

1
2
3
4
5 BEFORE THE
6 WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION
7

8 WASHINGTON UTILITIES AND
9 TRANSPORTATION COMMISSION,
10

11 Complainant,
12

13 v.
14

15 PUGET SOUND ENERGY, INC.,
16

17 Respondent.
18
19
20

Docket No. UG-040640
Docket No. UE-040641
(consolidated)

21 In the Matter of the Petition of
22

23 PUGET SOUND ENERGY, INC.
24

25 For an Order Regarding the Accounting
26 Treatment for Certain Costs of the Company's
27 Power Cost Only Rate Filing.
28
29

Docket No. UE-031471 (consolidated)

30 In the Matter of the Petition of
31

32 PUGET SOUND ENERGY, INC.
33

34 For an Accounting Order Authorizing
35 Deferral and Recovery of the Investment
36 and Costs Related to the White River
37 Hydroelectric Project.
38
39
40

Docket No. UE-032043 (consolidated)

AFFIDAVIT OF
DONALD E. GAINES

41
42 STATE OF WASHINGTON)
43) ss.
44 COUNTY OF KING)
45
46
47

AFFIDAVIT OF
DONALD E. GAINES - 1
[07771-0089-000000/BA043640.034]

Perkins Coie LLP
The PSE Building
10885 N.E. Fourth Street, Suite 700
Bellevue, WA 98004-5579
Phone: (425) 635-1400
Fax: (425) 635-2400

1 Donald E. Gaines, being first duly sworn on oath, deposes and says:
2

3 1. I am Vice President of Finance and Treasurer for Puget Sound Energy, Inc.,
4
5 with primary responsibilities for raising capital in the financial markets, maintaining
6
7 relations with credit rating agencies and commercial and investment banks, and overseeing
8
9 the budgeting activities.
10
11

12 2. On Tuesday, December 14, 2004, I testified before the Washington Utilities
13
14 and Transportation Commission in the above-referenced dockets.
15

16 3. I have reviewed the responses I provided "subject to check" and offer this
17
18 correction of one of my responses.
19
20

21 4. At page 413, line 12 through line 21, of the transcript, I accepted subject to
22
23 check that the benefits from hedging offered by Ms. Julie Ryan were "10-year net present
24
25 value amounts associated with certain hedging scenarios that [Ms. Ryan] examined."
26
27 Ms. Ryan's testimony, however, clarified that the net benefits from hedging offered by
28
29 Ms. Ryan were not "10-year net present value amounts" – meaning the total benefits over ten
30
31 Ms. Ryan were not "10-year net present value amounts" – meaning the total benefits over ten
32
33 years – but instead are annualized benefits – that is, the estimated value associated with her
34
35 hedging scenarios during a one-year time frame. Please see page 916, beginning at line 6,
36
37 through page 917, line 14, of the testimony for Ms. Ryan's discussion of her calculation of
38
39 the net benefit of hedging.
40
41
42
43
44
45

46 EXECUTED this 30th day of December, 2004, at Bellevue, Washington.
47

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47

Donald E. Gaines
Donald E. Gaines

SUBSCRIBED and SWORN to before me this 30th day of December, 2004 by

Donald E. Gaines.



Corinne Scowcroft
Print Name: Corinne Scowcroft
Notary Public in and for the State of
Washington, residing at Sammanish
My commission expires: 12/30/06