

**PUGET SOUND ENERGY**  
**PERIODIC ALLOCATED RESULTS OF OPERATIONS**  
**FOR THE 12 MONTHS ENDED SEPTEMBER 30, 2018**

(October through December 2017 spread is based on allocation factors developed for the 12 ME 12/31/2016)

(January through September 2018 spread is based on allocation factors developed for the 12 ME 12/31/2017)

	Electric	Gas	Total Amount
1 - OPERATING REVENUES:			
2 - SALES TO CUSTOMERS	\$ 2,216,295,448	\$ 930,344,607	\$ 3,146,640,055
3 - SALES FOR RESALE-FIRM	343,143	-	343,143
4 - SALES TO OTHER UTILITIES	134,801,099	-	134,801,099
5 - OTHER OPERATING REVENUES	28,545,454	(26,964,920)	1,580,534
6 - TOTAL OPERATING REVENUES	\$ 2,379,985,144	\$ 903,379,687	\$ 3,283,364,831
7			
8 - OPERATING REVENUE DEDUCTIONS:			
9			
10 - POWER COSTS:			
11 - FUEL	\$ 197,394,977	\$ -	\$ 197,394,977
12 - PURCHASED AND INTERCHANGED	548,604,460	323,479,969	872,084,429
13 - WHEELING	115,604,569	-	115,604,569
14 - RESIDENTIAL EXCHANGE	(78,555,499)	-	(78,555,499)
15 - TOTAL PRODUCTION EXPENSES	\$ 783,048,507	\$ 323,479,969	\$ 1,106,528,476
16			
17 - OTHER ENERGY SUPPLY EXPENSES	\$ 124,956,970	\$ 5,554,074	\$ 130,511,044
18 - TRANSMISSION EXPENSE	22,531,248	2,120	22,533,368
19 - DISTRIBUTION EXPENSE	79,349,410	58,493,715	137,843,125
20 - CUSTOMER ACCTS EXPENSES	54,075,498	29,649,066	83,724,563
21 - CUSTOMER SERVICE EXPENSES	22,077,266	6,750,003	28,827,269
22 - CONSERVATION AMORTIZATION	102,895,529	14,962,668	117,858,197
23 - ADMIN & GENERAL EXPENSE	121,194,041	55,638,056	176,832,098
24 - DEPRECIATION	329,045,962	119,570,570	448,616,532
25 - AMORTIZATION	68,150,163	22,587,300	90,737,462
26 - AMORTIZ OF PROPERTY LOSS	32,634,855	-	32,634,855
27 - OTHER OPERATING EXPENSES	(75,688,318)	6,905,301	(68,783,017)
28 - ASC 815	(14,260,464)	-	(14,260,464)
29 - TAXES OTHER THAN INCOME TAXES	239,680,932	106,667,260	346,348,192
30 - INCOME TAXES	20,471,637	34,730,301	55,201,938
31 - DEFERRED INCOME TAXES	82,939,399	(3,184,722)	79,754,677
32 - TOTAL OPERATING REV. DEDUCT.	\$ 1,993,102,635	\$ 781,805,680	\$ 2,774,908,315
<b>NET OPERATING INCOME</b>	<b><u>\$ 386,882,509</u></b>	<b><u>\$ 121,574,007</u></b>	<b><u>\$ 508,456,516</u></b>
<b>RATE BASE (AMA For 12 Months Ended September 30, 2018)</b>	<b>\$ 5,182,230,135</b>	<b>\$ 1,901,066,601</b>	

