BEFORE THE WASHINGTON

UTILITIES & TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION,

Complainant,

v.

PUGET SOUND ENERGY

Respondent.

DOCKETS UE-220066, UG-220067, and UG-210918 (*Consolidated*)

J. RANDALL WOOLRIDGE
ON BEHALF OF THE
WASHINGTON STATE OFFICE OF THE ATTORNEY GENERAL
PUBLIC COUNSEL UNIT

EXHIBIT JRW-6

Puget Sound Energy Response to WUTC Staff Data Request No. 13 with Attachment D

July 28, 2022

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

Dockets UE-220066 & UG-220067
Puget Sound Energy
2022 General Rate Case

WUTC STAFF DATA REQUEST NO. 013:

Please provide the source documents for the following footnotes:

a. Bulkley, Exh. AEB-1T at 34, n.42.
b. Bulkley, Exh. AEB-1T at 47, n.52.
c. Bulkley, Exh. AEB-1T at 47, n.54.
d. Bulkley, Exh. AEB-1T at 54, n.59.
e. Bulkley, Exh. AEB-1T at 60, n.65.
f. Bulkley, Exh. AEB-1T at 65, n.67.
g. Bulkley, Exh. AEB-1T at 65, n.68.
h. Bulkley, Exh. AEB-1T at 65, n.69.
i. Bulkley, Exh. AEB-1T at 69, n.71.
j. Bulkley, Exh. AEB-1T at 70, n.72.
k. Bulkley, Exh. AEB-1T at 72, n.76.
l. Bulkley, Exh. AEB-1T at 77, n.80.
m. Bulkley, Exh. AEB-1T at 77, n.81.
n. Bulkley, Exh. AEB-1T at 78, n.82.
o. Bulkley, Exh. AEB-1T at 83, n.86.

Response:

a. Attached as Attachment A to Puget Sound Energy's ("PSE") Response to WUTC Staff Data Request No. 013 is the source document for footnote Bulkley, Exh. AEB-1T at 34, n.42.

b. The requested document is subject to third-party copyright protection. Per WAC 480-07-510(3)(i)(iii), the document is not being provided, but PSE will make the requested document available for inspection, at a mutually agreeable time, at the offices of Puget Sound Energy or Perkins Coie LLP.

c. The requested document is subject to third-party copyright protection. Per WAC 480-07-510(3)(i)(iii), the document is not being provided, but PSE will make the requested document available for inspection, at a mutually agreeable time, at the offices of Puget Sound Energy or Perkins Coie LLP.

d. The requested document is subject to third-party copyright protection. Per WAC 480-07-510(3)(i)(iii), the document is not being provided, but PSE will make the requested document available for inspection, at a mutually agreeable time, at the offices of Puget Sound Energy or Perkins Coie LLP.

e. The requested document is subject to third-party copyright protection. Per WAC 480-07-510(3)(i)(iii), the document is not being provided, but PSE will make the requested document available for inspection, at a mutually agreeable time, at the offices of Puget Sound Energy or Perkins Coie LLP.

f. Attached as Attachment B to PSE's Response to WUTC Staff Data Request No. 013 is the source document for footnote Bulkley, Exh. AEB-1T at 65, n.67.

g. The requested document is subject to third-party copyright protection. Per WAC 480-07-510(3)(i)(iii), the document is not being provided, but PSE will make the requested document available for inspection, at a mutually agreeable time, at the offices of Puget Sound Energy or Perkins Coie LLP.

h. Attached as Attachment C to PSE's Response to WUTC Staff Data Request No. 013 is the source document for footnote Bulkley, Exh. AEB-1T at 65, n.69.

i. Attached as Attachment D to PSE's Response to WUTC Staff Data Request No. 013 is the source document for footnote Bulkley, Exh. AEB-1T at 69, n.71.

j. Attached as Attachment E to PSE's Response to WUTC Staff Data Request No. 013 is the source document for footnote Bulkley, Exh. AEB-1T at 70, n.72.

k. The requested document is subject to third-party copyright protection. Per WAC 480-07-510(3)(i)(iii), the document is not being provided, but PSE will make the requested document available for inspection, at a mutually agreeable time, at the offices of Puget Sound Energy or Perkins Coie LLP.

