# BEFORE THE WASHINGTON UTILITIES & TRANSPORTATION COMMISSION

# WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION,

Complainant,

v.

# **PUGET SOUND ENERGY**

Respondent.

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

# J. RANDALL WOOLRIDGE ON BEHALF OF PUBLIC COUNSEL UNIT

## **EXHIBIT JRW-5**

Capital Structure Ratios and Debt Cost Rate

November 22, 2019

# Docket Nos. UE-190529 & UG-190530 Exhibit JRW-5 Capital Structure Ratios and Debt Cost Rates Page 1 of 3

### **Exhibit JRW-5**

# Puget Sound Energy Capital Structure Ratios and Debt Cost Rates

Panel A - Puget Sound Energy Proposed Capital Structure and Debt Cost Rate

	Capitalization	Cost	Weighted
Capital Source	Ratios	Rate	Cost Rate*
Short-Term Debt	2.30%	4.18%	0.13%
Long-Term Debt	49.20%	5.51%	2.74%
Common Equity	<u>48.50%</u>		
Total Capital	100.00%		

<sup>\*</sup> Weighted short-term debt cost rate includes .03% of commttment and amortization fees Weighted long-term debt cost rate includes .03% of amortization fees

Panel B - PC's Proposed Capital Structure Ratios and Debt Cost Rate

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

<sup>\*</sup> Weighted short-term debt cost rate includes .03% of commttment and amortization fees Weighted long-term debt cost rate includes .03% of amortization fees