**PUGET SOUND ENERGY**  
**ACTUAL RESULTS OF OPERATIONS**  
**FOR THE 12 MONTHS ENDED SEPTEMBER 30, 2018**

	Electric	Gas	Common	Energy N/A	Total Amount
<b>OPERATING INCOME</b>					
1 - OPERATING REVENUES:					
2 - SALES TO CUSTOMERS	\$ 2,216,295,448	\$ 930,344,607	\$ -	\$ -	\$ 3,146,640,055
3 - SALES FOR RESALE-FIRM	343,143	-	-	-	343,143
4 - SALES TO OTHER UTILITIES	134,801,099	-	-	-	134,801,099
5 - OTHER OPERATING REVENUES	28,545,454	(26,964,920)	-	-	1,580,534
6 - TOTAL OPERATING REVENUES	\$ 2,379,985,144	\$ 903,379,687	\$ -	\$ -	\$ 3,283,364,831
7					
8 - OPERATING REVENUE DEDUCTIONS:					
9					
10 - POWER COSTS:					
11 - FUEL	\$ 197,394,977	\$ -	\$ -	\$ -	\$ 197,394,977
12 - PURCHASED AND INTERCHANGED	548,604,460	323,479,969	-	-	872,084,429
13 - WHEELING	115,604,569	-	-	-	115,604,569
14 - RESIDENTIAL EXCHANGE	(78,555,499)	-	-	-	(78,555,499)
15 - TOTAL PRODUCTION EXPENSES	\$ 783,048,507	\$ 323,479,969	\$ -	\$ -	\$ 1,106,528,476
16					
17 - OTHER ENERGY SUPPLY EXPENSES	\$ 124,956,970	\$ 5,554,074	\$ -	\$ -	\$ 130,511,044
18 - TRANSMISSION EXPENSE	22,531,248	2,120	-	-	22,533,368
19 - DISTRIBUTION EXPENSE	79,349,410	58,493,715	0	-	137,843,125
20 - CUSTOMER ACCTS EXPENSES	31,656,262	13,571,028	38,497,273	-	83,724,563
21 - CUSTOMER SERVICE EXPENSES	20,566,052	5,659,518	2,601,699	-	28,827,269
22 - CONSERVATION AMORTIZATION	102,895,529	14,962,668	0	-	117,858,197
23 - ADMIN & GENERAL EXPENSE	39,723,191	12,422,186	124,686,721	-	176,832,098
24 - DEPRECIATION	311,820,612	110,651,078	26,144,842	-	448,616,532
25 - AMORTIZATION	31,214,811	3,411,399	56,111,252	-	90,737,462
26 - AMORTIZ OF PROPERTY LOSS	32,634,855	-	-	-	32,634,855
27 - OTHER OPERATING EXPENSES	(75,688,318)	6,905,301	0	-	(68,783,017)
28 - ASC 815	(14,260,464)	-	-	-	(14,260,464)
29 - TAXES OTHER THAN INCOME TAXES	235,568,074	104,500,365	6,279,752	-	346,348,192
30 - INCOME TAXES	20,471,637	34,730,301	-	-	55,201,938
31 - DEFERRED INCOME TAXES	82,897,734	(3,205,458)	62,401	-	79,754,677
32 - TOTAL OPERATING REV. DEDUCT.	\$ 1,829,386,110	\$ 691,138,265	\$ 254,383,940	\$ -	\$ 2,774,908,315
<b>NET OPERATING INCOME</b>	\$ 550,599,034	\$ 212,241,422	\$ (254,383,940)	\$ -	\$ 508,456,516
<b>NON-OPERATING INCOME</b>					
99 - OTHER INCOME	\$ -	\$ -	\$ -	\$ (4,049,833)	\$ (4,049,833)
999 - INTEREST	-	-	-	221,591,369	221,591,369
9999 - EXTRAORDINARY ITEMS	-	-	-	-	-
<b>TOTAL NON-OPERATING INCOME</b>	\$ -	\$ -	\$ -	\$ 217,541,537	\$ 217,541,537
<b>NET INCOME</b>	<b>\$ 550,599,034</b>	<b>\$ 212,241,422</b>	<b>\$ (254,383,940)</b>	<b>\$ (217,541,537)</b>	<b>\$ 290,914,980</b>

**PUGET SOUND ENERGY**  
**INCOME STATEMENT DETAIL**  
**FOR THE 12 MONTHS ENDED SEPTEMBER 30, 2018**

Account Description	Electric	Gas	Common	Total
<b>1 - OPERATING REVENUES</b>				
<b>2 - SALES TO CUSTOMERS</b>				
(2) 440 - Electric Residential Sales	\$ 1,187,471,518	\$ -	\$ -	\$ 1,187,471,518
(2) 442 - Electric Commercial & Industrial Sales	1,009,783,016	-	-	1,009,783,016
(2) 444 - Public Street & Highway Lighting	19,040,914	-	-	19,040,914
(2) 480 - Gas Residential Sales	-	636,107,224	-	636,107,224
(2) 481 - Gas Commercial & Industrial Sales	-	273,705,744	-	273,705,744
(2) 489 - Rev From Transportation Of Gas To Others	-	20,531,639	-	20,531,639
(2) SUBTOTAL	2,216,295,448	930,344,607	-	3,146,640,055
<b>3 - SALES FOR RESALE-FIRM</b>				
(3) 447 - Electric Sales For Resale	343,143	-	-	343,143
(3) SUBTOTAL	343,143	-	-	343,143
<b>4 - SALES TO OTHER UTILITIES</b>				
(4) 447 - Electric Sales For Resale - Sales	75,643,575	-	-	75,643,575
(4) 447 - Electric Sales For Resale - Purchases	59,157,524	-	-	59,157,524
(4) SUBTOTAL	134,801,099	-	-	134,801,099
<b>5 - OTHER OPERATING REVENUES</b>				
(5) 412 - Lease Inc Everett Delta to NWP - Gas	-	-	-	-
(5) 449.1 - Provision for rate refunds E	(24,054,569)	-	-	(24,054,569)
(5) 450 - Forfeited Discounts	2,515,433	-	-	2,515,433
(5) 451 - Electric Misc Service Revenue	11,478,860	-	-	11,478,860
(5) 454 - Rent For Electric Property	18,662,485	-	-	18,662,485
(5) 456 - Other Electric Revenues	28,758,066	-	-	28,758,066
(5) 456.1 - Other Electric Revenues - Transmission	(8,814,821)	-	-	(8,814,821)
(5) 487 - Forfeited Discounts	-	943,430	-	943,430
(5) 488 - Gas Misc Service Revenues	-	3,551,452	-	3,551,452
(5) 4894 - Gas Revenues from Storing Gas of Others	-	980,025	-	980,025
(5) 493 - Rent From Gas Property	-	6,148,938	-	6,148,938
(5) 495 - Other Gas Revenues	-	(28,064,833)	-	(28,064,833)
(5) 496 - Provision for rate refunds G	-	(10,523,931)	-	(10,523,931)
(5) SUBTOTAL	28,545,454	(26,964,920)	-	1,580,534
<b>(1) TOTAL OPERATING REVENUES</b>	<b>2,379,985,144</b>	<b>903,379,687</b>	<b>-</b>	<b>3,283,364,831</b>
<b>10 - ENERGY COST</b>				
<b>11 - FUEL</b>				
(11) 501 - Steam Operations Fuel	75,892,939	-	-	75,892,939
(11) 547 - Other Power Generation Oper Fuel	121,502,038	-	-	121,502,038
(11) SUBTOTAL	197,394,977	-	-	197,394,977
<b>12 - PURCHASED AND INTERCHANGED</b>				
(12) 555 - Purchased Power	523,736,169	-	-	523,736,169
(12) 557 - Other Power Supply Expense	24,868,291	-	-	24,868,291
(12) 804 - Natural Gas City Gate Purchases	-	288,870,155	-	288,870,155
(12) 805 - Other Gas Purchases	-	92,347	-	92,347
(12) 8051 - Purchased Gas Cost Adjustments	-	29,197,770	-	29,197,770
(12) 8081 - Gas Withdrawn From Storage	-	37,880,538	-	37,880,538
(12) 8082 - Gas Delivered To Storage	-	(32,560,842)	-	(32,560,842)
(12) SUBTOTAL	548,604,460	323,479,969	-	872,084,429
<b>13 - WHEELING</b>				
(13) 565 - Transmission Of Electricity By Others	115,604,569	-	-	115,604,569
(13) SUBTOTAL	115,604,569	-	-	115,604,569
<b>14 - RESIDENTIAL EXCHANGE</b>				
(14) 555 - Purchased Power	(78,555,499)	-	-	(78,555,499)

