

**EXH. CGP-3
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 ___**

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

CARA G. PETERMAN

ON BEHALF OF PUGET SOUND ENERGY

JANUARY 31, 2022

PUGET SOUND ENERGY, INC.

**Utility Capital Structure
Cost of Capital and Rate of Return
For The 12 Months Ending June 30, 2021**

	(A)	(B)	(C)	(D)	(E)
					Weighted Cost of Capital
	<u>Description</u>	<u>Amount (i)</u>	<u>Ratio</u>	<u>Cost</u>	
7	Short Term Debt	\$233,962,500	2.610%	0.27%	0.01%
9	Long Term Debt	\$4,338,044,407	48.42%	5.28%	2.56%
11	Blended Cost of Interest (Short Term & Long Term)		51.04%	5.05%	2.57%
13	Commitment Fees				0.02%
15	Amortization of Short-Term Debt Issue Cost				0.01%
17	Amortization of Reacquired Debt				0.02%
19	Total Debt	\$4,572,006,907	51.04%		2.62%
21	Common Stock (ii)	\$4,386,402,333	48.96%	9.43%	4.61%
23	Total	<u>\$8,958,409,240</u>	<u>100.00%</u>		<u>7.23%</u>

(i) - Average of Month-End Balances

(ii) - The 9.43% ROE is a pro-rated rate due to the authorized return on equity changed from 9.50% (2017 GRC) to 9.40% (2019 GRC) in October, 2020

Puget Sound Energy, Inc.
Cost of Short-Term Debt
For The 12 Months Ending June 30, 2021

(A)	(B)	(C)	(D)	(E)
<u>Description</u>	<u>Weighted Amt Outstanding (i)</u>	<u>Interest Rate</u>	<u>Annual Charge</u>	<u>Cost Rate</u>
Commercial Paper	\$209,019,356	0.271%	\$567,273	
Demand Promissory Note	\$0	NA	\$0	
\$650mm Liquidity Facility	\$0	NA	\$0	
\$800mm Liquidity Facility	\$0	NA	\$0	
Interest Charges & Avg Borrowing Rate	<u>\$209,019,356</u>	<u>0.271%</u>	<u>\$567,273</u>	0.27%
Commitment Fees			\$1,446,541	0.69% (ii)
12 Month Short Term Debt Issue Costs Amortization			\$714,832	0.34% (iii)
Total Short-Term Debt/Cost	\$209,019,356		\$2,728,646	1.31%

(i) Weighted Average Daily Balance Outstanding for 12 Months Ended

(ii) See Pg 4 STD OS & Comm Fees (includes any LC Fees)

(iii) See Pg 5 STD Amort

**PUGET SOUND ENERGY
SHORT TERM DEBT RATE
For The 12 Months Ending June 30, 2021**

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
Weighted Avg. Outstandings and Rates and Total Commitment Fees									
	Wtd. Avg. Outstandings	Period Interest	Wtd. Avg. Rate (365)	Commitment Fees					
7	Commercial Paper	\$209,019,356	\$567,273	0.271%	\$0				
8	Demand Promissory Note	\$0	\$0	NA	\$0				
10	\$800mm Liquidity Facility	\$0	\$0	NA	1,419,444				
11	Letters of Credit	\$0	\$0	NA	27,096				
12	Totals	\$209,019,356	\$567,273	0.271%	\$1,446,541				
	Total Capitalization				\$8,958,409,240				
	Weighted Cost of Short Term Debt Commitment Fees					0.02%			
Bank Facility Fees									
Commitment Fee Calculation									
	Beginning Date	Ending Date	Days	Commitment	Wgt'd Avg Utilized (Drawn)	Wgt'd Avg Utilized Commitment	Fee %	Fee \$	
19	\$800mm Liquidity Facility	07/01/20	06/30/21	365	\$800,000,000	\$800,000,000	0.175%	1,419,444	
20	Bank Facility Commitment Fees					\$0		1,419,444	
	Letters of Credit (LC) Fees								
23	Goldendale; Klickitat PUD Transmission			Wells Fargo (not within facility)	Facility	Days	W. Avg Amount		
24						365	\$2,654,750	1.000%	\$27,096
25	Total Fees								\$27,096
27	Commitment fees are calculated for actual days elapsed on the basis of a 360 day year.								