#### Puget Sound Energy Short Term Debt Interest and Fees Details For The 12 Months Ended March 31, 2021

Sorrowings (000%): Commercial Paper (CP) Sorrowings (100%): Commercial Paper (CP) Sorrowings (100%): Sorrowi	For The 12 Months Ended March 31, 2021													
Sorrowings (000%): Commercial Paper (CP) Sorrowings (100%): Commercial Paper (CP) Sorrowings (100%): Sorrowi	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Avg of Mo Avg
Commercial Papers (CP)	STD Average Balance (in 000's) \$185,103	\$185,103	\$185,103	\$185,103	\$185,103	\$185,103	\$185,103	\$185,103	\$185,103	\$185,103	\$185,103	\$185,103	\$185,103	\$185,103
Part	Borrowings (000's):													
Tread Short-serm Debet   \$185,103	Commercial Paper (CP) \$92,551	\$92,551	\$92,551	\$92,551	\$92,551	\$92,551	\$92,551	\$92,551	\$92,551	\$92,551	\$92,551	\$92,551	\$92,551	\$92,551
Interest Rate Components: Pojected LIBO Rates (1 mo) 1 67%   1.64%   1.64%   1.65%   1.54%   1.54%   1.53%   1.53%   1.53%   1.53%   1.53%   1.52%   1.25%   1.51%   1.50%   1.50%   Interest Ce Spread   0.35%   0.35%   0.35%   0.35%   0.35%   0.35%   0.35%   0.35%   0.35%   0.35%   0.35%   0.35%   0.35%   0.35%   0.35%   0.35%   0.35%   0.35%   Interest Rates: Interest Rates: Interest Rates: Indicated Polysea of California (1.25%   1.25%   1.25%   1.25%   1.25%   1.25%   1.25%   1.25%   1.25%   1.25%   1.25%   1.25%   1.25%   1.25%   1.25%   1.25%   Interest Rates: Interest Rates: Interest Rates: Interest Rates: Interest Rates: Indicated Polysea of Rates: Interest Rates: Interes	Credit Facilities 92,551	92,551	92,551	92,551	92,551	92,551	92,551	92,551	92,551	92,551	92,551	92,551	92,551	\$92,551
Projected LIBO Rates (cm)   1.67%   1.64%   1.64%   1.64%   1.64%   1.54%   1.53%   1.53%   1.53%   1.53%   1.52%   1.53%   1.53%   1.53%   0.35%	Total Short-term Debt \$185,103	\$185,103	\$185,103	\$185,103	\$185,103	\$185,103	\$185,103	\$185,103	\$185,103	\$185,103	\$185,103	\$185,103	\$185,103	\$185,103
Lard CP Spead 0.35% 0.35	Interest Rate Components:													
Part														
Name   Part														
Productification	Credit Facilities Margin 1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	
Number of Days in Month    30   31   30   31   31   30   31   31	Annual Interest Rates:													
Number of Days in Month														
Interest Expense (i):  Planterest Planterest Spense (ii):  Planterest Spense (iii):  Planterest Spense (iii):  Spense (iii): Spense (iii): Spense (iii): Spense (iii): Spense (iii): Spense (iii): Spense (iii): Spense (iii): Spense (	Credit Facilities 2.92%	2.89%	2.85%	2.81%	2.79%	2.79%	2.78%	2.78%	2.78%	2.77%	2.77%	2.76%	2.75%	
Platers   S153,743   S153,945   S147,868   S150,925   S150,925   S150,925   S143,356   S149,946   S144,801   S149,352   S148,763   S133,900   S147,810   S1,777,967   Credit Facilities Interest   376,899   382,517   364,790   373,578   372,317   361,113   371,619   359,015   370,432   369,224   332,88   367,348   S44,004,664   S44,004,	Number of Days in Month	30	31	30	31	31	30	31	30	31	31	28	31	
Second Facilities Interest   S223,156   S227,122   S217,102   S212,633   S222,022   S214,763   S214,214   S221,080   S221,081   S20,401   S198,686   S219,537   S2,622,499   Fotal Interest   S78,6899   S32,517   S46,790   S73,578   S72,317   S40,113   S10,619   S70,449   S70,432   S49,251   S49	Interest Expense (i):													Totals
Standard	CP Interest	\$153,743								\$149,352		\$133,900		
Avg Monthly Borrowing Rate	Credit Facilities Interest		\$227,122			\$222,022						\$198,686	\$219,537	
Commitments (000's):	Total Interest	376,899	382,517	364,790	373,578	372,317	360,113	371,619	359,015	370,432	369,254	332,585	367,348	\$4,400,466
Credit Facility Commitments   \$800,000   \$	Avg Monthly Borrowing Rate	2.44%	2.40%	2.36%	2.34%	2.34%	2.33%	2.33%	2.33%	2.32%	2.32%	2.31%	2.30%	2.38%
Loan & LOC Utilization   \$92,551   \$	Loan Commitments (000's):													
State   Stat		,	,	,	,	,	,	,	,	,	,		,	
Commitment Fees: Rate														
Commitment Fees (Unutilized p 0.175% \$103,170 \$106,609 \$103,170 \$106,609 \$103,170 \$106,609 \$103,170 \$106,609 \$103,170 \$106,609 \$103,170 \$106,609 \$103,170 \$106,609 \$103,170 \$106,609 \$103,170 \$106,609 \$103,170 \$106,609 \$103,170 \$106,609 \$106,609 \$96,292 \$106,609 \$1,255,230 \$1,	Unutilized Portion \$707,449	\$707,449	\$707,449	\$707,449	\$707,449	\$707,449	\$707,449	\$707,449	\$707,449	\$707,449	\$707,449	\$707,449	\$707,449	
Control Commitment Fees   \$103,170   \$106,609   \$103,170   \$106,609   \$103,170   \$106,609   \$103,170   \$106,609   \$103,170   \$106,609   \$103,170   \$106,609   \$106,609   \$96,292   \$106,609   \$1,255,230														
Letters of Credit: 1.000%  LC Outstanding under Cr Agrmt (000's)	` 1	,	,	,	,	,	,	,	,	,	,	, .	,	
COutstanding under Cr Agrmt (000's) \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0	Total Commitment Fees	\$103,170	\$106,609	\$103,170	\$106,609	\$106,609	\$103,170	\$106,609	\$103,170	\$106,609	\$106,609	\$96,292	\$106,609	\$1,255,230
COutstanding with Wells (000's)														
Cotal LC Fees (\$ not in 000's)   1.000%   \$2,345   \$2,423   \$2,423   \$2,345   \$2,286   \$2,286   \$2,286   \$2,212   \$2,286   \$2,212   \$2,286   \$2,2														
Commitmer \$1,282,549														
Implied Rat \$7,978,568,524   Weight Cos   Color	Total LC Fees (\$ not in 000's) 1.000%	\$2,345	\$2,423	\$2,345	\$2,286	\$2,286	\$2,212	\$2,286	\$2,212	\$2,286	\$2,286	\$2,065		
Short Term Debt Issue Cost Amortization: 6400mm Operating Capital Facility (1810108 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0														
Short Term Debt Issue Cost Amortization:  6400mm Operating Capital Facility (1810108 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0														
3400mm Operating Capital Facility (1810108													Weight Cos	0.02%
3400mm Operating Capital Facility (1810108	Cl. 4 Town D.14 Love Co. 4 Ave. 2													
3400mm Capital Expenditure Facility (18900         \$0<		60	60	60	en	60	60	60	60	60	60	60	60	60
650mm Liquidity Fac (18100673) \$10,211														
650mm Liquidity Refinance (18900443) \$2,285														
\$800mm Liquidity Fac (18100683) \$46,205 \$46,20														
650mm Liquidity Refinance (18900473) \$1,580														
Total Amortization \$60,281 \$60,281 \$60,281 \$60,281 \$60,281 \$60,281 \$60,281 \$60,281 \$60,281 \$60,281 \$60,281 \$60,281 \$60,281 \$60,281 \$60,281 \$60,281 \$60,281 \$723,375 Implied Rat \$7,978,568,524														
Implied Rat \$7,978,568,524														
	- Can I amortization	900,201	900,201	ψ00,201	900,201	500,201	400,201	400,201	\$00,201	300,201	900,201	ψ00,201		
													Weight Cos	0.01%

