

EXHIBIT NO. ___(BJL-5)
DOCKET NO. UE-121697/UG-121705
DOCKET NO. UE-130137/UG-130138
WITNESS: BRANDON J. LOHSE

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant,

v.

PUGET SOUND ENERGY, INC.,

Respondent.

DOCKET NOS. UE-121697
and UG-121705 (*consolidated*)

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant,

v.

PUGET SOUND ENERGY, INC.,

Respondent.

DOCKET NOS. UE-130137
and UG-130138 (*consolidated*)

**FOURTH EXHIBIT (NONCONFIDENTIAL) TO THE
PREFILED DIRECT TESTIMONY OF BRANDON J. LOHSE
ON BEHALF OF PUGET SOUND ENERGY, INC.**

NOVEMBER 5, 2014

Puget Sound Energy, Inc.
Utility Capital Structure
Cost of Capital and Rate of Return
For The 12 Months Ending September 30, 2014

(A)	(B)	(C)	(D)	(E)
<u>Description</u>	<u>Amount (i)</u>	<u>Ratio</u>	<u>Cost</u>	<u>Weighted Cost of Capital</u>
7 Short Term Debt	\$75,459,659	1.02%	4.15%	0.04%
9 Long Term Debt	\$3,761,263,151	50.90%	6.16%	3.14%
11 Common Stock	<u>\$3,552,273,228</u>	<u>48.08%</u>	9.80%	<u>4.71%</u>
13 Total	<u>\$7,388,996,038</u>	<u>100.00%</u>		<u>7.89%</u>

16 (i) - Average of Month-End Balances

Puget Sound Energy, Inc.
Utility Capital Structure Calculation
For the 12 Months Ending September 30, 2014
Average of Month-End Balances

