$800,000,000 CREDIT FACILITY
PUGET SOUND ENERGY, INC.

Summary of Terms and Conditions

September 25, 2017

I. **Parties**

Borrower:	Puget Sound Energy, Inc. (the "Borrower").
Guarantors:	None.
Joint Lead Arrangers and Joint Bookrunners:	Mizuho Bank, Ltd. ("Mizuho"), JPMorgan Chase Bank, N.A. ("JPMorgan"), Merrill Lynch, Pierce, Fenner & Smith Incorporated (together with any affiliate it deems appropriate to provide the services contemplated herein, ("MLPFS"), Barclays Bank PLC ("Barclays"), The Bank of Nova Scotia ("BNS"), Export Development Canada ("EDC") U.S. Bank, National Association ("US Bank"), MUFG Union Bank, N.A. ("Union Bank") and Wells Fargo Securities, LLC ("Wells Fargo Securities") (collectively, in such capacity, the "Lead Arrangers").
Administrative Agent:	Mizuho (in such capacity, the "Administrative Agent").
Syndication Agent(s):	JPMorgan.
Documentation Agents:	Bank of America, N.A. ("BANA"), Barclays, BNS, EDC, US Bank, Union Bank and Wells Fargo Bank National Association ("Wells Fargo Bank").
Lenders:	A syndicate of banks, financial institutions and other entities, including Mizuho, JPMorgan, BANA, Barclays, BNS, EDC, US Bank, Union Bank and Wells Fargo Bank arranged by the Lead Arrangers (collectively, the "Lenders").

II. **The Revolving Credit Facility**

Type and Amount of Facility:	Five-year revolving credit facility (the "Revolving Credit Facility") in Dollars of $800,000,000 (the loans thereunder, the "Revolving Credit Loans").
Availability:	The Revolving Credit Facility shall be available on a revolving basis during the period commencing on the Closing Date (as defined below) and ending on the fifth anniversary thereof (the "Revolving Credit Termination Date"). The Credit Documentation (as defined below) shall provide that Base Rate Loans (as defined in Annex I) shall be available upon notice to the Administrative Agent received not later than 1:00 p.m. (New York City time) on the date

of the requested borrowing.

Letters of Credit:	A portion of the Revolving Credit Facility not in excess of $75,000,000 (the "Overall LC Sublimit") shall be available for the issuance of letters of credit (the "Letters of Credit") by Mizuho and any other Lenders acceptable to the Borrower and the Administrative Agent (in such capacity, each an "Issuing Lender"). The obligation of each Issuing Lender to issue Letters of Credit under the Revolving Credit Facility shall be limited to an amount not in excess of $25,000,000 unless otherwise agreed to by such Issuing Lender, the Administrative Agent and the Borrower (subject at all times to the Overall LC Sublimit). No Letter of Credit shall have an expiration date after the earlier of (a) one year after the date of issuance and (b) five business days prior to the Revolving Credit Termination Date, provided that any Letter of Credit with a one-year tenor may provide for the renewal thereof for additional one-year periods (which shall in no event extend beyond the date referred to in clause (b) above). Drawings under any Letter of Credit shall be reimbursed by the Borrower (whether with its own funds or with the proceeds of Revolving Credit Loans) on the same business day. To the extent that the Borrower does not so reimburse the applicable Issuing Lender, the Lenders under the Revolving Credit Facility shall be irrevocably and unconditionally obligated to reimburse such Issuing Lender on a pro rata basis.
Swing Line Loans:	A portion of the Revolving Credit Facility not in excess of $75,000,000 shall be available for swing line loans (the "Swing Line Loans") from Mizuho (in such capacity, the "Swing Line Lender") on same-day notice. Any such Swing Line Loans will reduce availability under the Revolving Credit Facility on a dollar-for-dollar basis. Each Lender under the Revolving Credit Facility shall acquire, under certain circumstances, an irrevocable and unconditional pro rata participation in each Swing Line Loan.
Maturity:	The Revolving Credit Termination Date. Subject to customary conditions, the Borrower shall have the option to request prior to any anniversary of the Closing Date, but on not more than two (2) occasions during the term of the Revolving Credit Facility, that the Revolving Credit Termination Date be extended for one additional one-year period. If Lenders (including new Lenders and Lenders replacing non-consenting Lenders) holding commitments to more than 50% of the Revolving Credit Facility consent to such extension, then the Revolving Credit Termination Date shall be extended as so requested. Any Lender that declines the Borrower's request for a commitment extension will have its commitment terminated on the then existing Revolving Credit Termination Date (without regard to any extensions by other Lenders). The Borrower will have the right to accept commitment