(14) SUBTOTAL	(78,555,499)	-	-	(78,555,499)
<b>(10) TOTAL ENERGY COST</b>	<b>783,048,507</b>	<b>323,479,969</b>	-	<b>1,106,528,476</b>
<b>GROSS MARGIN</b>	<b>1,596,936,637</b>	<b>579,899,718</b>	-	<b>2,176,836,355</b>

**OPERATING EXPENSES**

OPERATING AND MAINTENANCE

17 - OTHER ENERGY SUPPLY EXPENSES

(17) 500 - Steam Oper Supv & Engineering	1,835,645	-	-	1,835,645
(17) 502 - Steam Oper Steam Expenses	9,163,682	-	-	9,163,682
(17) 505 - Steam Oper Electric Expense	1,745,376	-	-	1,745,376
(17) 506 - Steam Oper Misc Steam Power	9,537,902	-	-	9,537,902
(17) 507 - Steam Operations Rents	70,711	-	-	70,711
(17) 510 - Steam Maint Supv & Engineering	1,629,638	-	-	1,629,638
(17) 511 - Steam Maint Structures	1,983,195	-	-	1,983,195
(17) 512 - Steam Maint Boiler Plant	13,193,967	-	-	13,193,967
(17) 513 - Steam Maint Electric Plant	8,704,442	-	-	8,704,442
(17) 514 - Steam Maint Misc Steam Plant	3,379,812	-	-	3,379,812
(17) 535 - Hydro Oper Supv & Engineering	2,126,415	-	-	2,126,415
(17) 536 - Hydro Oper Water For Power	-	-	-	-
(17) 537 - Hydro Oper Hydraulic Expenses	3,655,427	-	-	3,655,427
(17) 538 - Hydro Oper Electric Expenses	239,617	-	-	239,617
(17) 539 - Hydro Oper Misc Hydraulic Exp	2,582,546	-	-	2,582,546
(17) 540 - Hydro Office Rents	-	-	-	-
(17) 541 - Hydro Maint Supv & Engineering	262,798	-	-	262,798
(17) 542 - Hydro Maint Structures	380,633	-	-	380,633
(17) 543 - Hydro Maint Res. Dams & Waterways	666,037	-	-	666,037
(17) 544 - Hydro Maint Electric Plant	1,217,594	-	-	1,217,594
(17) 545 - Hydro Maint Misc Hydraulic Plant	3,700,317	-	-	3,700,317
(17) 546 - Other Pwr Gen Oper Supv & Eng	3,480,551	-	-	3,480,551
(17) 548 - Other Power Gen Oper Gen Exp	11,404,850	-	-	11,404,850
(17) 549 - Other Power Gen Oper Misc	5,043,493	-	-	5,043,493
(17) 550 - Other Power Gen Oper Rents	7,061,974	-	-	7,061,974
(17) 551 - Other Power Gen Maint Supv & Eng	691,930	-	-	691,930
(17) 552 - Other Power Gen Maint Structures	743,613	-	-	743,613
(17) 553 - Other Power Gen Maint Gen & Elec	29,573,523	-	-	29,573,523
(17) 554 - Other Power Gen Maint Misc	808,217	-	-	808,217
(17) 556 - System Control & Load Dispatch	73,067	-	-	73,067
(17) 710 - Production Operations Supv & Engineering	-	-	-	-
(17) 717 - Liquefied Petroleum Gas Expenses	-	135,417	-	135,417
(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	-	2,092,753	-	2,092,753
(17) 812 - Gas Used For Other Utility Operations	-	(72,564)	-	(72,564)
(17) 813 - Other Gas Supply Expenses	-	440,249	-	440,249
(17) 814 - Undergrnd Strge - Operation Supv & Eng	-	167,839	-	167,839
(17) 815 - Undergrnd Strge - Oper Map & Records	-	-	-	-
(17) 816 - Undergrnd Strge - Oper Wells Expense	-	30,919	-	30,919
(17) 817 - Undergrnd Strge - Oper Lines Expense	-	8,071	-	8,071
(17) 818 - Undergrnd Strge - Oper Compressor Sta Exp	-	274,467	-	274,467
(17) 819 - Undergrnd Strge - Oper Compressor Sta Fuel	-	33,630	-	33,630
(17) 820 - Undergrnd Strge - Oper Meas & Reg Sta Exp	-	10,005	-	10,005
(17) 821 - Undergrnd Strge - Oper Purification Exp	-	-	-	-
(17) 823 - Storage Gas Losses	-	-	-	-
(17) 824 - Undergrnd Strge - Oper Other Expenses	-	130,842	-	130,842
(17) 825 - Undergrnd Strge - Oper Storage Well Royalty	-	34,614	-	34,614
(17) 826 - Undergrnd Strge - Oper Other Storage Rents	-	-	-	-
(17) 830 - Undergrnd Strge - Maint Supv & Engineering	-	144,300	-	144,300