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(O)			
												Avg of Mo- end Balances			
1															
2	(\$ thousands)	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Balances
3	Commercial Paper	129,000	72,000	110,000	162,000	83,000									40,958
4	Intercompany Loan with PE	29,598	29,598	29,598	29,598	29,598	29,598	29,598	28,933	28,933	28,933	28,933	28,933	28,933	29,293
5	Bank Credit Facilities		50,000												5,208
6	Short-term debt	\$158,598	\$151,598	\$139,598	\$191,598	\$112,598	\$29,598	\$29,598	\$28,933	\$28,933	\$28,933	\$28,933	\$28,933	\$53,933	\$75,460
7	Long-term Bonds	\$3,520,846	\$3,510,846	\$3,510,846	\$3,510,846	\$3,510,846	\$3,510,846	\$3,510,846	\$3,510,847	\$3,510,847	\$3,510,847	\$3,510,847	\$3,510,847	\$3,510,847	\$3,511,263
8	Jr. Subordinated Notes	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
9	Long Term Debt	\$3,770,846	\$3,760,846	\$3,760,846	\$3,760,846	\$3,760,846	\$3,760,846	\$3,760,846	\$3,760,847	\$3,760,847	\$3,760,847	\$3,760,847	\$3,760,847	\$3,760,847	\$3,761,263
10	Total Preferred	-	-	-	-	-	-	-	-	-	-	-	-	-	
11	Regulated Common Equity	3,522,192	3,539,360	3,570,220	3,554,742	3,589,633	3,623,640	3,597,170	3,620,219	3,506,817	3,514,672	3,505,699	3,513,334	3,461,352	3,552,273
12	Total Capital	\$7,451,636	\$7,451,804	\$7,470,664	\$7,507,186	\$7,463,077	\$7,414,084	\$7,387,615	\$7,409,999	\$7,296,596	\$7,304,452	\$7,295,478	\$7,303,113	\$7,276,132	\$7,388,996
13	Short-term debt	2.1%	2.0%	1.9%	2.6%	1.5%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.7%	1.0%
14	Long-term debt	50.6%	50.5%	50.3%	50.1%	50.4%	50.7%	50.9%	50.8%	51.5%	51.5%	51.6%	51.5%	51.7%	50.9%
15	Total Debt	52.7%	52.5%	52.2%	52.6%	51.9%	51.1%	51.3%	51.1%	51.9%	51.9%	51.9%	51.9%	52.4%	51.9%
16	Preferred	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
17	Common	47.27%	47.50%	47.79%	47.35%	48.10%	48.88%	48.69%	48.86%	48.06%	48.12%	48.05%	48.11%	47.57%	48.08%
18	Total	100.0%	100.0%	100.0%	100.00%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
19	Consol. Common Equity	\$3,298,626	\$3,314,519	\$3,356,739	\$3,440,757	\$3,492,468	\$3,561,597	\$3,490,524	\$3,530,291	\$3,413,422	\$3,420,346	\$3,409,868	\$3,416,166	\$3,367,433	
20	Subsidiary R.E.	(7,864)	(7,864)	(7,864)	(8,032)	(8,032)	(8,032)	(8,217)	(8,217)	(8,217)	(8,510)	(8,510)	(8,510)	(8,342)	
21	Puget Western														
22	Total Subsidiary R.E.	(\$7,864)	(\$7,864)	(\$7,864)	(\$8,032)	(\$8,032)	(\$8,032)	(\$8,217)	(\$8,217)	(\$8,217)	(\$8,510)	(\$8,510)	(\$8,510)	(\$8,342)	
23	Other Comprehensive Income Adjustments (OCI) and Derivative Accounting														
24	Derivative Impacts through Income	(\$39,223)	(\$41,660)	(\$32,048)	(\$10,215)	\$5,633	\$39,622	(\$5,490)	\$10,535	\$6,374	\$5,621	\$3,428	\$1,520	\$3,901	
25	OCI - Derivatives	(9,151)	(9,124)	(8,511)	(8,334)	(8,029)	(7,563)	(7,537)	(7,510)	(7,484)	(7,457)	(7,431)	(10,687)	(10,646)	
26	OCI - Other	(167,328)	(166,193)	(165,058)	(87,404)	(86,737)	(86,070)	(85,403)	(84,736)	(84,069)	(83,980)	(83,318)	(79,491)	(78,832)	
27	Total OCI Adj	(215,702)	(216,977)	(205,616)	(105,953)	(89,133)	(54,011)	(98,430)	(81,711)	(85,179)	(85,816)	(87,321)	(88,658)	(85,577)	
28	Regulated Common Equity	\$3,522,192	\$3,539,360	\$3,570,220	\$3,554,742	\$3,589,633	\$3,623,640	\$3,597,170	\$3,620,219	\$3,506,817	\$3,514,672	\$3,505,699	\$3,513,334	\$3,461,352	

Puget Sound Energy, Inc.
Cost of Short-Term Debt
For The 12 Months Ending September 30, 2014

(A)	(B)	(C)	(D)	(E)
<u>Description</u>	<u>Weighted Amt Outstanding (i)</u>	<u>Interest Rate</u>	<u>Annual Charge</u>	<u>Cost Rate</u>
Commercial Paper	\$35,260,274	0.326%	\$115,057	
Demand Promissory Note	\$29,289,881	0.614%	\$179,806	
\$650mm Liquidity Facility	\$4,383,562	1.759%	\$77,128	
Interest Charges & Avg Borrowing Rate	\$68,933,717	0.540%	\$371,991	
Commitment Fees			\$1,318,082	(ii)
12 Month Short Term Debt Issue Costs Amortization			\$1,171,402	(iii)
Total Short-Term Debt/Cost	\$68,933,717		\$2,861,475	4.15%

(i) Weighted Average Daily Balance Outstanding for 12 Months Ended

(ii) See Pg 4 STD OS & Comm Fees (includes any LC Fees)

(iii) See Pg 5 STD Amort

Puget Sound Energy, Inc.
Amortization of Short-Term Debt Issue Costs
For The 12 Months Ending September 30, 2014

