

Designated Information is Confidential per WAC 480-07-160

PUGET SOUND ENERGY
PERIODIC ALLOCATED RESULTS OF OPERATIONS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2017

(Based on allocation factors developed using 12 ME 12/31/2016 information)

| | Electric | Gas | Total Amount |
|--|-------------------------|-------------------------|-----------------------|
| 1 - OPERATING REVENUES: | | | |
| 2 - SALES TO CUSTOMERS | \$ 2,260,133,186 | \$ 1,004,134,915 | \$ 3,264,268,101 |
| 3 - SALES FOR RESALE-FIRM | 354,461 | - | 354,461 |
| 4 - SALES TO OTHER UTILITIES | 129,039,388 | - | 129,039,388 |
| 5 - OTHER OPERATING REVENUES | 48,085,655 | (6,375,543) | 41,710,112 |
| 6 - TOTAL OPERATING REVENUES | \$ 2,437,612,690 | \$ 997,759,372 | \$ 3,435,372,062 |
| 7 | | | |
| 8 - OPERATING REVENUE DEDUCTIONS: | | | |
| 9 | | | |
| 10 - POWER COSTS: | | | |
| 11 - FUEL | \$ 206,275,407 | \$ - | \$ 206,275,407 |
| 12 - PURCHASED AND INTERCHANGED | 540,870,184 | 360,008,599 | 900,878,783 |
| 13 - WHEELING | 117,598,896 | - | 117,598,896 |
| 14 - RESIDENTIAL EXCHANGE | (75,933,464) | - | (75,933,464) |
| 15 - TOTAL PRODUCTION EXPENSES | \$ 788,811,023 | \$ 360,008,599 | \$ 1,148,819,622 |
| 16 | | | |
| 17 - OTHER ENERGY SUPPLY EXPENSES | \$ 125,057,644 | \$ 4,380,924 | \$ 129,438,569 |
| 18 - TRANSMISSION EXPENSE | 20,893,816 | - | 20,893,816 |
| 19 - DISTRIBUTION EXPENSE | 76,281,991 | 59,084,502 | 135,366,493 |
| 20 - CUSTOMER ACCTS EXPENSES | 49,274,356 | 28,320,036 | 77,594,393 |
| 21 - CUSTOMER SERVICE EXPENSES | 21,873,350 | 8,035,024 | 29,908,374 |
| 22 - CONSERVATION AMORTIZATION | 104,947,340 | 16,268,880 | 121,216,220 |
| 23 - ADMIN & GENERAL EXPENSE | 128,642,621 | 64,259,684 | 192,902,305 |
| 24 - DEPRECIATION | 283,397,833 | 130,390,593 | 413,788,426 |
| 25 - AMORTIZATION | 59,166,450 | 16,863,946 | 76,030,396 |
| 26 - AMORTIZ OF PROPERTY LOSS | 20,885,273 | - | 20,885,273 |
| 27 - OTHER OPERATING EXPENSES | (82,364,984) | 281,808 | (82,083,176) |
| 28 - ASC 815 | 30,790,455 | - | 30,790,455 |
| 29 - TAXES OTHER THAN INCOME TAXES | 245,625,339 | 114,483,123 | 360,108,462 |
| 30 - INCOME TAXES | 61,594,180 | 17,027,972 | 78,622,153 |
| 31 - DEFERRED INCOME TAXES | 133,836,357 | 48,612,064 | 182,448,422 |
| 32 - TOTAL OPERATING REV. DEDUCT. | \$ 2,068,713,047 | \$ 868,017,156 | \$ 2,936,730,202 |
| NET OPERATING INCOME | \$ 368,899,643 | \$ 129,742,216 | \$ 498,641,859 |
| RATE BASE (AMA For 12 Months Ended December 31, 2017) | \$ 5,139,897,559 | \$ 1,802,769,285 | |

PUGET SOUND ENERGY
ACTUAL RESULTS OF OPERATIONS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2017

| | Electric | Gas | Common | Energy N/A | Total Amount |
|------------------------------------|------------------|------------------|------------------|------------------|------------------|
| OPERATING INCOME | | | | | |
| 1 - OPERATING REVENUES: | | | | | |
| 2 - SALES TO CUSTOMERS | \$ 2,260,133,186 | \$ 1,004,134,915 | \$ - | \$ - | \$ 3,264,268,101 |
| 3 - SALES FOR RESALE-FIRM | 354,461 | - | - | - | 354,461 |
| 4 - SALES TO OTHER UTILITIES | 129,039,388 | - | - | - | 129,039,388 |
| 5 - OTHER OPERATING REVENUES | 48,085,655 | (6,375,543) | - | - | 41,710,112 |
| 6 - TOTAL OPERATING REVENUES | \$ 2,437,612,690 | \$ 997,759,372 | \$ - | \$ - | \$ 3,435,372,062 |
| 7 | | | | | |
| 8 - OPERATING REVENUE DEDUCTIONS: | | | | | |
| 9 | | | | | |
| 10 - POWER COSTS: | | | | | |
| 11 - FUEL | \$ 206,275,407 | \$ - | \$ - | \$ - | \$ 206,275,407 |
| 12 - PURCHASED AND INTERCHANGED | 540,870,184 | 360,008,599 | - | - | 900,878,783 |
| 13 - WHEELING | 117,598,896 | - | - | - | 117,598,896 |
| 14 - RESIDENTIAL EXCHANGE | (75,933,464) | - | - | - | (75,933,464) |
| 15 - TOTAL PRODUCTION EXPENSES | \$ 788,811,023 | \$ 360,008,599 | \$ - | \$ - | \$ 1,148,819,622 |
| 16 | | | | | |
| 17 - OTHER ENERGY SUPPLY EXPENSES | \$ 125,057,644 | \$ 4,380,924 | \$ - | \$ - | \$ 129,438,569 |
| 18 - TRANSMISSION EXPENSE | 20,893,816 | - | - | - | 20,893,816 |
| 19 - DISTRIBUTION EXPENSE | 76,281,991 | 59,084,502 | - | - | 135,366,493 |
| 20 - CUSTOMER ACCTS EXPENSES | 27,437,745 | 12,648,195 | 37,508,453 | - | 77,594,393 |
| 21 - CUSTOMER SERVICE EXPENSES | 20,178,482 | 6,812,735 | 2,917,157 | - | 29,908,374 |
| 22 - CONSERVATION AMORTIZATION | 104,947,340 | 16,268,880 | - | - | 121,216,220 |
| 23 - ADMIN & GENERAL EXPENSE | 37,174,304 | 18,069,568 | 137,658,433 | - | 192,902,305 |
| 24 - DEPRECIATION | 266,854,865 | 122,157,512 | 24,776,049 | - | 413,788,426 |
| 25 - AMORTIZATION | 31,865,436 | 3,276,816 | 40,888,143 | - | 76,030,396 |
| 26 - AMORTIZ OF PROPERTY LOSS | 20,885,273 | - | - | - | 20,885,273 |
| 27 - OTHER OPERATING EXPENSES | (82,364,984) | 281,808 | - | - | (82,083,176) |
| 28 - ASC 815 | 30,790,455 | - | - | - | 30,790,455 |
| 29 - TAXES OTHER THAN INCOME TAXES | 240,902,641 | 112,132,737 | 7,073,084 | - | 360,108,462 |
| 30 - INCOME TAXES | 61,594,180 | 17,027,972 | - | - | 78,622,153 |
| 31 - DEFERRED INCOME TAXES | 133,794,692 | 48,591,329 | 62,401 | - | 182,448,422 |
| 32 - TOTAL OPERATING REV. DEDUCT. | \$ 1,905,104,905 | \$ 780,741,576 | \$ 250,883,721 | \$ - | \$ 2,936,730,202 |
| NET OPERATING INCOME | \$ 532,507,785 | \$ 217,017,796 | \$ (250,883,721) | \$ - | \$ 498,641,859 |
| NON-OPERATING INCOME | | | | | |
| 99 - OTHER INCOME | \$ - | \$ - | \$ - | \$ (50,729,500) | \$ (50,729,500) |
| 999 - INTEREST | - | - | - | 229,317,316 | 229,317,316 |
| 9999 - EXTRAORDINARY ITEMS | - | - | - | - | - |
| TOTAL NON-OPERATING INCOME | \$ - | \$ - | \$ - | \$ 178,587,816 | \$ 178,587,816 |
| NET INCOME | \$ 532,507,785 | \$ 217,017,796 | \$ (250,883,721) | \$ (178,587,816) | \$ 320,054,044 |