	increases from consenting existing Lenders and new commitments from other financial institutions reasonably acceptable to the Administrative Agent and the Issuing Lenders to replace the commitments of any non-extending existing Lenders. No Lender shall be required to consent to any such extension request. For purposes of clarity, at any date of determination, the Revolving Credit Facility will have a term of no more than 5 years, whether such determination is made before or after giving effect to any extension election made by the Borrower.
Purpose:	The proceeds of the Revolving Credit Loans shall be used to refinance existing indebtedness and for general corporate purposes of the Borrower and its subsidiaries (other than hostile acquisitions).
Expansion Feature:	Prior to or subsequent to the Closing Date, the Borrower may, at its option and subject to conditions to be determined, request to increase the aggregate amount of the Revolving Credit Facility or, subsequent to the Closing Date only, obtain incremental term loans, or any combination of increases and incremental term loans, in an amount up to $600,000,000 without the consent of any Lenders not participating in such increase or incremental term loans (provided that any such increase occurring prior to the Closing Date shall not exceed $200,000,000). The requested increase(s) may be assumed by one or more existing lenders and/or by other financial institutions, as agreed by the Borrower, the Administrative Agent and any Issuing Lender.

III. **Certain Payment Provisions**

Fees and Interest Rates:	As set forth on Annex I.
Optional Prepayments and Commitment Reductions:	Revolving Credit Loans may be prepaid in whole or in part and from time to time without prepayment penalty or premium (subject to LIBOR breakage fees, if applicable) and commitments may be reduced by the Borrower in minimum amounts substantially consistent with the Existing Credit Agreement.
Mandatory Prepayments:	Revolving Credit Loans will be required to be prepaid if the aggregate revolving credit exposure under the Revolving Credit Facility exceeds the aggregate commitments thereunder.

IV. **Certain Conditions**

Initial Conditions:	The availability of the Revolving Credit Facility shall be conditioned upon satisfaction of, among other things, the following conditions precedent (the date upon which all such conditions precedent shall be satisfied, the "Closing Date") on or before November 3, 2017:
	(a) The Borrower shall have negotiated, executed and delivered

satisfactory definitive financing documentation with respect to the Revolving Credit Facility (the "Credit Documentation").

(b) The Lenders, the Administrative Agent and the Lead Arrangers shall have received all fees required to be paid, and all expenses for which invoices have been presented, on or before the Closing Date.

(c) The Lenders shall have received (i) satisfactory audited consolidated financial statements of the Borrower for the two most recent fiscal years ended prior to the Closing Date as to which such financial statements are available, (ii) satisfactory unaudited interim consolidated financial statements of the Borrower for each quarterly period ended subsequent to the date of the latest financial statements delivered pursuant to clause (i) of this paragraph as to which such financial statements are available and (iii) satisfactory financial statement projections through and including the Borrower's 2022 fiscal year, together with such information as the Administrative Agent and the Lenders shall reasonably request (including, without limitation, a detailed description of the assumptions used in preparing such projections).

(d) The Lenders shall have received such legal opinions, documents, certificates and other instruments as are customary for transactions of this type or as the Administrative Agent may reasonably request.

(e) The Administrative Agent shall have received evidence satisfactory to it that (i) that certain Credit Agreement dated as of February 4, 2013 by and among the Borrower, the lenders from time to time parties thereto and Wells Fargo Bank, as administrative agent, as amended, has been terminated and cancelled and any and all indebtedness thereunder shall have been fully repaid (except to the extent being so repaid with the proceeds of the initial Loans or otherwise re-evidenced under the Credit Documentation) and any and all liens thereunder, if any, have been terminated and released and (ii) the proposed $800,000,000 senior credit facility for Puget Energy, Inc. shall be effective prior to or substantially concurrently with the effectiveness of the Credit Documentation.