l. Attached as Attachment F to PSE's Response to WUTC Staff Data Request No. 013 is the source document for footnote Bulkley, Exh. AEB-1T at 77, n.80.

m. Please see Attachment G to PSE's Response to WUTC Staff Data Request No. 013 is the source document for footnote Bulkley, Exh. AEB-1T at 77, n.81.

n. Attached as Attachment H to PSE's Response to WUTC Staff Data Request No. 013 is the source document for footnote Bulkley, Exh. AEB-1T at 78, n.82.

o. The requested document is subject to third-party copyright protection. Per WAC 480-07-510(3)(i)(iii), the document is not being provided, but PSE will make the requested document available for inspection, at a mutually agreeable time, at the offices of Puget Sound Energy or Perkins Coie LLP.

ATTACHMENTS A – H to PSE's Response to WUTC Staff Data Request No. 013

MOODY'S
INVESTORS SERVICE

CREDIT OPINION
26 August 2021

Update

Rate this Research

RATINGS

Puget Energy, Inc.

Domicile	Bellevue, Washington, United States
Long Term Rating	Baa3
Type	LT Issuer Rating - Dom Curr
Outlook	Stable

Please see the ratings section at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.

Contacts

Edna R Marinelarena +1.212.553.1383
AVP-Analyst
edna.marinelarena@moodys.com

Yulia Rakityanskaya +1.416.214.3627
Associate Analyst
yulia.rakityanskaya@moodys.com

Michael G. Haggarty +1.212.553.7172
Associate Managing Director
michael.haggarty@moodys.com

CLIENT SERVICES

Americas	1-212-553-1653
Asia Pacific	852-3551-3077
Japan	81-3-5408-4100
EMEA	44-20-7772-5454

Puget Energy, Inc.

Update to credit analysis

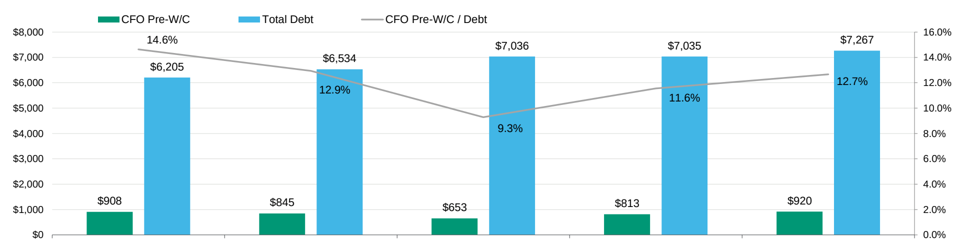
Summary

Puget Energy, Inc.'s (Puget) credit profile reflects the relatively low risk regulated utility operations of its primary subsidiary, Puget Sound Energy, Inc. (PSE). Puget's financial profile has weakened over the last three years largely because of higher debt and slow cash flow growth at PSE, which was primarily driven by tax reform and regulatory lag. PSE's unfavorable July 2020 rate case outcome further delayed needed cash flow recovery. However, our assessment of PSE's and Puget's credit strength acknowledges the Washington Utilities and Transportation Commission's (WUTC) stated objective to limit the customer rate impact in the uncertain economic environment caused by the coronavirus pandemic.

We expect Puget's metrics to remain weak over the next two years but anticipate management will take some mitigating actions to prevent further deterioration of the company's financial profile until the utility files its next rate case. The stable outlook reflects our expectation that this financial weakness will be temporary and that regulatory support for the utility will improve as the state's economy recovers. The outcome of PSE's next regulatory proceeding will be important to the organization's credit profile going forward.

Puget's credit is further constrained by (1) about $2 billion of Puget holding company debt that is structurally subordinated to around $4.6 billion of PSE debt; (2) regulatory provisions in place at PSE which could, in some circumstances, limit the utility's dividends to the parent company; and (3) the incremental business risk that Puget is pursuing as part of a partially unregulated investment in a liquefied natural gas (LNG) storage facility.