**PUGET SOUND ENERGY
INCOME STATEMENT DETAIL
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2017**

| Account Description | Electric | Gas | Common | Electric Common | Gas Common | Electric Alloc | Gas Alloc | Total |
|---|----------------------|--------------------|----------|-----------------|------------|----------------------|--------------------|----------------------|
| | | | | | | | 221,056 | |
| | | | | | | | 946,472 | |
| | | | | | | | 36,340,925 | |
| 1 - OPERATING REVENUES | | | | | | | | |
| 2 - SALES TO CUSTOMERS | | | | | | | | |
| (2) 440 - Electric Residential Sales | 1,232,074,695 | - | - | - | - | 1,232,074,695 | - | 1,232,074,695 |
| (2) 442 - Electric Commercial & Industrial Sales | 1,008,682,883 | - | - | - | - | 1,008,682,883 | - | 1,008,682,883 |
| (2) 444 - Public Street & Highway Lighting | 19,375,607 | - | - | - | - | 19,375,607 | - | 19,375,607 |
| (2) 480 - Gas Residential Sales | - | 686,438,251 | - | - | - | - | 686,438,251 | 686,438,251 |
| (2) 481 - Gas Commercial & Industrial Sales | - | 295,978,215 | - | - | - | - | 295,978,215 | 295,978,215 |
| (2) 489 - Rev From Transportation Of Gas To Others | - | 21,718,448 | - | - | - | - | 21,718,448 | 21,718,448 |
| (2) SUBTOTAL | 2,260,133,186 | 1,004,134,915 | - | - | - | 2,260,133,186 | 1,004,134,915 | 3,264,268,101 |
| 3 - SALES FOR RESALE-FIRM | | | | | | | | |
| (3) 447 - Electric Sales For Resale | 354,461 | - | - | - | - | 354,461 | - | 354,461 |
| (3) SUBTOTAL | 354,461 | - | - | - | - | 354,461 | - | 354,461 |
| 4 - SALES TO OTHER UTILITIES | | | | | | | | |
| (4) 447 - Electric Sales For Resale - Sales | 53,788,810 | - | - | - | - | 53,788,810 | - | 53,788,810 |
| (4) 447 - Electric Sales For Resale - Purchases | 75,250,578 | - | - | - | - | 75,250,578 | - | 75,250,578 |
| (4) SUBTOTAL | 129,039,388 | - | - | - | - | 129,039,388 | - | 129,039,388 |
| 5 - OTHER OPERATING REVENUES | | | | | | | | |
| (5) 412 - Lease Inc Everett Delta to NWP - Gas | - | - | - | - | - | - | - | - |
| (5) 450 - Forfeited Discounts | 2,835,883 | - | - | - | - | 2,835,883 | - | 2,835,883 |
| (5) 451 - Electric Misc Service Revenue | 11,948,891 | - | - | - | - | 11,948,891 | - | 11,948,891 |
| (5) 454 - Rent For Electric Property | 18,039,330 | - | - | - | - | 18,039,330 | - | 18,039,330 |
| (5) 456 - Other Electric Revenues - Transportation | 8,081,599 | - | - | - | - | 8,081,599 | - | 8,081,599 |
| (5) 456 - Other Electric Revenues - Unbilled | - | - | - | - | - | - | - | - |
| (5) 456 - Other Electric Revenues | 7,179,952 | - | - | - | - | 7,179,952 | - | 7,179,952 |
| (5) 487 - Forfeited Discounts | - | 1,103,536 | - | - | - | - | 1,103,536 | 1,103,536 |
| (5) 488 - Gas Misc Service Revenues | - | 3,455,287 | - | - | - | - | 3,455,287 | 3,455,287 |
| (5) 4894 - Gas Revenues from Storing Gas of Others | - | 980,025 | - | - | - | - | 980,025 | 980,025 |
| (5) 493 - Rent From Gas Property | - | 6,823,439 | - | - | - | - | 6,823,439 | 6,823,439 |
| (5) 495 - Other Gas Revenues | - | (18,737,830) | - | - | - | - | (18,737,830) | (18,737,830) |
| (5) SUBTOTAL | 48,085,655 | (6,375,543) | - | - | - | 48,085,655 | (6,375,543) | 41,710,112 |
| (1) TOTAL OPERATING REVENUES | 2,437,612,690 | 997,759,372 | - | - | - | 2,437,612,690 | 997,759,372 | 3,435,372,062 |
| 10 - ENERGY COST | | | | | | | | |
| 11 - FUEL | | | | | | | | |
| (11) 501 - Steam Operations Fuel | 82,114,041 | - | - | - | - | 82,114,041 | - | 82,114,041 |
| (11) 547 - Other Power Generation Oper Fuel | 124,161,366 | - | - | - | - | 124,161,366 | - | 124,161,366 |
| (11) SUBTOTAL | 206,275,407 | - | - | - | - | 206,275,407 | - | 206,275,407 |
| 12 - PURCHASED AND INTERCHANGED | | | | | | | | |
| (12) 555 - Purchased Power | 533,382,866 | - | - | - | - | 533,382,866 | - | 533,382,866 |
| (12) 557 - Other Power Supply Expense | 7,487,318 | - | - | - | - | 7,487,318 | - | 7,487,318 |
| (12) 804 - Natural Gas City Gate Purchases | - | 335,742,003 | - | - | - | - | 335,742,003 | 335,742,003 |
| (12) 805 - Other Gas Purchases | - | 124,857 | - | - | - | - | 124,857 | 124,857 |
| (12) 8051 - Purchased Gas Cost Adjustments | - | 18,742,270 | - | - | - | - | 18,742,270 | 18,742,270 |
| (12) 8081 - Gas Withdrawn From Storage | - | 47,070,555 | - | - | - | - | 47,070,555 | 47,070,555 |
| (12) 8082 - Gas Delivered To Storage | - | (41,671,087) | - | - | - | - | (41,671,087) | (41,671,087) |
| (12) SUBTOTAL | 540,870,184 | 360,008,599 | - | - | - | 540,870,184 | 360,008,599 | 900,878,783 |
| 13 - WHEELING | | | | | | | | |
| (13) 565 - Transmission Of Electricity By Others | 117,598,896 | - | - | - | - | 117,598,896 | - | 117,598,896 |
| (13) SUBTOTAL | 117,598,896 | - | - | - | - | 117,598,896 | - | 117,598,896 |
| 14 - RESIDENTIAL EXCHANGE | | | | | | | | |
| (14) 555 - Purchased Power | (75,933,464) | - | - | - | - | (75,933,464) | - | (75,933,464) |
| (14) SUBTOTAL | (75,933,464) | - | - | - | - | (75,933,464) | - | (75,933,464) |
| (10) TOTAL ENERGY COST | 788,811,023 | 360,008,599 | - | - | - | 788,811,023 | 360,008,599 | 1,148,819,622 |
| GROSS MARGIN | 1,648,801,666 | 637,750,773 | - | - | - | 1,648,801,666 | 637,750,773 | 2,286,552,440 |
| OPERATING EXPENSES | | | | | | | | |
| OPERATING AND MAINTENANCE | | | | | | | | |
| 17 - OTHER ENERGY SUPPLY EXPENSES | | | | | | | | |
| (17) 500 - Steam Oper Supv & Engineering | 1,877,708 | - | - | - | - | 1,877,708 | - | 1,877,708 |
| (17) 502 - Steam Oper Steam Expenses | 9,146,030 | - | - | - | - | 9,146,030 | - | 9,146,030 |
| (17) 505 - Steam Oper Electric Expense | 1,772,475 | - | - | - | - | 1,772,475 | - | 1,772,475 |
| (17) 506 - Steam Oper Misc Steam Power | 8,402,000 | - | - | - | - | 8,402,000 | - | 8,402,000 |
| (17) 507 - Steam Operations Rents | 91,567 | - | - | - | - | 91,567 | - | 91,567 |
| (17) 510 - Steam Maint Supv & Engineering | 1,584,217 | - | - | - | - | 1,584,217 | - | 1,584,217 |
| (17) 511 - Steam Maint Structures | 2,326,399 | - | - | - | - | 2,326,399 | - | 2,326,399 |
| (17) 512 - Steam Maint Boiler Plant | 14,537,103 | - | - | - | - | 14,537,103 | - | 14,537,103 |
| (17) 513 - Steam Maint Electric Plant | 8,312,475 | - | - | - | - | 8,312,475 | - | 8,312,475 |
| (17) 514 - Steam Maint Misc Steam Plant | 2,632,690 | - | - | - | - | 2,632,690 | - | 2,632,690 |
| (17) 535 - Hydro Oper Supv & Engineering | 1,939,540 | - | - | - | - | 1,939,540 | - | 1,939,540 |
| (17) 536 - Hydro Oper Water For Power | - | - | - | - | - | - | - | - |
| (17) 537 - Hydro Oper Hydraulic Expenses | 3,574,389 | - | - | - | - | 3,574,389 | - | 3,574,389 |
| (17) 538 - Hydro Oper Electric Expenses | 225,328 | - | - | - | - | 225,328 | - | 225,328 |
| (17) 539 - Hydro Oper Misc Hydraulic Exp | 2,811,058 | - | - | - | - | 2,811,058 | - | 2,811,058 |
| (17) 540 - Hydro Office Rents | - | - | - | - | - | - | - | - |
| (17) 541 - Hydro Maint Supv & Engineering | (26,068) | - | - | - | - | (26,068) | - | (26,068) |
| (17) 542 - Hydro Maint Structures | 518,604 | - | - | - | - | 518,604 | - | 518,604 |
| (17) 543 - Hydro Maint Res. Dams & Waterways | 613,746 | - | - | - | - | 613,746 | - | 613,746 |
| (17) 544 - Hydro Maint Electric Plant | 1,092,338 | - | - | - | - | 1,092,338 | - | 1,092,338 |
| (17) 545 - Hydro Maint Misc Hydraulic Plant | 4,496,142 | - | - | - | - | 4,496,142 | - | 4,496,142 |
| (17) 546 - Other Pwr Gen Oper Supv & Eng | 3,582,940 | - | - | - | - | 3,582,940 | - | 3,582,940 |
| (17) 548 - Other Power Gen Oper Gen Exp | 10,204,130 | - | - | - | - | 10,204,130 | - | 10,204,130 |
| (17) 549 - Other Power Gen Oper Misc | 5,282,197 | - | - | - | - | 5,282,197 | - | 5,282,197 |
| (17) 550 - Other Power Gen Oper Rents | 6,046,928 | - | - | - | - | 6,046,928 | - | 6,046,928 |
| (17) 551 - Other Power Gen Maint Supv & Eng | 833,666 | - | - | - | - | 833,666 | - | 833,666 |
| (17) 552 - Other Power Gen Maint Structures | 683,121 | - | - | - | - | 683,121 | - | 683,121 |
| (17) 553 - Other Power Gen Maint Gen & Elec | 30,994,118 | - | - | - | - | 30,994,118 | - | 30,994,118 |
| (17) 554 - Other Power Gen Maint Misc | 1,447,593 | - | - | - | - | 1,447,593 | - | 1,447,593 |
| (17) 556 - System Control & Load Dispatch | 55,210 | - | - | - | - | 55,210 | - | 55,210 |
| (17) 710 - Production Operations Supv & Engineering | - | - | - | - | - | - | - | - |
| (17) 717 - Liquefied Petroleum Gas Expenses | - | 142,640 | - | - | - | - | 142,640 | 142,640 |
| (17) 735 - Misc Gas Production Exp | - | - | - | - | - | - | - | - |
| (17) 741 - Production Plant Maint Structures | - | - | - | - | - | - | - | - |
| (17) 742 - Production Plant Maint Prod Equip | - | - | - | - | - | - | - | - |
| (17) 8072 - Purchased Gas Expenses | - | - | - | - | - | - | - | - |
| (17) 8074 - Purchased Gas Calculation Exp | - | - | - | - | - | - | - | - |
| (17) 8075 - Purchased Gas Other Expense | - | 2,008,381 | - | - | - | - | 2,008,381 | 2,008,381 |
| (17) 812 - Gas Used For Other Utility Operations | - | (62,118) | - | - | - | - | (62,118) | (62,118) |

