

**EXHIBIT NO. ___(DEG-5C)
DOCKET NO. UE-09___/UG-09___
2009 PSE GENERAL RATE CASE
WITNESS: DONALD E. GAINES**

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

PUGET SOUND ENERGY, INC.,

Respondent.

**Docket No. UE-09___
Docket No. UG-09___**

**FOURTH EXHIBIT (CONFIDENTIAL) TO THE
PREFILED DIRECT TESTIMONY OF
DONALD E. GAINES
ON BEHALF OF PUGET SOUND ENERGY, INC.**

**REDACTED
VERSION**

MAY 8, 2009

PUGET SOUND ENERGY, INC.
Utility Capital Structure
Cost of Capital and Rate of Return
Average of Monthly Average Balances For Rate Year Apr 2010 through Mar 2011

(A)	(B)	(C)	(D)	(E)
<u>Description</u>	<u>Amount (i)</u> <i>(\$ in 000's)</i>	<u>Ratio</u>	<u>Cost Rates</u>	<u>Regulated Cost of Capital Calculation</u>
Short Term Debt	\$285,015	3.95%	2.47%	0.10%
Long Term Debt	\$3,462,693	48.05%	6.82%	3.28%
Preferred Stock	\$0	0.00%	0.00%	0.00%
Common Stock	\$3,458,744	48.00%	10.80%	5.18%
Total	<u>\$7,206,452</u>	<u>100.00%</u>		<u>8.56%</u>

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PUGET SOUND ENERGY, INC
Utility Capital Structure Calculation
April 30, 2010 Through March 31, 2011
Average of Month-End Balances

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)	(O)	(P)	(Q)
	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Avg. of Mo. Balances (AMA)	Request	Adjusted AMA Balances
1																
2	(\$ thousands)															
3	Short-term debt	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	285,015
4	Long-term debt	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	3,212,693
5	Jr. Subordinated Notes	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	250,000
6	Total Debt	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	\$3,747,708
7	Preferred	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	0
8	Common Equity	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	3,458,744
9	Total Capital	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	\$7,206,452
10																
11	Short-term debt	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	3.95%
12	Long-term debt	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	44.58%
13	Jr. Subordinated Notes	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	3.47%
14	Total Debt	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	52.00%
15	Preferred	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	0.00%
16	Common	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	48.00%
17	Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.1%	100.0%	100.00%
18														AMA		
19	PSE Common Equity	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX
20	Puget Western Inc	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX
21	Hydro Energy Dev.	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX
22	Total Subsidiary R.E.	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX
23																
24	OCI - Derivatives	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX
25	OCI - Other	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX
26	Total OCI Adjustment	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX
27	Regulated Common Equity	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX
28																
29	Regulated Equity Excludes Non-Regulated Subsidiary Retained Earnings & Other Comprehensive Income Adjustments (OCI)															

**REDACTED
VERSION**

NOTE: Boxes demarcate confidential information.

Puget Sound Energy, Inc.
Cost of Short-Term Debt
For The 12 Months Ended March 31, 2011

(A)	(B)	(C)	(D)	(E)	(F)
<u>Description</u>	<u>Short-Term Debt Outstanding (i)</u>	<u>Interest Rate</u>	<u>Annual Charge</u>	<u>Cost Rate (ii)</u>	
Commercial Paper	\$0		\$0		
AR Securitization Facility	\$1,588,412	3.34%	\$52,977		
Bank Credit Facilities	\$283,426,593	2.10%	\$5,946,632		
Commitment & LC Fees			\$570,562		
Amortization of Upfront Facility Costs			\$477,062		
Total Short-Term Debt/Cost	<u>\$285,015,005</u>		<u>\$7,047,232</u>		<u>2.47%</u>

(i) Average of Monthly Average Balances for the period.
(ii) Cost Rate is calculated by dividing the Annual Charge (E) by the Outstandings (C).