On-Going Conditions: The making of each extension of credit shall be conditioned upon (a) the accuracy of all representations and warranties in the Credit Documentation (including, without limitation, the material adverse change and litigation representations and warranties) and (b) there being no default or event of default in existence at the time of, or after giving effect to the making of, such extension of credit. As used herein and in the Credit Documentation a "material adverse change" shall mean any event, development or circumstance that has had or could reasonably be expected to have a material adverse effect on (a) the business, assets, operations, property or condition (financial or otherwise) of the Borrower and its subsidiaries taken as a whole, (b) the validity or enforceability of any of the Credit Documentation or the rights or remedies of the Administrative Agent and the Lenders thereunder or (c) the ability of the Borrower to perform any of its obligations under the Credit Documentation.

V. Certain Documentation Matters

The Credit Documentation shall contain representations, warranties, covenants and events of default customary for financings of this type and other terms deemed appropriate by the Lenders, including, without limitation:

Representations and Warranties: Existence, qualification and power; compliance with laws; binding effect; authorization; no contravention; governmental authorization and other consents; taxes; no default; financial statements; no material adverse effect; indebtedness; ranking; ownership of assets; no other business; insurance; disclosure; subsidiaries and equity interests; no dividend restrictions; litigation; solvency; margin regulations; Investment Company Act; USA Patriot Act; ERISA compliance; environmental compliance; labor disputes; affiliate transactions; anti-corruption laws and sanctions; and EEA financial institutions.

Affirmative Covenants: Delivery of financial statements, officers' certificates and other information requested by the Lenders; notices of defaults, litigation and other material events; compliance with laws (including implementation and maintenance of policies and procedures in respect of anti-corruption laws and sanctions); preservation of existence; compliance with environmental laws; maintenance of properties; ownership of operating companies; maintenance of insurance; use of proceeds (including in respect of anti-corruption laws and sanctions); payment of obligations; cooperation; maintenance of books and records; performance of material agreements; maintenance of ratings; and inspection rights.

Financial Covenant: The Borrower will comply with the following financial covenant:

- Leverage Ratio. The Borrower shall maintain at all times a ratio of total funded indebtedness to total capitalization of not more than 0.65 to 1.00.

  The financial covenant shall be calculated (i) without giving effect to any election by the Borrower or any of its subsidiaries to value any of its indebtedness or liabilities at "fair value" pursuant to Accounting Standards Codification 825-10-25 (or any other accounting standards codification or financial accounting standard having a similar result or effect) and (ii) without giving effect to any treatment of indebtedness in respect of convertible debt instruments under Accounting Standards Codification 470-20 (or any other accounting standards codification or financial accounting standard having a similar result or effect) to value any such indebtedness in a reduced or bifurcated manner as described therein, and such indebtedness shall at all times be valued at the full stated principal amount thereof.

Negative Covenants:	Limitations on: liens; dispositions; investments; fundamental changes; nature of business; transactions with affiliates; management fees; accounting changes; restrictive agreements; preservation of rights under material contracts.
Events of Default:	Nonpayment of principal when due; nonpayment of interest, fees or other amounts after a grace period of three business days; violation of covenants (subject, in the case of certain affirmative covenants, to grace periods substantially consistent with those provided in the Existing Credit Agreement); material inaccuracy of representations and warranties; cross-default with a $50,000,000 threshold; insolvency proceedings with a grace period for involuntary proceedings substantially consistent with that provided in the Existing Credit Agreement; Credit Documentation ceasing to be in full force and effect or any party thereto so asserting; material qualification of accounts; material judgments; certain ERISA events; inability to pay debts; attachment; material contract or lease; and a change of control.
Voting:	Amendments and waivers with respect to the Credit Documentation shall require the approval of Lenders holding greater than 50% of the aggregate amount of the Revolving Credit Loans, participations in Letters of Credit and Swing Line Loans and unused commitments under the Revolving Credit Facility; <u>provided</u> that (a) the consent of each Lender directly affected thereby shall be required with respect to (i) reductions in the amount or extensions of the scheduled date of final maturity of any Revolving Credit Loan, (ii) reductions in the rate of interest or any fee or extensions of any due date thereof and (iii) increases in the amount or extensions of the expiry date of any Lender’s commitment and (b) the consent of 100% of the Lenders shall be required with respect to modifications to any of the voting percentages or pro rata sharing.
Assignments and Participations:	The Lenders shall be permitted to assign to certain eligible assignees all or a portion of their Revolving Credit Loans and commitments with the consent, not to be unreasonably withheld, of (a) the Borrower (provided that the Borrower shall be deemed to have consented to any such assignment unless it shall object thereto by written notice to the Administrative Agent within five business days after having received notice thereof), unless (i) the assignee is a Lender, an affiliate of a Lender or an approved fund (which assignment would not result in tax or other gross up costs for the Borrower’s account in excess of any such tax or gross up costs of the assignor) or (ii) an Event of Default has occurred and is continuing, (b) the Administrative Agent, (c) any Issuing Lender and (d) the Swing Line Lender. In the case of partial assignments (other than to another Lender, to an affiliate of a Lender or an