(17) 831 - Undergrnd Strge - Maint Structures	-	36,907	-	36,907
(17) 832 - Undergrnd Strge - Maint Reservoirs & Wells	-	904,085	-	904,085
(17) 833 - Undergrnd Strge - Maint Of Lines	-	17,353	-	17,353
(17) 834 - Undergrnd Strge - Maint Compressor Sta Equip	-	280,324	-	280,324
(17) 835 - Undergrnd Strge - Maint Meas & Reg Sta E	-	-	-	-
(17) 836 - Undergrnd Strge - Maint Purification Equip	-	112,995	-	112,995
(17) 837 - Undergrnd Strge-Maint Other Equipment	-	16,325	-	16,325
(17) 841 - Operating Labor & Expenses	-	754,791	-	754,791
(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	-	751	-	751
(17) SUBTOTAL	124,956,970	5,554,074	-	130,511,044
<b>18 - TRANSMISSION EXPENSE</b>				
(18) 560 - Transmission Oper Supv & Engineering	2,280,342	-	-	2,280,342
(18) 561 - Transmission Oper Load Dispatching	-	-	-	-
(18) 5611 - Transmission Oper Load Dispatching	159,410	-	-	159,410
(18) 5612 - Load Dispatch - Monitor & Oper Trans System	1,596,777	-	-	1,596,777
(18) 5613 - Load Dispatch - Service and Scheduling	481,240	-	-	481,240
(18) 5615 - Reliability Planning & Standards	2,406,835	-	-	2,406,835
(18) 5616 - Transmission Svc Studies	(58,375)	-	-	(58,375)
(18) 5617 Gen Intercnct Studies	1,817,429	-	-	1,817,429
(18) 5618 - Reliability Planning	126,827	-	-	126,827
(18) 562 - Transmission Oper Station Expense	1,238,758	-	-	1,238,758
(18) 563 - Transmission Oper Overhead Line Exp	546,772	-	-	546,772
(18) 566 - Transmission Oper Misc	2,199,658	-	-	2,199,658
(18) 567 - Transmission Oper Rents	273,056	-	-	273,056
(18) 568 - Transmission Maint Supv & Eng	70,121	-	-	70,121
(18) 569 - Transmission Maint Structures	1,505	-	-	1,505
(18) 5691 - Transmission Computer Hardware Maint	-	-	-	-
(18) 5692 - Maintenance of Computer Software	143,071	-	-	143,071
(18) 570 - Transmission Maint Station Equipment	2,296,856	-	-	2,296,856
(18) 571 - Transmission Maint Overhead Lines	6,793,925	-	-	6,793,925
(18) 572 - Transmission Maint Underground Lines	945	-	-	945
(18) 573 - Transm Maint Misc	156,098	-	-	156,098
(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	-	2,120	-	2,120
(18) 863 - Transmission Maint Supv & Eng	-	-	-	-
(18) 865 - Transmission Maint of measur & regul station equip	-	-	-	-
(18) 867 - Transmission Maint Other Equipment	-	-	-	-
(18) SUBTOTAL	22,531,248	2,120	-	22,533,368
<b>19 - DISTRIBUTION EXPENSE</b>				
(19) 580 - Distribution Oper Supv & Engineering	(4,258,369)	-	-	(4,258,369)
(19) 581 - Distribution Oper Load Dispatching	1,949,028	-	-	1,949,028
(19) 582 - Distribution Oper Station Expenses	1,579,719	-	-	1,579,719
(19) 583 - Distribution Oper Overhead Line Exp	2,502,118	-	-	2,502,118
(19) 584 - Distribution Oper Underground Line Exp	4,858,944	-	-	4,858,944
(19) 585 - Distribution Oper St Lighting & Signal	129,711	-	-	129,711
(19) 586 - Distribution Oper Meter Expense	1,809,308	-	-	1,809,308
(19) 587 - Distribution Oper Cust Installation	3,262,578	-	-	3,262,578
(19) 588 - Distribution Oper Misc Dist Exp	14,584,791	-	-	14,584,791
(19) 589 - Distribution Oper Rents	1,239,205	-	-	1,239,205
(19) 590 - Distribution Maint Superv & Engineering	529,043	-	-	529,043
(19) 591 - Distribution Maint Structures	(5)	-	-	(5)
(19) 592 - Distribution Maint Station Equipment	1,549,780	-	-	1,549,780
(19) 593 - Distribution Maint Overhead Lines	33,802,518	-	-	33,802,518
(19) 594 - Distribution Maint Underground Lines	13,194,652	-	-	13,194,652

