



Puget Sound Energy  
PO Box 97034  
Bellevue, WA 98009-9734  
PSE.com

October 31, 2016

*DELIVERED VIA WEB PORTAL AND COURIER*

Steven V. King  
Executive Director and Secretary  
Washington Utilities and Transportation Commission  
1300 S. Evergreen Park Drive SW  
Olympia, WA 98504-7250

RE: Electric and Gas Accounting Reports Pursuant to Order 07 in UE-130137/UG-130138 - Expedited Rate Filing (“ERF”) and UE-121697/UG-121705 – Decoupling **Do Not Re-Docket**

Dear Mr. King:

Enclosed are an original and two copies of Puget Sound Energy (“the Company”) “Commission Basis” Results of Operations for the twelve-month period ended June 30, 2016. Two separate reports are being provided, one for electric and one for natural gas. Electronic workpapers supporting these reports have been submitted separately to Commission Staff and are available upon request. These reports are being submitted pursuant to Order 07 in UE-130137 and UG-130138 (ERF) and UE-121697 and UG-121705 (Decoupling) (“Order No. 07”) and are being submitted following WAC 480-07-880(3). These reports were prepared following the guidance of WAC 480-100-257 and WAC 480-90-257 and, therefore, do not necessarily reflect all adjustments the Company would submit in a rate filing. Additionally, there are no pro-forma adjustments made in these reports in accordance with WAC 480-100-257 and WAC 480-90-257.

The results for electric show a normalized overall rate of return of 7.99% and a return on actual common equity of 10.13%. The results for gas show a normalized overall rate of return of 8.44% and a return on actual common equity of 11.06%. The Company’s authorized rate of return is 7.77% overall and 9.80% on common equity.

In compliance with paragraph 215 of Order No. 07, on August 28, 2014, PSE participated in a recessed open meeting in which it reported on cost cutting and other initiatives. At the recessed open meeting, the Commissioners expressed

Mr. Steven V. King  
October 31, 2016

Page 2 of 2

the desire for PSE to provide additional information reflecting the impacts of these measures in its periodic Commission Basis Reports. Accordingly, also enclosed is report and write-up associated with PSE's O&M costs for the reporting period.

If you have any questions, please feel free to call me at (425) 456-2105.

Sincerely,



Susan E. Free,  
Manager of Revenue Requirement

Enclosures

cc: Service List

**Electric Commission Basis Report Cover Letter**  
**June 30, 2016**

<b>Page 1.01</b>
------------------

		<u>Adjusted Results of Operations</u>	
Restated Net Operating Income	a	\$	413,578,419
Restated Rate Base	b	\$	5,175,687,773
<b>Normalized Overall Rate of Return</b>	<b>c=a/b</b>		<b>7.99%</b>
Restated Net Operating Income	d=a	\$	413,578,419
Restated Interest Expense	e	\$	157,858,477
Restated NOI less Restated Interest Exp	f=d-e	\$	255,719,941
Restated Rate Base	g=b	\$	5,175,687,773
Actual Equity Percent	h		48.76%
Equity Rate Base	i=g*h	\$	2,523,665,358
<b>Restated Return on Actual Equity</b>	<b>j=f/i</b>		<b>10.13%</b>

**PUGET SOUND ENERGY, INC.****Utility Capital Structure  
Cost of Capital and Rate of Return****For The 12 Months Ending June 30, 2016**

1	(A)	(B)	(C)	(D)	(E)
2					
3					<b>Weighted</b>
4					<b>Cost of</b>
5	<u>Description</u>	<u>Amount (i)</u>	<u>Ratio</u>	<u>Cost</u>	<u>Capital</u>
6					
7	<b>Short Term Debt</b>	\$45,875,333	0.62%	6.81%	0.04% (A)
8					
9	<b>Long Term Debt</b>	\$3,766,017,117	50.62%	5.95%	3.01% (A)
10					
11	<b>Common Stock</b>	<u>\$3,627,618,353</u>	<u>48.76%</u>	9.80%	<u>4.78%</u>
12					
13	<b>Total</b>	<b><u>\$7,439,510,803</u></b>	<b><u>100.00%</u></b>		<b><u>7.83%</u></b>
14					
15					
16	(i) - Average of Month-End Balances			Total (A)	3.05%

**PUGET SOUND ENERGY**  
**PERIODIC ALLOCATED RESULTS OF OPERATIONS**  
**FOR THE 12 MONTHS ENDED JUNE 30, 2016**

(Common cost is spread based on allocation factors developed for the 12 ME 06/30/2016)

	Electric	Gas	Total Amount
1 - OPERATING REVENUES:			
2 - SALES TO CUSTOMERS	\$ 2,143,751,912	\$ 864,904,243	\$ 3,008,656,155
3 - SALES FOR RESALE-FIRM	326,287	-	326,287
4 - SALES TO OTHER UTILITIES	210,180,369	-	210,180,369
5 - OTHER OPERATING REVENUES	43,255,343	35,692,207	78,947,550
6 - TOTAL OPERATING REVENUES	\$ 2,397,513,910	\$ 900,596,450	\$ 3,298,110,360
7			
8 - OPERATING REVENUE DEDUCTIONS:			
9			
10 - POWER COSTS:			
11 - FUEL	\$ 241,362,422	\$ -	\$ 241,362,422
12 - PURCHASED AND INTERCHANGED	547,393,958	338,788,096	886,182,054
13 - WHEELING	112,505,001	-	112,505,001
14 - RESIDENTIAL EXCHANGE	(73,220,859)	-	(73,220,859)
15 - TOTAL PRODUCTION EXPENSES	\$ 828,040,522	\$ 338,788,096	\$ 1,166,828,618
16			
17 - OTHER ENERGY SUPPLY EXPENSES	\$ 123,409,800	\$ 2,438,414	\$ 125,848,214
18 - TRANSMISSION EXPENSE	20,210,928	-	20,210,928
19 - DISTRIBUTION EXPENSE	90,206,918	52,699,043	142,905,962
20 - CUSTOMER ACCTS EXPENSES	45,471,279	25,413,242	70,884,521
21 - CUSTOMER SERVICE EXPENSES	19,261,793	7,410,559	26,672,351
22 - CONSERVATION AMORTIZATION	100,340,265	12,111,976	112,452,241
23 - ADMIN & GENERAL EXPENSE	112,887,355	47,535,374	160,422,729
24 - DEPRECIATION	266,458,584	120,257,419	386,716,003
25 - AMORTIZATION	45,736,679	11,123,640	56,860,319
26 - AMORTIZ OF PROPERTY LOSS	20,604,866	-	20,604,866
27 - OTHER OPERATING EXPENSES	(4,431,407)	(45,370)	(4,476,778)
28 - ASC 815	(64,850,661)	-	(64,850,661)
29 - TAXES OTHER THAN INCOME TAXES	229,487,934	95,684,507	325,172,440
30 - INCOME TAXES	800	-	800
31 - DEFERRED INCOME TAXES	175,980,954	65,384,473	241,365,427
32 - TOTAL OPERATING REV. DEDUCT.	\$ 2,008,816,608	\$ 778,801,373	\$ 2,787,617,981
<b>NET OPERATING INCOME</b>	<b>\$ 388,697,302</b>	<b>\$ 121,795,078</b>	<b>\$ 510,492,380</b>

**PUGET SOUND ENERGY**  
**BALANCE SHEET**  
**As of June 30, 2016**

<b>FERC Account and Description</b>	<b>Jun-16</b>	<b>June 16 AMA</b>
<b>*ASSETS</b>		
<b>**UTILITY PLANT</b>		
<b>***Electric Plant</b>		
101 Electric Plant in Service	9,209,690,645	9,107,720,237
102 Electric Plant Purchased or Sold	-	-
105 Electric Plant Held for Future Use	49,003,254	49,675,619
106 Comp.Construction Not Classfd.-Electric	40,568,411	29,360,552
107 Construction Work in Prog. - Electric	275,759,579	232,666,219
114 Electric Plant Acquisition Adjustments	282,791,675	282,791,675
Total Electric Plant	9,857,813,564	9,702,214,301
<b>***Gas Plant</b>		
101 Gas Plant in Service	3,392,203,434	3,314,023,927
105 Gas Plant Held for Future Use	1,436,127	4,767,108
106 Comp. Construction Not Classfd.- Gas	28,815,814	30,340,466
107 Construction Work in Progress - Gas	102,305,017	85,338,113
117.3 Gas Strd.in Resvr.& Pipln.-Noncurr.	8,654,564	8,654,564
Total Gas Plant	3,533,414,956	3,443,124,179
<b>***Common Plant</b>		
101 Plant in Service - Common	493,461,415	475,725,520
101.1 - Property under capital leases	-	425,510
106 Comp Construction Not Classfd. - Common	673,097	410,179
107 Construction Work in Progress - Common	82,732,035	64,959,537
Total Common Plant	576,866,547	541,520,745
<b>***Accumulated Depreciation and Amortization</b>		
108 Accumulated Provision for Depreciation	(4,937,852,446)	(4,798,463,151)
111 Accumulated Provision for Amortization	(134,319,878)	(123,913,413)
115 Accm.Prv.for Amort.of Plant Acquis.Adj.	(116,965,010)	(111,607,143)
Less: Accumulated Depr and Amortizat	(5,189,137,333)	(5,033,983,707)
<b>**NET UTILITY PLANT</b>	<b>8,778,957,734</b>	<b>8,652,875,519</b>
<b>**OTHER PROPERTY AND INVESTMENTS</b>		
<b>***Other Investments</b>		
121 Nonutility Property	3,286,074	3,555,918
122 Accm.Prov.for Depr.& Amort.Non-utility P	79,713	81,686
123.1 Investment in Subsidiary Companies	29,732,908	29,718,490
124 Other Investments	51,873,709	50,533,577
<b>***Total Other Investments</b>	<b>84,972,404</b>	<b>83,889,671</b>
<b>**TOTAL OTHER PROPERTY AND INVESTMENT</b>	<b>84,972,404</b>	<b>83,889,671</b>

**PUGET SOUND ENERGY  
BALANCE SHEET  
As of June 30, 2016**

<b>FERC Account and Description</b>	<b>Jun-16</b>	<b>June 16 AMA</b>
<b>**CURRENT ASSETS</b>		
<b>***Cash</b>		
131 Cash	14,302,765	17,734,385
134 Other Special Deposits	4,409,671	4,801,874
135 Working Funds	5,637,742	4,154,096
136 Temporary Cash Investments	-	1,500,000
<b>***Total Cash</b>	<b>24,350,178</b>	<b>28,190,356</b>
<b>***Restricted Cash</b>	<b>-</b>	<b>-</b>
<b>***Total Restricted Cash</b>	<b>-</b>	<b>-</b>
<b>***Accounts Receivable</b>		
141 Notes Receivable	3,259,692	3,301,465
142 Customer Accounts Receivable	164,506,972	200,587,577
143 Other Accounts Receivable	69,472,041	77,035,201
146 Accounts Receiv.from Assoc. Companies	441,003	666,364
171 Interest and Dividends Receivable	-	-
173 Accrued Utility Revenues	126,240,588	157,210,269
185 Temporary Facilities	94,693	26,512
191 Unrecovered Purchased Gas Costs	(11,561,605)	(12,409,325)
<b>***Total Accounts Receivable</b>	<b>352,453,385</b>	<b>426,418,062</b>
<b>***Allowance for Doubtful Accounts</b>		
144 - Accumulated provision for uncollectible account credit	(9,643,738)	(10,185,083)
<b>***Less: Allowance for Doubtful Accounts</b>	<b>(9,643,738)</b>	<b>(10,185,083)</b>
<b>***Materials and Supplies</b>		
151 Fuel Stock	20,751,183	19,563,824
154 Plant Materials and Operating Supplies	93,637,410	83,275,211
156 Other Materials and Supplies	396,856	193,971
158.1 Carbon Allowances	4,083	17,917
163 Stores Expense Undistributed	3,196,279	4,421,263
164.1 Gas Stored - Current	31,162,892	35,170,746
164.2 Liquefied Natural Gas Stored	39,436	262,115
<b>***Total Materials and Supplies</b>	<b>149,188,139</b>	<b>142,905,047</b>
<b>***Unrealized Gain-Derivative Instrumnts (ST)</b>		
175 Invest in Derivative Instrumnts -Opt ST	36,255,408	26,056,192
176 Invest in Derivative Instrumnts-Gain ST	-	-
<b>***Unrealized Gain on Derivatives (ST)</b>	<b>36,255,408</b>	<b>26,056,192</b>
<b>***Prepayments and Other Current Assets</b>		
165 Prepayments	17,697,957	25,550,042
174 Misc.Current and Accrued Assets	1,801,928	7,150,808
186 Miscellaneous Deferred Debits	7,688	7,006
<b>***Total Prepayments &amp; Othr.Curr.Assets</b>	<b>19,507,573</b>	<b>32,707,855</b>
<b>Current Deferred Taxes</b>		
Total Current Deferred Taxes	547,462,962	587,643,805
<b>**TOTAL CURRENT ASSETS</b>	<b>1,119,573,906</b>	<b>1,233,736,235</b>

**PUGET SOUND ENERGY**  
**BALANCE SHEET**  
**As of June 30, 2016**

<b>FERC Account and Description</b>	<b>Jun-16</b>	<b>June 16 AMA</b>
<b>**LONG-TERM ASSETS</b>		
128 Qualified Pension Plan Funded Status	20,162,497	20,162,002
165 Long-Term Prepaid	11,925,636	8,019,651
165.8 Long-Term Prepaid Contra	(11,919,155)	(5,862,683)
165.9 Long-Term Prepaid	11,919,155	5,862,683
175 Invest in Derivative Instrumnts -Opt LT	8,782,323	5,528,780
176 Invest in Derivative Instrumnts-Gain LT	-	-
181 Unamortized Debt Expense	28,581,699	29,997,057
182.1 Extraordinary Property Losses	124,527,799	120,158,863
182.2 Unrecovered Plant & Reg Study Costs	7,794,400	10,359,380
Subtotal WUTC AFUDC	51,104,089	52,023,779
182.3 Other Regulatory Assets	576,288,393	562,198,252
183 Prelm. Survey and Investigation Charges	-	-
184 Clearing Accounts	88,664	(557,112)
186 Miscellaneous Deferred Debits	212,133,634	239,315,016
187 Def.Losses from Dispos.of Utility Plant	469,592	527,602
189 Unamortized Loss on Reacquired Debt	43,589,156	44,984,108
<b>**TOTAL LONG-TERM ASSETS</b>	<b>1,085,447,881</b>	<b>1,092,717,379</b>
<b>*TOTAL ASSETS</b>	<b>\$ 11,068,951,924</b>	<b>\$ 11,063,218,803</b>
<b>*CAPITALIZATION AND LIABILITIES</b>		
<b>**CURRENT LIABILITIES</b>		
230 Asset Retirement Obligations	(352,791)	(1,192,898)
244 FAS 133 Opt Unrealized Loss ST	(64,235,708)	(127,079,533)
245 FAS 133 Unrealized Loss ST	-	-
231 Notes Payable	(36,000,000)	(45,875,333)
232 Accounts Payable	(223,292,591)	(242,398,874)
233 Notes Payable to Associated Companies	-	-
234 Accounts Payable to Asscted Companies	-	-
235 Customer Deposits	(38,353,976)	(30,938,273)
236 Taxes Accrued	(101,622,483)	(105,760,847)
237 Interest Accrued	(47,898,719)	(57,549,895)
238 Dividends Declared	-	-
241 Tax Collections Payable	(512,245)	(1,305,233)
242 Misc. Current and Accrued Liabilities	(27,153,212)	(28,175,667)
243 Obligations Under Cap.Leases - Current	-	(426,117)
<b>**TOTAL CURRENT LIABILITIES</b>	<b>(539,421,725)</b>	<b>(640,702,671)</b>
<b>**DEFERRED TAXES</b>		
<b>***Reg. Liability for Def.Income Tax</b>		
283 Accum.Deferred Income Taxes - Other	(69,437,161)	(71,031,270)
<b>***Total Reg.Liab.for Def.Income Tax</b>	<b>(69,437,161)</b>	<b>(71,031,270)</b>
<b>***Deferred Income Tax</b>		
255 Accum.Deferred Investment Tax Credits	-	-
282 Accum. Def. Income Taxes - Other Prop.	(1,845,375,982)	(1,785,165,791)
283 Accum.Deferred Income Taxes - Other	(301,160,425)	(299,067,539)
<b>***Total Deferred Income Tax</b>	<b>(2,146,536,407)</b>	<b>(2,084,233,330)</b>
<b>**TOTAL DEFERRED TAXES</b>	<b>(2,215,973,568)</b>	<b>(2,155,264,600)</b>