approved fund), the minimum assignment amount shall be $5,000,000, in the case of a commitment under the Revolving Credit Facility, unless otherwise agreed by the Borrower and the Administrative Agent. The Administrative Agent shall receive a processing and recordation fee of $3,500 in connection with all assignments.

The Lenders shall also be permitted to sell to eligible persons participations in their Revolving Credit Loans without the Borrower's consent. Participants shall have the same benefits as the Lenders with respect to yield protection and increased cost provisions. Voting rights of participants shall be limited to those matters with respect to which the affirmative vote of the Lender from which it purchased its participation would be required as described under "Voting" above. Pledges of Revolving Credit Loans in accordance with applicable law shall be permitted without restriction. Promissory notes shall be issued under the Revolving Credit Facility only upon request.

Yield Protection:	The Credit Documentation shall contain customary provisions (a) protecting the Lenders against increased costs or loss of yield resulting from changes in reserve, tax, capital adequacy, liquidity and other requirements of law (including reflecting that both (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines, requirements and directives thereunder, issued in connection therewith or in implementation thereof and (y) all requests, rules, guidelines, requirements and directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III shall, in the case of each of the foregoing clause (x) and clause (y), be deemed to be a change in law regardless of the date enacted, adopted, issued or implemented) and from the imposition of or changes in withholding or other taxes and (b) indemnifying the Lenders for "breakage costs" incurred in connection with, among other things, any prepayment of a Eurodollar Loan (as defined in Annex I) on a day other than the last day of an interest period with respect thereto.
Expenses and Indemnification:	The Borrower shall pay (a) all reasonable out-of-pocket expenses of the Administrative Agent and the Lead Arrangers and their affiliates associated with the syndication of the Revolving Credit Facility and the preparation, execution, delivery and administration of the Credit Documentation and any amendment or waiver with respect thereto (provided that legal fees and costs shall be limited to the reasonable fees, disbursements and other charges of Sidley Austin LLP) and (b) all out-of-pocket expenses of the Administrative Agent and the Lenders (including the fees, disbursements and other charges of Sidley Austin LLP) in connection with the enforcement of the Credit Documentation. The Administrative Agent, the Lead Arrangers, the Lenders and

	their affiliates and the respective officers, directors, employees, advisors and agents of such persons will have no liability for, and will be indemnified and held harmless against, any loss, liability, cost or expense incurred in respect of the financing contemplated hereby or the use or the proposed use of proceeds thereof (except to the extent determined by a court of competent jurisdiction by a final and nonappealable judgment to have resulted from the gross negligence, willful misconduct or the material breach in bad faith by any indemnified person of its express obligations hereunder pursuant to a claim initiated by the Borrower of the indemnified party).
Defaulting Lenders and EU Bail-In:	The Credit Documentation will contain the Administrative Agent's customary provisions in respect of defaulting lenders and contractual recognition of EU bail-in.
Governing Law:	State of New York.
Forum:	Borough of Manhattan.
Counsel to the Administrative Agent:	Sidley Austin LLP.

