



Date: August 13, 2019  
To: Asset Management Committee  
From: Dan Doyle  
Re: Request for final pricing approval for PSE Senior Secured Notes

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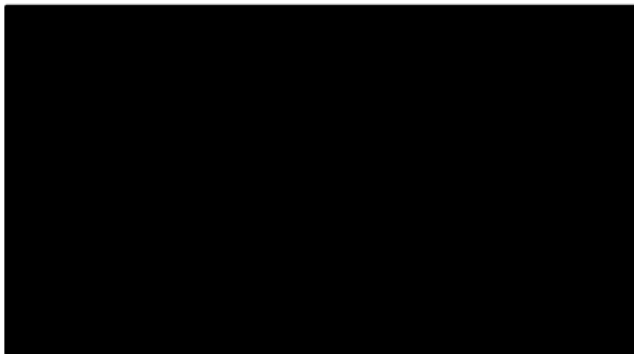
**1. Overview**

On August 1, 2019, the Board of Directors of Puget Sound Energy, Inc. authorized the offer and sale of senior notes (the "Senior Notes") secured by First Mortgage Bonds.

The Board of Directors has authorized this Committee to approve, in a manner not inconsistent with its authorization, the pricing, issuance and sale of the Senior Notes, having maturities, interest rates and such other terms, including redemption provisions, redemption premiums and registration rights, as specified officers of the Company may determine.

**2. Market update**

Since the August 1, 2019 board meetings, treasury rates have dropped more than [REDACTED] while spreads [REDACTED] (see August Spread and Treasury Movement chart below).



In this favorable market, we have seen an increase in utility debt capital market activity. Some of the transactions last week and yesterday have set records with historically low coupons [REDACTED]

The resulting indicative pricing for PSE's [REDACTED] first mortgage bonds [REDACTED]. With this rate, [REDACTED]

### 3. Recommendation

In this positive rate environment, management recommends that we move quickly to execute this planned bond issuance and secure a low rate. Management requests approval for an issuance of [REDACTED] million in principal amount of Senior Notes at a price [REDACTED]

PSE management will [REDACTED]

If any question should arise pertaining to this pricing approval request, please call Dan Doyle at w: 425-462-3193 or c: 425-429-5706 or Matt McArthur at w: 425-462-5475 or c: 425-583-3133.

### 4. Attachments