(19) 595 - Distribution Maint Line Transformers	175,110	-	-	175,110
(19) 596 - Distribution Maint St Lighting/Signal	1,900,840	-	-	1,900,840
(19) 597 - Distribution Maint Meters	540,440	-	-	540,440
(19) 598 - Distribution Maint Misc Dist Plant	-	-	-	-
(19) 870 - Distribution Oper Supv & Engineering	-	2,446,123	-	2,446,123
(19) 871 - Distribution Oper Load Dispatching	-	275,343	-	275,343
(19) 874 - Distribution Oper Mains & Services Exp	-	16,836,573	-	16,836,573
(19) 875 - Distribution Oper Meas & Reg Sta Gen	-	1,644,303	-	1,644,303
(19) 876 - Distribution Oper Meas & Reg Sta Indus	-	428,818	-	428,818
(19) 878 - Distribution Oper Meter & House Reg	-	2,873,364	-	2,873,364
(19) 879 - Distribution Oper Customer Install Exp	-	3,530,716	-	3,530,716
(19) 880 - Distribution Oper Other Expense	-	13,758,169	-	13,758,169
(19) 881 - Distribution Oper Rents Expense	-	273,253	-	273,253
(19) 885 - Dist Maint Supv & Engineering	-	168,171	-	168,171
(19) 886 - Maint of Facilities and Structures	-	125,137	-	125,137
(19) 887 - Distribution Maint Mains	-	8,212,340	-	8,212,340
(19) 889 - Distribution Maint Meas & Reg Sta Gen	-	835,622	-	835,622
(19) 890 - Distribution Maint Meas & Reg Sta Ind	-	343,511	-	343,511
(19) 892 - Distribution Maint Services	-	5,359,185	-	5,359,185
(19) 893 - Distribution Maint Meters & House Reg	-	808,102	-	808,102
(19) 894 - Distribution Maint Other Equipment	-	574,984	-	574,984
(19) SUBTOTAL	79,349,410	58,493,715	-	137,843,125
<b>20 - CUSTOMER ACCTS EXPENSES</b>				
(20) 901 - Customer Accounts Supervision	-	-	225,224	225,224
(20) 902 - Meter Reading Expense	10,194,742	7,552,449	1,279,323	19,026,514
(20) 903 - Customer Records & Collection Expense	1,622,846	1,125,269	36,992,726	39,740,841
(20) 904 - Uncollectible Accounts	19,838,674	4,893,310	-	24,731,983
(20) 905 - Misc. Customer Accounts Expense	-	-	-	-
(20) SUBTOTAL	31,656,262	13,571,028	38,497,273	83,724,563
<b>21 - CUSTOMER SERVICE EXPENSES</b>				
(21) 908 - Customer Assistance Expense	18,441,320	5,337,935	1,148,065	24,927,320
(21) 909 - Info & Instructional Advertising	1,086,592	321,583	1,809,209	3,217,384
(21) 910 - Misc Cust Svc & Info Expense	-	-	1,287	1,287
(21) 911 - Sales Supervision Exp	-	-	-	-
(21) 912 - Demonstration & Selling Expense	1,038,140	-	(356,862)	681,278
(21) 913 - Advertising Expenses	-	-	-	-
(21) 916 - Misc. Sales Expense	-	-	-	-
(21) SUBTOTAL	20,566,052	5,659,518	2,601,699	28,827,269
<b>22 - CONSERVATION AMORTIZATION</b>				
(22) 908 - Customer Assistance Expense	102,895,529	14,962,668	-	117,858,197
(22) SUBTOTAL	102,895,529	14,962,668	-	117,858,197
<b>23 - ADMIN &amp; GENERAL EXPENSE</b>				
(23) 920 - A & G Salaries	3,806,329	1,189,804	67,119,755	72,115,888
(23) 921 - Office Supplies and Expenses	951,350	349,415	10,701,011	12,001,776
(23) 922 - Admin Expenses Transferred	(38,057)	(19,966)	(27,321,327)	(27,379,350)
(23) 923 - Outside Services Employed	1,757,090	1,255,365	19,037,309	22,049,764
(23) 924 - Property Insurance	4,846,669	135,176	11,948	4,993,793
(23) 925 - Injuries & Damages	1,685,737	(1,340,519)	6,763,955	7,109,173
(23) 926 - Emp Pension & Benefits	17,160,700	7,673,150	14,007,477	38,841,327
(23) 928 - Regulatory Commission Expense	7,545,886	1,574,469	492,681	9,613,035
(23) 9301 - Gen Advertising Exp	-	-	-	-
(23) 9302 - Misc. General Expenses	707,553	557,512	5,675,101	6,940,167
(23) 931 - Rents	228,492	-	4,500,475	4,728,967
(23) 932 - Maint Of General Plant- Gas	-	1,047,779	-	1,047,779
(23) 935 - Maint General Plant - Electric	1,071,443	-	23,698,336	24,769,779
(23) SUBTOTAL	39,723,191	12,422,186	124,686,721	176,832,098
TOTAL OPERATING AND MAINTENANCE	421,678,662	110,665,309	165,785,693	698,129,664
<b>DEPRECIATION, DEPLETION AND AMORTIZATION</b>				
<b>24 - DEPRECIATION</b>				
(24) 403 - Depreciation Expense	303,960,458	110,503,546	26,144,842	440,608,846