Exhibit 1
Historical CFO pre-WC, Total Debt and CFO pre-WC to Debt ($ MM)



Source: Moody's Financial Metrics

Credit strengths

» Principal subsidiary is a vertically integrated utility with a suite of credit supportive regulatory mechanisms

» Washington legislation provides for potentially credit positive regulatory tools for PSE's operations

Credit challenges

» $2 billion of parent level debt is about 30% of consolidated debt and relies on upstream utility dividends for debt service

» Declining credit metrics have recovered somewhat, but are expected to remain weak

» Increasing regulatory lag at the utility, exacerbated by unfavorable July 2020 rate case outcome

» Unregulated portion of LNG storage project nvestment increases business risk

Rating outlook

The stable outlook reflects our expectation that PSE will be granted more credit supportive rate relief and more timely cash flow recovery in its next rate case given that the most recent rate case outcome was largely driven by the unexpected economic circumstances caused by the coronavirus pandemic. If this occurs, we would expect Puget's credit metrics to recover to above 13% in 2022 and beyond.

Factors that could lead to an upgrade

An upgrade could occur if financial metrics improve such that the ratio of CFO pre-WC to debt is at 16% or higher on a sustainable basis. Additionally, a reduction in holding company leverage could lead to a higher rating.

Factors that could lead to a downgrade

A rating downgrade could occur if the company's CFO pre-WC to debt is sustained below 13% or if decisions from the WUTC continue to be inconsistent and unsupportive of credit quality, particularly with regard to the utility's next rate case. A material change in financial policies, including extraordinary shareholder dividends, or a downgrade of PSE could also result in a rating downgrade.

Key indicators

Exhibit 2

Puget Energy Inc. [1]

	Dec-17	Dec-18	Dec-19	Dec-20	LTM Jun-21
CFO Pre-W/C + Interest / Interest	3.6x	3.5x	2.9x	3.2x	3.6x
CFO Pre-W/C / Debt	14.6%	12.9%	9.3%	11.6%	12.7%
CFO Pre-W/C – Dividends / Debt	12.6%	11.8%	8.4%	10.9%	12.0%
Debt / Capitalization	59.2%	59.6%	60.4%	58.7%	57.2%

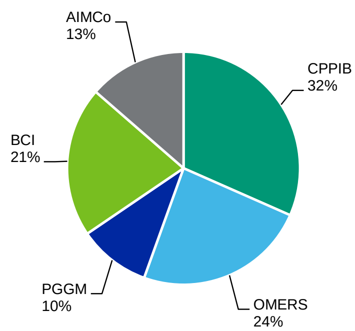
[1] All ratios are based on 'Adjusted financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations.
Source: Moody's Financial Metrics

Profile

Puget Energy Inc. (Puget) is a utility holding company, whose operations are substantially conduced through its principal subsidiary, Puget Sound Energy, Inc. (PSE), an electric and natural gas utility serving about 1.2 million electric and around 856,000 natural gas customers in Washington. PSE's electric rate base represents about 70% of its approximately $8.0 billion total rate base. Puget also has an unregulated subsidiary, Puget LNG, formed to own, develop and finance a partly unregulated LNG facility at the Port of Tacoma, Washington (Aa2 stable).

Puget is owned by Puget Holdings LLC (not rated), which is indirectly held by a consortium of pension fund investors as shown in Exhibit 4. In July 2021, Macquarie Asset Management (MAM) and Ontario Teacher's Pension Plan Board reached an agreement to jointly acquire a 31.6% stake in Puget Holdings, LLC from Canada Pension Plan Investment Board (CPPIB, CPP Investments). The agreement is pending regulatory approvals.

Exhibit 3
Puget's ownership composition



Source: Puget Energy

Detailed credit considerations

Declining credit metrics have recovered somewhat, but are expected to remain weak

Both Puget's and PSE's financial metrics have weakened since 2017 as a result of cash flow loss attributable to tax reform, changes in the utility's rate plan and significant capital expenditures. Over the next 12 to 18 months, Puget's capital expenditures are significant, in line with 2019 and 2020 levels at around $900 million, relative to historical levels in the $500 — $700 million range. This high capex is primarily to fund strategic and risk mitigation initiatives, including investments in electric and gas distribution upgrades, customer and system projects, generation and IT expenditures. We expect Puget to fund capex prudently with internally generated funds and a balanced mix of debt and equity.

We expected that with the passage of the Clean Energy Transition Act (CETA) in Washington, PSE would see a more credit supportive regulatory environment and outcomes. However, given unfavorable economic conditions, the WUTC's focus during PSE's 2020 rate case was on mitigating the economic impact of the coronavirus pandemic on PSE's customers. We continue to view the CETA and more recent Washington legislative actions as potentially credit positive, if the supportive provisions contained in the legislation are ever implemented.

