

**EXH. CGP-5  
DOCKETS UE-22 \_\_\_/UG-22 \_\_\_  
2022 PSE GENERAL RATE CASE  
WITNESS: CARA G. PETERMAN**

**BEFORE THE  
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION,**

**Complainant,**

**v.**

**PUGET SOUND ENERGY,**

**Respondent.**

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

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

**CARA G. PETERMAN**

**ON BEHALF OF PUGET SOUND ENERGY**

**JANUARY 31, 2022**

**PUGET SOUND ENERGY**

**Utility Capital Structure  
Proposed Cost of Capital and Rate of Return  
Projected for January 2022 through December 2022**

(A)	(B)	(C)	(D)	(E)
<b>General Rate Case Request</b>				
<u>Description</u>		<u>Ratio</u>	<u>Cost Rates</u>	<u>Cost of Capital</u>
Marginal Short-Term Debt Rate		1.4%	1.43%	0.02%
Commitment Fees				0.01%
Amortization of Short-Term Debt Issue Cost				0.01%
<b>Weighted Short-Term Debt Rate</b>		50.1%	5.07%	<b>0.04%</b>
Marginal Long-Term Debt Rate				2.54%
Amortization of Reacquired Debt				0.02%
<b>Weighted Long-Term Debt Rate</b>				<b>2.56%</b>
<b>Total Debt</b>		<b>51.5%</b>		<b>2.60%</b>
<b>Common Equity</b>		<b>48.5%</b>	<b>9.40%</b>	<b>4.56%</b>
<b>Total</b>		<b>100.0%</b>		<b>7.16%</b>
<b>Test Year Capital Structure and Cost of Capital</b>				
<u>Description</u>	<u>Amount (i)</u> <i>(\$ in 000's)</i>	<u>Ratio</u>	<u>Cost Rates</u>	<u>Cost of Capital</u>
Marginal Short-Term Debt Rate		2.6%	0.27%	0.01%
Commitment Fees	\$233,962,500			0.02%
Amortization of Short-Term Debt Issue Cost				0.01%
<b>Weighted Short-Term Debt Rate</b>		48.4%	5.28%	<b>0.04%</b>
Long Term Debt	\$4,338,044,407			2.56%
Amortization of Reacquired Debt				0.02%
<b>Weighted Long-Term Debt Rate</b>				<b>2.58%</b>
<b>Total Debt</b>	<b>\$4,572,006,907</b>	<b>51.0%</b>		<b>2.62%</b>
<b>Common Equity</b>	<b>\$4,386,402,333</b>	<b>49.0%</b>	<b>9.43%</b>	<b>4.61%</b>
<b>Total</b>	<b>\$8,958,409,240</b>	<b>100.0%</b>		<b>7.23%</b>