(24) 4031 - Depreciation Expense - FAS143	7,860,155	147,532	-	8,007,686
(24) SUBTOTAL	311,820,612	110,651,078	26,144,842	448,616,532
<b>25 - AMORTIZATION</b>				
(25) 404 - Amort Ltd-Term Plant	15,576,790	3,273,723	56,111,252	74,961,765
(25) 406 - Amortization Of Plant Acquisition Adj	11,656,598	-	-	11,656,598
(25) 4111 - Accretion Exp - FAS143	3,981,424	137,676	-	4,119,099
(25) SUBTOTAL	31,214,811	3,411,399	56,111,252	90,737,462
<b>26 - AMORTIZ OF PROPERTY LOSS</b>				
(26) 407 - Amortization Of Prop. Losses	32,634,855	-	-	32,634,855
(26) SUBTOTAL	32,634,855	-	-	32,634,855
<b>27 - OTHER OPERATING EXPENSES</b>				
(27) 4073 - Regulatory Debits	(38,582,258)	6,823,764	-	(31,758,494)
(27) 4074 - Regulatory Credits	(36,392,826)	-	-	(36,392,826)
(27) 4116 - Gains From Disposition Of Utility Plant	(729,070)	7,096	-	(721,974)
(27) 4117 - Losses From Disposition Of Utility Plant	21,969	74,441	-	96,410
(27) 4118 - Gains From Disposition Of Allowances	(6,133)	-	-	(6,133)
(27) 414 - Other Utility Operating Income	-	-	-	-
(27) SUBTOTAL	(75,688,318)	6,905,301	-	(68,783,017)
<b>28 - ASC 815</b>				
(28) 421 - FAS 133 Gain	1,109,668	-	-	1,109,668
(28) 4265 - FAS 133 Loss	(15,370,132)	-	-	(15,370,132)
(28) SUBTOTAL	(14,260,464)	-	-	(14,260,464)
<b>TOTAL DEPRECIATION, DEPLETION AND AMORTIZATION</b>	<b>285,721,496</b>	<b>120,967,778</b>	<b>82,256,094</b>	<b>488,945,368</b>
<b>29 - TAXES OTHER THAN INCOME TAXES</b>				
(29) 4081 - Taxes Other-Util Income	235,568,074	104,500,365	6,279,752	346,348,192
(29) SUBTOTAL	235,568,074	104,500,365	6,279,752	346,348,192
<b>30 - INCOME TAXES</b>				
(30) 4091 - Fit-Util Oper Income	20,471,637	34,730,301	-	55,201,938
(30) SUBTOTAL	20,471,637	34,730,301	-	55,201,938
<b>31 - DEFERRED INCOME TAXES</b>				
(31) 4101 - Def Fit-Util Oper Income	539,459,107	169,948,101	62,401	709,469,610
(31) 4111 - Def Fit-Cr - Util Oper Income	(456,561,374)	(173,153,559)	-	(629,714,933)
(31) 4114 - Inv Tax Cr Adj-Util Operations	-	-	-	-
(31) SUBTOTAL	82,897,734	(3,205,458)	62,401	79,754,677
<b>NET OPERATING INCOME</b>	<b>550,599,034</b>	<b>212,241,422</b>	<b>(254,383,940)</b>	<b>508,456,516</b>
<b>NON-OPERATING INCOME</b>				
<b>99 - OTHER INCOME</b>				
(99) 4082 - Taxes Other - Other Income	345,351	-	-	345,351
(99) 4092 - Fit - Other Income	-	-	(32,305,259)	(32,305,259)
(99) 4102 - Def Fit - Other Income	-	-	26,621,097	26,621,097
(99) 4112 - Provision for Deferred FIT - Credit & Other Income	-	-	-	-
(99) 415 - Revenues From Merchandising And Jobbing	-	-	(324,703)	(324,703)
(99) 416 - Expenses Of Merchandising And Jobbing	-	-	356,604	356,604
(99) 417 - Revenues From Non-Utility Operations	-	-	(39,950,792)	(39,950,792)
(99) 4171 - Merger Related Costs	-	-	-	-
(99) 4171 - Expenses of Non-Utility Operations	-	-	48,512,474	48,512,474
(99) 418 - Nonoperating Rental Income	-	-	(32,350)	(32,350)
(99) 4181 - Equity in Earnings of Subsidiaries	-	-	2,195,198	2,195,198
(99) 419 - Interest And Dividend Income	-	-	(6,536,315)	(6,536,315)
(99) 4191 - Allowance For Other Funds Used During Construction	(6,750,633)	(5,468,466)	(4,500,770)	(16,719,869)
(99) 421 - Misc. Non-Operating Income	(114,001)	(7,200)	(8,821)	(130,022)
(99) 4211 - Gain On Disposition Of Property	(57,010)	-	-	(57,010)
(99) 4212 - Loss On Disposition Of Property	-	-	-	-
(99) 4213 - Misc. Non-Op Income - AFUDC(WUTC)	(4,077,813)	-	-	(4,077,813)
(99) 4214 - Misc. Non-Op Income - AFUCE	-	-	-	-