**PUGET SOUND ENERGY
INCOME STATEMENT DETAIL
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2017**

| Account Description | Electric | Gas | Common | Electric Common | Gas Common | Electric Alloc | Gas Alloc | Total |
|---|--------------|------------|------------|-----------------|------------|----------------|------------|--------------|
| (17) 813 - Other Gas Supply Expenses | - | 339,031 | - | - | - | - | 339,031 | 339,031 |
| (17) 814 - Undergrnd Strge - Operation Supv & Eng | - | 162,954 | - | - | - | - | 162,954 | 162,954 |
| (17) 815 - Undergrnd Strge - Oper Map & Records | - | - | - | - | - | - | - | - |
| (17) 816 - Undergrnd Strge - Oper Wells Expense | - | 34,998 | - | - | - | - | 34,998 | 34,998 |
| (17) 817 - Undergrnd Strge - Oper Lines Expense | - | 36,817 | - | - | - | - | 36,817 | 36,817 |
| (17) 818 - Undergrnd Strge - Oper Compressor Sta Exp | - | 243,742 | - | - | - | - | 243,742 | 243,742 |
| (17) 819 - Undergrnd Strge - Oper Compressor Sta Fuel | - | 31,768 | - | - | - | - | 31,768 | 31,768 |
| (17) 820 - Undergrnd Strge - Oper Meas & Reg Sta Exp | - | 52,660 | - | - | - | - | 52,660 | 52,660 |
| (17) 821 - Undergrnd Strge - Oper Purification Exp | - | - | - | - | - | - | - | - |
| (17) 823 - Storage Gas Losses | - | - | - | - | - | - | - | - |
| (17) 824 - Undergrnd Strge - Oper Other Expenses | - | 106,078 | - | - | - | - | 106,078 | 106,078 |
| (17) 825 - Undergrnd Strge - Oper Storage Well Royalty | - | 20,606 | - | - | - | - | 20,606 | 20,606 |
| (17) 826 - Undergrnd Strge - Oper Other Storage Rents | - | - | - | - | - | - | - | - |
| (17) 830 - Undergrnd Strge - Maint Supv & Engineering | - | 143,368 | - | - | - | - | 143,368 | 143,368 |
| (17) 831 - Undergrnd Strge - Maint Structures | - | 34,004 | - | - | - | - | 34,004 | 34,004 |
| (17) 832 - Undergrnd Strge - Maint Reservoirs & Wells | - | 120,693 | - | - | - | - | 120,693 | 120,693 |
| (17) 833 - Undergrnd Strge - Maint Of Lines | - | 12,483 | - | - | - | - | 12,483 | 12,483 |
| (17) 834 - Undergrnd Strge - Maint Compressor Sta Equip | - | 299,712 | - | - | - | - | 299,712 | 299,712 |
| (17) 835 - Undergrnd Strge - Maint Meas & Reg Sta E | - | - | - | - | - | - | - | - |
| (17) 836 - Undergrnd Strge - Maint Purification Equip | - | 77,904 | - | - | - | - | 77,904 | 77,904 |
| (17) 837 - Undergrnd Strge-Maint Other Equipment | - | 16,976 | - | - | - | - | 16,976 | 16,976 |
| (17) 841 - Operating Labor & Expenses | - | 556,771 | - | - | - | - | 556,771 | 556,771 |
| (17) 8432 - Maint Struc & Impro | - | - | - | - | - | - | - | - |
| (17) 8433 - Maintenance of Gas Holders | - | - | - | - | - | - | - | - |
| (17) 8436 - Maintenance of Vaporizing Equipment | - | - | - | - | - | - | - | - |
| (17) 8438 - Maint Measure & Reg | - | - | - | - | - | - | - | - |
| (17) 8439 - Other Gas Maintenance | - | - | - | - | - | - | - | - |
| (17) 8441 - Gas LNG Oper Sup & Eng | - | 1,458 | - | - | - | - | 1,458 | 1,458 |
| (17) SUBTOTAL | 125,057,644 | 4,380,924 | - | - | - | 125,057,644 | 4,380,924 | 129,438,569 |
| 18 - TRANSMISSION EXPENSE | | | | | | | | |
| (18) 560 - Transmission Oper Supv & Engineering | 1,311,569 | - | - | - | - | 1,311,569 | - | 1,311,569 |
| (18) 561 - Transmission Oper Load Dispatching | - | - | - | - | - | - | - | - |
| (18) 5611 - Transmission Oper Load Dispatching | 66,490 | - | - | - | - | 66,490 | - | 66,490 |
| (18) 5612 - Load Dispatch - Monitor & Oper Trans System | 514,540 | - | - | - | - | 514,540 | - | 514,540 |
| (18) 5613 - Load Dispatch - Service and Scheduling | 261,540 | - | - | - | - | 261,540 | - | 261,540 |
| (18) 5615 - Reliability Planning & Standards | 2,377,867 | - | - | - | - | 2,377,867 | - | 2,377,867 |
| (18) 5616 - Transmission Svc Studies | (58,375) | - | - | - | - | (58,375) | - | (58,375) |
| (18) 5617 Gen Intercnct Studies | 3,166,952 | - | - | - | - | 3,166,952 | - | 3,166,952 |
| (18) 5618 - Reliability Planning | 189,145 | - | - | - | - | 189,145 | - | 189,145 |
| (18) 562 - Transmission Oper Station Expense | 1,117,147 | - | - | - | - | 1,117,147 | - | 1,117,147 |
| (18) 563 - Transmission Oper Overhead Line Exp | 552,712 | - | - | - | - | 552,712 | - | 552,712 |
| (18) 566 - Transmission Oper Misc | 1,807,675 | - | - | - | - | 1,807,675 | - | 1,807,675 |
| (18) 567 - Transmission Oper Rents | 109,301 | - | - | - | - | 109,301 | - | 109,301 |
| (18) 568 - Transmission Maint Supv & Eng | 83,714 | - | - | - | - | 83,714 | - | 83,714 |
| (18) 569 - Transmission Maint Structures | 350 | - | - | - | - | 350 | - | 350 |
| (18) 5691 - Transmission Computer Hardware Maint | - | - | - | - | - | - | - | - |
| (18) 5692 - Maintenance of Computer Software | 124,701 | - | - | - | - | 124,701 | - | 124,701 |
| (18) 570 - Transmission Maint Station Equipment | 2,251,718 | - | - | - | - | 2,251,718 | - | 2,251,718 |
| (18) 571 - Transmission Maint Overhead Lines | 6,795,628 | - | - | - | - | 6,795,628 | - | 6,795,628 |
| (18) 572 - Transmission Maint Underground Lines | 11,180 | - | - | - | - | 11,180 | - | 11,180 |
