

**EXH. CGP-8C
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 ___**

**SEVENTH EXHIBIT (CONFIDENTIAL) TO THE
PREFILED DIRECT TESTIMONY OF**

CARA G. PETERMAN

ON BEHALF OF PUGET SOUND ENERGY

REDACTED VERSION

JANUARY 31, 2022

PUGET SOUND ENERGY

**Utility Capital Structure
Proposed Cost of Capital and Rate of Return
Requested For Rate Year January 2025 through December 2025**

(A)	(B)	(C)	(D)	(E)
General Rate Case Request				
<u>Description</u>		<u>Ratio</u>	<u>Cost Rates</u>	<u>Cost of Capital</u>
Marginal Short-Term Debt Rate		1.9%	3.14%	0.06%
Commitment Fees				0.01%
Amortization of Short-Term Debt Issue Cost				0.01%
Weighted Short-Term Debt Rate		48.1%	5.08%	0.08%
Marginal Long-Term Debt Rate				2.44%
Amortization of Reacquired Debt				0.02%
Weighted Long-Term Debt Rate		50.0%	2.46%	2.46%
Total Debt		50.0%	2.54%	2.54%
Common Equity		50.0%	9.90%	4.95%
Total		100.0%		7.49%
Test Year Capital Structure and Cost of Capital				
<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%
Weighted Short-Term Debt Rate		48.4%	5.28%	0.04%
Long Term Debt	\$4,338,044,407			2.56%
Amortization of Reacquired Debt				0.02%
Weighted Long-Term Debt Rate		51.0%	2.58%	2.58%
Total Debt	\$4,572,006,907	51.0%	2.62%	2.62%
Common Equity	\$4,386,402,333	49.0%	9.43%	4.61%
Total	\$8,958,409,240	100.0%		7.23%

**Puget Sound Energy
Requested Cost of Debt
For The 12 Months Ended December 31, 2025**

	(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
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Shaded information is designated as confidential per WAC 480-07-160

Total First Mortgage Bonds and Senior Notes at the end of the year

Total Long-term Debt	Cost of Interest on AMA basis	5.08%	278,011	\$5,467,610
Short-Term Debt	Cost of Interest	3.14%	6,890	\$219,670
Blended Cost of Interest (S,T&LT Debt)		5.01%	284,901	\$5,687,280

Projected AMA Long-term Debt in Rate year (\$ in 000's)
Requested Long-term Debt Ratio in Rate Year
Implied AMA Total Capitalization in Rate Year (\$ in 000's)

	\$5,467,610
	48.1%
	\$11,374,559

(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.

