

**EXH. TMH-10  
DOCKETS UE-22 \_\_\_/UG-22 \_\_\_  
2022 PSE GENERAL RATE CASE  
WITNESS: THOMAS M. HUNT**

**BEFORE THE  
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION,**

**Complainant,**

**v.**

**PUGET SOUND ENERGY,**

**Respondent.**

**Docket UE-22 \_\_\_  
Docket UG-22 \_\_\_**

**NINTH EXHIBIT (NONCONFIDENTIAL) TO THE  
PREFILED DIRECT TESTIMONY OF**

**THOMAS M. HUNT**

**ON BEHALF OF PUGET SOUND ENERGY**

**JANUARY 31, 2022**

## Retirement Plan for Employees of Puget Sound Energy, Inc.

### Funding Guidelines -- Illustrated Results for 2020 Based on 1/1/2020 valuation results

MVA = 753.0M as of 12/31/2019, excluding receivable contributions  
FAS discount rate as of 12/31/2019 = 3.35%  
Funding segment rates for 2020 = 3.64%, 5.21%, 5.94%

| <b>Funding Guidelines Summary for 2020</b> |                          |
|--|--------------------------|
| Minimum/Maximum Range:                     | \$0.0M to \$314.6M       |
| Baseline Amount:                           | \$47.0M                  |
| EoY Floor Amount:                          | \$0.0M                   |
| <b>Funding Guideline Range:</b>            | <b>\$0.0M to \$47.0M</b> |

#### IRS Minimum (simplified):

= TNC x100% + 1/6 (FT x100% - MV Assets)  
based on 2020 Actuarial Valuation results

16,256,653 Target Normal Cost 2020  
16,256,653 TNC x100%

590,301,494 Funding Target as of 1/1/2020  
590,301,494 FT x100%

753,042,538 MV Assets as of 1/1/2020  
127.6% Funded ratio = Assets / Funding Target

(162,741,044) Shortfall/(Surplus) = FT x100% - MV Assets

16,256,653 TNC x100%  
(16,256,653) 1/6 x Shortfall / (Surplus)  
- **Minimum for 2020**

#### Baseline Amount:

= SC x120% + 1/10 (PBO x120% - MV Assets)  
based on 2020 Actuarial Valuation results

24,337,292 PBO Service Cost 2020  
29,204,750 SC x120%

775,439,336 PBO as of 1/1/2020  
930,527,203 PBO x120%

753,042,538 MV Assets as of 1/1/2020  
97.1% PBO funded ratio = Assets / PBO

177,484,665 120% Shortfall/(Surplus) = PBO x120% - MV Assets

29,204,750 SC x120%  
17,748,467 1/10 x 120% Shortfall/(Surplus)  
**46,953,217 Baseline for 2020**

#### Maximum Deductible (simplified):

= TNC + (FT x150% - MV Assets)  
based on 2020 Actuarial Valuation results

20,853,730 Target Normal Cost 2020

1,046,796,950 FT x150%

20,853,730 TNC x100%  
293,754,412 FT x150% - MV Assets

**314,608,142 Maximum Deductible for 2020**

#### EoY Floor Amount:

= FT x90% - MV Assets (close to year-end)  
actual amount to be determined as of 11/30/2020

601,800,000 Funding Target as of 1/1/2021 (estimated)  
541,600,000 FT x90%

768,000,000 MV Assets as of 1/1/2021 (estimated)  
127.6% Funded ratio = Assets / Funding Target

**0 EoY Floor for 2020**

#### Notes:

IRS Minimum reflects segment rate stabilization.

IRS minimum contribution for 2020 is 0.0M.

Maximum deductible calculations do not reflect segment rate stabilization.

EoY Floor Amount is based on projected assets and liabilities from beginning of year, ignoring 2020 contributions.