(99) 425 - Miscellaneous Amortization	-	-	-	-
(99) 4261 - Donations	630	-	64,294	64,924
(99) 4262 - Life Insurance	-	-	(2,115,307)	(2,115,307)
(99) 4263 - Penalties	11,000	-	346,169	357,169
(99) 4264 - Expenses For Civic & Political Activities	333,193	174,801	5,426,445	5,934,439
(99) 4265 - Other Deductions	-	-	13,812,353	13,812,353
(99) SUBTOTAL	(10,309,283)	(5,300,866)	11,560,316	(4,049,833)
<b>999 - INTEREST</b>				
(999) 427 - Interest On Long Term Debt	-	-	210,512,601	210,512,601
(999) 4271 - Interest on Preferred Stock	-	-	-	-
(999) 428 - Amortization Of Debt Discount & Expenses	-	-	2,265,554	2,265,554
(999) 4281 - Amortization Of Loss On Required Debt	14,858	8,964	2,313,778	2,337,601
(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	9,787,887	1,091,593	8,681,212	19,560,692
(999) 432 - Allowances For Borrowed Funds	(5,910,633)	(3,539,350)	(3,635,096)	(13,085,079)
(999) SUBTOTAL	3,892,112	(2,438,792)	220,138,050	221,591,369
<b>9999 - EXTRAORDINARY ITEMS</b>				
(9999) 4111 - Def Fit-Cr - Util Oper Income	-	-	-	-
(9999) 435 - Extraordinary Deductions	-	-	-	-
(9999) SUBTOTAL	-	-	-	-
<b>TOTAL NON-OPERATING INCOME</b>	(6,417,171)	(7,739,658)	231,698,366	217,541,537
<b>NET INCOME</b>	<b>\$ 557,016,205</b>	<b>\$ 219,981,081</b>	<b>\$ (486,082,307)</b>	<b>\$ 290,914,980</b>



**PUGET SOUND ENERGY**  
**ALLOCATION OF COMMON CHARGES**  
**FOR THE 12 MONTHS ENDED SEPTEMBER 30, 2018**  
(October through September 2017 spread is based on allocation factors developed for the 12 ME 12/31/2016)  
(January through September 2018 spread is based on allocation factors developed for the 12 ME 12/31/2017)

