

**Puget Sound Energy**  
**Cost of LT Debt For the 12 Months Ended April 30, 2013 with effect of refinanced PCB's**

1	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)	(O)	(P)	(Q)	(R)	(S)	(T)	(U)	(V)		
2						Net																Avg Amt		
3		Principal	Interest	Issue	Maturity	Proceeds	Cost	Annual	Month-End Balances Rollforward (\$ in millions)													Out-		
4		in 000's	Rate	Date	Date	Per \$100	Rate (ii)	Charge	A-12	M-12	J-12	J-12	A-12	S-12	O-12	N-12	D-12	J-13	F-13	M-13	A-13	standing		
5	Bond	4/30/2012				(i)																(in 000's)		
6	MTN-B	\$3,000	6.830%	Aug-93	Aug-13	98.81	6.94%	208,216	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	\$3,000	
7	MTN-B	\$10,000	6.900%	Sep-93	Oct-13	98.82	7.01%	701,037	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	10.0	10.0	\$10,000
8	MTN-C	\$10,000	7.350%	Sep-95	Sep-15	98.84	7.46%	746,219	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	10.0	10.0	\$10,000
9	MTN-C	\$2,000	7.360%	Sep-95	Sep-15	98.84	7.47%	149,442	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	\$2,000
10	SN	\$150,000	5.197%	Oct-05	Oct-15	99.19	5.30%	7,953,003	150.0	150.0	150.0	150.0	150.0	150.0	150.0	150.0	150.0	150.0	150.0	150.0	150.0	150.0	150.0	\$150,000
11	SN	\$250,000	6.750%	Jan-09	Jan-16	99.28	6.88%	17,203,058	250.0	250.0	250.0	250.0	250.0	250.0	250.0	250.0	250.0	250.0	250.0	250.0	250.0	250.0	250.0	\$250,000
12	MTN-A	\$200,000	6.740%	Jun-98	Jun-18	98.99	6.83%	13,667,659	200.0	200.0	200.0	200.0	200.0	200.0	200.0	200.0	200.0	200.0	200.0	200.0	200.0	200.0	200.0	\$200,000
13	MTN-C	\$15,000	7.150%	Dec-95	Dec-25	99.21	7.21%	1,082,180	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	\$15,000
14	MTN-C	\$2,000	7.200%	Dec-95	Dec-25	99.21	7.26%	145,298	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	\$2,000
15	MTN-A	\$300,000	7.020%	Dec-97	Dec-27	98.99	7.10%	21,305,080	300.0	300.0	300.0	300.0	300.0	300.0	300.0	300.0	300.0	300.0	300.0	300.0	300.0	300.0	300.0	\$300,000
16	MTN-B	\$100,000	7.000%	Mar-99	Mar-29	99.04	7.08%	7,077,339	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	\$100,000
17	PCB	\$23,400	4.000%	May-13	Mar-31	98.93	4.08%	955,815	23.4	23.4	23.4	23.4	23.4	23.4	23.4	23.4	23.4	23.4	23.4	23.4	23.4	23.4	23.4	\$23,400
18	PCB	\$138,460	3.900%	May-13	Mar-31	98.93	3.98%	5,516,283	138.5	138.5	138.5	138.5	138.5	138.5	138.5	138.5	138.5	138.5	138.5	138.5	138.5	138.5	138.5	\$138,460
19	SN	\$250,000	5.483%	May-05	Jun-35	84.89	6.65%	16,631,015	250.0	250.0	250.0	250.0	250.0	250.0	250.0	250.0	250.0	250.0	250.0	250.0	250.0	250.0	250.0	\$250,000
20	SN	\$250,000	6.724%	Jun-06	Jun-36	107.52	6.17%	15,425,986	250.0	250.0	250.0	250.0	250.0	250.0	250.0	250.0	250.0	250.0	250.0	250.0	250.0	250.0	250.0	\$250,000
21	SN	\$300,000	6.274%	Sep-06	Mar-37	98.81	6.36%	19,088,422	300.0	300.0	300.0	300.0	300.0	300.0	300.0	300.0	300.0	300.0	300.0	300.0	300.0	300.0	300.0	\$300,000
22	SN	\$350,000	5.757%	Sep-09	Oct-39	98.98	5.83%	20,399,979	350.0	350.0	350.0	350.0	350.0	350.0	350.0	350.0	350.0	350.0	350.0	350.0	350.0	350.0	350.0	\$350,000
23	SN	\$325,000	5.795%	Mar-10	Mar-40	98.96	5.87%	19,074,169	325.0	325.0	325.0	325.0	325.0	325.0	325.0	325.0	325.0	325.0	325.0	325.0	325.0	325.0	325.0	\$325,000
24	SN	\$250,000	5.764%	Jun-10	Jul-40	98.97	5.84%	14,592,146	250.0	250.0	250.0	250.0	250.0	250.0	250.0	250.0	250.0	250.0	250.0	250.0	250.0	250.0	250.0	\$250,000
25	SN	\$300,000	5.638%	Mar-11	Apr-41	98.95	5.71%	17,134,719	300.0	300.0	300.0	300.0	300.0	300.0	300.0	300.0	300.0	300.0	300.0	300.0	300.0	300.0	300.0	\$300,000
26	JrSubN	\$250,000	6.974%	Jun-07	Jun-17	98.23	7.23%	18,065,222	250.0	250.0	250.0	250.0	250.0	250.0	250.0	250.0	250.0	250.0	250.0	250.0	250.0	250.0	250.0	\$250,000
27	SN	\$250,000	4.434%	Nov-11	Nov-41	98.96	4.50%	11,243,737	250.0	250.0	250.0	250.0	250.0	250.0	250.0	250.0	250.0	250.0	250.0	250.0	250.0	250.0	250.0	\$250,000
28	SN	\$45,000	4.700%	Nov-11	Nov-51	98.50	4.78%	2,153,014	45.0	45.0	45.0	45.0	45.0	45.0	45.0	45.0	45.0	45.0	45.0	45.0	45.0	45.0	45.0	\$45,000
29								Annual Charge on Reacquired Debt (iii)																1,586,066
30								Annual Charge on Required 2003 PCB's (iv):																350,565
31	<b>Total LT Debt Balances and W. Avg Cost Rate</b>							<b>6.16%</b>	<b>232,455,666</b>	<b>3773.9</b>	<b>3773.9</b>	<b>3773.9</b>	<b>3773.9</b>	<b>3773.9</b>	<b>3773.9</b>	<b>3773.9</b>	<b>3773.9</b>	<b>3773.9</b>	<b>3773.9</b>	<b>3773.9</b>	<b>3773.9</b>	<b>3773.9</b>	<b>3773.9</b>	<b>\$3,773,860</b>