| (18) 573 - Transm Maint Misc | 209,961 | - | - | - | - | 209,961 | - | 209,961 |
| (18) 850 - Transmission Oper Supv & Engineering | - | - | - | - | - | - | - | - |
| (18) 856 - Transmission Oper Mains Expenses | - | - | - | - | - | - | - | - |
| (18) 857 - Transmission Oper Meas & Reg Sta Exp | - | - | - | - | - | - | - | - |
| (18) 862 - Transmission Maint Structures & Improvements | - | - | - | - | - | - | - | - |
| (18) 863 - Transmission Maint Supv & Eng | - | - | - | - | - | - | - | - |
| (18) 865 - Transmission Maint of measur & regul station equip | - | - | - | - | - | - | - | - |
| (18) 867 - Transmission Maint Other Equipment | - | - | - | - | - | - | - | - |
| (18) SUBTOTAL | 20,893,816 | - | - | - | - | 20,893,816 | - | 20,893,816 |
| 19 - DISTRIBUTION EXPENSE | | | | | | | | |
| (19) 580 - Distribution Oper Supv & Engineering | (11,707,899) | - | - | - | - | (11,707,899) | - | (11,707,899) |
| (19) 581 - Distribution Oper Load Dispatching | 2,556,051 | - | - | - | - | 2,556,051 | - | 2,556,051 |
| (19) 582 - Distribution Oper Station Expenses | 1,139,097 | - | - | - | - | 1,139,097 | - | 1,139,097 |
| (19) 583 - Distribution Oper Overhead Line Exp | 2,175,101 | - | - | - | - | 2,175,101 | - | 2,175,101 |
| (19) 584 - Distribution Oper Underground Line Exp | 4,910,092 | - | - | - | - | 4,910,092 | - | 4,910,092 |
| (19) 585 - Distribution Oper St Lighting & Signal | 394,448 | - | - | - | - | 394,448 | - | 394,448 |
| (19) 586 - Distribution Oper Meter Expense | (1,476,692) | - | - | - | - | (1,476,692) | - | (1,476,692) |
| (19) 587 - Distribution Oper Cust Installation | 3,082,942 | - | - | - | - | 3,082,942 | - | 3,082,942 |
| (19) 588 - Distribution Oper Misc Dist Exp | 17,982,536 | - | - | - | - | 17,982,536 | - | 17,982,536 |
| (19) 589 - Distribution Oper Rents | 1,271,418 | - | - | - | - | 1,271,418 | - | 1,271,418 |
| (19) 590 - Distribution Maint Superv & Engineering | 472,605 | - | - | - | - | 472,605 | - | 472,605 |
| (19) 591 - Distribution Maint Structures | - | - | - | - | - | - | - | - |
| (19) 592 - Distribution Maint Station Equipment | 1,840,993 | - | - | - | - | 1,840,993 | - | 1,840,993 |
| (19) 593 - Distribution Maint Overhead Lines | 37,943,900 | - | - | - | - | 37,943,900 | - | 37,943,900 |
| (19) 594 - Distribution Maint Underground Lines | 12,822,043 | - | - | - | - | 12,822,043 | - | 12,822,043 |
| (19) 595 - Distribution Maint Line Transformers | 145,905 | - | - | - | - | 145,905 | - | 145,905 |
| (19) 596 - Distribution Maint St Lighting/Signal | 2,255,930 | - | - | - | - | 2,255,930 | - | 2,255,930 |
| (19) 597 - Distribution Maint Meters | 473,523 | - | - | - | - | 473,523 | - | 473,523 |
| (19) 598 - Distribution Maint Misc Dist Plant | - | - | - | - | - | - | - | - |
| (19) 870 - Distribution Oper Supv & Engineering | 2,242,134 | - | - | - | - | 2,242,134 | - | 2,242,134 |
| (19) 871 - Distribution Oper Load Dispatching | 230,474 | - | - | - | - | 230,474 | - | 230,474 |
| (19) 874 - Distribution Oper Mains & Services Exp | 15,874,763 | - | - | - | - | 15,874,763 | - | 15,874,763 |
| (19) 875 - Distribution Oper Meas & Reg Sta Gen | 1,338,285 | - | - | - | - | 1,338,285 | - | 1,338,285 |
| (19) 876 - Distribution Oper Meas & Reg Sta Indus | 303,920 | - | - | - | - | 303,920 | - | 303,920 |
| (19) 878 - Distribution Oper Meter & House Reg | 2,534,436 | - | - | - | - | 2,534,436 | - | 2,534,436 |
| (19) 879 - Distribution Oper Customer Install Exp | 3,760,086 | - | - | - | - | 3,760,086 | - | 3,760,086 |
| (19) 880 - Distribution Oper Other Expense | 15,149,735 | - | - | - | - | 15,149,735 | - | 15,149,735 |
| (19) 881 - Distribution Oper Rents Expense | 256,849 | - | - | - | - | 256,849 | - | 256,849 |
| (19) 885 - Dist Maint Supv & Engineering | 509,649 | - | - | - | - | 509,649 | - | 509,649 |
| (19) 886 - Maint of Facilities and Structures | 175,706 | - | - | - | - | 175,706 | - | 175,706 |
| (19) 887 - Distribution Maint Mains | 9,079,977 | - | - | - | - | 9,079,977 | - | 9,079,977 |
| (19) 889 - Distribution Maint Meas & Reg Sta Gen | 848,992 | - | - | - | - | 848,992 | - | 848,992 |
| (19) 890 - Distribution Maint Meas & Reg Sta Ind | 333,251 | - | - | - | - | 333,251 | - | 333,251 |
| (19) 892 - Distribution Maint Services | 5,519,071 | - | - | - | - | 5,519,071 | - | 5,519,071 |
| (19) 893 - Distribution Maint Meters & House Reg | 328,942 | - | - | - | - | 328,942 | - | 328,942 |
| (19) 894 - Distribution Maint Other Equipment | 598,232 | - | - | - | - | 598,232 | - | 598,232 |
| (19) SUBTOTAL | 76,281,991 | 59,084,502 | - | - | - | 76,281,991 | 59,084,502 | 135,366,493 |
| 20 - CUSTOMER ACCTS EXPENSES | | | | | | | | |
| (20) 901 - Customer Accounts Supervision | - | - | 221,056 | 128,434 | 92,622 | 128,434 | 92,622 | 221,056 |
| (20) 902 - Meter Reading Expense | 10,231,631 | 7,485,279 | 946,472 | 594,101 | 352,372 | 10,825,732 | 7,837,651 | 18,663,383 |
| (20) 903 - Customer Records & Collection Expense | 1,181,259 | 877,039 | 36,340,925 | 21,114,077 | 15,226,847 | 22,295,337 | 16,103,887 | 38,399,223 |

