

**Exh. DCP-3
Dockets UE-190529/UG-190530 and
UE-190274/UG-190275 (*consolidated*)
Witness: David C. Parcell**

**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 TO TESTIMONY OF

David C. Parcell

**ON BEHALF OF STAFF OF
WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION**

Puget Sound Energy Total Cost of Capital

November 22, 2019

**PUGET SOUND ENERGY
TOTAL COST OF CAPITAL**

Item	Percent 1/	Cost	Weighted Cost
Short-term Debt	2.3%	5.65% 2/	0.13%
Long-term Debt	49.2%	5.57% 2/	2.74%
Common Equity	48.5%	8.90% 9.20% 9.50%	4.32% 4.46% 4.61%
Total	100.0%		7.19% 7.48% 7.33%

1/ Capital structure proposed by Company, reflecting a 48.5% common equity ratio approved by Commission in last case.

2/ Costs of debt contained in Company filing, as shown on Exh. MDM-1T, page 15, for the 12 months ended March 31, 2021, reflecting the inclusion of Commitment Fees and Amortization of Short-Term Debt Issue Cost in Short-Term Debt cost and inclusion of Amortization of Reacquired Debt in Long-Term Debt cost.

Cost of Short-Term Debt:		Ratio	Cost	Wgt. Cost
	Marginal Short-Term Debt Rate	2.3%	4.18%	0.10%
	Commitment Fees			0.02%
	Amortization of Short-Term Debt Issue Cost			0.01%
			5.65%	0.13%
Cost of Long-Term Debt				
	Marginal Long-Term Debt Rate	49.2%	5.51%	2.71%
	Amortization of Reacquired Debt			0.03%
			5.57%	2.74%