

**Electric Commission Basis Report Cover Letter  
FOR THE TWELVE MONTHS ENDED JUNE 30, 2017**

		<u>Adjusted Results of Operations</u>
Restated Net Operating Income	a	\$ 409,614,571
Restated Rate Base	b	\$ 5,128,419,243
<b>Normalized Overall Rate of Return</b>	c=a/b	<b>7.99%</b>
Restated Net Operating Income	d=a	\$ 409,614,571
Restated Interest Expense	e	\$ 153,852,577
Restated NOI less Restated Interest Exp	f=d-e	\$ 255,761,994
Restated Rate Base	g=b	\$ 5,128,419,243
Actual Equity Percent	h	49.13%
Equity Rate Base	i=g*h	\$ 2,519,592,374
<b>Restated Return on Actual Equity</b>	j=f/i	<b>10.15%</b>

**PUGET SOUND ENERGY**  
**Utility Capital Structure**  
**Cost of Capital and Rate of Return**  
**For The 12 Months Ending June 30, 2017**

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>	\$95,868,833	1.27%	3.80%	0.05% (A)
8					
9	<b>Long Term Debt</b>	\$3,746,168,142	49.60%	5.95%	2.95% (A)
10					
11	<b>Common Stock</b>	\$3,710,919,611	49.13%	9.80%	4.81%
12					
13	<b>Total</b>	<b><u>\$7,552,956,586</u></b>	<b><u>100.00%</u></b>		<b><u>7.81%</u></b>
14					
15			Total (A)		3.00%
16	(i) - Average of Month-End Balances				

**PUGET SOUND ENERGY**  
**PERIODIC ALLOCATED RESULTS OF OPERATIONS**  
**FOR THE TWELVE MONTHS ENDED JUNE 30, 2017**

(Common cost is spread based on allocation factors developed for the 12 ME 6/30/2017)

	Electric	Gas	Total Amount
1 - OPERATING REVENUES:			
2 - SALES TO CUSTOMERS	\$ 2,221,296,740	\$ 981,840,832	\$ 3,203,137,572
3 - SALES FOR RESALE-FIRM	349,576	-	349,576
4 - SALES TO OTHER UTILITIES	163,482,379	-	163,482,379
5 - OTHER OPERATING REVENUES	55,256,301	1,987,948	57,244,249
6 - TOTAL OPERATING REVENUES	\$ 2,440,384,996	\$ 983,828,780	\$ 3,424,213,777
7			
8 - OPERATING REVENUE DEDUCTIONS:			
9			
10 - POWER COSTS:			
11 - FUEL	\$ 205,681,432	-	\$ 205,681,432
12 - PURCHASED AND INTERCHANGED	582,807,205	358,561,524	941,368,728
13 - WHEELING	116,334,357	-	116,334,357
14 - RESIDENTIAL EXCHANGE	(74,875,751)	-	(74,875,751)
15 - TOTAL PRODUCTION EXPENSES	\$ 829,947,243	\$ 358,561,524	\$ 1,188,508,766
16			
17 - OTHER ENERGY SUPPLY EXPENSES	\$ 126,292,316	\$ 3,529,341	\$ 129,821,657
18 - TRANSMISSION EXPENSE	20,832,542	-	20,832,542
19 - DISTRIBUTION EXPENSE	82,240,012	58,102,630	140,342,642
20 - CUSTOMER ACCTS EXPENSES	48,697,415	27,966,980	76,664,395
21 - CUSTOMER SERVICE EXPENSES	20,894,043	8,488,209	29,382,252
22 - CONSERVATION AMORTIZATION	96,262,272	16,222,702	112,484,974
23 - ADMIN & GENERAL EXPENSE	123,818,675	63,009,137	186,827,812
24 - DEPRECIATION	275,354,922	127,379,845	402,734,767
25 - AMORTIZATION	52,353,886	14,297,619	66,651,505
26 - AMORTIZ OF PROPERTY LOSS	20,484,232	-	20,484,232
27 - OTHER OPERATING EXPENSES	(25,113,404)	(195,212)	(25,308,616)
28 - FAS 133	2,872,254	-	2,872,254
29 - TAXES OTHER THAN INCOME TAXES	242,108,090	111,546,662	353,654,752
30 - INCOME TAXES	15,378,147	22,937,489	38,315,636
31 - DEFERRED INCOME TAXES	149,901,027	51,624,674	201,525,701
32 - TOTAL OPERATING REV. DEDUCT.	\$ 2,082,323,672	\$ 863,471,599	\$ 2,945,795,270
<b>NET OPERATING INCOME</b>	<b>\$ 358,061,324</b>	<b>\$ 120,357,182</b>	<b>\$ 478,418,506</b>