**Puget Sound Energy  
Requested Cost of Debt  
For The 12 Months Ended December 31, 2022**

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
	Bond	Interest Rate	Issue Date	Maturity Date	Net Proceeds Per \$100 (i)	Cost Rate (ii)	Annual Charge (\$'000)	Principal in 000's
6	MTN-C	7.150%	Dec-95	Dec-25	99.21	7.21%	1,082	15,000
7	MTN-C	7.200%	Dec-95	Dec-25	99.21	7.26%	145	2,000
8	MTN-A	7.020%	Dec-97	Dec-27	98.99	7.10%	21,300	300,000
9	MTN-B	7.000%	Mar-99	Mar-29	99.04	7.08%	7,080	100,000
10	SN	5.483%	May-05	Jun-35	84.89	6.65%	16,625	250,000
11	SN	6.724%	Jun-06	Jun-36	107.52	6.17%	15,425	250,000
12	SN	6.274%	Sep-06	Mar-37	98.81	6.36%	19,080	300,000
13	SN	5.757%	Sep-09	Oct-39	98.98	5.83%	20,405	350,000
14	SN	5.795%	Mar-10	Mar-40	98.96	5.87%	19,078	325,000
15	SN	5.764%	Jun-10	Jul-40	98.97	5.84%	14,600	250,000
16	SN	5.638%	Mar-11	Apr-41	98.97	5.71%	17,130	300,000
17	SN	4.434%	Nov-11	Nov-41	98.96	4.50%	11,250	250,000
18	SN	4.700%	Nov-11	Nov-51	98.86	4.76%	2,142	45,000
19	PCB	3.900%	May-13	Mar-31	98.94	3.98%	5,511	138,460
20	PCB	4.000%	May-13	Mar-31	98.94	4.08%	955	23,400
21	SN	4.300%	May-15	May-45	98.48	4.39%	18,658	425,000
22	SN	4.223%	Jun-18	Jun-48	98.89	4.29%	25,740	600,000
23	SN	3.250%	Aug-19	Sep-49	99.09	3.30%	14,850	450,000
24	SN	2.893%	Sep-21	Sep-51	98.86	2.95%	13,275	450,000
25								
26	<b>Total First Mortgage Bonds and Senior Notes at the end of the year</b>							
27								<b>4,823,860</b>
28								
29	<b>Total Long-term Debt Cost of Interest on AMA basis</b>							
30						<b>5.07%</b>	<b>244,329</b>	<b>\$4,823,860</b>
31	Short-Term Debt Cost of Interest							
32	<b>Blended Cost of Interest (ST&amp;LT Debt)</b>							
33					(iii)	1.43%	1,878	\$130,914
34	<b>Projected AMA Long-term Debt in Rate year (\$ in 000's)</b>							
35	<b>Requested Long-term Debt Ratio in Rate Year</b>							
36	<b>Implied AMA Total Capitalization in Rate Year (\$ in 000's)</b>							
37						50.1%	\$9,620,921	

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

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

(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  
Short Term Debt Interest and Fees Details  
For The 12 Months Ended December 31, 2022**