- (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 total long term debt, the cost rate is the total annual charge including reacquired debt divided by the average outstanding balance for the period.

(iv)	Remaining unamortized debt issue costs from 2003 PCB's:	4,603,931
	1% call premium on 2003 PCB's:	1,618,600
	Total Required Debt Cost of 2003 PCB's:	6,222,531
	Number of months to amortize over:	213
	Monthly amortization amount:	29,214
	Annual amortization amount:	350,565

**PUGET SOUND ENERGY, INC.**

**Utility Capital Structure**

**Cost of Capital and Rate of Return**

For Rate Year May 2012 through April 2013

	(A)	(B)	(C)	(D)	(E)
<b>Granted in 2011 General Rate Case</b>					
				<b>Cost</b>	<b>Cost of</b>
<b>Description</b>		<b>Ratio</b>		<b>Rates</b>	<b>Capital</b>
Short Term Debt		4.00%		2.68%	0.11%
Long Term Debt		48.00%		6.22%	2.99%
Common Stock		<u>48.00%</u>		9.80%	<u>4.70%</u>
<b>Total and Rate of Return</b>		<b><u>100.00%</u></b>			<b><u>7.80%</u></b>

<b>Granted in 2011 General Rate Case with Updated New PCB Costs</b>					
				<b>Cost</b>	<b>Cost of</b>
<b>Description</b>		<b>Ratio</b>		<b>Rates</b>	<b>Capital</b>
Short Term Debt		4.00%		2.68%	0.11%
Long Term Debt		48.00%		6.16%	2.96%
Common Stock		<u>48.00%</u>		9.80%	<u>4.70%</u>
<b>Total and Rate of Return</b>		<b><u>100.00%</u></b>			<b><u>7.77%</u></b>

(a) - Average of Month-End Balances