Source - NEW-PSE-Exh-MDM-05-6-20-19. Projected LIBOR Rates - page 3 of Exhibit JRW-3.



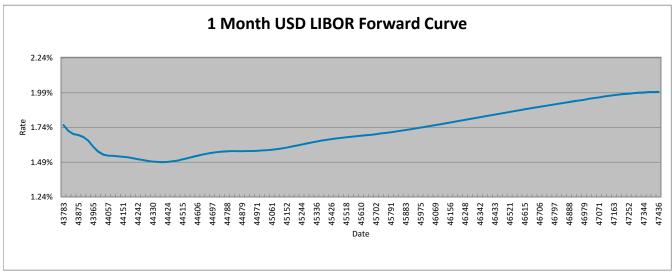
#### 1 Month USD LIBOR Forward Curve

11/8/2019

LIBOR is a registered trademark of the ICE Benchmark Administration (IBA).

Warning: Neither ICE, IntercontinentalExchange Group, Inc. and ICE LIBOR can be held liable for any irregularity.





Source: https://rates.chathamfinancial.com/us-market/forward-curve

https://rates.chathamfinancial.com/us-market/forward-curve

Date	1 Month USD LIBOR Forward Curve
11/14/2019	1.76%
12/16/2019	1.71%
1/14/2020	1.69%
2/14/2020	1.68%
3/16/2020	1.67%
4/14/2020	1.64%
5/14/2020	1.60%
6/15/2020	1.56%
7/14/2020	1.54%
8/14/2020	1.54%
9/14/2020	1.53%
10/14/2020	1.53%
11/16/2020	1.53%
12/14/2020	1.52%
1/14/2021	1.52%
2/15/2021	1.51%
3/15/2021	1.50%
4/14/2021	1.50%
5/14/2021	1.49%
6/14/2021	1.49%
7/14/2021	1.49%
8/16/2021	1.49%
9/14/2021	1.49%
10/14/2021	1.50%
11/15/2021	1.51%
12/14/2021	1.52%