**PUGET SOUND ENERGY**  
**BALANCE SHEET**  
As of June 30, 2016

FERC Account and Description	Jun-16	June 16 AMA
<b>**OTHER DEFERRED CREDITS</b>		
Subtotal 227 Oblig Under Cap Lease - Noncurr	-	-
Total Unrealized Loss on Derivatives -LT	(19,858,999)	(42,488,371)
228.2 Accum. Prov.for Injuries and Damages	(345,000)	(245,979)
228.3 Pension & Post Retirement Liabilities	(95,460,283)	(110,711,632)
228.4 Accum. Misc.Operating Provisions	(283,684,785)	(292,653,910)
229 Accum Provision for Rate Refunds	-	-
230 Asset Retirement Obligations (FAS 143)	(102,358,478)	(86,841,217)
252 Customer Advances for Construction	(78,042,930)	(73,646,760)
253 Other Deferred Credits	(366,401,950)	(349,973,364)
254 Other Regulatory Liabilities	(115,625,915)	(132,810,519)
256 Def. Gains from Dispos.of Utility Plt	(3,215,971)	(3,018,064)
257 Unamortized Gain on Reacquired Debt	5,022	209
<b>**TOTAL OTHER DEFERRED CREDITS</b>	<b>(1,064,989,289)</b>	<b>(1,092,389,608)</b>
<b>**CAPITALIZATION</b>		
<b>***SHAREHOLDER'S EQUITY</b>		
<b>****Common Equity</b>		
201 Common Stock Issued	(859,038)	(859,038)
207 Premium on Capital Stock	(478,145,250)	(478,145,250)
211 Miscellaneous Paid-in Capital	(2,804,096,691)	(2,804,096,691)
214 Capital Stock Expense	7,133,879	7,133,879
215 Appropriated Retained Earnings	(17,092,196)	(14,232,362)
216 Unappropriated Retained Earnings	(240,094,363)	(224,576,021)
216.1 Unappr.Undistrib.Subsidiary Earnings	14,764,536	14,778,954
219 Other Comprehensive Income	144,710,207	152,900,786
433 Balance Transferred from Income	(237,405,623)	(183,875,376)
438 Dividends Declared - Common Stock	128,673,648	124,733,522
439 Adjustments to Retained Earnings	5,848,610	5,848,610
<b>****Total Common Equity</b>	<b>(3,476,562,281)</b>	<b>(3,400,388,988)</b>
<b>***TOTAL SHAREHOLDER'S EQUITY</b>	<b>(3,476,562,281)</b>	<b>(3,400,388,988)</b>
<b>***REDEEMABLE SECURITIES AND LONG-TERM DEBT</b>		
<b>****Preferred Stock - Manditorily Redeemable Capital</b>	<b>(3,476,562,281)</b>	<b>(3,400,388,988)</b>
<b>****Total Preferred Stock - Mand Redeem</b>	<b>(3,476,562,281)</b>	<b>(3,400,388,988)</b>
<b>****Corporation Obligated, Mand Redeemable Preferred Stock Subscribed</b>		
	-	-
<b>****Corporation Obligated, Mand Redeem</b>		
	-	-
<b>****Long-term Debt</b>		
221 Junior Subordinated Debt	(250,000,000)	(250,000,000)
221 Bonds	(3,523,860,000)	(3,526,360,000)
226 Unamort.Disct. on Long-term Debt-Debit	1,854,938	1,887,064
<b>Long-term Debt</b>	<b>(3,772,005,062)</b>	<b>(3,774,472,936)</b>
<b>****Long-term Debt Total</b>	<b>(3,772,005,062)</b>	<b>(3,774,472,936)</b>
<b>***REDEEMABLE SECURITIES AND LTD</b>	<b>(3,772,005,062)</b>	<b>(3,774,472,936)</b>
<b>**TOTAL CAPITALIZATION</b>	<b>(7,248,567,343)</b>	<b>(7,174,861,924)</b>
<b>*TOTAL CAPITALIZATION AND LIABILITIES</b>	<b>\$ (11,068,951,924)</b>	<b>\$ (11,063,218,803)</b>

			Old NOL
			AMA 12 Months Ended 06/30/16
1	Account	Description	
3		Rate Base	
4	101 / 102 / 230XXX1	Electric Plant in Service	9,029,685,998
5	101 / 253XXX3	Common Plant-Allocation to Electric	317,279,554
6	114XXX1	Electric Plant Aquisition Adjustment	282,791,675
6a	18600001 / 451/ 461	Snoqualmie Deferral -UE-130559	7,491,678
6b	18600801 / 811/ 821	Baker Deferral - UE-131387	1,907,825
6c	1822XXX1	White River Deferred Plant Costs	29,759,240
6d	1823XXX1	White River Deferred Relicensing & CWIP	(6,147,658)
6e	16599011 &18232321	Prepaid Colstrip 1&2 WEC Co Coal Resrv Ded.	2,000,000
6f	18600531 / 671/ 691/791	Ferndale Deferral - UE-12843	17,328,286
6g	25300831	Hopkins II Wake Effect Settlement	-
6h	18230381/18230391	Goldendale Deferral -UE-070533	-
6i	18235521	Mint Farm Deferral	26,520,491
6j	1340xxxx	BPA Deposits	657,586
6k	18606XX	WHE Deferred Costs-UE-090704	-
6l	18231041	Prepaid Major Maint Sumas	-
6m	18230351	Chelan PUD Contract Initiation	130,727,706
6n	18220091	Upper Baker - Unrecovered Plant & Reg. Study Costs	241,268
6o	18232301 & 311 & 331	LSR Deposit Carry Charge & Deferral UE-100882	86,088,529
6p	18220101	Electron Unrecovered Loss	10,570,553
7	18230041	Colstrip Common FERC Adj - Reg Asset	21,589,277
8	18230051	Accum Amortization Colstrip-Common FERC	(16,718,031)
9	18230061	Colstrip Def Depr FERC Adj - Reg	1,177,645
10	18230071	BPA Power Exch Invstmt - Reg Asset	113,632,921
11	18230081	BPA Power Exch Inv Amortization - Reg Asset	(108,343,083)
12	18230031	Electric - Def AFUDC - Regulatory Asset	51,769,267
13	1861051	Capitalized OH	-
14	10500001	Electric - Plant Held for Future Use	49,675,619
15	10500003	Common Plant Held for Fut Use-Alloc to Electric	-
16	10600501	Electric - Const Completed Non Classified	28,611,697
16a	10600503	Common - Const Completed Non Classified	268,763
17	108XXX1	Elec-Accum Depreciation	(3,425,902,534)
18	108XXX3	Common Accum Depr-Allocation to Electric	(69,482,765)
19	111XXX1	Elec-Accum Amortization	(29,346,151)
20	11100003	Common Accum Amort-Allocation to Electric	(60,375,454)
21	115XXX1	Accum Amort Acq Adj - Electric	(111,607,143)
22	22840331,341, 19003011,25400	Snoqualmie & Baker Treasury Grants	(106,317,386)
23	19000041	CIAC after 10/8/76 - Accum Def Income Tax	-
24	19000051	CIAC - 1986 Changes - Accum Def Income Tax	-
25	19000061	CIAC - 7/1/87 - Accum Def Income Tax	-
26	19000093	Vacation Pay - Accum Def Inc Taxes	-
26a	19000121	Cabot Gas Contract - Accum Def Inc Taxe	-
26b	19000151	DFIT - Westcoast Capacity Assignment - Electric	388,902
26c	19000711	DFIT- BNP Electric	533,146
27	19000191	RB-Consv Pre91 Tax Settlmt - Accum Def Inc Tax	-
27.1	19000701	DFFIT SSCM INT - ELEC	-
28	235XXX1	Customer Deposits - Electric	(5,432,725)
28a	23500003	Customer Deposits - Common	(17,410,087)
29	25400081	Residential Exchange	-
29.1	25400191& 25400201	Westcoast Pipeline Capacity Regulatory Liabilities	(2,634,422)

Old  
 NOL

		AMA 12 Months Ended 06/30/16
1	Account Description	
30	252XXXX1 Cust Advances for Construction	(52,788,503)
31	28200101 Major Projects - Property Tax Expense	-
32	28200111 Def Inc Tax - Pre 1981 Additions	-
33	28200121, 161/28300341 Def Inc Tax - Post 1980 Additions	(1,247,891,241)
34	28200131 Colstrip 3 & 4 Deferred Inc Tax	-
35	28200141 Excess Def Taxes - Centralia Sale	-
35-1	28200151 Def FIT Indirect Cost Adj - Electric	-
35a	283XXXXX Electric Portion of Common Deferred Taxes	(27,498,084)
35a2	19000433 NOL Carryforward	79,473,829
36	28300161 Def Inc Tax - Energy Conservation & FAS 133	-
37	28300261 Def FIT Bond Redemption Costs	-
37a	28300091 Accum Def Inc Tax - Snoqualmie	(2,622,087)
37b	28300741 Accum Def Inc Tax - Baker	(667,739)
37c	28300011 Def FIT - White River Water Right	(8,264,054)
37d	28300731 Accum Def Inc Tax - Ferndale	(6,064,900)
37e	28300431 Deferred Taxes WNP#3	(1,761,725)
37f	19000441 Deferred FIT FAS 143 Whitehorn 2 &3	5,646,472
37g	19000553 Common DFIT Summit Purchase Opt Buyout - Elec	150,080
37h	19000561 Def FIT - Wind Loss Settlement Agreemen	-
37i	28302061 DFIT - Electron Unrecovered Loss	(3,699,694)
37j	28300601\28300611\28300661 DFIT Mint Fam Costs-UE-090704	(9,282,172)
37k	28300631\28300641\28300671 DFIT Wild Horse Costs-UE-090704	-
37l	28300561 DFIT - Interest Chelan PUD Reg Asset	(14,619,088)
37m	28300081 & 28300721 DFIT BPA Prepayment & LSR	(5,707,313)
38	124001X1 Conservation Rate Base	-
39	18230181 1995 Conservation Trust Rate Base	-
40		
41	Working Capital- Rate Base	222,312,615
42	Rate Base	5,177,696,582
43		
44	Electric Rate Base Change	<u>5,177,696,582</u>
45		
46	Gross Utility Plant in Service	9,708,313,306
47	Less Accum Dep and Amort	(3,696,714,047)
48	Deferred Debits and Credits	261,301,691
49	Deferred Taxes	(1,241,885,667)
50	Allowance for Working Capital	222,312,615
51	Customer Deposits/Advances	(75,631,316)
52	Total Rate Base	<u>5,177,696,582</u>

Puget Sound Energy  
 Combined Working Capital  
 Commission Basis Report  
 June 2016

Page 2.04

Code	Line No.	Description	30-Jun-16 AMA
1	1	<b>Average Invested Capital</b>	
2	2	Common Stock	859,038
3	3	Preferred Stock	-
4	4	Additional Paid in Capital	3,274,616,487
5	5	Unamortized Debt Expense	(23,107,991)
6	6	Unappropriated Retained Earnings	331,364,724
7	7	Notes Payable - Misc	-
8	8	Long Term Debt	3,774,472,936
9	9	Short Term Debt	45,875,333
10	10	Accumulated Deferred ITC	-
10.1	11	Treasury Grants	-
11	12	Deferred Debits-Other	(69)
12	13	Unamortized Gain/Loss on Debt	(44,984,317)
14	14	Total Average Invested Capital	7,359,096,141
15	15		
16	16	<b>Average Operating Investments - Electric</b>	
17	17		
18	18	Plant in Service (includes acquisition adj)	9,341,089,370
19	19	Electric Future Use Property	49,675,619
20	20	Customer Advances for Construction	(52,788,503)
21	21	Customer Deposits	(22,842,812)
22	22	Deferred Taxes	(1,047,690,700)
23	23	Deferred Debits/Credits - Other	155,647,575
24	24	Less: Accumulated Depreciation	(3,566,855,828)
25	25	Snoqualmie & Baker Treasury Grants	(106,317,386)
26	26	Common Plant-Allocation to Electric	317,548,317
27	27	Common Accum Depr-Allocation to Electric	(129,858,219)
28	28	Common Deferred Taxes-Allocation to Electric	(27,348,004)
29	29	NOL Carryforward	79,473,829
30	30	Total Average Operating Investment - Electric	4,989,733,258
31	31		
32	32	<b>Average Operating Investments - Gas</b>	
33	33		
34	34	Gas Utility Plant in Service	3,340,795,920
35	35	Deferred Items - Other	84,542,968
36	36	Gas Stored Underground, Non-Current	8,654,564
37	37	Gas Accumulated Depreciation	(1,276,887,301)
38	38	Gas Customer Advances for Construction	(20,858,256)
38.1	39	Gas Customer Deposits	(8,095,461)
39	40	DFIT 17	(522,726,186)
40	41	PGA	(12,409,325)
26	42	Common Plant-Allocation to Gas	147,655,781
27	43	Common Accumulated Depreciation-Allocation to Gas	(60,382,360)
28	44	Common Deferred Tax	(12,716,461)
29	45	NOL Carryforward	14,820,995
46	46	Total Average Operating Investment - Gas	1,682,394,878
47	47		
48	48	Total Electric & Gas Operating Investment	6,672,128,136
49	49		
50	50	<b>Construction Work in Progress</b>	
51	51		
51	52	Elec Construction Work in Process	277,007,598
52	53	Gas Construction Work in Process	105,956,270
53	54	Other Work in Process	900,509
60	55	Electric Preliminary Surveys	-
56	56	Total Construction Work in Progress	383,864,377
57	57		
58	58	<b>Nonoperating</b>	
59	59		
54	60	Non-Utility Property	3,637,604
55	61	Investment in Associated Companies	30,384,854

