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. 136

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a) Puget Sound Energy's March 31, 2009 S.E.C. Form 10-Q indicates that in the three months ending March 31, 2009, the Company recorded approximately $67.9 Million in dividend expense, while recording $48.6 Million in the three months ending March 31, 2008. Please explain why the Company has elected to increase its dividend payout.
b) Puget Sound Energy's March 31, 2009 S.E.C. Form 10-Q indicates that in the three months ending March 31, 2009, the Company recorded an approximately $101.7 Million change in Accounts Payable, while that change in the three months ending March 31, 2008 was only $17.8 Million. Please explain that difference.

Response:

a) The $48.6 million dividend paid in the first quarter of 2008 provided Puget Energy, Inc. ("Puget Energy") funds for i) payment of $32.4 million in cash dividends to Puget Energy shareholders, and ii) $16.1 million to pay merger-related expenses, of which Puget Sound Energy, Inc. ("PSE") is not seeking any rate recovery.

   PSE paid $67.9 million in dividends for the first quarter ending March 2009. The dividends provided for i) $32.4 million in cash dividends to Puget Energy's previous shareholders prior to the merger; ii) $ 31.2 million to pay interest expense at Puget Energy, and iii) $4.3 million to pay merger-related expenses, of which PSE is not seeking any rate recovery.

b) For the three months ending March 31, 2009, PSE recorded a $101.7 million decrease in Accounts Payable ("A/P"), which was primarily due to a lower level of energy payables outstanding at the end of the first quarter 2009 compared to the end of the fourth quarter of 2008.

Below is the analysis of the $101.7 million decrease, which is the difference between the A/P balance as of March 31, 2009 and the A/P balance as of December 31, 2008.

Accounts Payable: Non Energy Decreased	($39.1 million)
Accounts Payable – Energy Supply Decreased	($75.7 million)
All other changes (Net month-end accruals)	$13.1 million
Total (Decrease) in Accounts Payable for Cash Flows:	$(101.7) million

For the three months ending March 31, 2008, PSE recorded a $17.8 million decrease in A/P, which was primarily due to a lower level of non-energy payables outstanding at the end of the first quarter 2008 compared to the end of the fourth quarter of 2007.

Below is the analysis for the quarter ending March 31, 2008, to December 31, 2007, which is the difference between the A/P balance as of March 31, 2008, and the A/P balance as of December 31, 2007.

Accounts Payable: Non Energy Decreased	($20.7 million)
Accounts Payable – Energy Supply Decreased	($1.3 million)
All other changes (Net month-end accruals)	$4.2 million
Total (Decrease) in Accounts Payable for Cash Flows:	$(17.8) million