**PUGET SOUND ENERGY
INCOME STATEMENT DETAIL
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2017**

| Account Description | Electric | Gas | Common | Electric Common | Gas Common | Electric Alloc | Gas Alloc | Total |
|--|--------------------|--------------------|----------------------|----------------------|---------------------|--------------------|--------------------|--------------------|
| (20) 904 - Uncollectible Accounts | 16,024,854 | 4,285,877 | - | - | - | 16,024,854 | 4,285,877 | 20,310,730 |
| (20) 905 - Misc. Customer Accounts Expense | - | - | - | - | - | - | - | - |
| (20) SUBTOTAL | 27,437,745 | 12,648,195 | 37,508,453 | 21,836,611 | 15,671,842 | 49,274,356 | 28,320,036 | 77,594,393 |
| 21 - CUSTOMER SERVICE EXPENSES | | | | | | | | |
| (21) 908 - Customer Assistance Expense | 18,051,332 | 6,421,990 | 1,306,815 | 759,259 | 547,555 | 18,810,591 | 6,969,546 | 25,780,137 |
| (21) 909 - Info & Instructional Advertising | 1,357,838 | 390,745 | 1,608,463 | 934,517 | 673,946 | 2,292,355 | 1,064,681 | 3,357,046 |
| (21) 910 - Misc Cust Svc & Info Expense | - | - | 1,879 | 1,092 | 787 | 1,092 | 787 | 1,879 |
| (21) 911 - Sales Supervision Exp | - | - | - | - | - | - | - | - |
| (21) 912 - Demonstration & Selling Expense | 774,779 | - | - | - | - | 774,779 | - | 774,779 |
| (21) 913 - Advertising Expenses | - | - | - | - | - | - | - | - |
| (21) 916 - Misc. Sales Expense | (5,467) | - | - | - | - | (5,467) | - | (5,467) |
| (21) SUBTOTAL | 20,178,482 | 6,812,735 | 2,917,157 | 1,694,868 | 1,222,289 | 21,873,350 | 8,035,024 | 29,908,374 |
| 22 - CONSERVATION AMORTIZATION | | | | | | | | |
| (22) 908 - Customer Assistance Expense | 104,947,340 | 16,268,880 | - | - | - | 104,947,340 | 16,268,880 | 121,216,220 |
| (22) SUBTOTAL | 104,947,340 | 16,268,880 | - | - | - | 104,947,340 | 16,268,880 | 121,216,220 |
| 23 - ADMIN & GENERAL EXPENSE | | | | | | | | |
| (23) 920 - A & G Salaries | 2,992,280 | 1,448,339 | 76,332,697 | 50,967,342 | 25,365,355 | 53,959,621 | 26,813,694 | 80,773,316 |
| (23) 921 - Office Supplies and Expenses | 758,447 | 257,187 | 1,616,225 | 1,079,153 | 537,071 | 1,837,601 | 794,258 | 2,631,859 |
| (23) 922 - Admin Expenses Transferred | - | - | (29,837,904) | (19,922,769) | (9,915,136) | (19,922,769) | (9,915,136) | (29,837,904) |
| (23) 923 - Outside Services Employed | 1,943,282 | 1,073,401 | 24,898,420 | 16,624,675 | 8,273,745 | 18,567,958 | 9,347,146 | 27,915,103 |
| (23) 924 - Property Insurance | 4,826,583 | 190,303 | 54,332 | 33,023 | 21,309 | 4,859,606 | 211,612 | 5,071,218 |
| (23) 925 - Injuries & Damages | 2,181,188 | 3,716,697 | 6,668,693 | 3,874,511 | 2,794,182 | 6,055,699 | 6,510,880 | 12,566,579 |
| (23) 926 - Emp Pension & Benefits | 15,134,090 | 7,857,544 | 17,790,999 | 12,014,261 | 5,776,737 | 27,148,351 | 13,634,282 | 40,782,633 |
| (23) 928 - Regulatory Commission Expense | 7,334,828 | 2,052,344 | 2,008,767 | 1,341,253 | 667,513 | 8,676,082 | 2,719,857 | 11,395,939 |
| (23) 9301 - Gen Advertising Exp | - | - | 747 | 499 | 248 | 499 | 248 | 747 |
| (23) 9302 - Misc. General Expenses | 784,465 | 533,396 | 2,373,453 | 1,584,754 | 788,698 | 2,369,220 | 1,322,094 | 3,691,314 |
| (23) 931 - Rents | 222,234 | - | 12,386,981 | 8,270,787 | 4,116,194 | 8,493,021 | 4,116,194 | 12,609,215 |
| (23) 932 - Maint Of General Plant- Gas | - | 940,358 | - | - | - | - | 940,358 | 940,358 |
| (23) 935 - Maint General Plant - Electric | 996,906 | - | 23,365,024 | 15,600,826 | 7,764,197 | 16,597,732 | 7,764,197 | 24,361,930 |
| (23) SUBTOTAL | 37,174,304 | 18,069,568 | 137,658,433 | 91,468,317 | 46,190,116 | 128,642,621 | 64,259,684 | 192,902,305 |
| TOTAL OPERATING AND MAINTENANCE | 411,971,322 | 117,264,804 | 178,084,044 | 114,999,797 | 63,084,246 | 526,971,119 | 180,349,050 | 707,320,169 |
| DEPRECIATION, DEPLETION AND AMORTIZATION | | | | | | | | |
| 24 - DEPRECIATION | | | | | | | | |
| (24) 403 - Depreciation Expense | 259,475,041 | 122,026,360 | 24,776,049 | 16,542,968 | 8,233,081 | 276,018,010 | 130,259,441 | 406,277,451 |
| (24) 4031 - Depreciation Expense - FAS143 | 7,379,823 | 131,151 | - | - | - | 7,379,823 | 131,151 | 7,510,975 |
| (24) SUBTOTAL | 266,854,865 | 122,157,512 | 24,776,049 | 16,542,968 | 8,233,081 | 283,397,833 | 130,390,593 | 413,788,426 |
| 25 - AMORTIZATION | | | | | | | | |
| (25) 404 - Amort Ltd-Term Plant | 14,789,311 | 3,238,920 | 40,888,143 | 27,301,013 | 13,587,130 | 42,090,325 | 16,826,050 | 58,916,375 |
| (25) 406 - Amortization Of Plant Acquisition Adj | 11,657,189 | - | - | - | - | 11,657,189 | - | 11,657,189 |
| (25) 4111 - Accretion Exp - FAS143 | 5,418,936 | 37,896 | - | - | - | 5,418,936 | 37,896 | 5,456,832 |
| (25) SUBTOTAL | 31,865,436 | 3,276,816 | 40,888,143 | 27,301,013 | 13,587,130 | 59,166,450 | 16,863,946 | 76,030,396 |
| 26 - AMORTIZ OF PROPERTY LOSS | | | | | | | | |
| (26) 407 - Amortization Of Prop. Losses | 20,885,273 | - | - | - | - | 20,885,273 | - | 20,885,273 |
| (26) SUBTOTAL | 20,885,273 | - | - | - | - | 20,885,273 | - | 20,885,273 |
| 27 - OTHER OPERATING EXPENSES | | | | | | | | |
| (27) 4073 - Regulatory Debits | (39,719,153) | 321,528 | - | - | - | (39,719,153) | 321,528 | (39,397,625) |