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)	(O)
	Short Term Debt Average Balance (in 000's)	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Average
		\$130,914	\$130,914	\$130,914	\$130,914	\$130,914	\$130,914	\$130,914	\$130,914	\$130,914	\$130,914	\$130,914	\$130,914	\$130,914	\$130,914
4	<b>Borrowings (000's):</b>														
5	Commercial Paper (CP)	\$65,457	\$65,457	\$65,457	\$65,457	\$65,457	\$65,457	\$65,457	\$65,457	\$65,457	\$65,457	\$65,457	\$65,457	\$65,457	\$65,457
6	Credit Facilities	65,457	65,457	65,457	65,457	65,457	65,457	65,457	65,457	65,457	65,457	65,457	65,457	65,457	65,457
7	Total Short-term Debt	\$130,914	\$130,914	\$130,914	\$130,914	\$130,914	\$130,914	\$130,914	\$130,914	\$130,914	\$130,914	\$130,914	\$130,914	\$130,914	\$130,914
8	<b>Interest Rate Components:</b>														
9	Projected LIBOR Rates (1 mo)	0.35%	0.36%	0.40%	0.47%	0.56%	0.65%	0.72%	0.78%	0.83%	0.90%	0.98%	1.06%	1.13%	1.13%
10	Est'd CP Spread	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%
11	Credit Facilities Margin	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%
12	<b>Annual Interest Rates:</b>														
13	CP	0.46%	0.47%	0.50%	0.57%	0.66%	0.75%	0.82%	0.88%	0.94%	1.01%	1.08%	1.16%	1.24%	1.24%
14	Credit Facilities	1.60%	1.61%	1.65%	1.72%	1.81%	1.90%	1.97%	2.03%	2.08%	2.15%	2.23%	2.31%	2.38%	2.38%
15	Number of Days in Month		31	28	31	30	31	30	31	31	30	31	30	31	31
16	<b>Interest Expense (0):</b>														
17	CP Interest	\$26,334	\$26,334	\$25,559	\$32,195	\$36,155	\$42,392	\$44,881	\$49,631	\$52,944	\$54,911	\$60,996	\$63,317	\$69,812	\$59,128
18	Credit Facilities Interest	\$90,875	\$90,875	\$83,854	\$96,737	\$98,615	\$106,933	\$107,341	\$114,173	\$117,486	\$117,371	\$125,537	\$125,777	\$134,353	\$131,9054
19	<b>Total Interest</b>	\$117,209	\$117,209	\$109,413	\$128,932	\$134,770	\$149,325	\$152,223	\$163,804	\$170,431	\$172,282	\$186,533	\$189,094	\$204,165	\$187,8181
20	Avg Monthly Borrowing Rate	1.04%	1.04%	1.07%	1.14%	1.24%	1.32%	1.40%	1.45%	1.51%	1.58%	1.65%	1.73%	1.81%	1.43%
21	<b>Loan Commitments (000's):</b>														
22	Credit Facility Commitments	\$800,000	\$800,000	\$800,000	\$800,000	\$800,000	\$800,000	\$800,000	\$800,000	\$800,000	\$800,000	\$800,000	\$800,000	\$800,000	\$800,000
23	Loan & LOC Utilization	\$65,457	\$65,457	\$65,457	\$65,457	\$65,457	\$65,457	\$65,457	\$65,457	\$65,457	\$65,457	\$65,457	\$65,457	\$65,457	\$65,457
24	Unutilized Portion	\$734,543	\$734,543	\$734,543	\$734,543	\$734,543	\$734,543	\$734,543	\$734,543	\$734,543	\$734,543	\$734,543	\$734,543	\$734,543	\$734,543
25	<b>Commitment Fees:</b>														
26	Commitment Fees (Unutilized portion)	\$110,692	\$99,979	\$110,692	\$110,692	\$107,121	\$110,692	\$107,121	\$110,692	\$110,692	\$107,121	\$110,692	\$107,121	\$110,692	\$1,303,304
27	<b>Total Commitment Fees</b>	\$110,692	\$99,979	\$110,692	\$110,692	\$107,121	\$110,692	\$107,121	\$110,692	\$110,692	\$107,121	\$110,692	\$107,121	\$110,692	\$1,303,304
28	<b>Letters of Credit:</b>														
29	LC Outstanding under Cr. Agmt (000's)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
30	LC Outstanding with Wells (000's)	\$2,317	\$2,317	\$2,317	\$2,317	\$2,317	\$2,317	\$2,317	\$2,132	\$2,132	\$2,132	\$2,132	\$2,132	\$2,132	\$2,132
31	<b>Total LC Fees (\$ not in 000's)</b>	\$1,995	\$1,802	\$1,995	\$1,995	\$1,930	\$1,995	\$1,930	\$1,836	\$1,836	\$1,777	\$1,836	\$1,777	\$1,836	\$22,544
32															\$1,325,847
33															\$9,620,920,865
34															0.01%
35															
36	<b>Short Term Debt Issue Cost Amortization:</b>														
37	\$650mm Liquidity Fee (18100673)	\$10,211	\$10,211	\$10,211	\$10,211	\$10,211	\$10,211	\$10,211	\$10,211	\$10,211	\$10,211	\$10,211	\$2,422	\$0	104,537
38	\$800mm Liquidity Fee (18100683)	\$47,576	\$47,576	\$47,576	\$47,576	\$47,576	\$47,576	\$47,576	\$47,576	\$47,576	\$47,576	\$47,576	\$47,576	\$47,576	0
37	\$650mm Liquidity Refinance (18900473)	\$1,580	\$1,580	\$1,580	\$1,580	\$1,580	\$1,580	\$1,580	\$1,580	\$1,580	\$1,580	\$1,580	\$0	\$0	15,801
38	<b>Total Amortization</b>	\$9,367.51	\$9,367.51	\$9,367.51	\$9,367.51	\$9,367.51	\$9,367.51	\$9,367.51	\$9,367.51	\$9,367.51	\$9,367.51	\$9,367.51	\$9,367.51	\$9,367.51	\$9,367.51
39															\$9,620,920,865
40															0.01%
41															
42	<b>LTD Average Balance (in 000's)</b>														
43	Total LTD	\$4,823,860	\$4,823,860	\$4,823,860	\$4,823,860	\$4,823,860	\$4,823,860	\$4,823,860	\$4,823,860	\$4,823,860	\$4,823,860	\$4,823,860	\$4,823,860	\$4,823,860	\$4,823,860
44	<b>Total STD and LTD</b>	\$4,954,774	\$4,954,774	\$4,954,774	\$4,954,774	\$4,954,774	\$4,954,774	\$4,954,774	\$4,954,774	\$4,954,774	\$4,954,774	\$4,954,774	\$4,954,774	\$4,954,774	\$4,954,774
45	Short Term Debt Allocation														1.4%
46	Long Term Debt Allocation														50.1%
47	<b>Debt Allocation of the Total Capitalization</b>														51.5%
48															
49	(f) Monthly short-term interest is calculated on the average balance for the month times the interest rate for the month times the actual days in the month divided by 360 days.														