**Puget Sound Energy  
Combined Working Capital  
Commission Basis Report  
June 2016**

Page 2.04
-----------

			30-Jun-16
Code	Line No.	Description	AMA
56	62	Other Investments & FAS 133	(191,724,478)
57	63	Deferred Items-Other	177,790,641
58	64	Deferred Federal Income Tax	(16,835,172)
59	65	Investment Tracking Funds	2,264,019
61	66		-
62	67		-
67	68	Merchandising Inventory - Gas Only	67,287
	69	Total Non Operating Investment	5,584,755
	70		
	71	Total CWIP & Nonoperating Investment	389,449,132
	72		
	73	Total Average Investments	7,061,577,268
	74	Rounding	
	75	Total Investor Supplied Capital	297,518,873

**Allocation of Working Capital**

**Electric Working Capital**

Total Investment	7,061,577,268
Less: Electric CWIP	(277,007,598)
Less: Gas	(105,956,270)
Interest Bearing Regulatory Assets	
Other Work in Progress	(900,509)
Preliminary Surveys	-
Total	6,677,712,891
Electric Working Capital Ratio	4.4554%

Electric Working Capital

222,312,615
-------------

**Gas Working Capital**

Total Investment	7,061,577,268
Less: Electric CWIP	(277,007,598)
Less: Gas CWIP	(105,956,270)
Interest Bearing Regulatory Assets	
Other Work in Progress	(900,509)
Preliminary Surveys	-
Total	6,677,712,891
Gas Working Capital Ratio	4.4554%

Gas Working Capital

74,957,435
------------

**Non Operating Working Capital**

248,823
---------

**PUGET SOUND ENERGY-ELECTRIC & GAS**  
**FOR THE TWELVE MONTHS ENDED JUNE 30, 2016**  
**ALLOCATION METHODS**

Method	Description		Electric	Gas	Total
1	* <b><u>12 Month Average Number of Customers</u></b>	6/30/2016	1,110,578	800,288	1,910,866
	Percent		<b>58.12%</b>	<b>41.88%</b>	100.00%
2	* <b><u>Joint Meter Reading Customers</u></b>	6/30/2016	754,453	448,381	1,202,834
	Percent		<b>62.72%</b>	<b>37.28%</b>	100.00%
3	* <b><u>Non-Production Plant</u></b>				
	Distribution	6/30/2016	\$ 3,490,970,948	\$ 3,236,203,691	\$ 6,727,174,639
	Transmission	6/30/2016	1,375,634,295	-	1,375,634,295
	Direct General Plant	6/30/2016	218,883,967	32,714,405	251,598,372
	Total		<b>\$ 5,085,489,210</b>	<b>\$ 3,268,918,096</b>	<b>\$ 8,354,407,306</b>
Percent		<b>60.87%</b>	<b>39.13%</b>	100.00%	
4	* <b><u>4-Factor Allocator</u></b>				
	Number of Customers	6/30/2016	1,110,578	800,288	1,910,866
	Percent		58.12%	41.88%	100.00%
	Labor - Direct Charge to O&M	6/30/2016	53,732,250	23,752,679	\$ 77,484,930
	Percent		69.35%	30.65%	100.00%
	T&D O&M Expense (Less Labor)	6/30/2016	78,209,178	30,022,016	\$ 108,231,194
	Percent		72.26%	27.74%	100.00%
Net Classified Plant (Excluding General (Common) Plant)	6/30/2016	5,574,437,314	2,028,813,306	7,603,250,620	
Percent		73.32%	26.68%	100.00%	
Total Percentages		273.04%	126.96%	400.00%	
Percent		<b>68.26%</b>	<b>31.74%</b>	100.00%	
5	* <b><u>Employee Benefits</u></b>				
	Direct Labor Accts 500-935	6/30/2016	59,264,124	26,751,678	86,015,802
	Total		<b>\$ 59,264,124</b>	<b>\$ 26,751,678</b>	<b>\$ 86,015,802</b>
	Percent		<b>68.90%</b>	<b>31.10%</b>	100.00%

Page 3 Summary
----------------

**PUGET SOUND ENERGY-ELECTRIC  
RESULTS OF OPERATIONS  
FOR THE TWELVE MONTHS ENDED JUNE 30, 2016  
COMMISSION BASIS REPORT**

LINE NO.	ACTUAL RESULTS OF OPERATIONS	TOTAL ADJUSTMENTS	RESTATED RESULTS OF OPERATIONS
1	<u>OPERATING REVENUES:</u>		
2	\$ 2,143,751,912	\$ (125,137,413)	\$ 2,018,614,498
3	326,287	5,295	331,582
4	210,180,369	-	210,180,369
5	43,255,343	21,783,771	65,039,113
6	2,397,513,910	(103,348,348)	2,294,165,563
7			
8	<u>OPERATING REVENUE DEDUCTIONS:</u>		
9			
10	<u>POWER COSTS:</u>		
11	\$ 241,362,422	\$ (261,805)	\$ 241,100,617
12	547,393,958	7,155,350	554,549,308
13	112,505,001	-	112,505,001
14	(73,220,859)	73,220,859	-
15	828,040,522	80,114,404	908,154,926
16			
17	\$ 123,409,800	\$ -	\$ 123,409,800
18	20,210,928	-	20,210,928
19	90,206,918	-	90,206,918
20	45,471,279	292,499	45,763,778
21	19,261,793	(16,933,051)	2,328,741
22	100,340,265	(100,271,506)	68,759
23	112,887,355	790,752	113,678,107
24	266,458,584	(188,181)	266,270,403
25	45,736,679	-	45,736,679
26	20,604,866	-	20,604,866
27	(4,431,407)	13,642,429	9,211,022
28	(64,850,661)	64,850,661	-
29	229,487,934	(139,335,197)	90,152,737
30	800	128,252,281	128,253,081
31	175,980,954	(159,444,555)	16,536,400
32	\$ 2,008,816,608	\$ (128,229,464)	\$ 1,880,587,144
33			
34	\$ 388,697,302	\$ 24,881,117	\$ 413,578,419
35			
36	\$ 5,177,696,582	\$ (2,008,809)	\$ 5,175,687,773
37			
38	7.51%		7.99%
39			
40	<u>RATE BASE:</u>		
41	\$ 9,708,313,306	\$ (4,539,303)	\$ 9,703,774,003
42	(3,696,714,047)	1,530,991	(3,695,183,056)
43	261,301,691	-	261,301,691
44	(1,241,885,667)	999,503	(1,240,886,164)
45	222,312,615	-	222,312,615
46	(75,631,316)	-	(75,631,316)
47	\$ 5,177,696,582	\$ (2,008,809)	\$ 5,175,687,773





PUGET SOUND ENERGY-ELECTRIC  
 STATEMENT OF OPERATING INCOME AND ADJUSTMENTS  
 FOR THE TWELVE MONTHS ENDED JUNE 30, 2016  
 COMMISSION BASIS REPORT

LINE NO.	INCENTIVE PAY 3.09	EXCISE TAX & FILING FEE 3.10	D&O INSURANCE 3.11	MONTANA TAX 3.12	INTEREST ON CUST DEPOSITS 3.13	ASC 815 3.14	PENSION PLAN 3.15	INJURIES & DAMAGES 3.16	WILD HORSE SOLAR 3.17	TOTAL ADJUSTMENTS
1										
2										
3		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (125,137,413)
4										5,295
5										-
6										21,783,771
7										(103,348,348)
8										
9										
10										
11		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (261,805)
12										7,155,350
13										-
14										73,220,859
15	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 80,114,404
16										
17		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
18										-
19										-
20					63,635					292,499
21										(16,933,051)
22										(100,271,506)
23	370,099	72,540	(18,834)				335,839	(123,332)		790,752
24									(188,181)	(188,181)
25										-
26										-
27										13,642,429
28						64,850,661				64,850,661
29	30,979	-		(36,114)						(139,335,197)
30	(140,378)	(25,389)	6,592	12,640			(117,544)	43,166	65,863	128,252,281
31						(22,697,731)				(159,444,555)
32	\$ 260,701	\$ 47,151	\$ (12,242)	\$ (23,474)	\$ 63,635	\$ 42,152,929	\$ 218,296	\$ (80,166)	\$ (122,318)	\$ (128,229,464)
33										
34	\$ (260,701)	\$ (47,151)	\$ 12,242	\$ 23,474	\$ (63,635)	\$ (42,152,929)	\$ (218,296)	\$ 80,166	\$ 122,318	\$ 24,881,117
35										
36	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (2,008,809)	\$ (2,008,809)
37										
38										
39										
40										
41	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (4,539,303)	\$ (4,539,303)
42									1,530,991	1,530,991
43										-
44									999,503	999,503
45										-
46										-
47	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (2,008,809)	\$ (2,008,809)

**PUGET SOUND ENERGY-ELECTRIC**  
**TEMPERATURE NORMALIZATION**  
**FOR THE TWELVE MONTHS ENDED JUNE 30, 2016**  
**COMMISSION BASIS REPORT**

**LINE****NO. DESCRIPTION**

1	<u>TEMPERATURE NORMALIZATION ADJUSTMENT:</u>				
2	ACTUAL	TEMP ADJ	KWH	ADJ FOR	
3	<u>GPI KWH</u>	<u>GPI KWH</u>	<u>CHANGE</u>	<u>LOSSES</u>	
4	Jul-15	1,771,296,918	1,715,012,774	(56,284,144)	(52,400,538)
5	Aug-15	1,698,106,531	1,668,169,143	(29,937,388)	(27,871,708)
6	Sep-15	1,583,486,214	1,587,038,301	3,552,087	3,292,785
7	Oct-15	1,709,553,137	1,766,399,581	56,846,444	52,696,654
8	Nov-15	2,071,074,561	2,035,463,340	(35,611,221)	(33,011,602)
9	Dec-15	2,293,718,205	2,346,983,827	53,265,622	49,377,232
10	Jan-16	2,264,400,226	2,313,151,612	48,751,386	45,192,535
11	Feb-16	1,926,704,963	2,027,518,229	100,813,266	93,453,898
12	Mar-16	1,958,545,780	2,015,037,059	56,491,279	52,367,416
13	Apr-16	1,641,032,699	1,717,808,477	76,775,778	71,171,146
14	May-16	1,626,432,632	1,641,730,768	15,298,136	14,181,373
15	Jun-16	1,597,200,862	1,584,799,398	(12,401,464)	(11,496,157)
16		<u>22,141,552,728</u>	<u>22,419,112,510</u>	<u>277,559,782</u>	<u>256,953,032</u>
17					
18	REVENUE ADJUSTMENT:			235,100,176	\$ 15,944,495
19				17,684,996	1,106,214
20				5,277,938	328,849
21				(3,559,147)	(228,792)
22				(200,460)	(12,489)
23				(1,064,373)	(61,966)
24				3,760,171	214,752
25				(196,974)	(12,696)
26				<u>150,707</u>	<u>5,295</u>
27	INCREASE (DECREASE) SALES TO CUSTOMERS			256,953,032	\$ 17,283,662
28				-	
29	UNCOLLECTIBLES @			0.0071620	\$ 123,786
30	ANNUAL FILING FEE @			0.0020000	<u>34,567</u>
31	INCREASE (DECREASE) EXPENSE				158,353
32					
33	STATE UTILITY TAX @			0.0384570	<u>\$ 664,678</u>
34	INCREASE (DECREASE) TAXES OTHER				<u>664,678</u>
35					
36	INCREASE (DECREASE) OPERATING INCOME				16,460,631
37					
38	INCREASE (DECREASE) FIT @			35%	<u>5,761,221</u>
39	INCREASE (DECREASE) NOI				<u>\$ 10,699,410</u>

**PUGET SOUND ENERGY-ELECTRIC**  
**REVENUE & EXPENSE RESTATING**  
**FOR THE TWELVE MONTHS ENDED JUNE 30, 2016**  
**COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION	AMOUNT	ADJUSTMENT
1	<b>SALES TO CUSTOMERS:</b>		
2			
3	REMOVE MERGER RATE CREDIT SCH 132	\$ 6,276,317	
4	REMOVE TEST YEAR EARNINGS SHARING ACCRUAL	6,947,880	
5	REMOVE SCHEDULE 95A TREASURY GRANTS	54,386,446	
6			
7	INCREASE (DECREASE) SALES TO CUSTOMERS	<u>67,610,643</u>	
8			
9	INCREASE (DECREASE) REVENUES		\$ 67,610,643
10			
11	UNCOLLECTIBLES @	0.007162 484,227	
12	ANNUAL FILING FEE @	0.002000 <u>135,221</u>	
13	INCREASE (DECREASE) EXPENSE		619,449
14			
15	STATE UTILITY TAX @	0.038457 2,600,102	
16	INCREASE (DECREASE) TAXES OTHER		<u>2,600,102</u>
17			
18			
19			
20	<b>OTHER OPERATING EXPENSES:</b>		
21	REMOVE SCHEDULE 95A TREASURY GRANTS AMORTIZATION OF INTEREST AND GRANTS	39,758,233	
22	REMOVE ACCRUAL FOR FUTURE PTC LIABILITY		
23	(ACTUAL PTC'S REMOVED IN FIT ADJUSTMENT NO. 3.06)	<u>(26,701,625)</u>	
24			
25	INCREASE (DECREASE) OPERATING EXPENSES		13,056,608
26			
27	INCREASE (DECREASE) OPERATING INCOME BEFORE FIT		51,334,483
28			
29	INCREASE (DECREASE) FIT @	35%	<u>17,967,069</u>
30			
31	INCREASE (DECREASE) NOI		<u>\$ 33,367,414</u>

**PUGET SOUND ENERGY-ELECTRIC**  
**POWER COSTS**  
**FOR THE TWELVE MONTHS ENDED JUNE 30, 2016**  
**COMMISSION BASIS REPORT**

LINE NO. DESCRIPTION	ACTUAL	RESTATED	INCREASE (DECREASE)
1 PRODUCTION EXPENSES:			
2 FUEL	\$ 241,362,422	\$ 241,100,617	\$ (261,805)
3 PURCHASED AND INTERCHANGED	547,393,958	556,259,142	8,865,183
4 WHEELING	112,505,001	112,505,001	-
5 SALES TO OTHER UTILITIES	(210,180,369)	(210,180,369)	-
6 PURCHASES/SALES OF NON-CORE GAS & OTHER REV	23,154,216	23,154,216	-
7 SUBTOTAL - POWER COSTS TO BE ADJUSTED	\$ 714,235,228	\$ 722,838,607	\$ 8,603,378
8			
9 INCREASE(DECREASE) INCOME			\$ (8,603,378)
10			
11 INCREASE(DECREASE) FIT @	35%		(3,011,182)
12 INCREASE(DECREASE) NOI			<u><u>\$ (5,592,196)</u></u>

<b>PAGE 3.04</b>
------------------

**PUGET SOUND ENERGY-ELECTRIC**  
**FEDERAL INCOME TAX**  
**FOR THE TWELVE MONTHS ENDED JUNE 30, 2016**  
**COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION	AMOUNT
1	TAXABLE INCOME BEFORE INTEREST DEDUCTION	\$ 465,692,715
2		
3	ADD BACK	
4	CURRENT FIT	35.00% 162,992,450
5	DEFERRED FIT	<u>39,234,131</u>
6		
7		
8	CURRENT FIT	800
9	DEFERRED FIT-DEBIT	585,944,516
10	DEFERRED FIT-CREDIT	<u>(409,963,562)</u>
11	SUB TOTAL	175,981,754
12		
13		
14	INCREASE(DECREASE) FIT	162,991,650
15	INCREASE(DECREASE) DEFERRED FIT	<u>(136,746,823)</u>
16	INCREASE(DECREASE) NOI	<u><u>\$ (26,244,827)</u></u>

