

2022 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 2022.

Short Term Borrowing Arrangements

At January 1, 2022, PSE had two short-term borrowing arrangements, which included an \$800 million 5-year Liquidity line of credit and a \$30 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 has changed to the Secured Overnight Financing Rate (SOFR), as the London Interbank Offer Rate (LIBOR) is being discontinued in 2023. 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, 2022 were as follows:

<u>Description</u>	<u>Amount</u>
Bank Participation, Arrangement & Agent Fees	\$2,493,517
Legal Fees	718,483
Total	<u>\$3,212,000</u>

\$30 Million Demand Promissory Note

On June 1, 2006, PSE entered into a revolving credit agreement, represented by a Demand Promissory Note, with Puget Energy. Under the Note, PSE may borrow, repay, and reborrow up to \$30 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 lowest of the weighted average borrowing rates during the month paid by PSE on outstanding Commercial Paper or loans under PSE's senior unsecured revolving credit facility. If no loans have been outstanding during the month under the two previous methods, then the Note shall carry interest at the 1-month LIBOR rate plus 0.25%.

Level of Expenses

There were no expenses associated with entering into the agreement.

Securities Transactions

PSE did not issue any new securities or enter into any new credit agreements in 2022.

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, 2023.

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, 2022.