(A)	(B)	(C)	(D)	(E)	(F)
Description	\$400 million Working Cap Fac 18101083/18900403	\$400 million Capex Fac 18900423	\$650 million Liquidity Fac 18100673	\$650 million Liquidity Refinance 18900443	TOTAL AMORTIZATION
1					
2					
3					
4					
5	Beginning Balance				
6	As of: 9/30/13	\$1,161,862	\$1,436,199	\$2,113,436	\$0
7					
8	October-13	(27,619)	(27,619)	(40,647)	
9	November-13	(27,619)	(27,619)	(40,643)	
10	December-13	(27,619)	(27,619)	(40,643)	
11	January-14	(27,619)	(27,619)	(40,643)	
12	February-14	(27,619)	(27,619)	(40,869)	
13	March-14	(27,619)	(27,619)	(40,653)	
14	April-14	(27,619)	(27,619)	(60,169)	(1,508)
15	May-14	(27,619)	(27,619)	(37,557)	
16	June-14	(27,619)	(27,619)	(40,724)	
17	July-14	(27,619)	(27,619)	(39,009)	(6,935)
18	August-14	(27,619)	(27,619)	(36,989)	(2,285)
19	September-14	(27,619)	(27,619)	(36,989)	(2,285)
20					
21	Total Amortization for 12 months ended	(\$331,424)	(\$331,431)	(\$495,535)	(\$1,171,402)

Puget Sound Energy, Inc.
Cost of Long Term Debt (\$in 000's)
For The 12 Months Ending September 30, 2014

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)	(O)	(P)	(Q)	(R)	(S)	(T)	(U)	(V)	
1	Type	Interest Rate	Issue Date	Mat. Date	W. Avg. Amt O/S	Proceeds Net (i)	Cost Rate (ii)	Annual Charge	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	
2	MTN-B	6.900%	Sep-93	Oct-13	417	98.82	7.01%	29	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
3	MTN-C	7.350%	Sep-95	Sep-15	10,000	98.84	7.46%	746	10,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
4	MTN-C	7.360%	Sep-95	Sep-15	2,000	98.84	7.47%	149	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
5	SN	5.197%	Oct-05	Oct-15	150,000	99.19	5.30%	7,950	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
6	SN	6.750%	Jan-09	Jan-16	250,000	99.24	6.89%	17,225	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
7	MTN-A	6.740%	Jun-98	Jun-18	200,000	98.99	6.83%	13,660	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
8	MTN-C	7.150%	Dec-95	Dec-25	15,000	99.21	7.21%	1,082	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
9	MTN-C	7.200%	Dec-95	Dec-25	2,000	99.21	7.26%	145	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
10	MTN-A	7.020%	Dec-97	Dec-27	300,000	98.99	7.10%	21,300	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
11	MTN-B	7.000%	Mar-99	Mar-29	100,000	99.04	7.08%	7,080	138,460	138,460	138,460	138,460	138,460	138,460	138,460	138,460	138,460	138,460	138,460	138,460	138,460	138,460
12	PCB	3.900%	May-13	Mar-31	138,460	98.94	3.98%	5,511	23,400	23,400	23,400	23,400	23,400	23,400	23,400	23,400	23,400	23,400	23,400	23,400	23,400	23,400
13	PCB	4.000%	May-13	Mar-31	23,400	98.94	4.08%	955	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
14	SN	5.483%	May-05	Jun-35	250,000	84.89	6.65%	16,625	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
15	SN	6.724%	Jun-06	Jun-36	250,000	107.52	6.17%	15,425	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000
16	SN	6.274%	Sep-06	Mar-37	300,000	98.81	6.36%	19,080	325,000	325,000	325,000	325,000	325,000	325,000	325,000	325,000	325,000	325,000	325,000	325,000	325,000	325,000
17	SN	5.757%	Sep-09	Oct-39	350,000	98.98	5.83%	20,405	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
18	SN	5.795%	Mar-10	Mar-40	325,000	98.96	5.87%	19,078	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
19	SN	5.764%	Jun-10	Jul-40	250,000	98.97	5.84%	14,600	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000
25	SN	5.638%	Mar-11	Apr-41	300,000	98.97	5.71%	17,130	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
26	SN	4.434%	Nov-11	Nov-41	250,000	98.96	4.50%	11,250	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
27	SN	4.700%	Nov-11	Nov-51	45,000	98.86	4.76%	2,142	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
28	JrSubN	6.974%	Jun-07	Jun-17	250,000	98.23	7.23%	18,075	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
29																						
30																						
31	TOTAL LONG TERM DEBT								3,770,860	3,760,860	3,760,860	3,760,860	3,760,860	3,760,860	3,760,860	3,760,860	3,760,860	3,760,860	3,760,860	3,760,860	3,760,860	3,760,860
32																						
33																						
34	(i)	Net proceeds are the net proceeds per \$100 face amount and are the proceeds less underwriter's fees and issuance expenses.																				
35	(ii)	Yield to Maturity based on Net Proceeds																				