PAGE 3.05

**PUGET SOUND ENERGY-ELECTRIC**  
**TAX BENEFIT OF RESTATED INTEREST**  
**FOR THE TWELVE MONTHS ENDED JUNE 30, 2016**  
**COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION	AMOUNT
1	RATE BASE	\$5,175,687,773
2		
3	WEIGHTED COST OF DEBT	<u>3.05%</u>
4	RESTATED INTEREST	<u>\$ 157,858,477</u>
5		
6		
7		
8		
9	INCREASE (DECREASE) INCOME	<u>\$ (157,858,477)</u>
10		
11	INCREASE (DECREASE) FIT @	35% \$ (55,250,467)
12		
13	INCREASE (DECREASE) NOI	<u><u>\$ 55,250,467</u></u>

PAGE 3.06

**PUGET SOUND ENERGY-ELECTRIC**  
**PASS-THROUGH REVENUE & EXPENSE**  
**FOR THE TWELVE MONTHS ENDED JUNE 30, 2016**  
**COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION	AMOUNT	ADJUSTMENT
1	<u>REMOVE REVENUES ASSOCIATED WITH RIDERS:</u>		
2	CONSERVATION RIDER - SCHEDULE 120		\$ 105,064,661
3	PROPERTY TAX TRACKER - SCHEDULE 140		56,282,314
4	MUNICIPAL TAXES - SCHEDULE 81		85,423,441
5	LOW INCOME RIDER - SCHEDULE 129		16,867,450
6	RESIDENTIAL EXCHANGE - SCH 194		(78,687,369)
7	REC PROCEEDS - SCH 137 REC AND BIOGAS PROCEEDS		(2,525,705)
8	EXPENSE OFFSET FOR SCH 137 REC AND BIOGAS PROCEEDS		2,122,499
9	DECOUPLING SCH 142 REVENUE		16,224,245
10	DECOUPLING SCH 142 SURCHARGE AMORT EXPENSE		(15,451,663)
11	GREEN POWER - SCH 135/136		4,758,059
12	GREEN POWER - SCH 135/136 ELIMINATE OVER EXPENSED		(1,506,727)
13	REMOVE JPUD GAIN ON SALE SCH 133		(328,553)
14	TOTAL (INCREASE) DECREASE REVENUES		<u>188,242,652</u>
15			
16	<u>DECREASE REVENUE SENSITIVE ITEMS FOR DECREASE IN REVENUES:</u>		
17	BAD DEBTS	0.71620%	(1,327,459)
18	ANNUAL FILING FEE	0.20000%	(370,695)
19	STATE UTILITY TAX	3.84570%	(7,127,912)
20	TOTAL		<u>(8,826,066)</u>
21			
22	<u>REMOVE EXPENSES ASSOCIATED WITH RIDERS</u>		
23	CONSERVATION AMORTIZATON - SCHEDULE 120		(100,271,506)
24	PROPERTY TAX AMORTIZATION EXP - SCHEDULE 140		(53,714,660)
25	MUNICIPAL TAXES - SCHEDULE 81		(81,739,872)
26	LOW INCOME AMORTIZATION - SCHEDULE 129		(16,097,940)
27	RESIDENTIAL EXCHANGE - SCH 194		73,220,859
28	AMORT ON INTEREST ON REC PROCEEDS - SCH 137		287,980
29	GREEN POWER - SCH 135/136 TAGS CHARGED TO 557		(1,709,833)
30	GREEN POWER - SCH 135/136 CHARGED TO 908/909		(835,112)
31	GREEN POWER - SCH 135/136 BENEFITS PORTION OF ADMIN		(47,652)
32	GREEN POWER - SCH 135/136 TAXES PORTION OF ADMIN		(12,399)
33	REMOVE JPUD AMORT EXPENSE SCH 133		297,841
34	TOTAL INCREASE (DECREASE) EXPENSE		<u>(180,622,294)</u>
35			
36	INCREASE (DECREASE) OPERATING INCOME BEFORE FIT		<b>1,205,708</b>
37	INCREASE (DECREASE) FIT		<b>421,998</b>
38	INCREASE (DECREASE) NOI		<b><u>\$ 783,710</u></b>

**PUGET SOUND ENERGY-ELECTRIC**  
**RATE CASE EXPENSES**  
**FOR THE TWELVE MONTHS ENDED JUNE 30, 2016**  
**COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION	AMOUNT	
1	EXPENSES TO BE NORMALIZED		
2			
3			
4	2011 AND 2009 GRC EXPENSES TO BE NORMALIZED	\$ 1,040,000	
5			
6	ANNUAL NORMALIZATION (LINE 4 ÷ 2 YEARS)	520,000	
7	LESS TEST YEAR EXPENSE	185,252	
8	INCREASE (DECREASE) EXPENSE	\$ 334,748	334,748
9			
10	2014 AND 2013 PCORC EXPENSES TO BE NORMALIZED	\$ 273,000	
11			
12	ANNUAL NORMALIZATION (LINE 10 ÷ 4 YEARS)	68,250	
13	LESS TEST YEAR EXPENSE	-	
14	INCREASE (DECREASE) EXPENSE	\$ 68,250	\$ 68,250
15			
16			
17	TOTAL INCREASE (DECREASE) EXPENSE		\$ 402,998
18			
19	INCREASE(DECREASE) FIT @	35%	(141,049)
20	INCREASE(DECREASE) NOI		\$ (261,949)



PUGET SOUND ENERGY-ELECTRIC  
**BAD DEBTS**  
 FOR THE TWELVE MONTHS ENDED JUNE 30, 2016  
 COMMISSION BASIS REPORT

LINE NO.	YEAR	NET WRITEOFF'S	GROSS REVENUES	SALES FOR RESALE	OTHER OPERATING REVENUE	SALES FOR RESALE FIRM	NET REVENUES	PERCENT WRITEOFFS TO REVENUE
		December	August	August	August	August	August	
1	12 ME 6/30/2013 AND 2/28/2	\$ 14,303,772	\$ 2,139,849,885	\$ 23,404,895	\$ (4,205,235)	\$ 357,010	\$ 2,120,293,215	0.6746%
2	12 ME 6/30/2014 AND 2/29/2	\$ 16,933,464	\$ 2,168,129,074	\$ 61,281,977	\$ 22,000,393	\$ 352,692	\$ 2,084,494,011	0.8124%
3	12 ME 6/30/2016 AND 2/28/2	\$ 14,065,820	\$ 2,167,305,595	\$ 46,559,734	\$ (5,493,970)	\$ 322,220	\$ 2,125,917,611	0.6616%
4								
5	3-YR AVERAGE OF NET WRITE OFF RATE							0.7162%
6								
7	REPORTING PERIOD REVENUES		2,397,513,910	210,180,369	43,255,343	326,287	\$ 2,143,751,912	
8	ADD: TEMPERATURE NORMALIZATION ADJUSTMENT						16,460,631	
9							2,160,212,543	
10								
9	RESTATE BAD DEBT RATE						<b>0.7162%</b>	
10	RESTATE BAD DEBTS						\$ 15,471,442	
11								
12	UNCOLLECTIBLES CHARGED TO EXPENSE IN TEST YEAR						14,523,132	
13	INCREASE (DECREASE) EXPENSE							\$ 948,310
14								
15	INCREASE (DECREASE) NOI							\$ (948,310)
16	INCREASE (DECREASE) FIT						35%	(331,909)
17	INCREASE (DECREASE) NOI							<b>\$ (616,401)</b>

**PUGET SOUND ENERGY-ELECTRIC**  
**INCENTIVE PLAN**  
**FOR THE TWELVE MONTHS ENDED JUNE 30, 2016**  
**COMMISSION BASIS REPORT**

LINE	NO. DESCRIPTION	ACTUAL	RESTATED	ADJUSTMENT
1	INCREASE(DECREASE ) IN EXPENSE	\$ 5,936,611	\$ 6,306,711	\$ 370,099
2				
3	PAYROLL TAXES ASSOC WITH MERIT PAY	496,924	527,903	30,979
4	INCREASE(DECREASE ) IN EXPENSE	\$ 6,433,535	\$ 6,834,614	\$ 401,079
5				
6	INCREASE (DECREASE) INCOME			(401,079)
7	INCREASE (DECREASE) FIT @		35%	(140,378)
8				
9	INCREASE (DECREASE) NOI			<u><u>\$ (260,701)</u></u>

**PUGET SOUND ENERGY-ELECTRIC**  
**EXCISE TAX & FILING FEE**  
**FOR THE TWELVE MONTHS ENDED JUNE 30, 2016**  
**COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION	AMOUNT
1	<b>RESTATED EXCISE TAXES</b>	\$ 84,332,160
2	CHARGED TO EXPENSE FOR TEST YEAR	84,332,159.85
3	INCREASE(DECREASE) EXCISE TAX	-
4		
5	<b>RESTATED WUTC FILING FEE</b>	4,393,660.38
6	CHARGED TO EXPENSE FOR TEST YEAR	4,321,120.20
7	INCREASE(DECREASE) WUTC FILING FEE	72,540.18
8		
9	INCREASE(DECREASE) EXPENSE	72,540.18
10		
11	INCREASE(DECREASE) OPERATING INCOME	(72,540.18)
12		
13	INCREASE(DECREASE) FIT	35% (25,389.06)
14		
15	INCREASE(DECREASE) NOI	<u><u>\$ (47,151)</u></u>

**PUGET SOUND ENERGY-ELECTRIC**  
**D&O INSURANCE**  
**FOR THE TWELVE MONTHS ENDED JUNE 30, 2016**  
**COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION	TEST YEAR	RESTATED	ADJUSTMENT
1	D & O INS. CHG EXPENSE	\$ 131,761	\$ 112,927	\$ (18,834)
2				
3	INCREASE (DECREASE) IN EXPENSE	\$ 131,761	\$ 112,927	\$ (18,834)
4				
5	INCREASE (DECREASE) OPERATING INCOME			18,834
6				
7	INCREASE (DECREASE) FIT @		35%	6,592
8				
9	INCREASE (DECREASE) NOI			<u>\$ 12,242</u>

**PUGET SOUND ENERGY-ELECTRIC**  
**MONTANA ENERGY TAX**  
**FOR THE TWELVE MONTHS ENDED JUNE 30, 2016**  
**COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION	AMOUNT
1	ACTUAL KWH	4,396,858,000
2	TRANSMISSION LINE LOSS % FOR WECC	0.05
3	WETT TAX RATE	0.00015
4	WETT TAX	\$ 626,552
5		
6	EEELT TAX RATE	0.0002
7	EEELT TAX	\$ 879,372
8		
9	RESTATED ENERGY TAX	1,505,924
	CHARGED TO EXPENSE	1,542,038
	INCREASE (DECREASE) INCOME	\$ 36,114
	INCREASE (DECREASE) FIT @ 35%	12,640
	INCREASE (DECREASE) NOI	<b>\$ 23,474</b>

PAGE 3.13
-----------

**PUGET SOUND ENERGY-ELECTRIC**  
**INTEREST ON CUSTOMER DEPOSITS**  
**FOR THE TWELVE MONTHS ENDED JUNE 30, 2016**  
**COMMISSION BASIS REPORT**

<b>LINE</b>			
<b>NO.</b>	<b>DESCRIPTION</b>		<b>AMOUNT</b>
1	INTEREST EXPENSE FOR TEST YEAR	\$	63,635
2			
3			
4	INCREASE (DECREASE) NOI	<u>\$</u>	<u>(63,635)</u>

**PUGET SOUND ENERGY-ELECTRIC**  
**ASC 815**  
**FOR THE TWELVE MONTHS ENDED JUNE 30, 2016**  
**COMMISSION BASIS REPORT**

LINE NO.		ACTUAL	RESTATED	ADJUSTMENT
1	ASC 815 OPERATING EXPENSE	\$ (64,850,661)	\$ -	\$ 64,850,661
2				
3	INCREASE (DECREASE) IN EXPENSE	\$ (64,850,661)	\$ -	\$ 64,850,661
4				
5	INCREASE (DECREASE) OPERATING INCOME			(64,850,661)
6				
7	INCREASE (DECREASE) DEFERRED FIT @	35%		(22,697,731)
8				
9	INCREASE (DECREASE) NOI			<u>\$ (42,152,929)</u>

<b>PAGE 3.15</b>
------------------

**PUGET SOUND ENERGY-ELECTRIC**  
**PENSION PLAN**  
**FOR THE TWELVE MONTHS ENDED JUNE 30, 2016**  
**COMMISSION BASIS REPORT**

<b>LINE</b>				
<b>NO.</b>	<b>DESCRIPTION</b>	<b>ACTUAL</b>	<b>RESTATED</b>	<b>ADJUSTMENT</b>
1	QUALIFIED RETIREMENT FUND	\$ 7,084,631	\$ 7,420,471	\$ 335,839
2				
3	INCREASE (DECREASE ) IN EXPEN	\$ 7,084,631	\$ 7,420,471	\$ 335,839
4				
5	INCREASE (DECREASE) INCOME			(335,839)
6	INCREASE (DECREASE) FIT @		35%	(117,544)
7				
8	INCREASE (DECREASE) NOI			<u><u>\$ (218,296)</u></u>



**PUGET SOUND ENERGY-ELECTRIC**  
**INJURIES AND DAMAGES**  
**FOR THE TWELVE MONTHS ENDED JUNE 30, 2016**  
**COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION	ACTUAL	RESTATED	ADJUSTMENT
1	INJURIES & DAMAGES ACCRUALS	\$ 240,000	\$ 87,500	\$ (152,500)
2	INJURIES & DAMAGES PAYMENTS IN EXCESS OF ACCRUALS	226,960	256,128	29,168
3	INCREASE/(DECREASE) IN EXPENSE	466,960	343,628	(123,332)
4				
5	INCREASE/(DECREASE) IN OPERATING EXPENSE (LINE 3)			\$ (123,332)
6	INCREASE (DECREASE) FIT @		35%	43,166
7				
8	INCREASE (DECREASE) NOI			\$ 80,166

**PUGET SOUND ENERGY-ELECTRIC**  
**WILD HORSE SOLAR**  
**FOR THE TWELVE MONTHS ENDED JUNE 30, 2016**  
**COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION	ACTUAL	RESTATED	ADJUSTMENT
1	<u>WILD HORSE SOLAR RATEBASE (AMA)</u>			
2	<u>UTILITY PLANT RATEBASE</u>			
3	PLANT BALANCE	\$ 4,539,303	\$ -	\$ (4,539,303)
4	ACCUM DEPRECIATION	(1,530,991)		1,530,991
5	DEFERRED INCOME TAX LIABILITY	(999,503)		999,503
6	NET WH SOLAR PLANT RATEBASE	2,008,809	0	(2,008,809)
7				
8	<u>WILD HORSE SOLAR OPERATING EXPENSE</u>			
9	DEPRECIATION EXPENSE	188,181		(188,181)
10				
11	INCREASE (DECREASE ) EXPENSE	<u>\$ 188,181</u>	<u>\$ -</u>	<u>\$ (188,181)</u>
12				
13	INCREASE (DECREASE) FIT @		35%	65,863
14	INCREASE (DECREASE) NOI			<u>\$ 122,318</u>