Puget Sound Energy, Inc.
Short Term Debt Interest Expense Calculation
For The 12 Months Ended March 31, 2011

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)	(O)	
	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Avg of Mo Avg		
1																
2																
3	\$179,890	\$226,721	\$283,890	\$411,480	\$324,060	\$354,483	\$163,610	\$181,275	\$184,057	\$255,833	\$225,227	\$458,240	\$532,368	\$285,417	\$285,417	
4	(402)	(402)	(402)	(402)	(402)	(402)	(402)	(402)	(402)	(402)	(402)	(402)	(402)	(402)	(402)	
5	\$179,488	\$226,319	\$283,488	\$411,078	\$323,658	\$354,081	\$163,208	\$180,873	\$183,655	\$255,431	\$224,825	\$457,838	\$531,966	\$285,015	\$285,015	
6	Borrowings:															
7	Commercial Paper (CP)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
8	AR Securitization Borrowings	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,588
9	Credit Facilities Borrowings	179,488	226,319	283,488	411,078	323,658	354,081	163,208	180,873	183,655	255,431	224,825	457,838	493,845	283,427	\$283,427
10	Total Short-term Debt (000's)	\$179,488	\$226,319	\$283,488	\$411,078	\$323,658	\$354,081	\$163,208	\$180,873	\$183,655	\$255,431	\$224,825	\$457,838	\$531,966	\$285,015	\$285,015
11	Annual Interest Rates (Pre-Merger):															
12	Projected LIBO Rates (1 mo)	0.79%	0.81%	0.83%	0.84%	0.93%	1.07%	1.26%	1.48%	1.67%	1.85%	2.04%	2.21%	2.38%	2.38%	
13	Est'd CP & AR Securitization Spread	1.67%	1.67%	1.67%	1.67%	1.67%	1.67%	1.67%	1.67%	1.67%	1.67%	0.85%	0.85%	0.85%	0.85%	
14	Credit Facility Margin	0.525%	0.525%	0.525%	0.525%	0.525%	0.525%	0.525%	0.525%	0.525%	0.525%	0.525%	0.525%	0.525%	0.525%	
15	Utilization Fee (50%+ drawn)	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	
16	CP & AR Sec Interest Rates	2.46%	2.48%	2.50%	2.51%	2.60%	2.74%	2.93%	3.15%	3.34%	3.52%	2.89%	3.06%	3.23%	3.23%	
17	Cr Facility Int Rates (lightly drawn)	1.31%	1.33%	1.35%	1.36%	1.45%	1.60%	1.78%	2.01%	2.19%	2.38%	2.56%	2.73%	2.90%	2.90%	
18	Cr Facility Int Rates (50%+ drawn)	1.41%	1.43%	1.45%	1.46%	1.55%	1.70%	1.88%	2.11%	2.29%	2.48%	2.66%	2.83%	3.00%	3.00%	
19	Number of Days in Month	30	31	31	30	31	31	30	31	30	31	31	28	31	31	
20	Interest Expense (i):															
21	CP Interest	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
22	AR Securitization Interest	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$52,977
23	Credit Facility Interest (when lightly drawn)	\$224,884	\$0	\$0	\$0	\$0	\$384,596	\$297,109	\$333,373	\$0	\$529,621	\$0	\$0	\$0	\$1,769,583	
