

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. 551

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Reference Mr. Gaines rebuttal testimony, Exhibit No. DEG-11T, p. 10, l. 18 through p. 11, l. 1.

- a. [Begin Highly Confidential] [REDACTED]
- b. [REDACTED] [End Highly Confidential]
- c. Would Mr. Gaines describe the loan agreement between Puget Holdings, Inc. and its owners an "arms-length" agreement? If so, why; if not, why not.

Response:

- a. Please see page 11, lines 5–14 of the Prefiled Rebuttal Testimony of Donald E. Gaines, Exhibit No. DEG-11THC.
- b. [REDACTED]
- c. There are no loan agreements between Puget Holdings LLC and the Investor Consortium; loan agreements exist between Puget Intermediate Holdings Inc. and members of the Investor Consortium.

Regarding the aforementioned agreements, if by "arms-length" agreement" Public Counsel seeks to confirm that the terms and conditions included in the agreements are market-based whether or not the parties to the transaction have shared interests or are otherwise not completely independent, then the answer is yes, the agreements, by that definition, are at arms-length.

Public Counsel Data Request No. 551 and PSE's Response to Public Counsel Data Request No. 551 are each HIGHLY CONFIDENTIAL per Protective Order in WUTC Docket Nos. UE-090704 and UG-090705.

PSE's Response to Public Counsel Data Request No. 551
Date of Response: January 7, 2010
Person who Prepared the Response: Donald E. Gaines / Jim Sant
Witness Knowledgeable About the Response: Donald E. Gaines