**PUGET SOUND ENERGY-ELECTRIC**  
**CONVERSION FACTOR**  
**FOR THE TWELVE MONTHS ENDED JUNE 30, 2016**  
**COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION	RATE
1	BAD DEBTS	0.007162
2	ANNUAL FILING FEE	0.002000
3	STATE UTILITY TAX ( ( 1 - LINE 1 ) * 3.8734% )	3.8734% <u>0.038457</u>
4		
5	SUM OF TAXES OTHER	0.047619
6		
7	CONVERSION FACTOR EXCLUDING FEDERAL INCOME TAX ( 1 - LINE 5	0.952381
8	FEDERAL INCOME TAX ( ( 1 - LINE 5 ) * 35% )	35% <u>0.333333</u>
9	CONVERSION FACTOR ( 1 - LINE 8 )	<u><u><b>0.619048</b></u></u>

**Gas Commission Basis Report Cover Letter**  
**June 30, 2016**

<b>Page 1.01</b>
------------------

		<u>Adjusted Results of Operations</u>
Restated Net Operating Income	a	\$ 144,888,256
Restated Rate Base	b	\$ 1,716,428,935
<b>Normalized Overall Rate of Return</b>	c=a/b	<b>8.44%</b>
Restated Net Operating Income	d=a	\$ 144,888,256
Restated Interest Expense	e	\$ 52,351,083
Restated NOI less Restated Interest Exp	f=d-e	\$ 92,537,173
Restated Rate Base	g=b	\$ 1,716,428,935
Actual Equity Percent	h	48.76%
Equity Rate Base	i=g*h	\$ 836,930,749
<b>Restated Return on Actual Equity</b>	j=f/i	<b>11.06%</b>

## PUGET SOUND ENERGY, INC.

Utility Capital Structure  
Cost of Capital and Rate of Return

For The 12 Months Ending June 30, 2016

1	(A)	(B)	(C)	(D)	(E)
2					
3					Weighted
4					Cost of
5	<u>Description</u>	<u>Amount (i)</u>	<u>Ratio</u>	<u>Cost</u>	<u>Capital</u>
6					
7	Short Term Debt	\$45,875,333	0.62%	6.81%	0.04% (A)
8					
9	Long Term Debt	\$3,766,017,117	50.62%	5.95%	3.01% (A)
10					
13	Common Stock	<u>\$3,627,618,353</u>	<u>48.76%</u>	9.80%	<u>4.78%</u>
14					
16	<b>Total</b>	<b><u>\$7,439,510,803</u></b>	<b><u>100.00%</u></b>		<b><u>7.83%</u></b>
18					
19					
21	(i) - Average of Month-End Balances			Total (A)	3.05%

**PUGET SOUND ENERGY**  
**PERIODIC ALLOCATED RESULTS OF OPERATIONS**  
**FOR THE 12 MONTHS ENDED JUNE 30, 2016**

(Common cost is spread based on allocation factors developed for the 12 ME 06/30/2016)

	Electric	Gas	Total Amount
1 - OPERATING REVENUES:			
2 - SALES TO CUSTOMERS	\$ 2,143,751,912	\$ 864,904,243	\$ 3,008,656,155
3 - SALES FOR RESALE-FIRM	326,287	-	326,287
4 - SALES TO OTHER UTILITIES	210,180,369	-	210,180,369
5 - OTHER OPERATING REVENUES	43,255,343	35,692,207	78,947,550
6 - TOTAL OPERATING REVENUES	\$ 2,397,513,910	\$ 900,596,450	\$ 3,298,110,360
7			
8 - OPERATING REVENUE DEDUCTIONS:			
9			
10 - POWER COSTS:			
11 - FUEL	\$ 241,362,422	\$ -	\$ 241,362,422
12 - PURCHASED AND INTERCHANGED	547,393,958	338,788,096	886,182,054
13 - WHEELING	112,505,001	-	112,505,001
14 - RESIDENTIAL EXCHANGE	(73,220,859)	-	(73,220,859)
15 - TOTAL PRODUCTION EXPENSES	\$ 828,040,522	\$ 338,788,096	\$ 1,166,828,618
16			
17 - OTHER ENERGY SUPPLY EXPENSES	\$ 123,409,800	\$ 2,438,414	\$ 125,848,214
18 - TRANSMISSION EXPENSE	20,210,928	-	20,210,928
19 - DISTRIBUTION EXPENSE	90,206,918	52,699,043	142,905,962
20 - CUSTOMER ACCTS EXPENSES	45,471,279	25,413,242	70,884,521
21 - CUSTOMER SERVICE EXPENSES	19,261,793	7,410,559	26,672,351
22 - CONSERVATION AMORTIZATION	100,340,265	12,111,976	112,452,241
23 - ADMIN & GENERAL EXPENSE	112,887,355	47,535,374	160,422,729
24 - DEPRECIATION	266,458,584	120,257,419	386,716,003
25 - AMORTIZATION	45,736,679	11,123,640	56,860,319
26 - AMORTIZ OF PROPERTY LOSS	20,604,866	-	20,604,866
27 - OTHER OPERATING EXPENSES	(4,431,407)	(45,370)	(4,476,778)
28 - ASC 815	(64,850,661)	-	(64,850,661)
29 - TAXES OTHER THAN INCOME TAXES	229,487,934	95,684,507	325,172,440
30 - INCOME TAXES	800	-	800
31 - DEFERRED INCOME TAXES	175,980,954	65,384,473	241,365,427
32 - TOTAL OPERATING REV. DEDUCT.	\$ 2,008,816,608	\$ 778,801,373	\$ 2,787,617,981
<b>NET OPERATING INCOME</b>	<b>\$ 388,697,302</b>	<b>\$ 121,795,078</b>	<b>\$ 510,492,380</b>

**PUGET SOUND ENERGY**  
**BALANCE SHEET**  
**As of June 30, 2016**

<b>FERC Account and Description</b>	<b>Jun-16</b>	<b>June 16 AMA</b>
<b>*ASSETS</b>		
<b>**UTILITY PLANT</b>		
<b>***Electric Plant</b>		
101 Electric Plant in Service	9,209,690,645	9,107,720,237
102 Electric Plant Purchased or Sold	-	-
105 Electric Plant Held for Future Use	49,003,254	49,675,619
106 Comp.Construction Not Classfd.-Electric	40,568,411	29,360,552
107 Construction Work in Prog. - Electric	275,759,579	232,666,219
114 Electric Plant Acquisition Adjustments	282,791,675	282,791,675
Total Electric Plant	9,857,813,564	9,702,214,301
<b>***Gas Plant</b>		
101 Gas Plant in Service	3,392,203,434	3,314,023,927
105 Gas Plant Held for Future Use	1,436,127	4,767,108
106 Comp. Construction Not Classfd.- Gas	28,815,814	30,340,466
107 Construction Work in Progress - Gas	102,305,017	85,338,113
117.3 Gas Strd.in Resvr.& Pipln.-Noncurr.	8,654,564	8,654,564
Total Gas Plant	3,533,414,956	3,443,124,179
<b>***Common Plant</b>		
101 Plant in Service - Common	493,461,415	475,725,520
101.1 - Property under capital leases	-	425,510
106 Comp Construction Not Classfd. - Common	673,097	410,179
107 Construction Work in Progress - Common	82,732,035	64,959,537
Total Common Plant	576,866,547	541,520,745
<b>***Accumulated Depreciation and Amortization</b>		
108 Accumulated Provision for Depreciation	(4,937,852,446)	(4,798,463,151)
111 Accumulated Provision for Amortization	(134,319,878)	(123,913,413)
115 Accm.Prv.for Amort.of Plant Acquis.Adj.	(116,965,010)	(111,607,143)
Less: Accumulated Depr and Amortizat	(5,189,137,333)	(5,033,983,707)
<b>**NET UTILITY PLANT</b>	<b>8,778,957,734</b>	<b>8,652,875,519</b>
<b>**OTHER PROPERTY AND INVESTMENTS</b>		
<b>***Other Investments</b>		
121 Nonutility Property	3,286,074	3,555,918
122 Accm.Prov.for Depr.& Amort.Non-utility P	79,713	81,686
123.1 Investment in Subsidiary Companies	29,732,908	29,718,490
124 Other Investments	51,873,709	50,533,577
<b>***Total Other Investments</b>	<b>84,972,404</b>	<b>83,889,671</b>
<b>**TOTAL OTHER PROPERTY AND INVESTMENT</b>	<b>84,972,404</b>	<b>83,889,671</b>

**PUGET SOUND ENERGY  
BALANCE SHEET  
As of June 30, 2016**

<b>FERC Account and Description</b>	<b>Jun-16</b>	<b>June 16 AMA</b>
<b>**CURRENT ASSETS</b>		
***Cash		
131 Cash	14,302,765	17,734,385
134 Other Special Deposits	4,409,671	4,801,874
135 Working Funds	5,637,742	4,154,096
136 Temporary Cash Investments	-	1,500,000
***Total Cash	24,350,178	28,190,356
***Restricted Cash	-	-
***Total Restricted Cash	-	-
***Accounts Receivable		
141 Notes Receivable	3,259,692	3,301,465
142 Customer Accounts Receivable	164,506,972	200,587,577
143 Other Accounts Receivable	69,472,041	77,035,201
146 Accounts Receiv.from Assoc. Companies	441,003	666,364
171 Interest and Dividends Receivable	-	-
173 Accrued Utility Revenues	126,240,588	157,210,269
185 Temporary Facilities	94,693	26,512
191 Unrecovered Purchased Gas Costs	(11,561,605)	(12,409,325)
***Total Accounts Receivable	352,453,385	426,418,062
***Allowance for Doubtful Accounts		
144 - Accumulated provision for uncollectible account credit	(9,643,738)	(10,185,083)
***Less: Allowance for Doubtful Accounts	(9,643,738)	(10,185,083)
***Materials and Supplies		
151 Fuel Stock	20,751,183	19,563,824
154 Plant Materials and Operating Supplies	93,637,410	83,275,211
156 Other Materials and Supplies	396,856	193,971
158.1 Carbon Allowances	4,083	17,917
163 Stores Expense Undistributed	3,196,279	4,421,263
164.1 Gas Stored - Current	31,162,892	35,170,746
164.2 Liquefied Natural Gas Stored	39,436	262,115
***Total Materials and Supplies	149,188,139	142,905,047
***Unrealized Gain-Derivative Instrumnts (ST)		
175 Invest in Derivative Instrumnts -Opt ST	36,255,408	26,056,192
176 Invest in Derivative Instrumnts-Gain ST	-	-
***Unrealized Gain on Derivatives (ST)	36,255,408	26,056,192
***Prepayments and Other Current Assets		
165 Prepayments	17,697,957	25,550,042
174 Misc.Current and Accrued Assets	1,801,928	7,150,808
186 Miscellaneous Deferred Debits	7,688	7,006
***Total Prepayments & Othr.Curr.Assets	19,507,573	32,707,855
Current Deferred Taxes		
Total Current Deferred Taxes	547,462,962	587,643,805
<b>**TOTAL CURRENT ASSETS</b>	<b>1,119,573,906</b>	<b>1,233,736,235</b>



**PUGET SOUND ENERGY**  
**BALANCE SHEET**  
**As of June 30, 2016**

<b>FERC Account and Description</b>	<b>Jun-16</b>	<b>June 16 AMA</b>
<b>**LONG-TERM ASSETS</b>		
128 Qualified Pension Plan Funded Status	20,162,497	20,162,002
165 Long-Term Prepaid	11,925,636	8,019,651
165.8 Long-Term Prepaid Contra	(11,919,155)	(5,862,683)
165.9 Long-Term Prepaid	11,919,155	5,862,683
175 Invest in Derivative Instrumnts -Opt LT	8,782,323	5,528,780
176 Invest in Derivative Instrumnts-Gain LT	-	-
181 Unamortized Debt Expense	28,581,699	29,997,057
182.1 Extraordinary Property Losses	124,527,799	120,158,863
182.2 Unrecovered Plant & Reg Study Costs	7,794,400	10,359,380
Subtotal WUTC AFUDC	51,104,089	52,023,779
182.3 Other Regulatory Assets	576,288,393	562,198,252
183 Prelm. Survey and Investigation Charges	-	-
184 Clearing Accounts	88,664	(557,112)
186 Miscellaneous Deferred Debits	212,133,634	239,315,016
187 Def.Losses from Dispos.of Utility Plant	469,592	527,602
189 Unamortized Loss on Reacquired Debt	43,589,156	44,984,108
<b>**TOTAL LONG-TERM ASSETS</b>	<b>1,085,447,881</b>	<b>1,092,717,379</b>
<b>*TOTAL ASSETS</b>	<b>\$ 11,068,951,924</b>	<b>\$ 11,063,218,803</b>
<b>*CAPITALIZATION AND LIABILITIES</b>		
<b>**CURRENT LIABILITIES</b>		
230 Asset Retirement Obligations	(352,791)	(1,192,898)
244 FAS 133 Opt Unrealized Loss ST	(64,235,708)	(127,079,533)
245 FAS 133 Unrealized Loss ST	-	-
231 Notes Payable	(36,000,000)	(45,875,333)
232 Accounts Payable	(223,292,591)	(242,398,874)
233 Notes Payable to Associated Companies	-	-
234 Accounts Payable to Asscted Companies	-	-
235 Customer Deposits	(38,353,976)	(30,938,273)
236 Taxes Accrued	(101,622,483)	(105,760,847)
237 Interest Accrued	(47,898,719)	(57,549,895)
238 Dividends Declared	-	-
241 Tax Collections Payable	(512,245)	(1,305,233)
242 Misc. Current and Accrued Liabilities	(27,153,212)	(28,175,667)
243 Obligations Under Cap.Leases - Current	-	(426,117)
<b>**TOTAL CURRENT LIABILITIES</b>	<b>(539,421,725)</b>	<b>(640,702,671)</b>
<b>**DEFERRED TAXES</b>		
<b>***Reg. Liability for Def.Income Tax</b>		
283 Accum.Deferred Income Taxes - Other	(69,437,161)	(71,031,270)
<b>***Total Reg.Liab.for Def.Income Tax</b>	<b>(69,437,161)</b>	<b>(71,031,270)</b>
<b>***Deferred Income Tax</b>		
255 Accum.Deferred Investment Tax Credits	-	-
282 Accum. Def. Income Taxes - Other Prop.	(1,845,375,982)	(1,785,165,791)
283 Accum.Deferred Income Taxes - Other	(301,160,425)	(299,067,539)
<b>***Total Deferred Income Tax</b>	<b>(2,146,536,407)</b>	<b>(2,084,233,330)</b>
<b>**TOTAL DEFERRED TAXES</b>	<b>(2,215,973,568)</b>	<b>(2,155,264,600)</b>

