

**PUGET SOUND ENERGY, INC.
ELECTRIC UTILITY INDUSTRY COMMON EQUITY RATIOS**

<u>ELECTRIC COMPANIES</u>	<u>EQUITY RATIO</u>	<u>COMBINATION GAS & ELECTRIC COMPANIES</u>	<u>EQUITY RATIO</u>
ALLETE	64%	AES Corp.	5%
American Electric Power	36%	Allegheny Energy	22%
Black Hills Corp.	46%	Alliant Energy	47%
Central Vermont P.S.	59%	Ameren Corp.	53%
Cleco Corporation	41%	Aquila	33%
DPL, Inc.	26%	Avista Corp.	40%
DQE, Inc.	35%	CenterPoint Energy	14%
Edison International	26%	CH Energy Group	61%
El Paso Electric Co.	45%	CINergy Corp.	42%
Empire District Electric	48%	CMS Energy Corp.	16%
FirstEnergy Corp.	40%	Consolidated Edison	46%
FPL Group	41%	Constellation Energy	43%
Great Plains Energy	39%	Dominion Resources	36%
Green Mountain Power	51%	DTE Energy Company	39%
Hawaiian Electric Industries	28%	Duke Energy	37%
IDACORP	42%	Dynegy	30%
Maine & Maritimes Corp.	58%	Energy East Corp.	38%
OGE Energy	44%	Energy Corp.	52%
Otter Tail Power	51%	Excelon Corp.	36%
Pinnacle West Capital Corp.	48%	Florida Pub. Utilities	44%
Progress Energy Inc.	41%	MDU Resources	62%
Southern Co.	41%	MGE Resources	53%
UIL Holdings	47%	NiSource Inc.	42%
Westar Energy	37%	Northeast Utilities	34%
		NSTAR	26%
AVERAGE	43%	Pepco Holdings	32%
		PG&E Corp.	54%
Investment Grade Average	43%	PNM Resources	50%
		PPL Corp.	28%
BBB-ratedAverage	41%	Public Service Ent. Group	29%
		Puget Energy	40%
		SCANA Corp.	38%
		SEMPRA Energy	44%
		Sierra Pacific Resources	26%
		TECO Energy	27%
		TXU Corp.	28%
		Unitil Corp.	41%
		Unisource Energy	21%
		Vectren Corp.	47%
		Wisconsin Energy Corp.	37%
		WPS Resources	53%
		Xcel Energy Inc.	41%
		AVERAGE	38%
		Investment Grade Average	39%
		BBB-ratedAverage	36%

Data from C.A. Turners Utility Reports, August 2004.

**PUGET SOUND ENERGY, INC.
RATE IMPACT COMPARISON**

COMPANY REQUESTED CAPITAL STRUCTURE

<u>Type of Capital</u>	<u>PERCENT</u> [1]	<u>COST RATE</u> [2]	<u>WT. AVG. COST RATE</u> [3]=[1]x[2]	<u>PRE-TAX COST RATE</u> [4]=[3]/[1-35%]
Common Equity	45.00%	11.75%	5.29%	8.13%
Preferred Stock	0.04%	8.51%	0.00%	0.01%
Long-term Debt†	<u>54.96%</u>	6.96%	<u>3.82%</u>	<u>3.82%</u>
TOTAL CAPITAL	100.00%		9.11%	11.96%

RECENT AVERAGE CAPITAL STRUCTURE

<u>Type of Capital</u>	<u>PERCENT</u> [1]	<u>COST RATE</u> [2]	<u>WT. AVG. COST RATE</u> [3]=[1]x[2]	<u>PRE-TAX COST RATE</u> [4]=[3]/[1-35%]
Common Equity	38.97%	11.75%	4.58%	7.04%
Preferred Stock	1.02%	8.51%	0.09%	0.13%
Long-term Debt	<u>60.01%</u>	6.96%	<u>4.18%</u>	<u>4.18%</u>
TOTAL CAPITAL	100.00%		8.84%	11.35%

PRE-TAX OVERALL COST OF CAPITAL DIFFERENCE = 0.61%

APPROXIMATE COMPANY RATE BASE = \$2.6 Billion

RATE IMPACT OF CAPITAL STRUCTURE DIFFERENCE = \$15,795,152

Tax rate assumed to be 35%.

† Includes preferred trust securities and short-term debt.

**PUGET SOUND ENERGY, INC.
RAINIER RECEIVABLES CAPITAL STRUCTURE**

AMOUNT [000]

<u>Type of Capital</u>	<u>3/31/03</u>	<u>6/30/03</u>	<u>9/30/03</u>	<u>12/31/03</u>	<u>3/31/04</u>	<u>Average</u>
Common Equity	\$22,219	\$14,454	\$13,367	\$27,417	\$21,461	\$19,784
Short-term Debt	<u>\$214,803</u>	<u>\$156,788</u>	<u>\$149,154</u>	<u>\$181,670</u>	<u>\$217,678</u>	<u>\$184,019</u>
Total	\$237,022	\$171,242	\$162,521	\$209,087	\$239,139	\$203,802

PERCENTAGE

	<u>3/31/03</u>	<u>6/30/03</u>	<u>9/30/03</u>	<u>12/31/03</u>	<u>3/31/04</u>	<u>Average</u>
Common Equity	9.37%	8.44%	8.22%	13.11%	8.97%	9.63%
Short-term Debt	<u>90.63%</u>	<u>91.56%</u>	<u>91.78%</u>	<u>86.89%</u>	<u>91.03%</u>	<u>90.37%</u>
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Data from Company response to PC-71.

PUGET SOUND ENERGY, INC.
SHORT-TERM DEBT

Date	Amount	Cost Rate
Jan-02	\$266,276	3.86%
Feb-02	\$265,195	3.86%
Mar-02	\$155,355	3.86%
Apr-02	\$124,756	3.86%
May-02	\$129,170	3.86%
Jun-02	\$108,046	3.86%
Jul-02	\$72,060	2.93%
Aug-02	\$97,962	2.93%
Sep-02	\$121,214	2.93%
Oct-02	\$47,274	2.77%
Nov-02	\$50,512	2.77%
Dec-02	\$30,340	2.77%
Jan-03	\$62,862	2.97%
Feb-03	\$63,961	2.97%
Mar-03	\$34,269	2.97%
Apr-03	\$54,788	5.29%
May-03	\$95,028	5.29%
Jun-03	\$33,013	5.29%
Jul-03	\$33,360	7.20%
Aug-03	\$30,955	7.20%
Sep-03	\$16,330	7.20%
Oct-03	\$95,250	8.80%
Nov-03	\$37,000	8.80%
Dec-03	\$111,000	8.80%
Jan-04	\$94,696	7.88%
Feb-04	\$78,940	7.88%
Mar-04	\$37,000	7.88%
1-year Average	\$59,780	7.29%
2-year Average	\$69,158	5.21%
Entire Period Average	\$86,912	5.06%

Data from Company response to PC-04 and PC-63.

**PUGET SOUND ENERGY, INC.
RATEMAKNG CAPITAL STRUCTURE**

<u>Type of Capital</u>	<u>PERCENT</u>	<u>COST RATE*</u>	<u>WT. AVG. COST RATE</u>
Common Equity	40.00%	-	-
Preferred Stock	0.05%	8.51%	0.00%
Preferred Securities	6.74%	8.60%	0.58%
Long-term Debt	48.86%	6.86%	3.35%
Short-term Debt	<u>4.36%</u>	<u>4.00%</u>	<u>0.17%</u>
TOTAL CAPITAL	100.00%		

*Cost rate data from Company filing except for short-term debt, which is estimated.