

Exhibit \_\_\_ (JWW-10)  
Docket No. UG-040640, et al.  
Witness: John W. Wilson

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION,

Complainant,

v.

PUGET SOUND ENERGY, INC.

Respondent.

DOCKET NO. UG-040640

DOCKET NO. UE-040641

*(consolidated)*

EXHIBIT TO TESTIMONY OF

JOHN W. WILSON

**Puget Sound Energy  
Recommended Capital Structure and  
Rate of Return Allowance**

**September 23, 2004**

## Puget Sound Energy

### Recommended Capital Structure and Rate of Return Allowance

	<u>Percentage</u> <sup>1)</sup>	<u>Cost Rate</u>	<u>Weighted Cost</u>	
1	Short Term Debt	3.21%	4.55% <sup>2)</sup>	.1461
2	Long Term Debt	48.58%	6.88%	3.3423
3	Trust Preferred	6.32%	8.60%	.5435
4	Preferred	0.04%	8.51%	.0034
5	Common Equity	<u>41.84%</u>	9.00%	<u>3.7656</u>
6		100.00%		7.80%

<sup>1)</sup> Percentages shown reflect average month-end balances for the period Feb. 2005 through Jan. 2006 as reported in Exhibit No. \_\_\_ (DEG-8C) page 2 of 12.

<sup>2)</sup> Short term debt cost rate reflects interest rates of 3.2% on commercial paper and 3.0% on AR securitization facility plus commitment fees and issuance cost amortization as reported in Exhibit No. \_\_\_ (DEG-8C) page 3 of 12.