Annex I

Interest and Certain Fees

Interest Rate Options: The Borrower may elect that the Revolving Credit Loans comprising each borrowing bear interest at a rate per annum equal to:

the ABR plus the Applicable Margin; or

the Adjusted LIBO Rate plus the Applicable Margin;

provided, that all Swing Line Loans shall bear interest based upon the ABR.

As used herein:

"ABR" means the greatest of (i) the Prime Rate, (ii) the NYFRB Rate (defined as the greater of the federal funds effective rate and the overnight bank funding rate) from time to time (but not less than zero) plus 0.5% and (iii) the Adjusted LIBO Rate for a one month interest period on the applicable date plus 1%.

"Adjusted LIBO Rate" means the LIBO Rate, as adjusted for statutory reserve requirements for eurocurrency liabilities.

"Applicable Margin" means a percentage determined in accordance with the pricing grid attached hereto as Annex I-A (the "Pricing Grid").

"Fitch" means Fitch Inc., or any successor thereto.

"LIBO Rate" means the rate (but not less than zero) at which eurodollar deposits in the London interbank market for one, two, three or six months (as selected by the Borrower) are quoted on the applicable Reuters screen.

"Moody's" means Moody's Investors Service, Inc., or any successor thereto.

"Pricing Level" means Pricing Level I, Pricing Level II, Pricing Level III, Pricing Level IV or Pricing Level V, as the context may require.

"Pricing Level I" means any time when (i) no event of default has occurred and is continuing, and (ii) the Senior Debt Rating is A or higher by S&P or A2 or higher by Moody's or A or higher by Fitch.

"Pricing Level II" means any time when (i) no event of default has occurred and is continuing, (ii) the Senior Debt Rating is A- or higher by S&P or A3 or higher by Moody's or A- or higher by Fitch and (iii) Pricing Level I does not apply.

"Pricing Level III" means any time when (i) no event of default has occurred and is continuing, (ii) the Senior Debt Rating is BBB+ or higher by S&P or Baa1 or higher by Moody's or BBB+ or higher by Fitch and (iii) none of Pricing Level I or Pricing Level II is applicable.

"Pricing Level IV" means any time when (i) no event of default has occurred and is continuing, (ii) the Senior Debt Rating is BBB or higher by S&P or Baa2 or higher by Moody's or BBB or higher by Fitch and (iii) none of Pricing Level I, Pricing Level II or Pricing Level III is applicable.

"Pricing Level V" means any time when none of Pricing Levels I, II, III and IV is applicable.

"Prime Rate" means the interest rate most recently published in the Money Rates section of The Wall Street Journal from time to time as the Prime Rate in the U.S. or, if The Wall Street Journal ceases to quote such rate, the highest per annum interest rate published by the Board of Governors of the Federal Reserve System in Federal Reserve Statistical Release H.15 (519) (Selected Interest Rates) as the "bank prime loan" rate or, if such rate is no longer quoted therein, any similar rate quoted therein (as reasonably determined by the Administrative Agent) or any similar release by the Board of Governors of the Federal Reserve System (as reasonably determined by the Administrative Agent). Any change in such prime rate shall take effect at the opening of business on the day specified in the public announcement of such change.

"S&P" means Standard & Poor's Ratings Group, a division of The McGraw Hill Companies, or any successor thereto.

"Senior Debt Rating" means at any date, the credit rating identified by S&P, Moody's or Fitch as the credit rating which (i) it has assigned to long term unsecured senior debt of the Borrower or (ii) would assign to long term unsecured senior debt of the Borrower were the Borrower to issue or have outstanding any long term unsecured senior debt on such date.

Interest Payment Dates: In the case of Revolving Credit Loans bearing interest based upon the ABR ("ABR Loans"), quarterly in arrears.

In the case of Revolving Credit Loans bearing interest based upon the Adjusted LIBO Rate ("Eurodollar Loans"), on the last day of each relevant interest period and, in the case of any interest period longer than three months, on each successive date three months after the first day of such interest period.

Commitment Fees: The Borrower shall pay a commitment fee calculated at the rate prescribed in the Pricing Grid on the average daily unused amount of the Revolving Credit Facility, payable quarterly in arrears. For purposes of calculating the commitment fee, Swing Line Loans shall not be considered usage of the Revolving Credit Facility.