**PUGET SOUND ENERGY**  
**BALANCE SHEET**  
As of June 30, 2016

<b>FERC Account and Description</b>	<b>Jun-16</b>	<b>June 16 AMA</b>
<b>**OTHER DEFERRED CREDITS</b>		
Subtotal 227 Oblig Under Cap Lease - Noncurr	-	-
Total Unrealized Loss on Derivatives -LT	(19,858,999)	(42,488,371)
228.2 Accum. Prov.for Injuries and Damages	(345,000)	(245,979)
228.3 Pension & Post Retirement Liabilities	(95,460,283)	(110,711,632)
228.4 Accum. Misc.Operating Provisions	(283,684,785)	(292,653,910)
229 Accum Provision for Rate Refunds	-	-
230 Asset Retirement Obligations (FAS 143)	(102,358,478)	(86,841,217)
252 Customer Advances for Construction	(78,042,930)	(73,646,760)
253 Other Deferred Credits	(366,401,950)	(349,973,364)
254 Other Regulatory Liabilities	(115,625,915)	(132,810,519)
256 Def. Gains from Dispos.of Utility Plt	(3,215,971)	(3,018,064)
257 Unamortized Gain on Reacquired Debt	5,022	209
<b>**TOTAL OTHER DEFERRED CREDITS</b>	<b>(1,064,989,289)</b>	<b>(1,092,389,608)</b>
<b>**CAPITALIZATION</b>		
<b>***SHAREHOLDER'S EQUITY</b>		
<b>****Common Equity</b>		
201 Common Stock Issued	(859,038)	(859,038)
207 Premium on Capital Stock	(478,145,250)	(478,145,250)
211 Miscellaneous Paid-in Capital	(2,804,096,691)	(2,804,096,691)
214 Capital Stock Expense	7,133,879	7,133,879
215 Appropriated Retained Earnings	(17,092,196)	(14,232,362)
216 Unappropriated Retained Earnings	(240,094,363)	(224,576,021)
216.1 Unappr.Undistrib.Subsidiary Earnings	14,764,536	14,778,954
219 Other Comprehensive Income	144,710,207	152,900,786
433 Balance Transferred from Income	(237,405,623)	(183,875,376)
438 Dividends Declared - Common Stock	128,673,648	124,733,522
439 Adjustments to Retained Earnings	5,848,610	5,848,610
<b>****Total Common Equity</b>	<b>(3,476,562,281)</b>	<b>(3,400,388,988)</b>
<b>***TOTAL SHAREHOLDER'S EQUITY</b>	<b>(3,476,562,281)</b>	<b>(3,400,388,988)</b>
<b>***REDEEMABLE SECURITIES AND LONG-TERM DEBT</b>		
<b>****Preferred Stock - Manditorily Redeemable Capital</b>	<b>(3,476,562,281)</b>	<b>(3,400,388,988)</b>
<b>****Total Preferred Stock - Mand Redeem</b>	<b>(3,476,562,281)</b>	<b>(3,400,388,988)</b>
<b>****Corporation Obligated, Mand Redeemable Preferred Stock Subscribed</b>	<b>-</b>	<b>-</b>
<b>****Corporation Obligated, Mand Redeem</b>	<b>-</b>	<b>-</b>
<b>****Long-term Debt</b>		
221 Junior Subordinated Debt	(250,000,000)	(250,000,000)
221 Bonds	(3,523,860,000)	(3,526,360,000)
226 Unamort.Disct. on Long-term Debt-Debit	1,854,938	1,887,064
<b>Long-term Debt</b>	<b>(3,772,005,062)</b>	<b>(3,774,472,936)</b>
<b>****Long-term Debt Total</b>	<b>(3,772,005,062)</b>	<b>(3,774,472,936)</b>
<b>***REDEEMABLE SECURITIES AND LTD</b>	<b>(3,772,005,062)</b>	<b>(3,774,472,936)</b>
<b>**TOTAL CAPITALIZATION</b>	<b>(7,248,567,343)</b>	<b>(7,174,861,924)</b>
<b>*TOTAL CAPITALIZATION AND LIABILITIES</b>	<b>\$ (11,068,951,924)</b>	<b>\$ (11,063,218,803)</b>

**Puget Sound Energy**  
**Gas Rate Base**  
**June 2016**

Line No.	Description	AMA 06/30/16
1	Gas Utility Plant in Service	3,340,795,920
2	Common Plant-Allocation to Gas	147,655,781
3	Gas Stored Underground - Non current	<u>8,654,564</u>
4	Total Plant in Service and Other Assets	3,497,106,265
5	Accumulated Provision for Depreciation	(1,276,887,301)
7	Common Accumulated Depreciation-Allocation to Gas	(60,382,360)
8	Customer Advances for Construction	(20,858,256)
9	Contributions in Aid of Construction - Accum. Def. FIT.	-
10	Liberalized Depreciation Total Accum. Def. FIT - Liberalized	(504,232,382)
11	NOL Carryforward	14,820,995
12	Customer Deposits	<u>(8,095,461)</u>
12	Accumulated Depreciation and Other Liabilities	(1,855,634,765)
13	Net Operating Investment	<u>1,641,471,500</u>
14	<b>Allowance for Working Capital</b>	<b><u>74,957,435</u></b>
15	Total Gas Rate Base	<b><u><u>1,716,428,935</u></u></b>

Puget Sound Energy  
 Combined Working Capital  
 Commission Basis Report  
 June 2016

Page 2.04

Code	Line No.	Description	30-Jun-16 AMA
1	1	<b>Average Invested Capital</b>	
2	2	Common Stock	859,038
3	3	Preferred Stock	-
4	4	Additional Paid in Capital	3,274,616,487
5	5	Unamortized Debt Expense	(23,107,991)
6	6	Unappropriated Retained Earnings	331,364,724
7	7	Notes Payable - Misc	-
8	8	Long Term Debt	3,774,472,936
9	9	Short Term Debt	45,875,333
10	10	Accumulated Deferred ITC	-
10.1	11	Treasury Grants	-
11	12	Deferred Debits-Other	(69)
12	13	Unamortized Gain/Loss on Debt	(44,984,317)
14	14	Total Average Invested Capital	7,359,096,141
15	15		
16	16	<b>Average Operating Investments - Electric</b>	
17	17		
18	18	Plant in Service (includes acquisition adj)	9,341,089,370
19	19	Electric Future Use Property	49,675,619
20	20	Customer Advances for Construction	(52,788,503)
21	21	Customer Deposits	(22,842,812)
22	22	Deferred Taxes	(1,047,690,700)
23	23	Deferred Debits/Credits - Other	155,647,575
24	24	Less: Accumulated Depreciation	(3,566,855,828)
25	25	Snoqualmie & Baker Treasury Grants	(106,317,386)
26	26	Common Plant-Allocation to Electric	317,548,317
27	27	Common Accum Depr-Allocation to Electric	(129,858,219)
28	28	Common Deferred Taxes-Allocation to Electric	(27,348,004)
29	29	NOL Carryforward	79,473,829
30	30	Total Average Operating Investment - Electric	4,989,733,258
31	31		
32	32	<b>Average Operating Investments - Gas</b>	
33	33		
34	34	Gas Utility Plant in Service	3,340,795,920
35	35	Deferred Items - Other	84,542,968
36	36	Gas Stored Underground, Non-Current	8,654,564
37	37	Gas Accumulated Depreciation	(1,276,887,301)
38	38	Gas Customer Advances for Construction	(20,858,256)
38.1	39	Gas Customer Deposits	(8,095,461)
39	40	DFIT 17	(522,726,186)
40	41	PGA	(12,409,325)
26	42	Common Plant-Allocation to Gas	147,655,781
27	43	Common Accumulated Depreciation-Allocation to Gas	(60,382,360)
28	44	Common Deferred Tax	(12,716,461)
29	45	NOL Carryforward	14,820,995
46	46	Total Average Operating Investment - Gas	1,682,394,878
47	47		
48	48	Total Electric & Gas Operating Investment	6,672,128,136
49	49		
50	50	<b>Construction Work in Progress</b>	
51	51		
51	52	Elec Construction Work in Process	277,007,598
52	53	Gas Construction Work in Process	105,956,270
53	54	Other Work in Process	900,509
60	55	Electric Preliminary Surveys	-
56	56	Total Construction Work in Progress	383,864,377
57	57		
58	58	<b>Nonoperating</b>	
59	59		
54	60	Non-Utility Property	3,637,604
55	61	Investment in Associated Companies	30,384,854

**Puget Sound Energy**  
**Combined Working Capital**  
**Commission Basis Report**  
**June 2016**

Page 2.04
-----------

			30-Jun-16
Code	Line No.	Description	AMA
56	62	Other Investments & FAS 133	(191,724,478)
57	63	Deferred Items-Other	177,790,641
58	64	Deferred Federal Income Tax	(16,835,172)
59	65	Investment Tracking Funds	2,264,019
61	66		-
62	67		-
67	68	Merchandising Inventory - Gas Only	67,287
	69	Total Non Operating Investment	<u>5,584,755</u>
	70		
	71	Total CWIP & Nonoperating Investment	389,449,132
	72		
	73	Total Average Investments	<u>7,061,577,268</u>
	74	Rounding	
	75	Total Investor Supplied Capital	<u><b>297,518,873</b></u>

**Allocation of Working Capital**

**Electric Working Capital**

Total Investment	7,061,577,268
Less: Electric CWIP	(277,007,598)
Less: Gas	(105,956,270)
Interest Bearing Regulatory Assets	
Other Work in Progress	(900,509)
Preliminary Surveys	-
Total	<u>6,677,712,891</u>

Electric Working Capital Ratio

4.4554%

Electric Working Capital

222,312,615
-------------

**Gas Working Capital**

Total Investment	7,061,577,268
Less: Electric CWIP	(277,007,598)
Less: Gas CWIP	(105,956,270)
Interest Bearing Regulatory Assets	
Other Work in Progress	(900,509)
Preliminary Surveys	-
Total	<u>6,677,712,891</u>

Gas Working Capital Ratio

4.4554%

Gas Working Capital

74,957,435
------------

**Non Operating Working Capital**

248,823
---------

**PUGET SOUND ENERGY-ELECTRIC & GAS**  
**FOR THE TWELVE MONTHS ENDED JUNE 30, 2016**  
**ALLOCATION METHODS**

Method	Description		Electric	Gas	Total
1	* <b><u>12 Month Average Number of Customers</u></b>	6/30/2016	1,110,578	800,288	1,910,866
	Percent		<b>58.12%</b>	<b>41.88%</b>	100.00%
2	* <b><u>Joint Meter Reading Customers</u></b>	6/30/2016	754,453	448,381	1,202,834
	Percent		<b>62.72%</b>	<b>37.28%</b>	100.00%
3	* <b><u>Non-Production Plant</u></b>				
	Distribution	6/30/2016	\$ 3,490,970,948	\$ 3,236,203,691	\$ 6,727,174,639
	Transmission	6/30/2016	1,375,634,295	-	1,375,634,295
	Direct General Plant	6/30/2016	218,883,967	32,714,405	251,598,372
	Total		<b>\$ 5,085,489,210</b>	<b>\$ 3,268,918,096</b>	<b>\$ 8,354,407,306</b>
Percent		<b>60.87%</b>	<b>39.13%</b>	100.00%	
4	* <b><u>4-Factor Allocator</u></b>				
	Number of Customers	6/30/2016	1,110,578	800,288	1,910,866
	Percent		58.12%	41.88%	100.00%
	Labor - Direct Charge to O&M	6/30/2016	53,732,250	23,752,679	\$ 77,484,930
	Percent		69.35%	30.65%	100.00%
	T&D O&M Expense (Less Labor)	6/30/2016	78,209,178	30,022,016	\$ 108,231,194
	Percent		72.26%	27.74%	100.00%
Net Classified Plant (Excluding General (Common) Plant)	6/30/2016	5,574,437,314	2,028,813,306	7,603,250,620	
Percent		73.32%	26.68%	100.00%	
Total Percentages		273.04%	126.96%	400.00%	
Percent		<b>68.26%</b>	<b>31.74%</b>	100.00%	
5	* <b><u>Employee Benefits</u></b>				
	Direct Labor Accts 500-935	6/30/2016	59,264,124	26,751,678	86,015,802
	Total		<b>\$ 59,264,124</b>	<b>\$ 26,751,678</b>	<b>\$ 86,015,802</b>
	Percent		<b>68.90%</b>	<b>31.10%</b>	100.00%

**PUGET SOUND ENERGY-GAS**  
**RESULTS OF OPERATIONS**  
**FOR THE TWELVE MONTHS ENDED JUNE 30, 2016**  
**COMMISSION BASIS REPORT**

LINE NO.	ACTUAL RESULTS OF OPERATIONS	TOTAL ADJUSTMENTS	RESTATED RESULTS OF OPERATIONS
1	<u>OPERATING REVENUES:</u>		
2	\$ 824,596,726	\$ (31,430,005)	\$ 793,166,721
3	40,307,517	(40,307,517)	-
4	35,692,207	23,055,945	58,748,152
5	\$ 900,596,450	\$ (48,681,577)	\$ 851,914,873
6			
7			
8	OPERATING REVENUE DEDUCTIONS:		
9			
10	GAS COSTS:		
11			
12	\$ 338,788,096	\$ 19,485,938	\$ 358,274,034
13			
14	\$ 338,788,096	\$ 19,485,938	\$ 358,274,034
15	<b>561,808,354</b>	<b>(68,167,515)</b>	<b>493,640,839</b>
16	\$ 2,438,414	\$ (82,882)	\$ 2,355,532
17	-	-	-
18	52,699,043	-	52,699,043
19	25,413,242	284,195	25,697,437
20	7,410,559	(5,540,352)	1,870,207
21	12,111,976	(12,111,976)	(0)
22	47,535,374	866,942	48,402,316
23	120,257,419	0	120,257,419
24	11,123,640	-	11,123,640
25	-	-	-
26	(45,370)	-	(45,370)
27	95,684,507	(59,975,824)	35,708,682
28	-	16,437,897	16,437,897
29	65,384,473	(31,138,694)	34,245,779
30	\$ 440,013,277	\$ (91,260,693)	\$ 348,752,583
31			
32	\$ 121,795,078	\$ 23,093,178	\$ 144,888,256
33			
34	\$ 1,716,428,935	\$ 0	\$ 1,716,428,935
35			
36	7.10%		8.44%
37			
38	RATE BASE:		
39	\$ 3,497,106,265	\$ -	\$ 3,497,106,265
40	(1,337,269,661)	-	(1,337,269,661)
41	(504,232,382)	-	(504,232,382)
42	(14,132,722)	-	(14,132,722)
43	\$ 1,641,471,500	\$ -	\$ 1,641,471,500
44	74,957,435	-	74,957,435
45	\$ 1,716,428,935	\$ -	\$ 1,716,428,935

PUGET SOUND ENERGY-GAS  
STATEMENT OF OPERATING INCOME AND ADJUSTMENTS  
FOR THE TWELVE MONTHS ENDED JUNE 30, 2016  
COMMISSION BASIS REPORT