**PUGET SOUND ENERGY**  
**BALANCE SHEET**  
**As of June 30, 2017**

FERC Account and Description	6/30/2017	June 17 AMA
<b>*ASSETS</b>		
<b>**UTILITY PLANT</b>		
<b>***Electric Plant</b>		
101 Electric Plant in Service	9,563,337,830	9,379,928,268
102 Electric Plant Purchased or Sold	-	-
105 Electric Plant Held for Future Use	51,838,763	49,602,644
106 Comp.Construction Not Classfd.-Electric	66,559,971	63,021,331
107 Construction Work in Prog. - Electric	260,700,338	247,488,573
114 Electric Plant Acquisition Adjustments	282,791,675	282,791,675
Total Electric Plant	10,225,228,577	10,022,832,490
<b>***Gas Plant</b>		
101 Gas Plant in Service	3,547,918,462	3,453,565,593
105 Gas Plant Held for Future Use	1,436,911	1,436,613
106 Comp. Construction Not Classfd. - Gas	76,168,188	72,777,181
107 Construction Work in Progress - Gas	130,324,620	107,959,384
117.3 Gas Strd.in Resvr.& Pipln.-Noncurr.	8,654,564	8,654,564
Total Gas Plant	3,764,502,745	3,644,393,336
<b>***Common Plant</b>		
101 Plant in Service - Common	583,721,717	534,418,575
101.1 - Property under capital leases	1,374,444	345,974
105 Common Plant Held for Future Use	10,945,931	3,250,834
106 Comp Construction Not Classfd. - Common	915,603	3,639,129
107 Construction Work in Progress - Common	114,308,619	93,274,506
Total Common Plant	711,266,314	634,929,019
<b>***Accumulated Depreciation and Amortization</b>		
108 Accumulated Provision for Depreciation	(5,167,333,455)	(5,037,052,568)
111 Accumulated Provision for Amortization	(165,358,615)	(146,236,673)
115 Accm.Priv.for Amort.of Plant Acquis.Adj.	(125,425,629)	(121,204,681)
Less: Accumulated Depr and Amortizat	(5,458,117,699)	(5,304,493,922)
<b>**NET UTILITY PLANT</b>	<b>9,242,879,937</b>	<b>8,997,660,924</b>
<b>**OTHER PROPERTY AND INVESTMENTS</b>		
<b>***Other Investments</b>		
121 Nonutility Property	3,055,298	3,056,807
122 Accm.Prov.for Depr.& Amort.Non-utility P	(25,296)	97,614
123.1 Investment in Subsidiary Companies	27,252,764	29,307,183
124 Other Investments	50,161,587	50,258,795
<b>***Total Other Investments</b>	<b>80,444,352</b>	<b>82,720,400</b>
<b>**TOTAL OTHER PROPERTY AND INVESTMENT</b>	<b>80,444,352</b>	<b>82,720,400</b>
<b>**CURRENT ASSETS</b>		
<b>***Cash</b>		
131 Cash	6,035,266	18,372,502
134 Other Special Deposits	3,567,827	4,424,941
135 Working Funds	8,399,489	5,122,306
136 Temporary Cash Investments	-	1,666,667