Puget's dividend payout ratio has fluctuated over the last few years and for the last 12 months ended 30 June 2021 was about 14%. We expect Puget to manage dividends to its owners to prevent financial strain as the company executes its large capital plan during a period of slow cash flow growth. In the near-term, we expect Puget's management to take actions to mitigate the negative cash flow impact of the 2020 rate case outcome through a combination of O&M, capital expenditure and dividend reductions. Nevertheless, Puget's credit metrics will remain weak over the next two years, with operating cash flow before working capital changes (CFO pre-WC) to debt ratios of around 12%-14%.

Primary subsidiary is a rate regulated vertically integrated utility with recently inconsistent and less credit supportive regulation

As a holding company, Puget's credit profile is primarily driven by its low risk regulated utility subsidiary. The WUTC affords PSE a number of credit supportive cost recovery mechanisms which include decoupling, an electric and gas conservation rider, an electric property tax tracker, a power cost adjustment mechanism (PCA) and a purchased gas adjustment mechanism (PGA). PSE's revenue decoupling mechanism helps PSE obtain greater fixed cost recovery in both its electric and gas segments. The PCA and PGA allow the company to directly pass the costs of purchased power and natural gas through to customers annually. PSE also has the option to utilize an expedited rate filing (ERF) or power cost only rate case (PCORC) to recover costs on an accelerated basis between general rate cases.

Although PSE has historically maintained a credit supportive relationship with the WUTC, its regulatory outcomes have recently been inconsistent and less supportive. In its most recent rate case order on 8 July 2020, the WUTC initially authorized an electric revenue increase of $29.5 million or 1.6% but extended the amortization of certain regulatory assets, effectively reducing the revenue increase to $857,000 or 0.05%. With respect to gas operations, the commission also extended regulatory asset amortization, lowering its authorized revenue increase of $36.5 million or 4% to $1.3 million or 0.15%.

On 31 July 2020, following a motion for clarification filed by PSE, the commission corrected errors related to excess deferred income taxes (EDIT) and power costs, resulting in effective rate increases of $31 million and $7.7 million for electric and gas respectively. This is well below PSE's requested rate increases of $139.9 million or 6.9% and $65.5 million or 7.9% for electric and gas operations respectively. The commission also authorized a below industry average return on equity of 9.4%, slightly lower than the utility's requested and previously allowed ROE of 9.5%, and an equity capitalization of 48.5%, equal to the utility's request and previously authorized equity capitalization. PSE's approximately $40 million attrition adjustment proposal to mitigate regulatory lag was rejected by the commission as not in the public interest. Furthermore, the utility's electric decoupling deferral was extended to two years from one year and its PGA deferral, already extended to two years from one year because of significant gas costs incurred during the 2018-2019 winter due to an Enbridge Inc. (Baa1 stable) pipeline rupture and cold weather, was extended further to three years.

The commission's objective to limit customer rate increases in light of the uncertain economic environment caused by the coronavirus pandemic was an important driver of its decisions. The outcome of PSE's next regulatory proceeding, which is expected to be filed in early 2022, will be important to PSE's and Puget's credit strength going forward.

Washington legislation has the potential to enhance regulatory framework if implemented

The Washington regulatory framework has the potential to be enhanced with the passage of two key Senate bills (SB), SB 5116 and SB 5295 in 2019 and 2021, respectively. SB 5116, the Clean Energy Transformation Act (CETA), has aggressive carbon transition targets and was enacted in 2019 offering utilities the potential for important regulatory tools to recover associated costs. The CETA requires electric utilities to eliminate coal-fired generation by 2025, transition the state's electricity supply to 80% renewables and 100% carbon neutral power by 2030 and be 100% carbon free by 2045. The recently passed SB 5295 (enacted on 3 May 2021) followed the clean energy bill and aims at reforming the regulatory framework for utilities in the state by paving the way for multiyear rate plans (MYRP) and performance based rate-making (PBR).

We view the bills as credit positive as they could enhance the consistency and predictability of utility regulationif implemented. Specifically, we view the PBR construct as a credit supportive rate making mechanism because MYRPs with performance targets and the potential to earn performance incentives could reduce regulatory lag. It could also aid PSE's renewable transition, improve operational efficiency and enhance cash flow and profitability, all while considering customer cost and service. Nevertheless, the extent to which the new law will enhance the Washington regulatory framework and improve utility financial performance is subject to WUTC decisions, which have been historically inconsistent.