**SHADED INFORMATION IS DESIGNATED AS
CONFIDENTIAL PER WAC 480-07-160**

REDACTED VERSION

**Puget Sound Energy
Short Term Debt Interest and Fees Details
For The 12 Months Ended December 31, 2025**

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)	(O)
	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Average	
	\$219,670	\$219,670	\$219,670	\$219,670	\$219,670	\$219,670	\$219,670	\$219,670	\$219,670	\$219,670	\$219,670	\$219,670	\$219,670	\$219,670	\$219,670
3 STD Average Balance (in 000's)															
4 Borrowings (000's):															
5 Commercial Paper (CP)	\$109,835	\$109,835	\$109,835	\$109,835	\$109,835	\$109,835	\$109,835	\$109,835	\$109,835	\$109,835	\$109,835	\$109,835	\$109,835	\$109,835	\$109,835
6 Credit Facilities	109,835	109,835	109,835	109,835	109,835	109,835	109,835	109,835	109,835	109,835	109,835	109,835	109,835	109,835	109,835
7 Total Short-term Debt	\$219,670	\$219,670	\$219,670	\$219,670	\$219,670	\$219,670	\$219,670	\$219,670	\$219,670	\$219,670	\$219,670	\$219,670	\$219,670	\$219,670	\$219,670
8 Interest Rate Components:															
9 Projected LIBOR Rates (1 mo)	2.04%	1.21%	2.22%	2.29%	2.36%	2.43%	2.52%	2.60%	2.66%	2.68%	2.68%	2.68%	2.67%	2.66%	2.66%
10 Esrd 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%	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%	1.25%
12 Annual Interest Rates:															
13 CP	2.15%	1.32%	2.33%	2.40%	2.46%	2.54%	2.62%	2.71%	2.77%	2.79%	2.78%	2.78%	2.77%	2.77%	2.77%
14 Credit Facilities	3.29%	2.46%	3.47%	3.54%	3.61%	3.68%	3.77%	3.85%	3.91%	3.93%	3.93%	3.92%	3.92%	3.91%	3.91%
15 Number of Days in Month	31	31	28	31	30	31	30	31	31	30	31	30	30	31	31
16 Interest Expense (f):															
17 CP Interest	\$124,391	\$198,977	\$226,913	\$225,607	\$240,113	\$239,989	\$240,113	\$256,054	\$261,722	\$255,123	\$263,056	\$253,556	\$261,927	\$2,807,426	\$2,807,426
18 Credit Facilities Interest	\$232,709	\$296,812	\$335,231	\$330,430	\$348,306	\$344,937	\$364,371	\$370,040	\$370,040	\$359,946	\$371,374	\$358,379	\$370,244	\$4,082,780	\$4,082,780
19 Total Interest	\$357,100	\$495,789	\$562,144	\$556,037	\$588,295	\$585,050	\$604,484	\$626,094	\$631,762	\$615,069	\$634,429	\$611,935	\$632,171	\$6,890,206	\$6,890,206
20 Avg Monthly Borrowing Rate	1.89%	2.90%	2.97%	3.04%	3.04%	3.11%	3.20%	3.28%	3.34%	3.36%	3.35%	3.34%	3.34%	3.34%	3.14%
21 Loan Commitments (000's):															
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	\$800,000
23 Loan & LOC Utilization	\$109,835	\$109,835	\$109,835	\$109,835	\$109,835	\$109,835	\$109,835	\$109,835	\$109,835	\$109,835	\$109,835	\$109,835	\$109,835	\$109,835	\$109,835
24 Unutilized Portion	\$690,165	\$690,165	\$690,165	\$690,165	\$690,165	\$690,165	\$690,165	\$690,165	\$690,165	\$690,165	\$690,165	\$690,165	\$690,165	\$690,165	\$690,165
25 Commitment Fees:															
26 Commitment Fees (Unutilized portion)	\$104,004	\$93,939	\$93,939	\$104,004	\$100,649	\$104,004	\$100,649	\$104,004	\$104,004	\$100,649	\$104,004	\$100,649	\$100,649	\$104,004	\$1224,564
27 Total Commitment Fees	\$104,004	\$93,939	\$93,939	\$104,004	\$100,649	\$104,004	\$100,649	\$104,004	\$104,004	\$100,649	\$104,004	\$100,649	\$100,649	\$104,004	\$1,224,564
28 Letters of Credit:															
29 LC Outstanding under Cr Agrmt (000's)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
30 LC Outstanding with Wells (000's)	\$1,937	\$1,937	\$1,937	\$1,937	\$1,937	\$1,937	\$1,937	\$1,737	\$1,737	\$1,737	\$1,737	\$1,737	\$1,737	\$1,737	\$1,737
31 Total LC Fees (\$ not in 000's)	\$1,668	\$1,507	\$1,668	\$1,668	\$1,668	\$1,668	\$1,668	\$1,496	\$1,496	\$1,448	\$1,496	\$1,448	\$1,448	\$1,496	\$18,620