LINE NO.	ACTUAL RESULTS OF OPERATIONS		TEMPERATURE NORMALIZATION	REVENUE & EXPENSE	FEDERAL INCOME TAX	TAX BENEFIT OF RESTATED INTEREST	PASS-THROUGH REVENUE & EXPENSE	RATE CASE EXPENSES	BAD DEBTS
	12 ME June 30, 2016		Adj 3.01	Adj 3.02	Adj 3.03	Adj 3.04	Adj 3.05	Adj 3.06	Adj 3.07
1	OPERATING REVENUES								
2	SALES TO CUSTOMERS	\$ 824,596,726	\$ 162,953	\$ 2,711,611	\$ -	\$ -	(34,304,568)	\$ -	-
3	MUNICIPAL ADDITIONS	40,307,517					(40,307,517)		
4	OTHER OPERATING REVENUES	35,692,207		7,712,819			15,343,126		
5	TOTAL OPERATING REVENUES	\$ 900,596,450	\$ 162,953	\$ 10,424,430	\$ -	\$ -	(59,268,960)	\$ -	-
6									
7									
8	OPERATING REVENUE DEDUCTIONS:								
9									
10	GAS COSTS:								
11									
12	PURCHASED GAS	\$ 338,788,096	\$ -	\$ -	\$ -	\$ -	19,485,938	\$ -	-
13									
14	TOTAL PRODUCTION EXPENSES	\$ 338,788,096	\$ -	\$ -	\$ -	\$ -	19,485,938	\$ -	-
15									
16	OTHER ENERGY SUPPLY EXPENSES	2,438,414	\$ -	\$ -	\$ -	\$ -	(82,882)	\$ -	-
17	TRANSMISSION EXPENSE	-							
18	DISTRIBUTION EXPENSE	52,699,043							
19	CUSTOMER ACCTS EXPENSES	25,413,242	851	54,426			(309,443)		518,707
20	CUSTOMER SERVICE EXPENSES	7,410,559					(5,540,352)		
21	CONSERVATION AMORTIZATION	12,111,976					(12,111,976)		
22	ADMIN & GENERAL EXPENSE	47,535,374	326	20,849			(118,538)	433,860	
23	DEPRECIATION	120,257,419							
24	AMORTIZATION	11,123,640							
25	AMORTIZATION OF PROPERTY LOSS	-							
26	OTHER OPERATING EXPENSES	(45,370)							
27	TAXES OTHER THAN F.I.T.	95,684,507	6,244	399,454			(60,397,155.27)		
28	FEDERAL INCOME TAXES	-	54,436	3,482,395	31,816,563	(18,322,879)	(68,093)	(151,851)	(181,547)
29	DEFERRED INCOME TAXES	65,384,473			(31,138,694)				
30	TOTAL OPERATING REV. DEDUCT.	\$ 440,013,277	\$ 61,857	\$ 3,957,124	\$ 677,869	\$ (18,322,879)	\$ (78,628,439)	\$ 282,009	\$ 337,160
31									
32	NET OPERATING INCOME	\$ 121,795,078	\$ 101,096	\$ 6,467,306	\$ (677,869)	\$ 18,322,879	\$ (126,459)	\$ (282,009)	\$ (337,160)
33									
34	RATE BASE	\$ 1,716,428,935					\$ -		
35									
36	RATE OF RETURN	7.10%							
37									
38	RATE BASE:								
39	UTILITY PLANT IN SERVICE AND OTHER ASSETS	\$ 3,497,106,265	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
40	ACCUMULATED DEPRECIATION	(1,337,269,661)							
41	ACCUMULATED DEFERRED FIT - LIBERALIZED	(504,232,382)							
42	DEPRECIATION AND OTHER LIABILITIES	(14,132,722)							
43	TOTAL NET INVESTMENT	\$ 1,641,471,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
44	ALLOWANCE FOR WORKING CAPITAL	74,957,435							
45	TOTAL RATE BASE	\$ 1,716,428,935	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -





**PUGET SOUND ENERGY-GAS**  
**TEMPERATURE NORMALIZATION**  
**FOR THE TWELVE MONTHS ENDED JUNE 30, 2016**  
**COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION	ACTUAL	RESTATED	ADJUSTMENT
1	TEMPERATURE NORMALIZATION ADJUSTMENT:			
2		ACTUAL	TEMP ADJ	THERMS
3		THERMS	THERMS	CHANGE
4	Jul-15	16,802,470	16,802,470	-
5	Aug-15	16,745,312	16,745,312	-
6	Sep-15	19,122,925	19,122,925	-
7	Oct-15	18,714,054	19,898,414	1,184,360
8	Nov-15	21,307,429	20,904,383	(403,046)
9	Dec-15	23,996,189	24,573,556	577,367
10	Jan-16	24,870,088	25,446,636	576,548
11	Feb-16	23,565,988	24,862,849	1,296,861
12	Mar-16	20,945,939	21,785,617	839,678
13	Apr-16	19,923,398	21,418,746	1,495,348
14	May-16	20,979,671	21,709,561	729,890
15	Jun-16	18,262,716	18,400,617	137,901
16		245,236,180	251,671,087	6,434,907
17	<b>REVENUE ADJUSTMENT:</b>			
18				
19	TRANS. INTERRUPT WITH FIRM OPTION - COM		85T	\$ 37,846
20	TRANS. NON-EXCLUS INTER W/ FIRM OPTION - COM		87T	28,907
21	INTERRUPTIBLE WITH FIRM OPTION - COM		85	52,287
22	NON-EXCL INTERRUPT W/ FIRM OPTION - COM		87	22,145
23	SPECIAL CONTRACTS		SC	21,767
24	INCREASE (DECREASE) SALES TO CUSTOMERS			\$ 162,953
25				
26	<b>OPERATING EXPENSES:</b>			
27	PURCHASED GAS COSTS			-
28				-
29	UNCOLLECTIBLES @		0.52210%	851
30	ANNUAL FILING FEE @		0.20000%	326
31	INCREASE (DECREASE) EXPENSE			1,177
32				
33	STATE UTILITY TAX @		3.83190%	6,244
34	INCREASE (DECREASE) TAXES OTHER			6,244
35				
36	INCREASE (DECREASE) OPERATING INCOME			155,532
37				
38	INCREASE (DECREASE) FIT @		35%	54,436
39	INCREASE (DECREASE) NOI			\$ 101,096

**PUGET SOUND ENERGY-GAS**  
**REVENUE & EXPENSE RESTATING**  
**FOR THE TWELVE MONTHS ENDED JUNE 30, 2016**  
**COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION		ADJUSTMENT
1	SALES TO CUSTOMERS:		
2			
3	REMOVE MERGER RATE CREDIT SCH 132	\$	2,711,611
4			
5	TOTAL INCREASE (DECREASE) SALES TO CUSTOMERS		\$ 2,711,611
6			
7	OTHER OPERATING REVENUES:		
8			
9	REMOVE RENTALS ASSOC WITH SCH 132	\$	53,415
10	REMOVE EARNINGS SHARING ACCRUALS		7,659,404
11			-
12			
13			
14	TOTAL INCREASE (DECREASE) OPERATING REVENUES		\$ 7,712,819
15			
16	TOTAL INCREASE (DECREASE) REVENUES		10,424,430
17			
18	UNCOLLECTIBLES @	0.52210%	54,426
19	ANNUAL FILING FEE @	0.20000%	20,849
20	INCREASE (DECREASE) EXPENSE		75,275
21			
22	STATE UTILITY TAX @	3.83190%	\$ 399,454
23			
24	INCREASE (DECREASE) TAXES OTHER		399,454
25			
26	INCREASE (DECREASE) OPERATING INCOME		9,949,701
27	INCREASE (DECREASE) FIT @	35%	3,482,395
28	INCREASE (DECREASE) NOI		\$ 6,467,306

Adj 3.03

**PUGET SOUND ENERGY-GAS**  
**FEDERAL INCOME TAX**  
**FOR THE TWELVE MONTHS ENDED JUNE 30, 2016**  
**COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION	AMOUNT
1	TAXABLE INCOME	\$ 90,904,466
2		
3	ADD BACK	
4	CURRENT FIT 35.00%	31,816,563
5	DEFERRED FIT	34,245,779
6	SUB TOTAL	<u>156,966,808</u>
7		
8	LESS INTEREST	<u>52,351,083</u>
9	TOTAL RESTATED FIT	104,615,726
10		
11	FIT PER BOOKS:	
12	CURRENT FIT	
13	DEFERRED FIT-DEBIT	262,894,195
14	DEFERRED FIT CREDIT	(197,509,722)
15	DEFERRED FIT-INV TAX CREDIT	-
16	TOTAL CHARGED TO EXPENSE	<u>65,384,473</u>
17		
18	INCREASE (DECREASE) FIT	31,816,563
19	INCREASE (DECREASE) DEFERRED FIT	(31,138,694)
20	INCREASE(DECREASE) NOI	<u><u>\$ (677,869)</u></u>

Adj 3.04

**PUGET SOUND ENERGY-GAS**  
**TAX BENEFIT OF RESTATED INTEREST**  
**FOR THE TWELVE MONTHS ENDED JUNE 30, 2016**  
**COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION	AMOUNT
1	RATE BASE	\$ 1,716,428,935
2		
3	NET RATE BASE	<u>\$ 1,716,428,935</u>
4		
5	WEIGHTED COST OF DEBT	<u>3.05%</u>
6	RESTATED INTEREST	\$ 52,351,083
7		
8		
9		
10	INCREASE (DECREASE) INCOME	\$ (52,351,083)
11		
12	INCREASE (DECREASE) FIT @	35% (18,322,879)
13	INCREASE (DECREASE) NOI	<u><u>\$ 18,322,879</u></u>

Adj 3.05

**PUGET SOUND ENERGY-GAS**  
**PASS-THROUGH REVENUE & EXPENSE**  
**FOR THE TWELVE MONTHS ENDED JUNE 30, 2016**  
**COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION	ADJUSTMENT
1	<u>REMOVE REVENUES ASSOCIATED WITH RIDERS:</u>	
2	REMOVE LOW INCOME RIDER - SCHEDULE 129	5,817,014
3	REMOVE CONSERVATION TRACKER - SCHEDULE 120	12,387,937
4	REMOVE PROPERTY TAX TRACKER - SCHEDULE 140	19,967,855
5	REMOVE REVENUE ASSOC WITH PGA AMORTIZATION - SCHEDULE 106	(20,415,667)
6	REMOVE CARBON OFFSET - SCHEDULE 137	98,407
7	REMOVE OTHER ASSOC WITH CARBON OFFSET - SCHEDULE 137	(11,371)
8	REMOVE DECOUPLING SCH 142 REVENUE	16,449,022
9	REMOVE DECOUPLING SCH 142 SURCHARGE AMORT EXPENSE	(15,699,934)
10	REMOVE MUNICIPAL TAXES ASSOC WITH SALES TO CUSTOMERS	40,307,517
11	REMOVE MUNICIPAL TAXES ASSOC WITH OTHER OPRTG REV	368,178
12	TOTAL (INCREASE) DECREASE REVENUES	<u>\$ 59,268,960</u>
13		
14	<u>DECREASE REVENUE SENSITIVE ITEMS FOR DECREASE IN REVENUES:</u>	
15	UNCOLLECTIBLES @ 0.005221	\$ (309,443)
16	ANNUAL FILING FEE 0.002000	(118,538)
17	STATE UTILITY TAX 0.038319	(2,271,127)
18	TOTAL	<u>\$ (2,699,108)</u>
19		
20	<u>REMOVE EXPENSES ASSOCIATED WITH RIDERS</u>	
21	REMOVE LOW INCOME AMORTIZATION - SCHEDULE 129	(5,540,352)
22	REMOVE CONSERVATION AMORTIZATION - SCHEDULE 120	(12,111,976)
23	REMOVE PROPERTY TAX AMORTIZATION EXP - SCHEDULE 140	(19,087,273)
24	REMOVE PGA DEFERRAL AMORTIZATION EXP - SCHEDULE 106	19,485,938
25	REMOVE CARBON OFFSET AMORTIZATION EXP - SCHEDULE 137	(82,882)
26	REMOVE MUNICIPAL TAXES ASSOC WITH SALES TO CUSTOMERS	(39,038,755)
27	TOTAL INCREASE (DECREASE) EXPENSE	<u>\$ (56,375,299)</u>
28		
29	INCREASE (DECREASE) OPERATING INCOME BEFORE FIT	\$ (194,552)
30	INCREASE (DECREASE) FIT (LINE 26 * 35%)	(68,093)
31	INCREASE (DECREASE) NOI	<u>\$ (126,459)</u>

Adj 3.06

**PUGET SOUND ENERGY-GAS**  
**RATE CASE EXPENSES**  
**FOR THE TWELVE MONTHS ENDED JUNE 30, 2016**  
**COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION	AMOUNT
1	<b>EXPENSES TO BE NORMALIZED:</b>	
2		
3	2011 AND 2009 GRC EXPENSES TO BE NORMALIZED	\$ 1,040,000
4		
5	ANNUAL NORMALIZATION (LINE 3 / 2)	520,000
6	LESS TEST YEAR EXPENSE: GRC DIRECT CHARGES TO O&M	<u>86,140</u>
7	INCREASE (DECREASE) EXPENSE	\$ 433,860 <u>\$ 433,860</u>
8		
9		
10	TOTAL INCREASE (DECREASE) EXPENSE	\$ 433,860
11		
12	INCREASE(DECREASE) FIT @	35% <u>(151,851)</u>
13	INCREASE(DECREASE) NOI	<u><u>\$ (282,009)</u></u>

**PUGET SOUND ENERGY-GAS**  
**BAD DEBTS**  
**FOR THE TWELVE MONTHS ENDED JUNE 30, 2016**  
**COMMISSION BASIS REPORT**

LINE NO.	YEAR	NET WRITEOFFS	GROSS REVENUES	OTHER OPERATING REVENUE	NET REVENUES	PERCENT WRITEOFFS TO REVENUE
		December	August	August	August	
1	12 ME 06/30/2013 and 2/28/2013	\$ 5,663,393	\$ 1,074,328,854	\$ 13,479,352	\$ 1,060,849,502	0.5339%
2	12 ME 06/30/2014 and 2/28/2014	\$ 5,595,418	\$ 1,027,824,696	\$ 7,258,950	\$ 1,020,565,746	0.5483%
3	12 ME 06/30/2016 and 2/28/2016	\$ 4,358,816	\$ 928,962,804	\$ 28,544,307	\$ 900,418,498	0.4841%
4						
5	3-YR AVERAGE OF NET WRITE OFF RATE					<b>0.5221%</b>
6						
7	REPORTING PERIOD REVENUES		\$ 900,596,450	\$ 35,692,207	\$ 864,904,243	
8	Add: Temperature Normalization Adjustment				155,532	
9					<u>\$ 865,059,775</u>	
10						
11	RESTATED BAD DEBT RATE				<u>0.5221%</u>	
12	RESTATED BAD DEBTS				\$ 4,516,477	
13						
14	UNCOLLECTIBLES CHARGED TO EXPENSE IN TEST YEAR				<u>3,997,770</u>	
15	INCREASE (DECREASE) EXPENSE					\$ 518,707
16						
17	INCREASE(DECREASE ) IN INCOME					\$ (518,707)
18	INCREASE (DECREASE) FIT				35%	<u>(181,547)</u>
19	INCREASE (DECREASE) NOI					<u><u>\$ (337,160)</u></u>



