

## Who is Puget Sound Energy?

PSE is Washington State's largest, privately-owned electrical and gas utility provider, with a monopoly franchise for much of Western Washington. PSE has one million residential customers who pay for PSE's products (gas or electricity), the production and delivery of those products, and earnings for PSE's shareholders.

### Quick Facts

*The following facts are from PSE's 2019 filings with the Federal Security and Exchange Commission.*

- Total customers 1.2 million
- Residential customers 1.0 million
- Net worth \$4.0 billion
- Sales per year<sup>1</sup> \$3.4 billion
- Total Assets \$12.6 billion
- Long-term debt \$4.3 billion
- Employees 3,130

### Profits

PSE made **\$293 million** in earnings in 2019, of which they paid out **\$165 million** in dividends to parent company Puget Energy. In turn, Puget Energy paid out **\$64 million** to its shareholders via holding companies (see below).

### 2019 Pay of Top Four Executives<sup>2</sup>

Position	Base Salary	Other	Total
CEO	989,799	10,784,569	11,774,368 <sup>3</sup>
CFO	521,399	2,636,824	3,158,223
General Counsel	459,165	2,131,248	2,590,413
CAO	382,671	1,979,232	2,361,903
Grand Total	2,353,034	17,531,873	<b>19,884,907</b>

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<sup>1</sup> PSE is one of the largest privately held companies in Washington State. The Puget Sound Business Journal's 2018 list of largest privately owned companies put REI at number one, based on \$3.12 billion in revenue. With \$3.4 billion in revenue, PSE would beat out REI for the top spot, had they been included. See: <https://www.bizjournals.com/seattle/subscriber-only/2020/05/15/largest-private-companies.html>.

<sup>2</sup> See page 148 of PSE's 10K filing with the Federal Securities and Exchange Commission for 2019.

<sup>3</sup> Had PSE's CEO at the time – Kimberly Harris – been included on Puget Sound Business Journal's 2018 list of top paid executives, she would have been #9, falling between the CEOs of Zillow and Weyerhaeuser. <https://www.bizjournals.com/seattle/subscriber-only/2019/12/13/washingtons-highest-paid-ceos.html>.

## PSE Shareholders

The following entities ultimately own 100% of PSE's stock and receive annual dividends.<sup>4</sup> They are all pension fund managers, primarily for public sector workers in Canada and the Netherlands.<sup>5</sup> CPPIC and BCIM (see below) have been owners since 2008 and the remainder became owners in 2019.<sup>6</sup>

Canada Pension Plan Investment Board: CPPIB is the investment manager for Canada's federal worker pension funds, with over **\$300 billion** (US) in assets - putting it in the top 10 largest public pension funds in the world.<sup>7</sup> CPPIB is a "Crown corporation," a state-run enterprise created by the Canadian government and owns 32% of PSE's stock.

OMERS Admin Corp: OMERS is a pension fund manager for the Province of Ontario, created as a state-created enterprise, that manages \$82 billion (US) in primarily public pensions funds. OMERS owns 24% of PSE stock.

British Columbia Investment Management Corp: BCIM is the pension fund manager for the Province of British Columbia, created as a state-created enterprise, that manages \$130 billion (US) in primarily public pensions funds. BCIM owns 21% of PSE stock.

Alberta Investment Management Corporation: AIMCO is a pension fund manager for the Province of Alberta, created as a state-created enterprise, that manages \$90 billion (US) in primarily public pensions funds. AIMCO owns 14% of PSE stock.

PGGM Vermogensbeheer: PGGM is a non-profit, pension fund service provider in the Netherlands, owned by a cooperative of trade unions and primarily serves workers in the healthcare and social work sectors. PGGM manages **\$300 billion** in assets for public and private pension funds in Europe and is one of the 10 largest pension fund managers in the world.<sup>8</sup> PGGM owns 10% of PSE stock.

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<sup>4</sup> PSE is wholly owned by Puget Energy, and both companies co-file their 10K with the SEC. Puget Energy is wholly owned by Puget Equico LLC, and in turn, wholly owned by Puget Holdings. The shareholders listed are represented on the board of PSE (so have decision-making influence on corporate operations), but own the company through this nested structure by direct control of Puget Holdings.

<sup>5</sup> The information on each of the pension funds, below, was gathered from their most recent annual reports, across their respective websites.

<sup>6</sup> <https://www.pse.com/press-release/details/transfer-of-non-controlling-interest-in-pse-finalized>.

<sup>7</sup> <https://www.willistowerswatson.com/en-GB/News/2020/09/global-top-20-pension-fund-assets-rebound-strongly>. (Note that PGGM is listed as PFZW, its wholly owned subsidiary that manages the pension funds for health care and social workers in the Netherlands.)

<sup>8</sup> See footnote 7.

## Puget Sound Energy (And Puget Energy) Board<sup>9</sup>

PSE is technically a subsidiary of Puget Energy, but the two companies share the same board and file jointly with regulatory agencies. For public regulatory purposes, they can be considered the same.<sup>10</sup>

Role	Member	Job/Title
Chair	Steven W. Hooper	Co-Founder of <i>Ignition Partners</i>
Member*	Kenton Bradbury	Managing Director, <i>OMERS</i>
Member*	Christopher Hind	Senior Principal, <i>CPPIB</i>
Member*	Chris Trumpy	Chair of <i>Pacific Carbon Trust</i> and former Chair, <i>BCIMC</i>
Member*	Martijn Verwoest	Senior Director, <i>PGGM Netherlands</i>
Member*	Steven Zuchet	Managing Director, <i>OMERS</i>
Member*	Richard Dinneny	Senior Portfolio Manager, <i>BCIM</i>
Member	Mary E. Kipp	President & CEO, <i>Puget Sound Energy</i>
Member	Scott Armstrong	Former President and CEO, <i>Group Health Cooperative</i>
Member	Barbara J. Gordon	Retired Executive Vice President, <i>Apptio</i>
Member	Tom King	Operating Executive, <i>AEA Investors</i>
Member	Paul McMillan	Principal, <i>Tidal Shift Capital Incorporated</i>
Member	Mary McWilliams	Former Executive Director, <i>Washington Health Alliance</i>

\* Represents PSE's shareholder interests.

## Puget Sound Energy Executive Officers<sup>11</sup>

Mary E Kipp:	President and Chief Executive Officer (CEO - as of 2020)
Daniel A. Doyle:	Senior Vice President and Chief Financial Officer (CFO)
Steve Secrist:	Senior Vice President and General Counsel
Booga K. Gilbertson:	Senior Vice President & Chief Operations Officer (COO)
David E. Mills:	Senior Vice President & Chief Strategy Officer
Margaret Hopkins:	Chief Information Officer (CIO)
Kim Collier:	Vice President of Human Resources
Ken Johnson:	Vice President of Regulatory and Government Affairs



Puget Sound Sage combines research, innovative public policy and organizing to ensure all people have an affordable place to live, a good job, a clean environment, and access to public transportation

<sup>9</sup> <https://www.pse.com/about-us/board-of-directors>

<sup>10</sup> The only significant difference between the two entities is that Puget Energy is also the parent company of Puget LNG LLC, the PSE-related company that is trying to build an LNG plant in Tacoma. <https://puget-lng.com/ownership/>.

<sup>11</sup> <https://www.pse.com/about-us/leadership>