**PUGET SOUND ENERGY
AMORTIZATION OF SHORT TERM DEBT ISSUE COSTS
For The 12 Months Ending June 30, 2021**

(A)	(B)	(C)	(D)	(E)	(F)
Description	\$650 million Liquidity Fac 18100673	\$800 million Liquidity Fac 18100683	\$650 million Liquidity Refinance 18900473	TOTAL AMORTIZATION	
1					
2					
3					
4					
5	Beginning Balance				
6	As of: 6/30/20	\$288,343	\$1,903,040	\$44,242	
7					
8	July-20	(10,211)	(47,576)	(1,580)	
9	August-20	(10,211)	(47,576)	(1,580)	
10	September-20	(10,211)	(47,576)	(1,580)	
11	October-20	(10,211)	(47,576)	(1,580)	
12	November-20	(10,211)	(47,576)	(1,580)	
13	December-20	(10,211)	(47,576)	(1,580)	
14	January-21	(10,211)	(47,576)	(1,580)	
15	February-21	(10,211)	(47,576)	(1,580)	
16	March-21	(12,634)	(47,576)	(1,580)	
17	April-21	(10,211)	(47,576)	(1,580)	
18	May-21	(10,211)	(47,576)	(1,580)	
19	June-21	(10,211)	(47,576)	(1,580)	
20	Total Amortization for 12 months ended 6/30/21	(\$124,959)	(\$570,912)	(\$18,961)	(\$714,832)
21					
22	Costs transferred in				
23	Costs transferred out	(2,422)			
24	Ending Balance	\$160,961	\$1,332,128	\$25,281	
25					
26	Total Capitalization				8,958,409,240
27					
28	Weighted Cost of Short Term Debt Issuance Cost Amortization				0.01%

Puget Sound Energy, Inc. Cost of Long Term Debt (\$ in 000's)
For The 12 Months Ending June 30, 2021

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)	(O)	(P)	(Q)	(R)	(S)	(T)	(U)	(V)		
	Type	Interest Rate	Issue Date	Mat. Date	W. Avg. Amt O/S	Procee ds (f)	Cost Rate (ii)	Annual Charge	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21		
1	MTN-C	7.150%	Dec-95	Dec-25	15,000	99.21	7.21%	1,082	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	
2	MTN-C	7.200%	Dec-95	Dec-25	2,000	99.21	7.26%	145	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	
3	MTN-A	7.020%	Dec-97	Dec-27	300,000	98.99	7.10%	21,300	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	
4	MTN-B	7.000%	Mar-99	Mar-29	100,000	99.04	7.08%	7,080	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	
5	PCB	3.900%	May-13	Mar-31	138,460	98.94	3.98%	5,511	138,460	138,460	138,460	138,460	138,460	138,460	138,460	138,460	138,460	138,460	138,460	138,460	138,460	138,460	
6	PCB	4.000%	May-13	Mar-31	23,400	98.94	4.08%	955	23,400	23,400	23,400	23,400	23,400	23,400	23,400	23,400	23,400	23,400	23,400	23,400	23,400	23,400	
7	SN	5.483%	May-05	Jun-35	250,000	84.89	6.65%	16,625	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	
8	SN	6.724%	Jun-06	Jun-36	250,000	107.52	6.17%	15,425	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	
9	SN	6.274%	Sep-06	Mar-37	300,000	98.81	6.36%	19,080	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	
10	SN	5.757%	Sep-09	Oct-39	350,000	98.98	5.83%	20,405	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	
11	SN	5.795%	Mar-10	Mar-40	325,000	98.96	5.87%	19,078	325,000	325,000	325,000	325,000	325,000	325,000	325,000	325,000	325,000	325,000	325,000	325,000	325,000	325,000	
12	SN	5.764%	Jun-10	Jul-40	250,000	98.97	5.84%	14,600	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	
13	SN	5.638%	Mar-11	Apr-41	300,000	98.97	5.71%	17,130	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	
14	SN	4.434%	Nov-11	Nov-41	250,000	98.96	4.50%	11,250	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	
15	SN	4.700%	Nov-11	Nov-51	45,000	98.86	4.76%	2,142	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	
16	SN	4.300%	May-15	May-45	425,000	98.48	4.39%	18,658	425,000	425,000	425,000	425,000	425,000	425,000	425,000	425,000	425,000	425,000	425,000	425,000	425,000	425,000	
17	SN	4.223%	Jun-18	Jun-48	600,000	98.89	4.29%	25,740	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	
18	SN	3.250%	Aug-19	Sep-49	450,000	99.09	3.30%	14,850	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	
19																							
20																							
21																							
22	TOTAL LONG TERM DEBT					4,373,860			231,054	4,373,860	4,373,860	4,373,860	4,373,860	4,373,860	4,373,860	4,373,860	4,373,860	4,373,860	4,373,860	4,373,860	4,373,860	4,373,860	4,373,860
23																							
24	TOTAL LONG TERM DEBT COST					4,373,860			231,054														
25	Short Term Debt	Cost of Interest			209,019		0.27%	567															
26	Blended Cost of Interest (ST&LT D)					4,582,879		5.05%	231,621														
27																							
28																							
29																							
30	(i) Net proceeds are the net proceeds per \$100 face amount and are the proceeds less underwriter's fees and issuance expenses.																						
31	(ii) Yield to Maturity based on Net Proceeds																						