| (27) 4074 - Regulatory Credits | (42,123,699) | - | - | - | - | (42,123,699) | - | (42,123,699) |
| (27) 4116 - Gains From Disposition Of Utility Plant | (637,284) | (58,780) | - | - | - | (637,284) | (58,780) | (696,064) |
| (27) 4117 - Losses From Disposition Of Utility Plant | 127,721 | 19,059 | - | - | - | 127,721 | 19,059 | 146,780 |
| (27) 4118 - Gains From Disposition Of Allowances | (12,569) | - | - | - | - | (12,569) | - | (12,569) |
| (27) 414 - Other Utility Operating Income | - | - | - | - | - | - | - | - |
| (27) SUBTOTAL | (82,364,984) | 281,808 | - | - | - | (82,364,984) | 281,808 | (82,083,176) |
| 28 - ASC 815 | | | | | | | | |
| (28) 421 - FAS 133 Gain | 24,760,576 | - | - | - | - | 24,760,576 | - | 24,760,576 |
| (28) 4265 - FAS 133 Loss | (6,029,879) | - | - | - | - | (6,029,879) | - | (6,029,879) |
| (28) SUBTOTAL | 30,790,455 | - | - | - | - | 30,790,455 | - | 30,790,455 |
| TOTAL DEPRECIATION, DEPLETION AND AMORTIZATION | 268,031,046 | 125,716,136 | 65,664,193 | 43,843,981 | 21,820,211 | 311,875,027 | 147,536,347 | 459,411,374 |
| 29 - TAXES OTHER THAN INCOME TAXES | | | | | | | | |
| (29) 4081 - Taxes Other-Util Income | 240,902,641 | 112,132,737 | 7,073,084 | 4,722,698 | 2,350,386 | 245,625,339 | 114,483,123 | 360,108,462 |
| (29) SUBTOTAL | 240,902,641 | 112,132,737 | 7,073,084 | 4,722,698 | 2,350,386 | 245,625,339 | 114,483,123 | 360,108,462 |
| 30 - INCOME TAXES | | | | | | | | |
| (30) 4081 - Montana Corp. License Taxes | - | - | - | - | - | - | - | - |
| (30) 4091 - Montana Corp license Tax | 16,513 | - | - | - | - | 16,513 | - | 16,513 |
| (30) 4091 - Fit-Util Oper Income | 61,577,667 | 17,027,972 | - | - | - | 61,577,667 | 17,027,972 | 78,605,640 |
| (30) SUBTOTAL | 61,594,180 | 17,027,972 | - | - | - | 61,594,180 | 17,027,972 | 78,622,153 |
| 31 - DEFERRED INCOME TAXES | | | | | | | | |
| (31) 4101 - Def Fit-Util Oper Income | 718,578,202 | 299,554,602 | 62,401 | 41,665 | 20,736 | 718,619,867 | 299,575,338 | 1,018,195,205 |
| (31) 4111 - Def Fit-Cr - Util Oper Income | (584,783,510) | (250,963,273) | - | - | - | (584,783,510) | (250,963,273) | (835,746,783) |
| (31) 4114 - Inv Tax Cr Adj-Util Operations | - | - | - | - | - | - | - | - |
| (31) SUBTOTAL | 133,794,692 | 48,591,329 | 62,401 | 41,665 | 20,736 | 133,836,357 | 48,612,064 | 182,448,422 |
| NET OPERATING INCOME | 532,507,785 | 217,017,796 | (250,883,721) | (163,608,142) | (87,275,579) | 368,899,643 | 129,742,216 | 498,641,859 |
| NON-OPERATING INCOME | | | | | | | | |
| 99 - OTHER INCOME | | | | | | | | |
| (99) 4082 - Taxes Other - Other Income | 344,832 | - | - | - | - | 344,832 | - | 344,832 |
| (99) 4092 - Fit - Other Income | - | - | (77,478,306) | (51,732,265) | (25,746,041) | (51,732,265) | (25,746,041) | (77,478,306) |
| (99) 4102 - Def Fit - Other Income | - | - | 28,134,381 | 18,785,326 | 9,349,055 | 18,785,326 | 9,349,055 | 28,134,381 |
| (99) 4112 - Provision for Deferred FIT - Credit & Other Income | - | - | - | - | - | - | - | - |
| (99) 415 - Revenues From Merchandising And Jobbing | - | - | (398,020) | (265,758) | (132,262) | (265,758) | (132,262) | (398,020) |
| (99) 416 - Expenses Of Merchandising And Jobbing | - | - | 363,889 | 242,969 | 120,920 | 242,969 | 120,920 | 363,889 |
| (99) 417 - Revenues From Non-Utility Operations | - | - | (41,317,166) | (27,587,472) | (13,729,694) | (27,587,472) | (13,729,694) | (41,317,166) |
| (99) 4171 - Merger Related Costs | - | - | - | - | - | - | - | - |
| (99) 4171 - Expenses of Non-Utility Operations | - | - | 45,309,854 | 30,253,389 | 15,056,464 | 30,253,389 | 15,056,464 | 45,309,854 |
| (99) 418 - Nonoperating Rental Income | - | - | - | - | - | - | - | - |
| (99) 4181 - Equity in Earnings of Subsidiaries | - | - | 2,245,730 | 1,499,474 | 746,256 | 1,499,474 | 746,256 | 2,245,730 |
| (99) 419 - Interest And Dividend Income | - | - | (7,280,801) | (4,861,391) | (2,419,410) | (4,861,391) | (2,419,410) | (7,280,801) |
| (99) 4191 - Allowance For Other Funds Used During Construction | (7,818,714) | (3,817,092) | (3,391,617) | (2,264,583) | (1,127,034) | (10,083,297) | (4,944,126) | (15,027,424) |
| (99) 421 - Misc. Non-Operating Income | (70,689) | (3,500) | (6,267) | (4,184) | (2,082) | (74,873) | (5,582) | (80,455) |
| (99) 4211 - Gain On Disposition Of Property | (201,437) | - | - | - | - | (201,437) | - | (201,437) |
| (99) 4212 - Loss On Disposition Of Property | - | - | - | - | - | - | - | - |
| (99) 4213 - Misc. Non-Op Income - AFUDC(WUTC) | (1,398,731) | - | - | - | - | (1,398,731) | - | (1,398,731) |
| (99) 4214 - Misc. Non-Op Income - AFUCE | - | - | - | - | - | - | - | - |
| (99) 425 - Miscellaneous Amortization | - | - | - | - | - | - | - | - |
| (99) 4261 - Donations | - | - | 45,969 | 30,694 | 15,276 | 30,694 | 15,276 | 45,969 |
| (99) 4262 - Life Insurance | - | - | (2,361,237) | (1,576,598) | (784,639) | (1,576,598) | (784,639) | (2,361,237) |
| (99) 4263 - Penalties | - | - | (500,400) | (334,117) | (166,283) | (334,117) | (166,283) | (500,400) |
| (99) 4264 - Expenses For Civic & Political Activities | - | - | 5,085,931 | 3,395,876 | 1,690,055 | 3,395,876 | 1,690,055 | 5,085,931 |
| (99) 4265 - Other Deductions | - | - | 13,783,890 | 9,203,504 | 4,580,387 | 9,203,504 | 4,580,387 | 13,783,890 |