Puget Sound Energy, Inc.
Schedule of Annual Charges on Reacquired Debt
For The 12 Months Ending September 30, 2014

(A)	(B) Issue Date	(C) Maturity Date	(D) Redemption Date	(E) Refinance Issue	(F) Refinance Date	(G) Maturity Date for Amort.	(H) Annual Amortization (i)	(I) SAP #	
1									
2									
3									
4									
5	10.250%	15-Dec-97	15-Dec-95			10-Nov-16	\$18,336	18900013	
6	8.231% Capital Trust I (Call)	1-Jun-27	1-Jun-07	JrSubN 6.974%	4-Jun-07	1-Jun-17	\$190,955	18900383	
7	9.14% PP	21-Jun-01	15-Jun-98	20 Yr 6.740%	15-Jun-98	15-Jun-18	\$3,499	18900243	
8	WNG 8.4%	12-Jan-22	21-Mar-03			12-Jan-22	\$1,141	18900293	
9	WNG 8.39%	13-Jan-92	21-Mar-03			13-Jan-22	\$2,663	18900303	
10	WNG 8.25%	12-Aug-22	29-May-03			12-Aug-22	\$62,486	18900323	
11	WNG 7.19%	18-Aug-93	18-Aug-03			18-Aug-23	\$10,656	18900353	
12	9.625% PP	15-Oct-97	7-Feb-94	30 Yr 7.350%	1-Feb-94	1-Feb-24	\$168,880	18900173	
13	8.231% Capital Trust I (Tender)	1-Jun-27	1-Jun-05			1-Jun-27	\$229,804	18900193	
14	PCB Series 1991A	1-Aug-21	11-Mar-03	2003 PCB's	11-Mar-03	1-Mar-31	\$45,480	18900253	
15	PCB Series 1991B	1-Aug-21	11-Mar-03	2003 PCB's	11-Mar-03	1-Mar-31	\$34,561	18900263	
16	PCB Series 1992	1-Mar-22	11-Mar-03	2003 PCB's	11-Mar-03	1-Mar-31	\$105,825	18900273	
17	PCB Series 1993	1-Mar-22	11-Mar-03	2003 PCB's	11-Mar-03	1-Mar-31	\$32,298	18900283	
18	PCB Series 2003	1-Mar-31	24-Jun-13	2013 PCB's	23-May-13	1-Mar-31	\$299,129	18900433	
19	PCB Series 2003	1-Mar-31	24-Jun-13	2013 PCB's	23-May-13	1-Mar-31	\$50,553	18900533	
20	\$200mm VRN	15-Jul-04	27-May-05	30 Yr 5.483%	27-May-05	27-May-35	\$17,087	18900183	
21	8.40% Capital Trust II	30-Jun-41	30-Jun-06	30 Yr 6.724%	30-Jun-06	15-Jun-36	\$197,021	18900373	
22	\$25M 9.57% Gas FMB's	1-Sep-20	23-Dec-11	40 Yr 4.70%	22-Nov-11	15-Nov-51	\$400,519	18900393	
28									
29	Total Amortization on Reacquired Debt						\$1,870,893		
30									
31									
32									
33	(i) Applicable monthly amortization during the 12 month reporting period;								
34	Amortization is over life of replacement issue or remaining life of called bond if no replacement issue.								