Letter of Credit Fees:	The Borrower shall pay a commission on all outstanding Letters of Credit at a per annum rate equal to the Applicable Margin then in effect with respect to Eurodollar Loans on the face amount of each such Letter of Credit. Such commissions shall be shared ratably among the Lenders and shall be payable quarterly in arrears. A fronting fee equal to a per annum amount to be mutually agreed between the Borrower and the applicable Issuing Bank on the face amount of each Letter of Credit shall be payable quarterly in arrears to the applicable Issuing lender for its own account. In addition, customary administrative issuance, amendment, payment and negotiation charges shall be payable to the applicable Issuing Lender for its own account.
Default Rate:	At any time when the Borrower is in default in the payment of any amount of principal due under any of the Revolving Credit Facility, such overdue amount shall bear interest at 2.00% above the rate otherwise applicable thereto. Overdue interest, fees and other amounts shall bear interest at 2.00% above the rate applicable to ABR Loans.
Rate and Fee Basis:	All per annum rates shall be calculated on the basis of a year of 360 days (or 365/366 days, in the case of ABR Loans the interest rate payable on which is then based on the Prime Rate) for actual days elapsed.

Pricing Grid

Pricing Level	Commitment Fee	Applicable Margin for Eurodollar Loans	Applicable Margin for ABR Loans
Level I	0.10%	1.00%	0.00%
Level II	0.125%	1.125%	0.125%
Level III	0.175%	1.250%	0.250%
Level IV	0.225%	1.500%	0.500%
Level V	0.275%	1.750%	0.750%

Changes in the Applicable Margin and the Commitment Fee resulting from a change in the Pricing Level shall become effective on the effective date of any change in the Senior Debt Rating from S&P, Moody's or Fitch or on the occurrence of an Event of Default.

In the event a rating is provided by only two of S&P, Moody's and Fitch and there exists a split in the Senior Debt Rating from S&P, Moody's and Fitch that would otherwise result in the application of more than one Pricing Level (had the provisions regarding the applicability of other Pricing Levels contained in the definitions thereof not been given effect), then the Applicable Margin and the Commitment Fee shall be determined as follows:

a. if the split in the Senior Debt Rating is one Pricing Level, then the higher Senior Debt Rating will be the applicable Pricing Level,
b. if the split in the Senior Debt Rating is two Pricing Levels, the midpoint between the two will be the applicable Pricing Level, and
c. if the split in the Senior Debt Rating is more than two Pricing Levels, the Pricing Level will be the Pricing Level immediately below the higher Pricing Level.

In the event a rating is provided by all three of S&P, Moody's and Fitch and there exists a split in the Senior Debt Rating from S&P, Moody's and Fitch that would otherwise result in the application of more than one Pricing Level (had the provisions regarding the applicability of other Pricing Levels contained in the definitions thereof not been given effect), then the Applicable Margin and the Commitment Fee shall be determined as follows:

a. if any two Senior Debt Ratings are the same Pricing Level, then such Pricing Level shall apply,
b. if no two Senior Debt Ratings are the same Pricing Level and there is a midpoint among such Pricing Levels, the midpoint among the three will be the applicable Pricing Level, and
c. if no two Senior Debt Ratings are the same Pricing Level and there is no midpoint among such Pricing Levels, the Pricing Level will be the Pricing Level immediately below the highest Pricing Level.

If at any time the long term unsecured senior debt of the Borrower is unrated by Moody's and S&P, the Pricing Level will be Pricing Level V; provided that if the reason that there is no such Senior Debt Rating results from Moody's and S&P ceasing to issue debt ratings generally, then the Borrower and the Administrative Agent may select another nationally-recognized rating agency to substitute for Moody's and S&P for purposes of the foregoing Pricing Grid (and all references herein to Moody's and S&P, as applicable, shall refer to such substitute rating agency), and until a substitute nationally-recognized rating agency is so selected, the Pricing Level shall be determined by reference to the Senior Debt Rating most recently in effect prior to cessation.

The Borrower shall give written notice to the Administrative Agent of each change to the Senior Debt Rating within five (5) business days thereof.