PUGET SOUND ENERGY
INCOME STATEMENT DETAIL
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2017

| Account Description | Electric | Gas | Common | Electric Common | Gas Common | Electric Alloc | Gas Alloc | Total |
|--|--------------------|--------------------|----------------------|----------------------|----------------------|--------------------|-------------------|--------------------|
| (99) SUBTOTAL | (9,144,739) | (3,820,592) | (37,764,170) | (25,215,136) | (12,549,034) | (34,359,875) | (16,369,625) | (50,729,500) |
| 999 - INTEREST | | | | | | | | |
| (999) 427 - Interest On Long Term Debt | - | - | 217,547,317 | 145,256,343 | 72,290,973 | 145,256,343 | 72,290,973 | 217,547,317 |
| (999) 4271 - Interest on Preferred Stock | - | - | - | - | - | - | - | - |
| (999) 428 - Amortization Of Debt Discount & Expenses | - | - | 2,668,381 | 1,781,678 | 886,703 | 1,781,678 | 886,703 | 2,668,381 |
| (999) 4281 - Amortization Of Loss On Required Debt | 10,310 | 6,293 | 2,648,583 | 1,768,459 | 880,124 | 1,778,769 | 886,417 | 2,665,186 |
| (999) 429 - Amortization Of Premium On Debt-Cr | - | - | - | - | - | - | - | - |
| (999) 4291 - Amortization Gain On Reacquired Debt | - | - | - | - | - | - | - | - |
| (999) 430 - Int on Debt to Assoc. Companies | - | - | - | - | - | - | - | - |
| (999) 431 - Other Interest Expense | 13,391,590 | 466,548 | 3,404,525 | 2,273,202 | 1,131,324 | 15,664,791 | 1,597,872 | 17,262,663 |
| (999) 432 - Allowances For Borrowed Funds | (5,856,693) | (2,492,440) | (2,477,098) | (1,653,959) | (823,140) | (7,510,652) | (3,315,580) | (10,826,232) |
| (999) SUBTOTAL | 7,545,207 | (2,019,599) | 223,791,708 | 149,425,723 | 74,365,984 | 156,970,930 | 72,346,385 | 229,317,316 |
| 9999 - EXTRAORDINARY ITEMS | | | | | | | | |
| (9999) 4111 - Def Fit-Cr - Util Oper Income | - | - | - | - | - | - | - | - |
| (9999) 435 - Extraordinary Deductions | - | - | - | - | - | - | - | - |
| (9999) SUBTOTAL | - | - | - | - | - | - | - | - |
| TOTAL NON-OPERATING INCOME | (1,599,532) | (5,840,191) | 186,027,538 | 124,210,587 | 61,816,951 | 122,611,056 | 55,976,760 | 178,587,816 |
| NET INCOME | 534,107,317 | 222,857,987 | (436,911,260) | (287,818,729) | (149,092,530) | 246,288,587 | 73,765,456 | 320,054,044 |

