

2023 ANNUAL REPORT OF SECURITIES TRANSACTIONS

TO THE

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

This report sets forth the information required by 480-90-262 and 480-100-262 for the securities transactions of Puget Sound Energy (“PSE”) during the calendar year 2023.

Short Term Borrowing Arrangements

At January 1, 2023, PSE had two short-term borrowing arrangements, which included an \$800 million 5-year Liquidity line of credit and a \$200 million Demand Promissory Note.

\$800 Million Liquidity Credit Facility

On May 16, 2022, PSE entered into a new \$800 million credit facility to replace the existing credit facility. The terms and conditions, including size, fees, financial covenant, expansion feature, and credit spreads, remain substantially the same as the previous credit facility. The base interest rate on loans is the Secured Overnight Financing Rate (SOFR). The credit facility has a term of 5 years with a new expiration date of May 14, 2027. The credit facility is used for general corporate funding needs, to back up the issuance of commercial paper, and for standby letters of credit. For standby letters of credit, the company pays a fronting fee mutually agreed upon by the company and the issuing bank plus the applicable percentage applied to adjusted SOFR-based loans that varies based on the company’s corporate credit ratings. The company is able to borrow under the credit facility at a rate based on adjusted Term SOFR plus 10 basis points plus a spread that is based on the company’s corporate credit ratings. The credit facility also contains a swingline feature that allows the company to borrow up to \$75 million on a same-day basis. PSE pays an ongoing commitment fee under the credit agreement for the unused portion of the facility. The commitment fee rate is based on the company’s corporate credit ratings.

Level of Expenses

Fees and expenses paid in connection with entering into the credit agreement through December 31, 2023 were as follows:

<u>Description</u>	<u>Amount</u>
Bank Participation, Arrangement & Agent Fees	\$2,493,517
Legal Fees	<u>722,942</u>
Total	<u>\$3,216,459</u>

\$200 Million Demand Promissory Note

On June 1, 2006, PSE entered into a revolving credit agreement, represented by a Demand Promissory Note, with Puget Energy. The Promissory Note was amended from \$30 Million to \$200 Million on May 19, 2023. Under the Note, PSE may borrow, repay, and reborrow up to \$200 million. Each loan is subject to Puget Energy's approval and is made at its sole discretion. Puget Energy may demand repayment of outstanding principal and interest at any time. The facility can be used for general corporate purposes. The rate of interest PSE pays for loans under the Note is the one-month Term SOFR rate that would be payable by Lender for an advance under Lender's senior revolving credit facility on the first business day of each calendar month (including the applicable margin and all rate adjustments under such senior credit facility), based on a 360-day year for the actual days elapsed.

Level of Expenses

There were no expenses associated with entering into the agreement.

Securities Transactions

On May 18, 2023, PSE issued in a public offering \$400.0 million of Senior Notes maturing on June 1, 2053. Net proceeds after underwriting fees of \$3.5 million were \$396.5 million. The notes were issued at an interest rate of 5.448% and were recorded as long-term debt on the Company's books. Details of the security issuance, including the final term sheet, were provided in May 30, 2023 in WUTC Docket U-230355.

Use of Proceeds

The notes are the first ever green bond for PSE to finance eligible investments under Puget Energy, Inc.'s (PE) new Sustainable Financing Framework ([here](#)). The net proceeds will be used to fund eligible projects funded during the 24 months preceding the date of issuance of the Senior Notes and within 36 months of the date of issuance of the Senior Notes. Prior to allocation, net proceeds may be utilized, in part or in full, repayment of short-term indebtedness such as credit facilities or commercial paper or held in cash or cash equivalents. PSE will publish an annual impact report documenting the allocation of the proceeds to projects that qualify under the Framework on its website. Full proceeds were used to finance eligible investments.

Level of Expenses

Fees and expenses paid in connection with the bond issuance through December 31, 2023 were as follows:

<u>Description</u>	<u>Amount</u>
Underwriting Fees	\$3,512,000
Rating Agency	918,000
Shelf Registration Allocation and Auditor Fees	180,781
Legal Fees	97,023
Trustee and Other Fees	<u>11,839</u>
Total	<u>\$4,719,643</u>

Securities Scheduled to Mature in the Following Reporting Period (year ending Dec. 31, 2023)

Puget Sound Energy does not have any securities scheduled to mature during the year ending December 31, 2024.

Summary

Capital Structure and Cost of Capital

Attachment A shows the Company's resulting capital structure and cost of capital for the year ending December 31, 2023.