**Puget Sound Energy**  
**Schedule of Annual Charges on Reacquired Debt**  
**For The 12 Months Ended December 31, 2022**

	(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										
2										
3										
4										
5	WNG 8.4%	13-Jan-92	12-Jan-22	21-Mar-03			12-Jan-22	\$95	1	\$95
6	WNG 8.39%	13-Jan-92	13-Jan-22	21-Mar-03			13-Jan-22	\$222	1	\$222
7	WNG 7.19%	18-Aug-93	18-Aug-23	18-Aug-03			18-Aug-23	\$888	12	\$10,656
8	9.625% PP	15-Oct-90	15-Oct-97	7-Feb-94	30 Yr 7.350%	1-Feb-94	1-Feb-24	\$14,073	12	\$168,880
9	8.231% Capital Trust I (Tender)	6-Jun-97	1-Jun-27	1-Jun-05			1-Jun-27	\$19,150	12	\$229,804
10	PCB Series 1991A	7-Aug-91	1-Aug-21	11-Mar-03	2003 PCB's	11-Mar-03	1-Mar-31	\$3,790	12	\$45,480
11	PCB Series 1991B	7-Aug-91	1-Aug-21	11-Mar-03	2003 PCB's	11-Mar-03	1-Mar-31	\$2,880	12	\$34,561
12	PCB Series 1992	1-Mar-92	1-Mar-22	11-Mar-03	2003 PCB's	11-Mar-03	1-Mar-31	\$8,819	12	\$105,825
13	PCB Series 1993	1-Mar-92	1-Mar-22	11-Mar-03	2003 PCB's	11-Mar-03	1-Mar-31	\$2,691	12	\$32,298
14	PCB Series 2003	11-Mar-03	1-Mar-31	24-Jun-13	2013 PCB's	23-May-13	1-Mar-31	\$24,927	12	\$299,129
15	PCB Series 2003	11-Mar-03	1-Mar-31	24-Jun-13	2013 PCB's	23-May-13	1-Mar-31	\$4,213	12	\$50,553
16	\$200mm VRN	15-Jul-04	15-Jul-06	27-May-05	30 Yr 5.483%	27-May-05	27-May-35	\$1,424	12	\$17,087
17	8.40% Capital Trust II	24-May-01	30-Jun-41	30-Jun-06	30 Yr 6.724%	30-Jun-06	15-Jun-36	\$16,418	12	\$197,021
18	\$25M 9.57% Gas FMB's	1-Sep-90	1-Sep-20	23-Dec-11	40 Yr 4.70%	22-Nov-11	15-Nov-51	\$33,377	12	\$400,519
19	SN 5.197%	12-Oct-05	1-Oct-15	5-Jun-15	30 Yr 4.30%	26-May-15	20-May-45	\$6,859	12	\$82,302
20	SN 6.75%	23-Jan-09	15-Jan-16	5-Jun-15	30 Yr 4.30%	26-May-15	20-May-45	\$26,387	12	\$316,650
21	Jr. Subordinated Notes	4-Jun-07	1-Jun-67	27-Apr-18			1-Jun-67	\$8,388	12	\$100,653
22										
23	<b>Implied Rate Year Capitalization</b>									<b>\$2,091,736</b>
24										<b>\$9,620,920,565</b>
25	<b>Weighted Cost of Reacquired Debt</b>									0.02%

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