24	Credit Facility Interest (when 50%+ drawn)	\$0	\$318,275	\$422,528	\$490,436	\$495,262	\$0	\$0	\$0	\$468,657	\$0	\$751,553	#####	\$4,177,049	\$4,177,049	
25	Total Interest	224,884	318,275	422,528	490,436	495,262	384,596	297,109	333,373	468,657	529,621	751,553	1,283,316	\$5,999,609	\$5,999,609	
26	Avg Monthly Borrowing Rate	1.33%	1.45%	1.46%	1.46%	1.55%	1.70%	1.78%	2.01%	2.19%	2.48%	2.56%	2.83%	3.01%	3.01%	2.11%
27	Loan Commitments:															
28	\$500mm Cr. Fac. Commitment (000's)	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000
29	Loan Utilization	\$179,488	\$226,319	\$283,488	\$411,078	\$323,658	\$354,081	\$163,208	\$180,873	\$183,655	\$255,431	\$224,825	\$457,838	\$493,845	\$285,417	\$285,417
30	LC Utilization under Facility	\$6,566	\$6,566	\$6,566	\$6,566	\$6,155	\$6,155	\$6,155	\$6,155	\$6,155	\$6,155	\$6,155	\$6,155	\$6,155	\$6,155	\$6,155
31	Unutilized \$500mm Facility (000's)	\$313,946	\$267,116	\$209,946	\$82,356	\$170,187	\$139,763	\$330,637	\$312,972	\$310,190	\$238,414	\$269,020	\$36,007	(\$0)	(\$0)	(\$0)
32	AR Sec Facility Commitment (000's)	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000
33	Commitment Fees:															
34	Commit. Fees (On Unutilized \$500mm)	0.125%	\$30,264	\$25,675	\$15,224	\$13,592	\$16,681	\$24,500	\$34,639	\$32,456	\$29,526	\$27,310	\$14,828	\$1,938	\$266,632	
35	AR Sec. Fees (On \$200mm) (ii)	0.125%	\$20,833	\$21,528	\$20,833	\$21,528	\$20,833	\$21,528	\$20,833	\$21,528	\$21,528	\$31,337	\$23,188	\$17,077	\$262,575	
36	Total Commitment Fees	\$51,097	\$47,203	\$36,057	\$35,119	\$38,209	\$45,333	\$46,166	\$53,290	\$51,053	\$51,053	\$58,647	\$38,016	\$19,015	\$529,207	
37	Letters of Credit:															
38	LC Outstanding	\$6,566	\$6,566	\$6,566	\$6,155	\$6,155	\$6,155	\$6,155	\$6,155	\$6,155	\$6,155	\$6,155	\$6,155	\$6,155	\$6,155	\$6,155
39	Letters of Credit Fees	0.650%	\$3,557	\$3,675	\$3,557	\$3,560	\$3,445	\$3,334	\$3,445	\$3,334	\$3,445	\$3,445	\$3,112	\$3,445	\$41,355	
40	Amortization:															
41	\$500mm Credit Facility	\$18,844	\$18,844	\$18,844	\$18,844	\$18,844	\$18,844	\$18,844	\$18,844	\$18,844	\$18,844	\$18,844	\$18,844	\$18,844	\$18,844	\$18,844
42	AR Securitization Facility (ii)	\$5,628	\$5,628	\$5,628	\$5,628	\$5,628	\$5,628	\$5,628	\$5,628	\$5,628	\$5,628	\$5,628	\$5,628	\$5,628	\$5,628	\$5,628
43	Total Amortization	\$24,472	\$24,472	\$24,472	\$24,472	\$24,472	\$24,472	\$24,472	\$24,472	\$24,472	\$24,472	\$24,472	\$24,472	\$24,472	\$24,472	\$24,472