32 Commitment Fees + Letter of Credit	\$104,004	\$95,446	\$95,607	\$105,672	\$102,617	\$105,972	\$102,317	\$105,741	\$105,741	\$102,147	\$105,741	\$102,147	\$102,147	\$105,741	\$1,243,184
33 Implied Rate Year Capitalization	\$11,374,559,292	\$11,374,559,292	\$11,374,559,292	\$11,374,559,292	\$11,374,559,292	\$11,374,559,292	\$11,374,559,292	\$11,374,559,292	\$11,374,559,292	\$11,374,559,292	\$11,374,559,292	\$11,374,559,292	\$11,374,559,292	\$11,374,559,292	\$11,374,559,292
34 Weight Cost of Commitment Fees	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%
35 Short Term Debt Issue Cost Amortization:															
36 S800mm Liquidity Fac (18100683)	\$570,912	\$570,912	\$570,912	\$570,912	\$570,912	\$570,912	\$570,912	\$570,912	\$570,912	\$570,912	\$570,912	\$570,912	\$570,912	\$570,912	\$570,912
37 Total Amortization	\$570,912	\$570,912	\$570,912	\$570,912	\$570,912	\$570,912	\$570,912	\$570,912	\$570,912	\$570,912	\$570,912	\$570,912	\$570,912	\$570,912	\$570,912
38 LTD Average Balance (in 000's)															
39 Short Term Debt Allocation	\$5,467,610	\$5,467,610	\$5,467,610	\$5,467,610	\$5,467,610	\$5,467,610	\$5,467,610	\$5,467,610	\$5,467,610	\$5,467,610	\$5,467,610	\$5,467,610	\$5,467,610	\$5,467,610	\$5,467,610
40 Long Term Debt Allocation	\$5,687,280	\$5,687,280	\$5,687,280	\$5,687,280	\$5,687,280	\$5,687,280	\$5,687,280	\$5,687,280	\$5,687,280	\$5,687,280	\$5,687,280	\$5,687,280	\$5,687,280	\$5,687,280	\$5,687,280
41 Total STD and LTD	\$11,154,890	\$11,154,890	\$11,154,890	\$11,154,890	\$11,154,890	\$11,154,890	\$11,154,890	\$11,154,890	\$11,154,890	\$11,154,890	\$11,154,890	\$11,154,890	\$11,154,890	\$11,154,890	\$11,154,890
42 Debt Allocation of the Total Capitalization															
43 Short Term Debt Allocation	54.8%	54.8%	54.8%	54.8%	54.8%	54.8%	54.8%	54.8%	54.8%	54.8%	54.8%	54.8%	54.8%	54.8%	54.8%
44 Long Term Debt Allocation	45.2%	45.2%	45.2%	45.2%	45.2%	45.2%	45.2%	45.2%	45.2%	45.2%	45.2%	45.2%	45.2%	45.2%	45.2%
45 Debt Allocation of the Total Capitalization															
46 Short Term Debt Allocation	1.93%	1.93%	1.93%	1.93%	1.93%	1.93%	1.93%	1.93%	1.93%	1.93%	1.93%	1.93%	1.93%	1.93%	1.93%
47 Long Term Debt Allocation	48.07%	48.07%	48.07%	48.07%	48.07%	48.07%	48.07%	48.07%	48.07%	48.07%	48.07%	48.07%	48.07%	48.07%	48.07%
48 Debt Allocation of the Total Capitalization															
49 Short Term Debt Allocation	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%
50 Long Term Debt Allocation															

(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, 2025

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)
1	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)
2	8.231% Capital Trust I (Tender)	6-Jun-97	1-Jun-27	1-Jun-05			1-Jun-27	\$19,150	12	\$229,804
3	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
4	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
5	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
6	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
7	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
8	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
9	\$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
10	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
11	\$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
12	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
13	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
14	Jr. Subordinated Notes	4-Jun-07	1-Jun-67	27-Apr-18			1-Jun-67	\$8,388	12	\$100,653
15	Implied Rate Year Capitalization									\$1,911,883
16	Weighted Cost of Reacquired Debt									\$11,374,559,292
17										0.02%

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