

**EXH. MDM-9  
DOCKETS UE-190529/UG-190530  
UE-190274/UG-190275  
2019 PSE GENERAL RATE CASE  
WITNESS: MATTHEW D. MCARTHUR**

**BEFORE THE  
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION,**

**Complainant,**

**v.**

**PUGET SOUND ENERGY,**

**Respondent.**

**Docket UE-190529  
Docket 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 IT/Technology Investment**

**Docket UE-190274  
Docket UG-190275 (*Consolidated*)**

**SECOND EXHIBIT (NONCONFIDENTIAL) TO THE  
PREFILED REBUTTAL TESTIMONY OF**

**MATTHEW D. MCARTHUR**

**ON BEHALF OF PUGET SOUND ENERGY**

**JANUARY 15, 2020**



**Puget Sound Energy**  
**Requested Cost of Debt**  
**For The 12 Months Ended March 31, 2021**

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	
					Net				
		Interest	Issue	Maturity	Proceeds	Cost Rate	Annual Charge	Principal	
	Bond	Rate	Date	Date	Per \$100 (i)	(ii)	(\$'000)	in 000's	
6	MTN-A	6.740%	Jun-98	Jun-18	98.99	6.83%			
7	MTN-C	7.150%	Dec-95	Dec-25	99.21	7.21%	1,082	15,000	
8	MTN-C	7.200%	Dec-95	Dec-25	99.21	7.26%	145	2,000	
9	MTN-A	7.020%	Dec-97	Dec-27	98.99	7.10%	21,300	300,000	
10	MTN-B	7.000%	Mar-99	Mar-29	99.04	7.08%	7,080	100,000	
11	PCB	3.900%	May-13	Mar-31	98.94	3.98%	5,511	138,460	
12	PCB	4.000%	May-13	Mar-31	98.94	4.08%	955	23,400	
13	SN	5.483%	May-05	Jun-35	84.89	6.65%	16,625	250,000	
14	SN	6.724%	Jun-06	Jun-36	107.52	6.17%	15,425	250,000	
15	SN	6.274%	Sep-06	Mar-37	98.81	6.36%	19,080	300,000	
16	SN	5.757%	Sep-09	Oct-39	98.98	5.83%	20,405	350,000	
17	SN	5.795%	Mar-10	Mar-40	98.96	5.87%	19,078	325,000	
18	SN	5.764%	Jun-10	Jul-40	98.97	5.84%	14,600	250,000	
19	SN	5.638%	Mar-11	Apr-41	98.97	5.71%	17,130	300,000	
20	SN	4.434%	Nov-11	Nov-41	98.96	4.50%	11,250	250,000	
21	SN	4.700%	Nov-11	Nov-51	98.86	4.76%	2,142	45,000	
22	SN	4.300%	May-15	May-45	98.48	4.39%	18,658	425,000	
23	SN	4.223%	Jun-18	Jun-48	98.89	4.29%	25,740	600,000	
24	<b>Total First Mortgage Bonds and Senior Notes</b>							<b>216,204</b>	<b>3,923,860</b>
25									
26									
27	Total Long-term Debt Cost of Interest					<b>5.51%</b>	<b>216,204</b>	<b>3,923,860</b>	
28									
29	Short-Term Debt Cost of Interest					4.18%	7,745	\$185,103	
30	<b>Blended Cost of Interest (ST&amp;LT Debt)</b>					<b>(iii) 5.45%</b>	<b>223,949</b>	<b>\$4,108,963</b>	
31									
32	<b>Projected AMA Long-term Debt in Rate year (\$ in 000's)</b>						<b>\$3,923,860</b>		
33	<b>Requested Long-term Debt Ratio in Rate Year</b>						<u>49.2%</u>		
34	<b>Implied AMA Total Capitalization in Rate Year (\$ in 000's)</b>						<b>\$7,978,569</b>		

36 (i) Net proceeds are face amount less underwriter's fees and issuance expenses.

37 (ii) Cost Rate for each bond is the yield to maturity based on net proceeds.

38 (iii) For blended cost of interest for short-term debt and long-term debt, the cost rate is the total annual interest charge divided by the average outstanding balance for the period.



**Puget Sound Energy**  
**Schedule of Annual Charges on Reacquired Debt**  
**For The 12 Months Ended March 31, 2021**

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)
Issue	Issue Date	Maturity Date	Redemption Date	Refinance Issue	Refinance Date	Maturity Date for Amort.	Monthly Amortization (i)	No. of Months in Period	Annual Amortization (i)
1	21-Jun-91	21-Jun-01	15-Jun-98	20 Yr 6.740%	15-Jun-98	15-Jun-18	\$292	6	\$1,749
2	13-Jan-92	12-Jan-22	21-Mar-03			12-Jan-22	\$95	12	\$1,141
3	13-Jan-92	13-Jan-22	21-Mar-03			13-Jan-22	\$222	12	\$2,663
4	12-Aug-92	12-Aug-22	29-May-03			12-Aug-22	\$5,207	12	\$62,486
5	18-Aug-93	18-Aug-23	18-Aug-03			18-Aug-23	\$888	12	\$10,656
6	15-Oct-90	15-Oct-97	7-Feb-94	30 Yr 7.350%	1-Feb-94	1-Feb-24	\$14,073	12	\$168,880
7	6-Jun-97	1-Jun-27	1-Jun-05			1-Jun-27	\$19,150	12	\$229,804
8	7-Aug-91	1-Aug-21	11-Mar-03	2003 PCB's	11-Mar-03	1-Mar-31	\$3,790	12	\$45,480
9	7-Aug-91	1-Aug-21	11-Mar-03	2003 PCB's	11-Mar-03	1-Mar-31	\$2,880	12	\$34,561
10	1-Mar-92	1-Mar-22	11-Mar-03	2003 PCB's	11-Mar-03	1-Mar-31	\$8,819	12	\$105,825
11	1-Mar-92	1-Mar-22	11-Mar-03	2003 PCB's	11-Mar-03	1-Mar-31	\$2,691	12	\$32,298
12	11-Mar-03	1-Mar-31	24-Jun-13	2013 PCB's	23-May-13	1-Mar-31	\$24,927	12	\$299,129
13	11-Mar-03	1-Mar-31	24-Jun-13	2013 PCB's	23-May-13	1-Mar-31	\$4,213	12	\$50,553
14	15-Jul-04	15-Jul-06	27-May-05	30 Yr 5.483%	27-May-05	27-May-35	\$1,424	12	\$17,087
15	24-May-01	30-Jun-41	30-Jun-06	30 Yr 6.724%	30-Jun-06	15-Jun-36	\$16,418	12	\$197,021
16	1-Sep-90	1-Sep-20	23-Dec-11	40 Yr 4.70%	22-Nov-11	15-Nov-51	\$33,377	12	\$400,519
17	12-Oct-05	1-Oct-15	5-Jun-15	30 Yr 4.30%	26-May-15	20-May-45	\$6,859	12	\$82,302
18	23-Jan-09	15-Jan-16	5-Jun-15	30 Yr 4.30%	26-May-15	20-May-45	\$26,387	12	\$316,650
19	4-Jun-07	1-Jun-67	27-Apr-18			1-Jun-67		12	\$75,166
20									
21									
22									
23									
24									
25	<b>Total Amortization on Reacquired Debt</b>								
26									<u>\$2,133,971</u>
27	<b>Implied Rate Year Capitalization</b>								
28									<b>\$7,978,568,524</b>
29	<b>Weighted Cost of Reacquired Debt</b>								
30									0.03%

31 (i) Amortization is over life of replacement issue or remaining life of called bond if no replacement issue.