Puget Sound Energy, Inc.
Schedule of Annual Charges on Reacquired Debt
For The 12 Months Ending June 30, 2021

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
	Issue	Issue Date	Maturity Date	Redemption Date	Refinance Issue	Refinance Date	Maturity Date for Amort.	Annual Amortization (i)	SAP #
1									
2									
3									
4									
5	10.250%	29-Dec-87	15-Dec-97	15-Dec-95			10-Nov-16	\$0	18900013
6	8.231% Capital Trust I (Call)	6-Jun-97	1-Jun-27	1-Jun-07	JrSubN 6.974%	4-Jun-07	1-Jun-17	\$0	18900383
7	9.14% PP	21-Jun-91	21-Jun-01	15-Jun-98	20 Yr 6.740%	15-Jun-98	15-Jun-18	\$0	18900243
8	WNG 8.4%	13-Jan-92	12-Jan-22	21-Mar-03			12-Jan-22	\$1,141	18900293
9	WNG 8.39%	13-Jan-92	13-Jan-22	21-Mar-03			13-Jan-22	\$2,663	18900303
10	WNG 8.25%	12-Aug-92	12-Aug-22	29-May-03			12-Aug-22	\$62,486	18900323
11	WNG 7.19%	18-Aug-93	18-Aug-23	18-Aug-03			18-Aug-23	\$10,656	18900353
12	9.625% PP	15-Oct-90	15-Oct-97	7-Feb-94	30 Yr 7.350%	1-Feb-94	1-Feb-24	\$168,880	18900173
13	8.231% Capital Trust I (Tender)	6-Jun-97	1-Jun-27	1-Jun-05			1-Jun-27	\$229,804	18900193
14	PCB Series 1991A	7-Aug-91	1-Aug-21	11-Mar-03	2003 PCB's	11-Mar-03	1-Mar-31	\$45,480	18900253
15	PCB Series 1991B	7-Aug-91	1-Aug-21	11-Mar-03	2003 PCB's	11-Mar-03	1-Mar-31	\$34,561	18900263
16	PCB Series 1992	1-Mar-92	1-Mar-22	11-Mar-03	2003 PCB's	11-Mar-03	1-Mar-31	\$105,825	18900273
17	PCB Series 1993	1-Mar-92	1-Mar-22	11-Mar-03	2003 PCB's	11-Mar-03	1-Mar-31	\$32,298	18900283
18	PCB Series 2003	11-Mar-03	1-Mar-31	24-Jun-13	2013 PCB's	23-May-13	1-Mar-31	\$299,129	18900433
19	PCB Series 2003	11-Mar-03	1-Mar-31	24-Jun-13	2013 PCB's	23-May-13	1-Mar-31	\$50,553	18900533
20	\$200mm VRN	15-Jul-04	15-Jul-06	27-May-05	30 Yr 5.483%	27-May-05	27-May-35	\$17,087	18900183
21	8.40% Capital Trust II	24-May-01	30-Jun-41	30-Jun-06	30 Yr 6.724%	30-Jun-06	15-Jun-36	\$197,021	18900373
22	\$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	\$400,519	18900393
23	SN 5.197%	12-Oct-05	1-Oct-15	5-Jun-15	30 Yr 4.30%	26-May-15	20-May-45	\$82,302	18900203
24	SN 6.75%	23-Jan-09	15-Jan-16	5-Jun-15	30 Yr 4.30%	26-May-15	20-May-45	\$316,650	18900213
25	Jr. Subordinated Notes	4-Jun-07	1-Jun-67	27-Apr-18			1-Jun-67	\$100,653	18900233
26									
27	Total Amortization on Reacquired Debt							\$2,157,708	
28									
29	Total Capitalization							\$8,958,409,240	
30									
31	Weighted Cost of Reacquired Debt							0.02%	
32									
33									
34									

Total Amortization on Reacquired Debt

Total Capitalization

Weighted Cost of Reacquired Debt

(i) Applicable monthly amortization during the 12 month reporting period; Amortization is over life of replacement issue or remaining life of called bond if no replacement issue.