FERC Account and Description	Allocated Electric	Allocated Gas	Allocation Method	Blended Electric Rate	Blended Gas Rate	Common
<b>20 - CUSTOMER ACCTS EXPENSES</b>						
(20) 901 - Customer Accounts Supervision	\$ 130,822	\$ 94,403	1	58.09%	41.91%	\$ 225,224
(20) 902 - Meter Reading Expense	801,305	478,017	2	62.64%	37.36%	1,279,323
(20) 903 - Customer Records & Collection Expense	21,487,109	15,505,617	1	58.08%	41.92%	36,992,726
(20) 905 - Misc. Customer Accounts Expense	-	-	1			-
<b>SUBTOTAL</b>	<b>22,419,236</b>	<b>16,078,037</b>				<b>38,497,273</b>
<b>21 - CUSTOMER SERVICE EXPENSES</b>						
(21) 908 - Customer Assistance Expense	666,858	481,207	1	58.09%	41.91%	1,148,065
(21) 909 - Info & Instructional Advertising	1,050,874	758,334	1	58.08%	41.92%	1,809,209
(21) 910 - Misc Cust Svc & Info Expense	747	539	1	58.08%	41.92%	1,287
(21) 911 - Sales Supervision Exp	-	-	1			-
(21) 912 - Demonstration & Selling Expense	(207,265)	(149,597)	1			(356,862)
(21) 913 - Advertising Expense	-	-	1			-
(21) 916 - Misc. Sales Expense	-	-	1			-
<b>SUBTOTAL</b>	<b>1,511,215</b>	<b>1,090,485</b>				<b>2,601,699</b>
<b>23 - ADMIN &amp; GENERAL EXPENSE</b>						
(23) 920 - A & G Salaries	44,224,471	22,895,285	4	65.89%	34.11%	67,119,755
(23) 921 - Office Supplies and Expenses	7,066,074	3,634,937	4	66.03%	33.97%	10,701,011
(23) 922 - Admin Expenses Transferred	(17,964,431)	(9,356,895)	4	65.75%	34.25%	(27,321,327)
(23) 923 - Outside Services Employed	12,585,745	6,451,565	4	66.11%	33.89%	19,037,309
(23) 924 - Property Insurance	7,227	4,721	3	60.49%	39.51%	11,948
(23) 925 - Injuries & Damages	3,929,250	2,834,705	1	58.09%	41.91%	6,763,955
(23) 926 - Emp Pension & Benefits	9,031,932	4,975,545	5	64.48%	35.52%	14,007,477
(23) 928 - Regulatory Commission Expense	326,865	165,815	4			492,681
(23) 9301 - Gen Advertising Exp	-	-	4	#DIV/0!	#DIV/0!	-
(23) 9302 - Misc. General Expenses	3,730,920	1,944,180	4	65.74%	34.26%	5,675,101
(23) 931 - Rents	2,913,063	1,587,412	4	64.73%	35.27%	4,500,475
(23) 932 - Maint Of General Plant- Gas	-	-	4			-
(23) 935 - Maint General Plant - Electric	15,619,735	8,078,601	4	65.91%	34.09%	23,698,336
<b>SUBTOTAL</b>	<b>81,470,851</b>	<b>43,215,870</b>				<b>124,686,721</b>
<b>24 - DEPRECIATION/AMORTIZATION</b>						
(24) 403 - Depreciation Expense	17,225,350	8,919,492	4	65.88%	34.12%	26,144,842
(24) 4031 - Depreciation Expense - ASC 815	-	-	4			-
<b>SUBTOTAL</b>	<b>17,225,350</b>	<b>8,919,492</b>				<b>26,144,842</b>
<b>25 - AMORTIZATION</b>						
(25) 404 - Amort Ltd-Term Plant	36,935,351	19,175,901	4	65.83%	34.17%	56,111,252
(25) 406 - Amortization Of Plant Acquisition Adj	-	-	4			-
(25) 4111 - Accretion Exp - FAS143	-	-	4			-
<b>SUBTOTAL</b>	<b>36,935,351</b>	<b>19,175,901</b>				<b>56,111,252</b>
<b>27- OTHER OPERATING EXPENSES</b>						
(27) 4073 - Regulatory Debits	-	-				-
(27) 4074 - Regulatory Credits	-	-	4			-
(27) 4116 - Gains From Disposition Of Utility Plant	-	-	4			-
(27) 4117 - Losses From Disposition Of Utility Plant	-	-	4			-
(27) 4118 - Gains From Disposition Of Allowances	-	-				-
(27) 414 - Other Utility Operating Income	-	-				-
(27) <b>SUBTOTAL</b>	<b>-</b>	<b>-</b>				<b>-</b>
<b>29-TAXES OTHER THAN INCOME TAXES</b>						
(29) 4081 - Taxes Other-Util Income	4,112,858	2,166,895	4	65.49%	34.51%	6,279,752
<b>SUBTOTAL</b>	<b>4,112,858</b>	<b>2,166,895</b>				<b>6,279,752</b>
<b>30 - INCOME TAXES</b>						
(30) 4091 - Fit-Util Oper Income	-	-	4			-
<b>SUBTOTAL</b>	<b>-</b>	<b>-</b>				<b>-</b>
<b>31 - DEFERRED INCOME TAXES</b>						
(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			-
<b>SUBTOTAL</b>	<b>41,665</b>	<b>20,736</b>				<b>62,401</b>
<b>GRAND TOTAL</b>	<b>\$ 163,716,525</b>	<b>\$ 90,667,415</b>				<b>\$ 254,383,940</b>

Allocation Method		Electric		Gas	
		Oct 17 - Dec 17		Jan 18 - Sep 18	
		Electric	Gas	Electric	Gas
1	12 Month Average number of Customers	58.10%	41.90%	58.08%	41.92%
2	Joint Meter Reading Customers	62.77%	37.23%	62.59%	37.41%
3	Non-Production Plant	60.78%	39.22%	60.60%	39.40%
4	4-Factor Allocator	66.77%	33.23%	65.59%	34.41%
5	Direct Labor	67.53%	32.47%	64.36%	35.64%