Adj 3.08

**PUGET SOUND ENERGY-GAS**  
**EXCISE TAX & FILING FEE**  
**FOR THE TWELVE MONTHS ENDED JUNE 30, 2016**  
**COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION	AMOUNT
1	<b>RESTATED EXCISE TAXES</b>	\$ 33,776,383
2	CHARGED TO EXPENSE FOR TEST YEAR	<u>\$33,776,383</u>
3	INCREASE(DECREASE) EXCISE TAX	\$ -
4		
5	<b>RESTATED WUTC FILING FEE</b>	\$ 1,800,215
6	CHARGED TO EXPENSE FOR TEST YEAR	<u>1,792,151</u>
7	INCREASE(DECREASE) WUTC FILING FEE	\$ 8,063
8		
9	INCREASE(DECREASE) EXPENSE	\$ 8,063
10		
11	INCREASE(DECREASE) OPERATING INCOME	\$ (8,063)
12		
13	INCREASE(DECREASE) FIT 35%	\$ (2,822)
14		
15	INCREASE(DECREASE) NOI	<u><u>\$ (5,241)</u></u>

Adj 3.09
----------

**PUGET SOUND ENERGY-GAS**  
**INTEREST ON CUSTOMER DEPOSITS**  
**FOR THE TWELVE MONTHS ENDED JUNE 30, 2016**  
**COMMISSION BASIS REPORT**

<b>LINE</b>			
<b>NO.</b>	<b>DESCRIPTION</b>		<b>AMOUNT</b>
1	INTEREST EXPENSE FOR TEST YEAR	\$	19,654
2			
3			
4	INCREASE (DECREASE) NOI	\$	<u><u>(19,654)</u></u>

Adj 3.10

**PUGET SOUND ENERGY-GAS**  
**PENSION PLAN**  
**FOR THE TWELVE MONTHS ENDED JUNE 30, 2016**  
**COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION	ACTUAL	RESTATED	ADJUSTMENT
1	QUALIFIED RETIREMENT FUND	\$ 3,197,852	\$ 3,349,443	\$ 151,591
2				
3				
4	INCREASE (DECREASE ) IN EXPENSE	\$ 3,197,852	\$ 3,349,443	\$ 151,591
5				
6	INCREASE (DECREASE) INCOME			(151,591)
7	INCREASE (DECREASE) FIT @		35%	(53,057)
8				
9	INCREASE (DECREASE) NOI			<u><u>\$ (98,534)</u></u>

Adj 3.11

**PUGET SOUND ENERGY-GAS**  
**D&O INSURANCE**  
**FOR THE TWELVE MONTHS ENDED JUNE 30, 2016**  
**COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION	TEST YEAR	RESTATED	ADJUSTMENT
1	D & O INS. CHG EXPENSE	\$ 94,944	\$ 81,373	\$ (13,571)
2				
3	INCREASE (DECREASE) IN EXPENSE	\$ 94,944	\$ 81,373	\$ (13,571)
4				
5	INCREASE (DECREASE) OPERATING INCOME			13,571
6				
7	INCREASE (DECREASE) FIT @		35%	4,750
8				
9	INCREASE (DECREASE) NOI			<u>\$ 8,821</u>

Adj 3.12

**PUGET SOUND ENERGY-GAS**  
**INJURIES AND DAMAGES**  
**FOR THE TWELVE MONTHS ENDED JUNE 30, 2016**  
**COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION	ACTUAL	RESTATED	ADJUSTMENT
1	INJURIES & DAMAGES ACCRUALS	\$ 7,500	\$ 127,833	\$ 120,333
2	INJURIES & DAMAGES PAYMENTS IN EXCESS OF ACCRUA	107,638	188,136	80,498
3	INCREASE/(DECREASE) IN EXPENSE	115,138	315,969	200,832
4				
5	INCREASE/(DECREASE) IN OPERATING EXPENSE (LINE 3)			\$ 200,832
6	INCREASE (DECREASE) FIT @		35%	(70,291)
7				
8	INCREASE (DECREASE) NOI			\$ (130,541)

Adj 3.13

**PUGET SOUND ENERGY-GAS**  
**INCENTIVE PAY**  
**FOR THE TWELVE MONTHS ENDED JUNE 30, 2016**  
**COMMISSION BASIS REPORT**

LINE	NO. DESCRIPTION	ACTUAL	RESTATED	ADJUSTMENT
1	INCENTIVE/MERIT PAY	\$ 2,703,149	\$ 2,886,680	\$ 183,531
2	TOTAL INCENTIVE PAY	\$ 2,703,149	\$ 2,886,680	\$ 183,531
3				
4	PAYROLL TAXES ASSOC WITH MERIT PAY	230,253	245,886	15,633
5	INCREASE(DECREASE) EXPENSE	2,933,402	3,132,566	199,164
6				
7	INCREASE (DECREASE) OPERATING EXPENSE			199,164
8				
9	INCREASE(DECREASE) FIT @		35%	(69,707)
10	INCREASE(DECREASE) NOI			\$ (129,457)

Adj 4.01

**PUGET SOUND ENERGY-GAS**  
**CONVERSION FACTOR**  
**FOR THE TWELVE MONTHS ENDED JUNE 30, 2016**  
**COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION	BASE	RATE	AMOUNT
1	BAD DEBTS			0.005221
2	ANNUAL FILING FEE			0.002000
3	STATE UTILITY TAX ( 3.852% - ( LINE 1 * 3.852% ) )		3.852%	0.038319
4				
5	SUM OF TAXES OTHER			0.045540
6				
7	CONVERSION FACTOR BEFORE FIT			0.954460
8	FEDERAL INCOME TAX ( ( 1 - LINE 5 ) * 35% )		35%	0.334061
9	CONVERSION FACTOR ( 1 - ( LINE 5 + LINE 7 ) )			<b>0.620399</b>

**Puget Sound Energy (“PSE”)  
Additional Information Provided With  
June 2016 Commission Basis Report**

This additional information supplied with PSE’s June 2016 Commission Basis Report (“CBR”) includes cost per customer trend analysis similar to reports supplied with PSE’s CBRs since December 2013. The attached information contains non-production O&M cost per customer for calendar years 2011 through 2015 and the twelve months ended June of 2016 using the same categories and methodology utilized in the development of the K-Factor (KJB-16 in UE-130137 and UG-130138).

As demonstrated on page two, the combined overall annual average increase in non-production O&M per customer through June 2016 is lower than the historical growth rate presented in the ERF/Decoupling proceedings at 1.2% versus 3.8%, and is lower than the benchmark of 1.9% used in developing the O&M component of the K-factor in the ERF/Decoupling proceeding.

Page four of the analysis demonstrates that the electric annual growth rate per customer has declined to 2.7%, which is below the 4.7% electric historical growth rate presented in the ERF/Decoupling proceedings. Page five of the analysis, provides the natural gas annual growth rate per customer, which is negative 1.5% which represents a decline on a cost per customer basis compared to the 2.2% historical growth rate in Natural Gas related O&M presented in the ERF/Decoupling proceedings. One contributing factor for the decline in the natural gas cost per customer is the four-factor allocator which has been trending more toward electric since 2011, primarily due to the additional production rate base added between 2012 and 2014. As discussed in prior reports, it is for this reason that the company has focused its discussion on the combined O&M impacts.



**PUGET SOUND ENERGY  
COMBINED RESULTS OF OPERATIONS  
COMMISSION BASIS REPORT**

LINE NO.	DESCR	12ME Dec 2011	12ME Dec 2012	12ME Dec 2013	12ME Dec 2014	12ME Dec 2015	12ME Jun 2016	COMPOUND GROWTH RATE
		RESTATED RESULTS OF OPERATIONS	RESTATED RESULTS OF OPERATIONS	RESTATED RESULTS OF OPERATIONS	RESTATED RESULTS OF OPERATIONS	RESTATED RESULTS OF OPERATIONS	RESTATED RESULTS OF OPERATIONS	
1	<u>COMBINED EXPENSES:</u>							
2	TRANSMISSION EXPENSE	\$ 9,530,907	\$ 19,073,045	\$ 19,383,744	\$ 21,589,406	\$ 19,801,305	\$ 20,210,928	
3	DISTRIBUTION EXPENSE	130,531,255	126,441,451	127,563,845	136,490,873	131,977,836	142,905,962	
4	CUSTOMER ACCOUNT EXPENSES	78,512,657	80,013,147	82,230,612	82,709,937	76,520,034	71,461,215	
5	CUSTOMER SERVICE EXPENSES	4,800,000	3,249,127	3,914,400	5,603,627	3,810,121	4,198,949	
6	ADMIN & GENERAL EXPENSE	142,745,361	145,172,486	154,517,147	159,194,144	156,849,476	162,080,424	
7	TOTAL EXPENSES	<u>\$ 366,120,180</u>	<u>\$ 373,949,255</u>	<u>\$ 387,609,749</u>	<u>\$ 405,587,987</u>	<u>\$ 388,958,771</u>	<u>\$ 400,857,476</u>	<b>2.0%</b>
8								
9	AVERAGE CUSTOMER COUNT	1,840,114	1,852,951	1,858,766	1,876,129	1,898,648	1,910,866	
10	ACTUAL COST PER CUSTOMER	<b>\$ 198.97</b>	<b>\$ 201.81</b>	<b>\$ 208.53</b>	<b>\$ 216.18</b>	<b>\$ 204.86</b>	<b>\$ 209.78</b>	<b>CALCULATED 1.2%</b>
11	2011 GROWN AT HISTORICAL RATE	<b>\$ 198.97</b>	<b>\$ 206.45</b>	<b>\$ 214.22</b>	<b>\$ 222.28</b>	<b>\$ 230.64</b>	<b>\$ 239.32</b>	<b>COMBINED ERF 3.8%</b>

Calculation of Combined Escalation Factors from ERF

Description	2006 GRC			2011 GRC		
	Electric	Gas	Combined	Electric	Gas	Combined
7 Number of years between test years				5.25	5.25	5.25
8						
9 Transmission & Distribution Expense	\$ 65,086,999	\$ 34,532,486	\$ 99,619,485	\$ 92,084,397	\$ 49,783,566	\$ 141,867,963
10 Customer Account & Services Expenses	37,706,383	25,038,278	62,744,661	49,173,646	31,704,844	80,878,490
11 Admin & General Expenses	74,379,848	41,714,840	116,094,688	99,871,160	43,995,146	143,866,305
12						
13 Total O&M	177,173,230	101,285,604	278,458,834	241,129,203	125,483,555	366,612,758
14						
15 Average Customer Count	1,004,833	678,712	1,683,546	1,075,057	750,800	1,825,856
16						
17 Average Cost per Customer	\$ 176.32	\$ 149.23	\$ 165.40	\$ 224.29	\$ 167.13	\$ 200.79
18						
19						
20 Annual Escalation Factor				4.7%	2.2%	3.8%
21						
22						

**PUGET SOUND ENERGY  
ELECTRIC RESULTS OF OPERATIONS  
COMMISSION BASIS REPORT**

LINE NO.	DESCR	12ME Dec 2011	12ME Dec 2012	12ME Dec 2013	12ME Dec 2014	12ME Dec 2015	12ME Jun 2016	COMPOUND GROWTH RATE
		RESTATED RESULTS OF OPERATIONS	RESTATED RESULTS OF OPERATIONS	RESTATED RESULTS OF OPERATIONS	RESTATED RESULTS OF OPERATIONS	RESTATED RESULTS OF OPERATIONS	RESTATED RESULTS OF OPERATIONS	
1	<u>COMBINED EXPENSES:</u>							
2	TRANSMISSION EXPENSE	\$ 9,481,215	\$ 19,058,040	\$ 19,355,851	\$ 21,589,071	\$ 19,801,305	\$ 20,210,928	
3	DISTRIBUTION EXPENSE	78,245,091	74,862,781	77,321,920	84,585,141	82,427,091	90,206,918	
4	CUSTOMER ACCOUNT EXPENSES	48,140,876	49,220,845	50,570,101	51,078,600	48,055,081	45,763,778	
5	CUSTOMER SERVICE EXPENSES	3,719,955	2,032,132	2,090,482	2,575,945	2,145,431	2,328,741	
6	ADMIN & GENERAL EXPENSE	96,361,837	99,264,866	106,511,054	110,332,421	109,690,022	113,678,107	
7	TOTAL EXPENSES	\$ 235,948,974	\$ 244,438,664	\$ 255,849,409	\$ 270,161,178	\$ 262,118,931	\$ 272,188,472	3.2%
8								
9	AVERAGE CUSTOMER COUNT	1,083,403	1,089,296	1,085,381	1,091,517	1,103,635	1,110,578	
10	<b>ACTUAL COST PER CUSTOMER</b>	\$ 217.79	\$ 224.40	\$ 235.72	\$ 247.51	\$ 237.51	\$ 245.09	<b>CALCULATED 2.7%</b>
11	<b>2011 GROWN AT HISTORICAL RATE</b>	\$ 217.79	\$ 228.00	\$ 238.69	\$ 249.89	\$ 261.61	\$ 273.88	<b>ERF 4.7%</b>

**PUGET SOUND ENERGY  
GAS RESULTS OF OPERATIONS  
COMMISSION BASIS REPORT**

LINE NO.	DESCR	12ME Dec 2011	12ME Dec 2012	12ME Dec 2013	12ME Dec 2014	12ME Dec 2015	12ME Jun 2016	2011-2015
		RESTATED RESULTS OF OPERATIONS	RESTATED RESULTS OF OPERATIONS	RESTATED RESULTS OF OPERATIONS	RESTATED RESULTS OF OPERATIONS	RESTATED RESULTS OF OPERATIONS	RESTATED RESULTS OF OPERATIONS	COMPOUND GROWTH RATE
1	<u>COMBINED EXPENSES:</u>							
2	TRANSMISSION EXPENSE	\$ 49,692	\$ 15,005	\$ 27,893	\$ 335	\$ -	\$ -	
3	DISTRIBUTION EXPENSE	52,286,164	51,578,669	50,241,925	51,905,732	49,550,744	52,699,043	
4	CUSTOMER ACCOUNT EXPENSES	30,371,782	30,792,302	31,660,511	31,631,337	28,464,953	25,697,437	
5	CUSTOMER SERVICE EXPENSES	1,080,045	1,216,995	1,823,918	3,027,682	1,664,690	1,870,207	
6	ADMIN & GENERAL EXPENSE	46,383,523	45,907,620	48,006,093	48,861,723	47,159,453	48,402,316	
7	TOTAL EXPENSES	<u>\$ 130,171,206</u>	<u>\$ 129,510,591</u>	<u>\$ 131,760,339</u>	<u>\$ 135,426,809</u>	<u>\$ 126,839,840</u>	<u>\$ 128,669,004</u>	<b>-0.3%</b>
8								
9	AVERAGE CUSTOMER COUNT	756,711	763,655	773,385	784,612	795,013	800,288	
10	ACTUAL COST PER CUSTOMER	\$ 172.02	\$ 169.59	\$ 170.37	\$ 172.60	\$ 159.54	\$ 160.78	<b>CALCULATED -1.5%</b>
11	2011 GROWN AT HISTORICAL RATE	\$ 172.02	\$ 175.77	\$ 179.61	\$ 183.53	\$ 187.53	\$ 191.62	<b>ERF 2.2%</b>