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%

Funding Guidelines Summary for 2020

<table>
<thead>
<tr>
<th>Minimum/Maximum Range:</th>
<th>$0.0M to $314.6M</th>
</tr>
</thead>
<tbody>
<tr>
<td>Baseline Amount:</td>
<td>$47.0M</td>
</tr>
<tr>
<td>EoY Floor Amount:</td>
<td>$0.0M</td>
</tr>
<tr>
<td>Funding Guideline Range:</td>
<td>$0.0M to $47.0M</td>
</tr>
</tbody>
</table>

IRS Minimum (simplified):

\[ TNC \times 100\% + \frac{1}{6} (FT \times 100\% - MV\ Assets) \]

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

Maximum Deductible (simplified):

\[ TNC + (FT \times 150\% - MV\ Assets) \]

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

Baseline Amount:

\[ SC \times 120\% + \frac{1}{10} (PBO \times 120\% - MV\ Assets) \]

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

EoY Floor Amount:

\[ FT \times 90\% - MV\ Assets \]

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.