(i) Monthly short-term interest is calculated on the average balance for the month times the interest rate for the month times the actual days in the month divided by 360 days.
(ii) New Facility Period (Jan-Mar 2011) includes 1/4 of the costs of the new \$800 million credit facilities to replace the expiring \$200 million AR Securitization Facility.

**Puget Sound Energy
Cost of LT Debt For The 12 Months Ended March 31, 2011**

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)	(O)	(P)	(Q)	(R)	(S)	(T)	(U)	(V)
	Bond	Principal in 000's 3/31/2010	Interest Rate	Issue Date	Maturity Date	Net Proceeds Per \$100	Cost Rate (iii)	Annual Charge	Month-End Balances Rollforward (\$ in millions) M-10	A-10	J-10	J-10	J-10	A-10	S-10	O-10	N-10	D-10	J-11	F-11	M-11	Avg Amt Out- standing (in 000's)
6	MTN-B	\$150,000	6.460%	Mar-99	Mar-09	99.26	6.56%		7.0	7.0	7.0	7.0	7.0	260.0	260.0	260.0	260.0	260.0	260.0	260.0	260.0	\$3,208
7	MTN-C	\$3,000	6.610%	Dec-95	Dec-09	99.28	6.69%		3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	\$227,500
8	MTN-C	\$5,000	6.620%	Dec-95	Dec-09	99.28	6.70%		3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	\$3,000
9	MTN-B	\$225,000	7.960%	Feb-00	Feb-10	99.23	8.07%		10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	\$10,000
10	MTN-C	\$7,000	7.120%	Sep-95	Sep-10	98.85	7.25%	232,522	7.0	7.0	7.0	7.0	7.0	260.0	260.0	260.0	260.0	260.0	260.0	260.0	260.0	\$2,000,000
11	MTN-C	\$260,000	7.690%	Nov-00	Feb-11	99.28	7.79%	17,723,683	260.0	260.0	260.0	260.0	260.0	260.0	260.0	260.0	260.0	260.0	260.0	260.0	260.0	\$25,000
12	MTN-B	\$3,000	6.830%	Aug-93	Aug-13	98.81	6.94%	208,216	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	\$15,000
13	MTN-B	\$10,000	6.900%	Sep-93	Oct-13	98.82	7.01%	701,037	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	\$250,000
14	MTN-C	\$10,000	7.350%	Sep-95	Sep-15	98.84	7.46%	748,219	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	\$250,000
15	MTN-C	\$2,000	7.360%	Sep-95	Sep-15	98.84	7.47%	149,442	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	\$2,000
16	SN	\$150,000	5.197%	Oct-05	Oct-15	99.19	5.30%	7,963,003	150.0	150.0	150.0	150.0	150.0	150.0	150.0	150.0	150.0	150.0	150.0	150.0	150.0	\$150,000
17	SN	\$250,000	6.750%	Jan-09	Jan-16	99.28	6.88%	17,203,058	250.0	250.0	250.0	250.0	250.0	250.0	250.0	250.0	250.0	250.0	250.0	250.0	250.0	\$250,000
18	MTN-A	\$200,000	6.740%	Jun-98	Jun-18	98.99	6.83%	13,667,659	200.0	200.0	200.0	200.0	200.0	200.0	200.0	200.0	200.0	200.0	200.0	200.0	200.0	\$200,000
19	FMB	\$25,000	9.570%	Sep-90	Sep-20	99.40	9.63%	2,407,910	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	\$25,000
20	MTN-C	\$15,000	7.150%	Dec-95	Dec-25	99.21	7.21%	1,082,180	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	\$15,000
21	MTN-C	\$2,000	7.200%	Dec-95	Dec-25	99.21	7.26%	145,298	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	\$2,000
22	MTN-A	\$300,000	7.020%	Dec-97	Dec-27	98.99	7.10%	21,305,080	300.0	300.0	300.0	300.0	300.0	300.0	300.0	300.0	300.0	300.0	300.0	300.0	300.0	\$300,000
23	MTN-B	\$100,000	7.000%	Mar-99	Mar-29	99.04	7.08%	7,077,339	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	\$100,000
24	PCB	\$23,400	5.100%	Mar-03	Mar-31	95.55	5.65%	1,323,222	23.4	23.4	23.4	23.4	23.4	23.4	23.4	23.4	23.4	23.4	23.4	23.4	23.4	\$23,400
25	PCB	\$138,460	5.000%	Mar-03	Mar-31	95.55	5.54%	7,672,158	138.5	138.5	138.5	138.5	138.5	138.5	138.5	138.5	138.5	138.5	138.5	138.5	138.5	\$138,460
26	SN	\$250,000	5.483%	May-05	Jun-35	84.89	6.65%	16,631,015	250.0	250.0	250.0	250.0	250.0	250.0	250.0	250.0	250.0	250.0	250.0	250.0	250.0	\$250,000
27	SN	\$250,000	6.724%	Jun-06	Jun-36	107.52	6.17%	15,425,986	250.0	250.0	250.0	250.0	250.0	250.0	250.0	250.0	250.0	250.0	250.0	250.0	250.0	\$250,000
28	SN	\$300,000	6.274%	Sep-06	Mar-37	98.81	6.36%	19,088,422	300.0	300.0	300.0	300.0	300.0	300.0	300.0	300.0	300.0	300.0	300.0	300.0	300.0	\$300,000
29	JrSubN	\$250,000	6.974%	Jun-07	Jun-17	98.23	7.23%	18,065,222	250.0	250.0	250.0	250.0	250.0	250.0	250.0	250.0	250.0	250.0	250.0	250.0	250.0	\$250,000
30																						
31	New Bond	\$350,000	6.900%	Sep-09	Sep-19	99.00	7.04%	24,640,000	350.0	350.0	350.0	350.0	350.0	350.0	350.0	350.0	350.0	350.0	350.0	350.0	350.0	\$350,000
32	New Bond	\$400,000	6.720%	Mar-10	Mar-20	99.00	6.86%	27,440,000	400.0	400.0	400.0	400.0	400.0	400.0	400.0	400.0	400.0	400.0	400.0	400.0	400.0	\$400,000
33	New Bond	\$375,000	6.860%	Sep-10	Sep-17	99.00	7.04%	14,300,000	375.0	375.0	375.0	375.0	375.0	375.0	375.0	375.0	375.0	375.0	375.0	375.0	375.0	\$203,125
34																						
35																						
36								1,113,977														
37	Total LT Debt Balances and W. Avg Cost Rate						6.82%	#####	3295.9	3295.9	3295.9	3295.9	3295.9	3295.9	3663.9	3663.9	3663.9	3663.9	3663.9	3663.9	3403.9	\$3,462,693

