BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION, Complainant,

v.

PUGET SOUND ENERGY, Respondent.

In the Matter of the Petition of

PUGET SOUND ENERGY

For an Order Authorizing Deferred Accounting Treatment for Puget Sound Energy’s Share of Costs Associated with the Tacoma LNG Facility

EXHIBIT TO TESTIMONY OF

DAVID C. PARCELL

ON BEHALF OF STAFF OF WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

PSE response to UTC Staff Data Request No. 18

July 28, 2022
WUTC STAFF DATA REQUEST NO. 018:

Please indicate if PSE’s parent(s) has the ability to issue common equity as a means to increase the actual common equity ratios of PSE. If so, please indicate if this has been or is being considered as a means of increasing the actual common equity ratio of PSE.

Response:

Puget Sound Energy’s ("PSE") owners have the ability to contribute equity into PSE with significant restrictions under PSE’s credit-related documents, existing owner agreements, and/or regulatory requirements. In addition, any such increase in equity would require sufficient returns to make such incremental equity investment attractive.

Due to such restrictions and limitations on equity issuances, the 2022 Financial Plan contemplates restricting future dividends to PSE’s owners in order to achieve the Company’s requested increase in equity ratio in the multi-year rate plan from 2023 - 2025.