

Exhibit No. ____ (SGH-8)
Docket Nos. UE-060266/UG-060267
Witness: Stephen G. Hill

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION
COMMISSION

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant,

v.

PUGET SOUND ENERGY, INC.

Respondent.

DOCKET NO. UE-060266

DOCKET NO. UG-060267

EXHIBIT TO DIRECT TESTIMONY OF

STEPHEN G. HILL

ON BEHALF OF STAFF OF
WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION

Puget Sound Energy, Inc. - Capital Structure

July 25, 2006

**PUGET SOUND ENERGY, INC.
RECENT HISTORICAL CAPITAL STRUCTURE**

AMOUNT (000)

<u>Type of Capital</u>	<u>Dec-04</u>	<u>Mar-05</u>	<u>Jun-05</u>	<u>Sep-05</u>	<u>Dec-05</u>	5 Quarter Average
Common Equity†	\$1,535,255	\$1,591,845	\$1,614,487	\$1,580,716	\$1,852,754	\$1,635,011
Preferred Stock	\$1,889	\$1,889	\$1,889	\$1,889	\$1,889	\$1,889
Trust Preferred	\$280,250	\$280,250	\$237,750	\$237,750	\$237,750	\$254,750
Long-term Debt*	\$2,095,360	\$2,095,360	\$2,145,360	\$2,114,360	\$2,264,360	\$2,142,960
Short-term Debt	<u>\$0</u>	<u>\$97,051</u>	<u>\$159,623</u>	<u>\$233,871</u>	<u>\$41,000</u>	<u>\$106,309</u>
TOTAL	\$3,912,754	\$4,066,395	\$4,159,109	\$4,168,586	\$4,397,753	\$4,140,919

PERCENTAGE

<u>Type of Capital</u>	<u>Dec-04</u>	<u>Mar-05</u>	<u>Jun-05</u>	<u>Sep-05</u>	<u>Dec-05</u>	5 Quarter Average
Common Equity	39.24%	39.15%	38.82%	37.92%	42.13%	39.48%
Preferred Stock	0.05%	0.05%	0.05%	0.05%	0.04%	0.05%
Trust Preferred	7.16%	6.89%	5.72%	5.70%	5.41%	6.15%
Long-term Debt*	53.55%	51.53%	51.58%	50.72%	51.49%	51.75%
Short-term Debt	<u>0.00%</u>	<u>2.39%</u>	<u>3.84%</u>	<u>5.61%</u>	<u>0.93%</u>	<u>2.57%</u>
TOTAL	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

† Common equity balances exclude amounts related to unregulated operations.

**PUGET SOUND ENERGY, INC.
COMBINATION GAS-ELECTRIC UTILITY EQUITY RATIOS**

<u>COMBINATION GAS & ELECTRIC COMPANIES</u>	<u>EQUITY RATIO</u>
AES Corp.	nmf
Alliant Energy	48%
Ameren Corp.	52%
Aquila	40%
Avista Corp.	41%
Black Hills Corp.	50%
CenterPoint Energy	13%
CH Energy Group	56%
Cinergy Corp.	42%
CMS Energy Corp.	22%
Consolidated Edison	47%
Constellation Energy	49%
Dominion Resources	36%
DTE Energy Company	40%
Duke Energy	49%
Energy East Corp.	41%
Entergy Corp.	45%
Excelon Corp.	39%
Florida Pub. Utilities	46%
MDU Resources	61%
MGE Resources	53%
NiSource Inc.	42%
Northeast Utilities	43%
Northwestern Corp.	50%
NSTAR	34%
Pepco Holdings	39%
PG&E Corp.	40%
PNM Resources	38%
PPL Corp.	37%
Public Service Ent. Group	29%
Puget Energy	43%
SCANA Corp.	42%
SEMPRA Energy	49%
Sierra Pacific Resources	34%
TECO Energy	30%
Unisource Energy	33%
Unitil Corp.	40%
Vectren Corp.	42%
Wisconsin Energy Corp.	40%
WPS Resources	52%
Xcel Energy Inc.	42%
AVERAGE	42%
BBB-rated Average	38%

Data from AUS Utility Reports, April 2006.

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

<u>Type of Capital</u>	<u>AMOUNT†</u>	<u>ADJUSTED AMOUNT</u>	<u>PERCENT OF TOTAL</u>	<u>COST RATE*</u>	<u>WT. AVG. COST RATE</u>
Common Equity	\$2,420,285	\$2,312,717	43.00%	-	-
Preferred Stock	\$201,889	\$201,889	3.75%	7.61%	0.29%
Preferred Securities	\$37,750	\$37,750	0.70%	8.54%	0.06%
Long-term Debt	\$2,575,027	\$2,575,027	47.88%	6.64%	3.18%
Short-term Debt	<u>\$143,460</u>	<u>\$251,028</u>	<u>4.67%</u>	<u>6.19%</u>	<u>0.29%</u>
TOTAL CAPITAL	\$5,378,411	\$5,378,411	100.00%		

† Data from Exhibit__(DEG-6C), Revised 4/3/06.

*Cost rate data from Company filing except.