(i) Net proceeds are face amount less underwriter's fees and issuance expenses.
(ii) See schedule of Reacquired Debt.
(iii) Cost Rate for each bond is the yield to maturity based on net proceeds.
(iv) For total long term debt, the cost rate is the total annual charge including the annual charge on reacquired debt divided by the average outstanding balance for the period.

Appendix

Appendix A - Cost of New Facilities

Puget Sound Energy, Inc.
Cost of Short-Term Debt
For The 12 Months Ended March 31, 2011

(A)	(B)	(C)	(D)	(E)	(F)
<u>Description</u>	<u>Short-Term Debt Outstanding (i)</u>	<u>Interest Rate</u>	<u>Annual Charge</u>	<u>Cost Rate (ii)</u>	
Commercial Paper	\$0			\$0	
AR Securitization Facility		NA			
Bank Credit Facilities	\$285,015,006	2.36%	\$6,735,125		
Commitment & LC Fees			\$1,421,325		
Amortization of Upfront Facility Costs (iii)			\$3,204,505		
Total Short-Term Debt/Cost	<u>\$285,015,006</u>		<u>\$11,360,955</u>		<u>3.99%</u>

(i) Average of Monthly Average Balances for the period.
(ii) Cost Rate is calculated by dividing the Annual Charge (E) by the Outstandings (C).
(iii) Excludes ticking fees.

Appendix A - Cost of New Credit Facilities

Puget Sound Energy, Inc. Short Term Debt Interest Expense Calculation For The 12 Months Ended March 31, 2011

