

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND)
TRANSPORTATION COMMISSION,)
Complainant,)
v.)
PUGET SOUND ENERGY,)
Respondent.)

DOCKETS UE-190529 and
UG-190530 (*consolidated*)

In the Matter of the Petition of)
PUGET SOUND ENERGY)
For an Order Authorizing Deferral)
Accounting and Ratemaking Treatment)
for Short-life UT/Technology Investment.)

DOCKETS UE-190274 and
UG-190275 (*consolidated*)

**EXHIBIT MPG-4
CREDIT METRICS COMPARISON
NOVEMBER 22, 2019**

PUGET SOUND ENERGY

Credit Metric Comparisons

<u>Line</u>	<u>Description</u>	<u>Test Year¹</u>	<u>Rate Year¹</u>	<u>Var¹</u>	<u>Rating</u> <u>Target Range</u>	<u>Indicated</u> <u>Rating</u>
		(1)	(2)	(3)	(4)	(5)
<u>S&P</u>						
1	FFO/Debt	21.7%	23.3%	1.6%	13-23% ²	BBB ²
2	Debt/EBITDA	3.6x	3.4x	-0.2x	3.5x-4.5x ²	BBB ²
<u>Moody's</u>						
3	CFO pre WC/Debt	20.3%	22.0%	1.7%	13-22% ³	Baa ³
4	CFO pre WC/Int	4.8x	5.2x	0.3x	4.5x-6.0x ³	A ³
5	CFO pre WC - Div/Debt	16.5%	18.2%	1.7%	17-25% ³	Baa ³
6	Debt/Cap	49.9%	49.9%	0.0%	45-55% ³	Baa ³
<u>Fitch</u>						
7	FFO Fixed Charge Coverage	4.4x	4.7x	0.3x		
8	FFO Adjusted Leverage	3.9x	3.6x	-0.2x		
9	Debt/EBITDAR	3.3x	3.2x	-0.2x		

Sources:

¹ PSE Exh DAD-06.

² Standard & Poor's; "Criteria: Corporate Methodology," Table 3 and Table 18 Cash Flow/Leverage Analysis Ratios -- Medial Volatility, November 19, 2013.

³ Moody's Investors Service; Regulated Electric and Gas Utilities - Factor 4: Financial Strength A rating, June 23, 2017.