

BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

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| WASHINGTON UTILITIES AND |) | |
| TRANSPORTATION COMMISSION, |) | |
| |) | |
| Complainant, |) | |
| |) | |
| v. |) | Docket No. U-072375 |
| |) | |
| PUGET SOUND ENERGY, INC. |) | |
| |) | |
| Respondent. |) | |
| _____ |) | |

EXHIBIT NO. ____ (MPG-4)
RESPONSE TO ICNU DATA REQUEST NO. 03.40

June 18, 2008

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

**Docket No. U-072375
Puget Holdings LLC and Puget Sound Energy, Inc.
Joint Application for an Order Authorizing Proposed Transaction**

ICNU DATA REQUEST NO. 03.40

ICNU DATA REQUEST NO. 03.40:

Please describe or provide the best estimate of the current capital structure of PSE, the proposed capital structure of Puget Holdings and PSE after the proposed acquisition is complete, and the projected capital structure of Puget Holdings and PSE over the five-year period beginning with completion of the acquisition. Please explain the reasons for any actual or proposed changes in PSE's capital structure.

Response:

Please see the Third Exhibit to the Prefiled Direct Testimony of Eric M. Markell, Exhibit No. ____(EMM-4), for

- (i) the actual capital structure, as of September 30, 2007, for Puget Energy, Inc. ("Puget Energy") and Puget Sound Energy, Inc. ("PSE"), and
- (ii) the projected post-closing capital structure for Puget Energy and PSE, assuming that the proposed transaction is approved and closed.

Please see Joint Applicants' Response to WUTC Staff Data Request No. 1047 for the most recent projected six-year capital structures for Puget Energy and PSE, assuming that the proposed transaction is approved and closed.

Assuming that the proposed transaction is approved and closed, it is forecasted that the capital structure of Puget Holdings LLC will consist of 100% equity both immediately after the closing of the proposed transaction and over the five-year period after the date of closing of the proposed transaction.