PUGET SOUND ENERGY
ALLOCATION OF COMMON CHARGES
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2017
 (Based on allocation factors developed for the 12 ME 12/31/2016)

| FERC Account and Description | Allocated Electric | Allocated Gas | Allocation Method [1] | Share (Allocated Electric / Common) | Share (Allocated Gas / Common) | Common |
|--|-----------------------|----------------------|-----------------------|-------------------------------------|--------------------------------|-----------------------|
| 20 - CUSTOMER ACCTS EXPENSES | | | | | | |
| (20) 901 - Customer Accounts Supervision | \$ 128,434 | \$ 92,622 | 1 | 58.10% | 41.90% | \$ 221,056 |
| (20) 902 - Meter Reading Expense | 594,101 | 352,372 | 2 | 62.77% | 37.23% | 946,472 |
| (20) 903 - Customer Records & Collection Expense | 21,114,077 | 15,226,847 | 1 | 58.10% | 41.90% | 36,340,925 |
| (20) 905 - Misc. Customer Accounts Expense | - | - | 1 | 58.10% | 41.90% | - |
| SUBTOTAL | \$ 21,836,611 | \$ 15,671,842 | | | | \$ 37,508,453 |
| 21 - CUSTOMER SERVICE EXPENSES | | | | | | |
| (21) 908 - Customer Assistance Expense | \$ 759,259 | \$ 547,555 | 1 | 58.10% | 41.90% | \$ 1,306,815 |
| (21) 909 - Info & Instructional Advertising | 934,517 | 673,946 | 1 | 58.10% | 41.90% | 1,608,463 |
| (21) 910 - Misc Cust Svc & Info Expense | 1,092 | 787 | 1 | 58.10% | 41.90% | 1,879 |
| (21) 911 - Sales Supervision Exp | - | - | 1 | 58.10% | 41.90% | - |
| (21) 912 - Demonstration & Selling Expense | - | - | 1 | 58.10% | 41.90% | - |
| (21) 913 - Advertising Expense | - | - | 1 | 58.10% | 41.90% | - |
| (21) 916 - Misc. Sales Expense | - | - | 1 | 58.10% | 41.90% | - |
| SUBTOTAL | \$ 1,694,868 | \$ 1,222,289 | | | | \$ 2,917,157 |
| 23 - ADMIN & GENERAL EXPENSE | | | | | | |
| (23) 920 - A & G Salaries | \$ 50,967,342 | \$ 25,365,355 | 4 | 66.77% | 33.23% | \$ 76,332,697 |
| (23) 921 - Office Supplies and Expenses | 1,079,153 | 537,071 | 4 | 66.77% | 33.23% | 1,616,225 |
| (23) 922 - Admin Expenses Transferred | (19,922,769) | (9,915,136) | 4 | 66.77% | 33.23% | (29,837,904) |
| (23) 923 - Outside Services Employed | 16,624,675 | 8,273,745 | 4 | 66.77% | 33.23% | 24,898,420 |
| (23) 924 - Property Insurance | 33,023 | 21,309 | 3 | 60.78% | 39.22% | 54,332 |
| (23) 925 - Injuries & Damages | 3,874,511 | 2,794,182 | 1 | 58.10% | 41.90% | 6,668,693 |
| (23) 926 - Emp Pension & Benefits | 12,014,261 | 5,776,737 | 5 | 67.53% | 32.47% | 17,790,999 |
| (23) 928 - Regulatory Commission Expense | 1,341,253 | 667,513 | 4 | 66.77% | 33.23% | 2,008,767 |
| (23) 9301 - Gen Advertising Exp | 499 | 248 | 4 | 66.77% | 33.23% | 747 |
| (23) 9302 - Misc. General Expenses | 1,584,754 | 788,698 | 4 | 66.77% | 33.23% | 2,373,453 |
| (23) 931 - Rents | 8,270,787 | 4,116,194 | 4 | 66.77% | 33.23% | 12,386,981 |
| (23) 932 - Maint Of General Plant- Gas | - | - | 4 | 66.77% | 33.23% | - |
| (23) 935 - Maint General Plant - Electric | 15,600,826 | 7,764,197 | 4 | 66.77% | 33.23% | 23,365,024 |
| SUBTOTAL | \$ 91,468,317 | \$ 46,190,116 | | | | \$ 137,658,433 |
| 24 - DEPRECIATION/AMORTIZATION | | | | | | |
| (24) 403 - Depreciation Expense | \$ 16,542,968 | \$ 8,233,081 | 4 | 66.77% | 33.23% | \$ 24,776,049 |
| (24) 4031 - Depreciation Expense - FAS143 | - | - | 4 | 66.77% | 33.23% | - |
| SUBTOTAL | \$ 16,542,968 | \$ 8,233,081 | | | | \$ 24,776,049 |
| 25 - AMORTIZATION | | | | | | |
| (25) 404 - Amort Ltd-Term Plant | \$ 27,301,013 | \$ 13,587,130 | 4 | 66.77% | 33.23% | \$ 40,888,143 |
| (25) 406 - Amortization Of Plant Acquisition Adj | - | - | 4 | 66.77% | 33.23% | - |
| (25) 4111 - Accretion Exp - FAS143 | - | - | 4 | 66.77% | 33.23% | - |
| SUBTOTAL | \$ 27,301,013 | \$ 13,587,130 | | | | \$ 40,888,143 |
| 29 - TAXES OTHER THAN INCOME TAXES | | | | | | |
| (29) 4081 - Taxes Other-Util Income | \$ 4,722,698 | \$ 2,350,386 | 4 | 66.77% | 33.23% | \$ 7,073,084 |
| SUBTOTAL | \$ 4,722,698 | \$ 2,350,386 | | | | \$ 7,073,084 |
| 30 - INCOME TAXES | | | | | | |
| (30) 4091 - Fit-Util Oper Income | \$ - | \$ - | 4 | 66.77% | 33.23% | \$ - |
| SUBTOTAL | \$ - | \$ - | | | | \$ - |
| 31 - DEFERRED INCOME TAXES | | | | | | |
| (31) 4101 - Def Fit-Util Oper Income | \$ 41,665 | \$ 20,736 | 4 | 66.77% | 33.23% | \$ 62,401 |
| (31) 4111 - Def Fit-Cr - Util Oper Income | - | - | 4 | 66.77% | 33.23% | - |
| SUBTOTAL | \$ 41,665 | \$ 20,736 | | | | \$ 62,401 |
| GRAND TOTAL | \$ 163,608,142 | \$ 87,275,579 | | | | \$ 250,883,721 |

| Allocation Method | | Electric | Gas | |
|-------------------|--------------------------------------|----------|--------|---------|
| 1 | 12 Month Average number of Customers | 58.10% | 41.90% | 100.00% |
| 2 | Joint Meter Reading Customers | 62.77% | 37.23% | 100.00% |
| 3 | Non-Production Plant | 60.78% | 39.22% | 100.00% |
| 4 | 4-Factor Allocator | 66.77% | 33.23% | 100.00% |
| 5 | Direct Labor | 67.53% | 32.47% | 100.00% |