Partly unregulated LNG investment increases business risk

PSE is undertaking an approximately $400 million investment in the Tacoma Liquefied Natural Gas project, an 8 million gallon storage facility with full-production capability of 250,000 gallons per day, located at the Port of Tacoma, WA. Tacoma LNG will serve three primary functions: 1) supply a natural gas peaking facility to help meet PSE's peak local gas distribution demand needs; 2) transportation fuel for TOTE Maritime Alaska (unrated), a cargo shipping company that provides high-speed liner services to Alaska; and 3) fuel for other customers, to be determined. Construction was completed in February 2021 and Puget is awaiting commissioning and environmental compliance. The facility should be in service by early 2022.

The WUTC approved a regulatory structure for the project of 43% regulated at PSE and 57% unregulated at Puget subsidiary Puget LNG. The unregulated portion of the project is 50% contracted to TOTE Maritime Alaska (unrated) and 50% merchant. As of 30 June 2021, Puget LNG had incurred approximately $235 million of construction work in progress and operating costs and PSE had incurred approximately $227 million of construction work in progress.

The merchant aspect of the output exposes Puget to much higher business risk. Although Puget's expected investment of approximately $400 million in the project is small relative to net utility plant of $10.5 billion, we view the higher risk merchant aspect of the project's output as a credit negative. The introduction of merchant operations demonstrates an increased risk tolerance on the part of Puget's management, which could have adverse credit implications as the project progresses on a delayed timeline.

Although the investment is credit negative, there has thus far been no material credit impact due to the relatively small size of the project compared to Puget's net utility plant. In addition, we believe it is unlikely that holding company debt would increase materially as a percentage of consolidated debt due to the financing of the LNG project. Nor would the financial profile be likely to decline significantly since the utility rate base and cash flow contribution will continue to grow.

ESG considerations

Puget's ESG Credit Impact Score is CIS-3 (moderately negative)

Exhibit 4
ESG Credit Impact Score

CIS-3
Moderately Negative

For an issuer scored CIS-3 (Moderately Negative), its ESG attributes are overall considered as having a limited impact on the current rating, with greater potential for future negative impact over time. The negative influence of the overall ESG attributes on the rating is more pronounced compared to an issuer scored CIS-2.

Source: Moody's Investors Service

Puget's Credit Impact Score is moderately negative (**CIS-3**) because we consider its ESG attributes as overall having a limited impact on the current rating, with greater potential for future negative impact over time. Puget's **CIS-3** reflects moderately negative exposure to environmental and social risk but neutral to low exposure to governance risk

Exhibit 5
ESG Issuer Profile Scores

ENVIRONMENTAL	SOCIAL	GOVERNANCE
E-3	S-3	G-2
Moderately Negative	Moderately Negative	Neutral-to-Low

Source: Moody's Investors Service

Environmental
Puget's moderately negative exposure to environmental risks (**E-3** issuer profile score) is driven by moderate physical climate risk exposure due to the risk that extreme weather events could damage physical assets or negatively impact commodity or wholesale power prices. Risks associated with carbon transition, water management, waste and pollution and natural capital are neutral to Puget's credit profile.

Social
Puget has moderately negative exposure to social risks (**S-3** issuer profile score) primarily because of the risk associated with the regulated utilities sector that public concern over environmental, social or affordability issues could lead to adverse regulatory or political intervention. Social risks related to customer relations, human capital and employee health and safety are neutral to Puget's credit profile.

Governance

Puget's neutral to low governance risk exposure (**G-2** issuer profile score) is supported by its financial strategy and risk management, although its concentrated private ownership, with limited disclosure around board structure, policies and procedures, has a moderately negative impact on the company's governance profile.

Liquidity analysis

We expect Puget to maintain adequate liquidity. The company has an $800 million senior secured revolving credit facility expiring in October 2023. The facility includes an accordion feature that can increase its total size to $1.3 billion, upon bank approval. At 30 June 2021, approximately $33 million was outstanding under this credit facility. The credit agreement contains a financial covenant that requires Puget to maintain a leverage ratio below a maximum level of 65%. Puget was in compliance with this covenant at 30 June 2021.

