



DATE: August 24, 2021

TO: Asset Management Committee

FROM: Cara Peterman

RE: Request for authorization to issue [REDACTED] PSE senior secured bond

1. Request for board authorization to issue [REDACTED] at PSE

Management requests board authorization to issue a new [REDACTED] senior secured bond at PSE [REDACTED] not to exceed [REDACTED]. The proceeds will be used to term out commercial paper borrowings (i.e. PSE short term debt). The bonds will be issued under SEC current shelf registration that was filed in 2019.

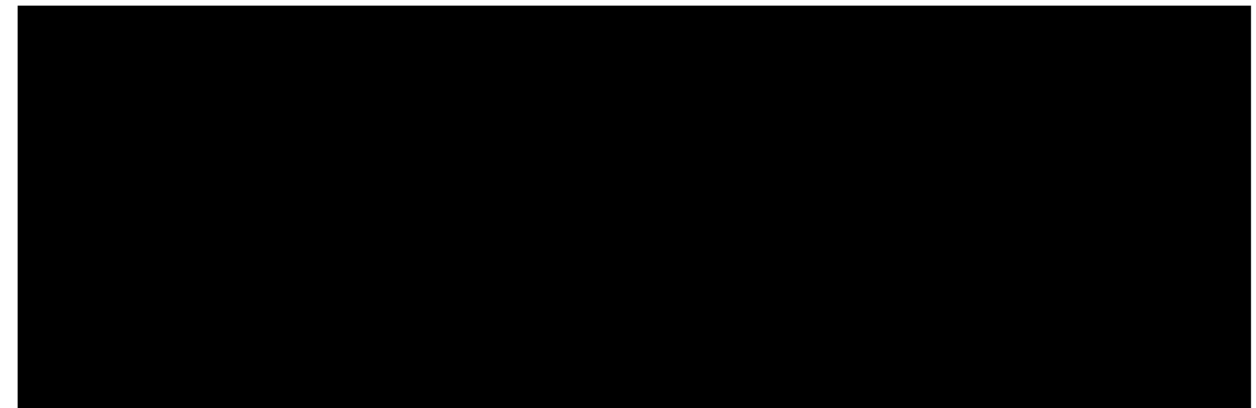
2. Background

The issuance of the PSE senior secured notes is included in the current board approved 2021 five-year plan; the plan assumed an issuance of a [REDACTED]

[REDACTED]

3. Market update

Market dynamics have been favorable and will allow us to issue a [REDACTED] bond and lock in a historically low interest rate: the benchmark rate [REDACTED] still remains relatively at historically low levels and the current credit spread of Utility & Power industry is also near all-time lows. Please see benchmark rates and credit spread movement in the charts below:



[REDACTED]

[REDACTED]

[Redacted]

4. Indicative Pricing

[Redacted]

[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]

[Redacted]

5. Rating and Terms

The current senior secured notes at PSE is rated stable and A2/A-/A by Moody's/S&P/Fitch. Management plans to utilize our current shelf registration statement to issue registered senior secured notes. The current shelf registration statement was filed in Q2 2019

[Redacted]

6. Go-to-market strategy

[Redacted]

In the board approval request, PSE Treasury is seeking authorization to issue the bond

[Redacted]

team will keep the Asset Management Committee apprised of issuance activity and if our plans change due to unforeseen circumstances.

7. Use of proceeds

[Redacted]



8. Recommendation

Management requests approval to price and issue a [REDACTED] bond not to exceed [REDACTED] [REDACTED].

9. Attachments

Please see attached presentation slides including current fixed income market condition, indicative pricing for PSE Sr. Secured Notes and draft terms provided by [REDACTED].