

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

**Docket Nos. UE-090704 and UG-090705
Puget Sound Energy, Inc.'s
2009 General Rate Case**

PUBLIC COUNSEL DATA REQUEST NO. 141

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(Markell Direct, pp. 17, I. 18 through p. 18, II. 1-6)

- a) Please explain how a S&P bond rating increase on January 16, 2009 had a measurable impact on the bids received for a bond issue on January 15, 2009.
- b) What was Puget Sound Energy's common equity ratio on January 15, 2009? Please provide support for your response.
- c) Please explain how an equity infusion from Puget Energy to Puget Sound Energy on February 6, 2009 had any measurable impact on the bids received for a bond issue on January 15, 2009.
- d) Please provide support for the "banker's estimate" of cost savings related to equity ratio-related bond rating increase.

Response:

- a) Page 18, line 1, of the Prefiled Direct Testimony of Eric M. Markell, Exhibit No. ____ (EMM-1CT), should state "January 23, 2009" rather than "January 15, 2009". These bonds were priced on January 20, 2009. Standard & Poors ("S&P") upgraded Puget Sound Energy, Inc.'s ("PSE") senior secured notes from "BBB+" to "A-" on January 16, 2009, four days before the bonds were priced. Please see PSE's Response to Public Counsel's Data Request No. 057 for the S&P ratings document.
- b) PSE does not calculate daily capital structures. The S&P upgrade referenced in PSE's Response to Public Counsel's Data Request No. 141(a) was made in anticipation of the merger closing. PSE's capital structure on March 31, 2009, post-merger close, included an equity ratio for Generally Accepted Accounting Principles purposes of 50.2% and for regulated purposes of 52.9%. Please see the electronic workpaper entitled "Exhibit ____ (DEG WP 1)", filed with the Commission in this proceeding on May 8, 2009, for support of PSE's equity ratio.
- c) The bonds, which priced on January 20, 2009, and settled on January 23, 2009, benefited from the S&P upgrade on January 16, 2009.

- d) Please see page 9 of the Seventh Exhibit to the Prefiled Direct Testimony of Donald E. Gaines, Exhibit No. ____ (DEG-8), for support of the banker's estimate of cost savings referenced in Mr. Markell's Prefiled Direct Testimony, Exhibit No. ____ (EMM-1CT).