PSE's external liquidity consists of a five-year $800 million unsecured revolving credit facility to meet short-term liquidity needs and backstop the utility's commercial paper program. The facility matures in October 2023 and includes an accordion feature that can increase its total size to $1.4 billion upon bank approval. As of 30 June 2021, no amounts were outstanding under PSE's credit facility and $231 million was outstanding under the commercial paper program.

Puget's internal liquidity consists of cash flow from operations, which we expect to be around $900 million through 2022. We project that the company will be free cash flow negative over the next twelve months after spending approximately $900 million in capex and paying dividends to its owners (dividends were $47 million for the twelve months ended 30 June 2021). We expect Puget to fund its negative free cash flow with a balanced mix of debt and equity.

Puget's $500 million of senior secured notes due in September 2021 will be repaid with the proceeds from its June 2021 issuance. The next maturity is $450 million of senior secured notes due in July 2022.

Structural considerations

Puget's holding company notes are secured by its stock of PSE. The noteholders share this collateral with the lenders in Puget's $800 million revolving credit facility. In light of the lack of liquidity that exists for this collateral and the fact that Puget has a sizable amount of existing and permanent holding company indebtedness outstanding, Moody's does not provide any specific uplift to the rating assigned to Puget's secured debt from its Issuer Rating.

Furthermore, Puget's weaker credit profile relative to PSE reflects approximately 34% of consolidated debt residing at the holding company, the limited sources of cash flow from which Puget's $2 billion of holding company debt can be serviced (i.e., PSE is the only source of dividends) and the existence of regulatory restrictions which could block PSE's payment of cash to service Puget's debt.

PSE's restrictions include the inability to declare or pay dividends if its common equity ratio, calculated on a regulatory basis, is 44.0% or below except to the extent a lower equity ratio is ordered by the WUTC. Also, pursuant to the merger order, PSE may not declare or make any distribution, unless on the date of distribution PSE's corporate credit/issuer rating is investment grade. If PSE's credit rating is below investment grade, PSE's ratio of EBITDA to interest expense for the four most recently ended fiscal quarters prior to such date must be equal to or greater than 3.0x.

Methodology and scorecard

Exhibit 6

Methodology Scorecard Factors

Puget Energy, Inc.

Regulated Electric and Gas Utilities Industry [1][2]	Current LTM 6/30/2021		Moody's 12-18 Month Forward View As of Date Published [3]	
Factor 1 : Regulatory Framework (25%)	**Measure**	**Score**	**Measure**	**Score**
a) Legislative and Judicial Underpinnings of the Regulatory Framework	A	A	A	A
b) Consistency and Predictability of Regulation	A	A	A	A
Factor 2 : Ability to Recover Costs and Earn Returns (25%)				
a) Timeliness of Recovery of Operating and Capital Costs	A	A	A	A
b) Sufficiency of Rates and Returns	Baa	Baa	Baa	Baa
Factor 3 : Diversification (10%)				
a) Market Position	Baa	Baa	Baa	Baa
b) Generation and Fuel Diversity	A	A	A	A
Factor 4 : Financial Strength (40%)				
a) CFO pre-WC + Interest / Interest (3 Year Avg)	3.2x	Baa	3.3x - 3.7x	Baa
b) CFO pre-WC / Debt (3 Year Avg)	11.1%	Ba	12% - 14%	Baa
c) CFO pre-WC – Dividends / Debt (3 Year Avg)	10.3%	Baa	10% - 12%	Baa
d) Debt / Capitalization (3 Year Avg)	59.0%	Ba	57% - 59%	Ba
Rating:				
Scorecard-Indicated Outcome Before Notching Adjustment		Baa1		Baa1
HoldCo Structural Subordination Notching	-1	-1	-1	-1
a) Scorecard-Indicated Outcome		Baa2		Baa2
b) Actual Rating Assigned		Baa3		Baa3

[1] All ratios are based on 'Adjusted' financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations
[2] As of 6/30/2021(L)
[3] This represents Moody's forward view; not the view of the issuer; and unless noted in text, does not incorporate significant acquisitions and divestitures.
Source: Moody's Financial Metrics

Appendix

Exhibit 7

Peer Comparison Table [1]

