122             | XX | BB+                   | Not Rated           |
| 123             | XX | BB+                   | Not Available       |

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| Line No. | Company Name                         | S&P Rating | Moody Rating  |
|----------|--------------------------------------|------------|---------------|
| 124      | XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX | BB+        | Not Rated     |
| 125      | XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX | BB         | Not Available |
| 126      | XXXXXXXXXXXXXXXXXXXX                 | BB         | Ba2           |
| 127      | XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX | BB         | Ba2           |
| 128      | XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX | BB         | Not Rated     |
| 129      | XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX | B+         | B1            |