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)	(O)
Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Avg of Mo Avg	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
STB Month End Balance (in 000's)	\$179,890	\$226,721	\$283,890	\$411,480	\$324,060	\$354,483	\$163,610	\$181,275	\$184,057	\$255,833	\$225,227	\$458,240	\$532,368	\$285,417
Offset to Equity Adjustment	(402)	(402)	(402)	(402)	(402)	(402)	(402)	(402)	(402)	(402)	(402)	(402)	(402)	(\$402)
Total Adj'd STD (000's)	\$179,488	\$226,319	\$283,488	\$411,078	\$323,658	\$354,081	\$163,208	\$180,873	\$183,655	\$255,431	\$224,825	\$457,838	\$531,966	\$285,015
Borrowings:														
Commercial Paper (CP)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Credit Facilities Borrowings	179,488	226,319	283,488	411,078	323,658	354,081	163,208	180,873	183,655	255,431	224,825	457,838	531,966	\$285,015
Total Short-term Debt (000's)	\$179,488	\$226,319	\$283,488	\$411,078	\$323,658	\$354,081	\$163,208	\$180,873	\$183,655	\$255,431	\$224,825	\$457,838	\$531,966	\$285,015
Annual Interest Rates (Post-Merger):														
Projected LIBO Rates (1 mo)	0.79%	0.81%	0.83%	0.84%	0.93%	1.07%	1.26%	1.48%	1.67%	1.85%	2.04%	2.21%	2.38%	
Est'd CP Spread	1.67%	1.67%	1.67%	1.67%	1.67%	1.67%	1.67%	1.67%	1.67%	1.67%	1.67%	1.67%	1.67%	1.67%
Credit Facilities Margin	0.85%	0.85%	0.85%	0.85%	0.85%	0.85%	0.85%	0.85%	0.85%	0.85%	0.85%	0.85%	0.85%	0.85%
CP Interest Rates	2.46%	2.48%	2.50%	2.51%	2.60%	2.74%	2.93%	3.15%	3.34%	3.52%	3.71%	3.88%	4.05%	
Cr Facility Int Rates	1.64%	1.66%	1.68%	1.69%	1.78%	1.92%	2.11%	2.33%	2.52%	2.70%	2.89%	3.06%	3.23%	
Number of Days in Month	30	31	31	30	31	31	30	31	30	31	31	28	31	
Interest Expense (i):														
CP Interest	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Credit Facility Interest	\$279,837	\$367,662	\$487,643	\$487,643	\$561,613	\$560,918	\$454,645	\$345,257	\$382,736	\$511,193	\$596,824	\$811,286	\$1,375,510	\$6,735,125
Total Interest	279,837	367,662	487,643	487,643	561,613	560,918	454,645	345,257	382,736	511,193	596,824	811,286	1,375,510	\$6,735,125
Avg Monthly Borrowing Rate	1.66%	1.68%	1.68%	1.69%	1.78%	1.92%	2.11%	2.33%	2.52%	2.70%	2.89%	3.06%	3.23%	2.36%
Loan Commitments:														
\$800mm Cr Facility Commitments(000)	\$800,000	\$800,000	\$800,000	\$800,000	\$800,000	\$800,000	\$800,000	\$800,000	\$800,000	\$800,000	\$800,000	\$800,000	\$800,000	\$800,000
Loan Utilization	\$179,488	\$226,319	\$283,488	\$411,078	\$323,658	\$354,081	\$163,208	\$180,873	\$183,655	\$255,431	\$224,825	\$457,838	\$531,966	
LC Utilization under Facility	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Unutilized \$800mm Facilities (000's)	\$620,512	\$573,681	\$516,512	\$388,922	\$476,342	\$445,919	\$636,792	\$619,127	\$616,345	\$544,569	\$575,175	\$342,162	\$268,034	
Commitment Fees:														
Rate	0.26%	\$129,371	\$122,041	\$98,089	\$96,861	\$103,242	\$117,294	\$140,593	\$133,843	\$129,958	\$125,349	\$92,753	\$68,308	\$1,357,702
Commitment Fees (On Unutilized)	\$129,371	\$122,041	\$98,089	\$96,861	\$103,242	\$117,294	\$140,593	\$133,843	\$129,958	\$125,349	\$92,753	\$68,308	\$1,357,702	
Total Commitment Fees														
Letters of Credit:														
LC Outstanding (Wells Fargo)	\$6,566	\$6,566	\$6,566	\$6,566	\$6,155	\$6,155	\$6,155	\$6,155	\$6,155	\$6,155	\$6,155	\$6,155	\$6,155	\$6,155
Letters of Credit Fees	1.00%	\$5,472	\$5,654	\$5,472	\$5,477	\$5,300	\$5,130	\$5,300	\$5,130	\$5,300	\$5,300	\$4,788	\$5,300	\$63,623
Amortization: (ii)														
\$400mm Operating Capital Facility	\$133,521	\$133,521	\$133,521	\$133,521	\$133,521	\$133,521	\$133,521	\$133,521	\$133,521	\$133,521	\$133,521	\$133,521	\$133,521	\$1,602,253
\$400mm Capital Expenditure Facility	\$133,521	\$133,521	\$133,521	\$133,521	\$133,521	\$133,521	\$133,521	\$133,521	\$133,521	\$133,521	\$133,521	\$133,521	\$133,521	\$1,602,253
Total Amortization	\$267,042	\$267,042	\$267,042	\$267,042	\$267,042	\$267,042	\$267,042	\$267,042	\$267,042	\$267,042	\$267,042	\$267,042	\$267,042	\$3,204,505

(i) Monthly short-term interest is calculated on the average balance for the month times the interest rate for the month times the actual days in the month divided by 360 days.
(ii) Ticking Fees of approximately \$4.5 million, representing commitment fees earned for the period prior to the effective date of the credit agreements (pre-merger period), are excluded.