	Puget Energy, Inc. Baa3 (Stable)			IPALCO Enterprises, Inc. Baa3 (Stable)			Duquesne Light Holdings, Inc. Baa3 (Stable)			Cleco Corporate Holdings LLC Baa3 (Stable)		
(In US millions)	FYE Dec-19	FYE Dec-20	LTM Jun-21	FYE Dec-19	FYE Dec-20	LTM Mar-21	FYE Dec-19	FYE Dec-20	LTM Mar-21	FYE Dec-20	FYE Dec-20	LTM Mar-21
Revenue	3,401	3,326	3,558	1,482	1,353	1,358	1,018	1,049	1,058	1,640	1,498	1,546
CFO Pre-W/C	653	813	920	385	353	351	338	356	345	408	306	266
Total Debt	7,036	7,035	7,267	2,722	2,757	2,773	2,708	2,742	2,783	3,350	3,481	3,542
CFO Pre-W/C + Interest / Interest	2.9x	3.2x	3.6x	4.1x	3.7x	3.7x	3.6x	3.7x	3.7x	3.7x	3.1x	2.8x
CFO Pre-W/C / Debt	9.3%	11.6%	12.7%	14.1%	12.8%	12.6%	12.5%	13.0%	12.4%	12.2%	8.8%	7.5%
CFO Pre-W/C – Dividends / Debt	8.4%	10.9%	12.0%	9.1%	8.8%	8.5%	11.2%	12.8%	11.9%	12.2%	8.8%	7.5%
Debt / Capitalization	60.4%	58.7%	57.2%	76.8%	76.9%	76.0%	59.9%	57.8%	57.7%	50.5%	50.5%	50.7%

[1] All figures & ratios are calculated using Moody's estimates & standard adjustments. FYE = Financial Year-End. LTM = Last Twelve Months.
Source: Moody's Financial Metrics

Exhibit 8

Cash Flow and Cash Flow Metrics [1]

CF Metrics	Dec-17	Dec-18	Dec-19	Dec-20	LTM Jun-21
As Adjusted					
FFO	**1,024**	**914**	**881**	**924**	**1,019**
+/- Other	-116	-69	-228	-110	-99
CFO Pre-WC	**908**	**845**	**653**	**813**	**920**
+/- ΔWC	94	85	-112	-54	-89
CFO	**1,002**	**930**	**541**	**759**	**831**
- Div	123	77	64	45	47
- Capex	1,070	1,098	974	924	928
FCF	**-191**	**-245**	**-497**	**-211**	**-144**
(CFO Pre-W/C) / Debt	14.6%	12.9%	9.3%	11.6%	12.7%
(CFO Pre-W/C - Dividends) / Debt	12.6%	11.8%	8.4%	10.9%	12.0%
FFO / Debt	16.5%	14.0%	12.5%	13.1%	14.0%
RCF / Debt	14.5%	12.8%	11.6%	12.5%	13.4%
Revenue	3,460	3,346	3,401	3,326	3,558
Interest Expense	353	342	353	368	352
Net Income	161	159	194	169	343
Total Assets	13,832	14,272	14,660	15,043	15,725
Total Liabilities	10,302	10,627	10,871	10,903	11,173
Total Equity	3,529	3,645	3,789	4,140	4,553

[1] All figures & ratios are calculated using Moody's estimates & standard adjustments. Periods are Financial Year End unless indicated. LTM = Last Twelve Months.
Source: Moody's Financial Metrics

Ratings

Exhibit 9

Category	Moody's Rating
PUGET ENERGY, INC.	
Outlook	Stable
Issuer Rating	Baa3
Senior Secured	Baa3
PUGET SOUND ENERGY, INC.	
Outlook	Stable
Issuer Rating	Baa1
First Mortgage Bonds	A2
Senior Secured	A2
Commercial Paper	P-2
PUGET SOUND ENERGY, INC. (OLD)	
Outlook	No Outlook
First Mortgage Bonds	A2
Senior Secured	A2
WASHINGTON NATURAL GAS COMPANY	
Outlook	No Outlook
Bkd First Mortgage Bonds	A2

Source: Moody's Investors Service

REPORT NUMBER 1298445

CLIENT SERVICES

Americas	1-212-553-1653
Asia Pacific	852-3551-3077
Japan	81-3-5408-4100
EMEA	44-20-7772-5454