

**BEFORE THE WASHINGTON  
UTILITIES & TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION,

Complainant,

v.

PUGET SOUND ENERGY

Respondent.

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DOCKET NOS. UE-190529 and UG-190530 (*Consolidated*)

**J. RANDALL WOOLRIDGE ON BEHALF OF PUBLIC COUNSEL UNIT**

**EXHIBIT JRW-3**

Recommended Cost of Capital

November 22, 2019

Exhibit JRW-3

Puget Sound Energy  
Recommended Cost of Capital

<b>Capital Source</b>	<b>Capitalization Ratios**</b>	<b>Cost Rate</b>	<b>Weighted Cost Rate*</b>
<b>Short-Term Debt</b>	<b>2.30%</b>	<b>2.38%</b>	<b>0.08%</b>
<b>Long-Term Debt</b>	<b>49.20%</b>	<b>5.51%</b>	<b>2.74%</b>
<b>Common Equity</b>	<b><u>48.50%</u></b>	<b><u>8.75%</u></b>	<b><u>4.24%</u></b>
<b>Total Capitalization</b>	<b>100.00%</b>		<b>7.07%</b>

\* Weighted short-term debt cost rate includes .03% of commttment and amortization fees

Weighted long-term debt cost rate includes .03% of amortization fees

\*\* Capital Structure Ratios are developed in Exhibit JRW-5.