

**Exhibit JRW--7**

**Puget Sound Energy**  
**Capital Structure Ratios and Debt Cost Rates**

**Panel A -Puget Sound's Proposed Capitalization Ratios and Senior Capital Cost Rates**

<b>Capital Source</b>	<b>Capitalization Ratio</b>	<b>Cost Rate</b>
<b>Short-Term Debt</b>	<b>1.00%</b>	<b>3.06%</b>
<b>Long-Term Debt</b>	<b>50.50%</b>	<b>5.73%</b>
<b>Common Equity</b>	<b>48.50%</b>	
<b>Total</b>	<b>100.00%</b>	

**Panel B - Proxy Group Common Equity Ratios**

<b>Capital Source</b>	<b>Capitalization Ratio</b>
<b>Electric Proxy Group</b>	<b>46.91%</b>
<b>Morin Proxy Group</b>	<b>47.09%</b>
<b>Gas Proxy Group</b>	<b>48.09%</b>
<b>Average</b>	<b>47.36%</b>

Data Source: Page 1 of Exhibit JRW-4

**Panel C - AG's Recommended Capitalization Ratios**

<b>Capital Source</b>	<b>Capitalization Ratio</b>	<b>Cost Rate</b>
<b>Short-Term Debt</b>	<b>1.00%</b>	<b>3.06%</b>
<b>Long-Term Debt</b>	<b>50.50%</b>	<b>5.73%</b>
<b>Common Equity</b>	<b>48.50%</b>	
<b>Total</b>	<b>100.00%</b>	