

APPENDIX A

In the Matter of the Joint Application of PUGET HOLDINGS LLC and PUGET SOUND ENERGY, INC., For an Order Authorizing Proposed Transaction
Docket No. U-072375

Re: Public Counsel Motion Challenging the Confidentiality of Certain Materials Provided in Discovery by Joint Applicants

This Appendix consists of a list of items that the Joint Applicants previously, but are no longer, asserting the confidentiality of under the terms of the Protective Order (Order 02) issued in this case. Each specific item is indicated by shading.

1. Exhibit No. ____ (SGH-1THC) at page 39, lines 8-10 states as follows:

In PSE Response to Public Counsel Data Request No. 3027, as Attachment A, the Applicants provided the January 2008 Confidential Information Memorandum for \$3.575 Billion of Senior Credit Facilities.

Exhibit No. ____ (EMM-1T) at page 22, lines 7-17, discloses the \$3.575 billion of total credit facilities for Puget Energy, Inc. (“Puget Energy”) and Puget Sound Energy, Inc. (“PSE”).

2. Exhibit No. ____ (SGH-1THC) at page 39, lines 8-10 states as follows:

As outlined in the memorandum, the debt to reside at Puget Energy (which is termed “HoldCo” in the debt memorandum) consists of two facilities: a \$1.425 Billion, five-year, secured term loan (used to facilitate the purchase of Puget, including retiring \$375 Million of Puget’s currently outstanding senior debt); and a \$1.0 Billion, five-year, secured multiple draw term loan (for capital expenditures).

Exhibit No. ____ (EMM-1T) at page 22, lines 7-17, discloses the \$1.425 billion senior unsecured term loan facility at Puget Energy.

Exhibit No. ____ (EMM-1T) at page 30, lines 13-16 discloses that “PSE anticipates that it will use the funds associated with this additional investment to redeem approximately \$375 million principal amount of its long-term debt (and to pay the approximately \$18.9 million in redemption premiums that will be due).”

Exhibit No. ____ (EMM-1T) at page 22, lines 7-17, discloses the \$1 billion senior unsecured capital expenditure facility at Puget Energy.

3. Exhibit No. ____ (SGH-1THC) at page 39, line 21, through page 40, line 6, states as follows:

In addition, the debt memorandum calls for \$1.150 Billion of term debt to reside at the Puget Sound Energy level (termed “OpCo” in the memorandum). That debt is to replace PSE’s current similar debt facilities and is to consist of three parts” 1) a \$400 Million, five-year, revolving credit facility (to fund capital expenditures), 2) a \$400 Million, five-year, revolving credit facility/letter of credit facility to fund working capital requirements, and 3) a \$300 Million, five-year, revolving credit facility (for energy hedging operations).

Exhibit No. ____ (EMM-1T) at page 22, lines 7-17, discloses the \$1.150 billion of term debt at PSE.

Exhibit No. ____ (EMM-1T) at page 22, lines 7-17, discloses a \$400 million senior unsecured capital expenditure facility at PSE.

Exhibit No. ____ (EMM-1T) at page 22, lines 7-17, discloses a \$400 million senior unsecured liquidity facility for working capital at PSE.

Exhibit No. ____ (EMM-1T) at page 22, lines 7-17, discloses a \$350 million senior unsecured energy hedging facility at PSE.

4. Exhibit No. ____ (SGH-1THC) at page 41, lines 10-12, states as follows:

Also, as noted above, a portion of the \$1.425 Billion of term debt to be issued by Puget Energy at the time of the merger is to be used to buy-down \$375 Million of long-term debt currently outstanding at Puget.

Exhibit No. ____ (EMM-1T) at page 22, lines 7-17, discloses the \$1.425 billion senior unsecured term loan facility at Puget Energy.

Exhibit No. ____ (EMM-1T) at page 30, lines 13-16 discloses that “PSE anticipates that it will use the funds associated with this additional investment to redeem approximately \$375 million principal amount of its long-term debt (and to pay the approximately \$18.9 million in redemption premiums that will be due).”

5. Exhibit No. ____ (SGH-1THC) at page 41, line 25, through page 42, line 3, states as follows:

The debt memorandum projects that the \$2.45 Billion of debt to be issued by HoldCo (Puget Energy) will be rated [HC] XXXXX
XXXXXXXXXXXXXXXXXXXXXXXXXXXX. [HC]

Exhibit No. ____ (EMM-1T) at page 22, lines 7-17, discloses the \$2.425 billion of debt to be issued by Puget Energy. Please note that the expected rating of such debt remains highly confidential.

6. Exhibit No. ____ (SGH-1THC) at page 61, lines 2-5, states as follows:

However, Moody's does not discuss the additional \$1 Billion of CapEx term debt that is intended to also reside at PE, as they did in the private letter to Macquarie.

Exhibit No. ____ (EMM-1T) at page 22, lines 7-17, discloses the \$1 billion senior unsecured capital expenditure facility at Puget Energy.

7. Exhibit No. ____ (SGH-1THC) at page 61, lines 12-14, states as follows:

Given the facts that Puget Energy will add an additional \$1 Billion to the amount of debt discussed in Moody's published bond rating report . . .

Exhibit No. ____ (EMM-1T) at page 22, lines 7-17, discloses the \$1 billion senior unsecured capital expenditure facility at Puget Energy.

8. Exhibit No. ____ (SGH-1THC) at page 64, lines 9-12, states as follows:

This report, in similar fashion to the Moody's report, elects to discuss only the transaction debt that will reside at PE (the initial \$1.425 Billion), and does not discuss the additional \$1.0 Billion that will also ultimately reside at PE, except to say that "credit measures will be stretched."

Exhibit No. ____ (EMM-1T) at page 22, lines 7-17, discloses the \$1 billion senior unsecured capital expenditure facility at Puget Energy.

9. Exhibit No. ____ (SGH-1THC) at page 67, lines 9-12, states as follows:

The reason for those rating changes is the amount of debt used in the initial purchase of Puget—\$1.425 Billion. However, that initial transaction debt, is far less than the \$2.425 Billion or more that will ultimately reside there.

Exhibit No. ____ (EMM-1T) at page 22, lines 7-17, discloses the \$2.425 billion of debt projected to be issued by Puget Energy.

10. Exhibit No. ____ (SGH-1THC) at page 67, footnote 51, states as follows:

The \$1.0 Billion HoldCo (Puget Energy) CapEx credit facility has a \$0.75 Billion “accordion” feature that allows the company to borrow an additional \$750 Million for capital expenditures.

Exhibit No. ____ (EMM-1T) at page 22, lines 7-17, discloses the \$1 billion senior unsecured capital expenditure facility at Puget Energy.

The information regarding the “accordion” feature was disclosed by PSE representatives on August 25, 2008 at the Commission’s Evidentiary Hearing in this case.