**PUGET SOUND ENERGY**  
**BALANCE SHEET**  
**As of June 30, 2017**

<b>FERC Account and Description</b>	<b>6/30/2017</b>	<b>June 17 AMA</b>
***Total Cash	18,002,583	29,586,415
***Restricted Cash		
***Total Restricted Cash		
***Accounts Receivable		
141 Notes Receivable	2,619,411	3,152,561
142 Customer Accounts Receivable	172,984,238	207,746,878
143 Other Accounts Receivable	83,435,149	84,215,550
146 Accounts Receiv.from Assoc. Companies	7,168,529	11,419,352
171 Interest and Dividends Receivable	-	-
173 Accrued Utility Revenues	115,944,562	161,004,748
185 Temporary Facilities	143,494	137,462
191 Unrecovered Purchased Gas Costs	(10,979,924)	(5,446,183)
***Total Accounts Receivable	371,315,458	462,230,369
***Allowance for Doubtful Accounts		
144 - Accumulated provision for uncollectible account ci	(9,976,764)	(10,139,304)
***Less: Allowance for Doubtful Accounts	(9,976,764)	(10,139,304)
***Materials and Supplies		
151 Fuel Stock	20,224,231	19,628,249
154 Plant Materials and Operating Supplies	100,850,561	103,412,189
156 Other Materials and Supplies	186,907	230,835
158.1 Carbon Allowances	4,083	4,083
163 Stores Expense Undistributed	(82,569)	1,574,344
164.1 Gas Stored - Current	33,929,204	31,885,597
164.2 Liquefied Natural Gas Stored	37,421	49,269
***Total Materials and Supplies	155,149,838	156,784,565
***Unrealized Gain-Derivative Instrumnts (ST)		
175 Invest in Derivative Instrumnts -Opt ST	16,077,806	24,529,597
176 Invest in Derivative Instrumnts-Gain ST	-	-
***Unrealized Gain on Derivatives (ST)	16,077,806	24,529,597
***Prepayments and Other Current Assets		
165 Prepayments	29,041,299	24,085,075
174 Misc.Current and Accrued Assets	-	7,291,315
186 Miscellaneous Deferred Debits	10,944	7,555
***Total Prepayments & Othr.Curr.Assets	29,052,244	31,383,945
Current Deferred Taxes		
Total Current Deferred Taxes	485,024,732	513,828,955
**TOTAL CURRENT ASSETS	1,064,645,897	1,208,204,543
**LONG-TERM ASSETS		
128 Qualified Pension Plan Funded Status	20,164,574	20,163,365
165 Long-Term Prepaid	4,802,823	14,907,813
165.8 Long-Term Prepaid Contra	(4,759,534)	(5,832,713)
165.9 Long-Term Prepaid	4,759,534	5,832,713

**PUGET SOUND ENERGY**  
**BALANCE SHEET**  
**As of June 30, 2017**

<b>FERC Account and Description</b>	<b>6/30/2017</b>	<b>June 17 AMA</b>
175 Invest in Derivative Instrumnts -Opt LT	4,505,198	6,246,720
176 Invest in Derivative Instrumnts-Gain LT	-	-
181 Unamortized Debt Expense	25,878,172	27,175,545
182.1 Extraordinary Property Losses	127,021,619	124,363,718
182.2 Unrecovered Plant & Reg Study Costs	2,787,564	5,260,824
Subtotal WUTC AFUDC	50,429,251	50,987,368
182.3 Other Regulatory Assets	511,282,706	559,238,867
183 Prelm. Survey and Investigation Charges	-	-
184 Clearing Accounts	(607,698)	(506,055)
186 Miscellaneous Deferred Debits	219,367,906	215,582,108
187 Def.Losses from Dispos.of Utility Plant	321,095	435,257
189 Unamortized Loss on Reacquired Debt	40,826,355	42,198,326
<b>**TOTAL LONG-TERM ASSETS</b>	<b>1,006,779,565</b>	<b>1,066,053,858</b>
<b>*TOTAL ASSETS</b>	<b>11,394,749,751</b>	<b>11,354,639,725</b>
<b>*CAPITALIZATION AND LIABILITIES</b>		
<b>**CURRENT LIABILITIES</b>		
230 Asset Retirement Obligations	(298,722)	(323,504)
244 FAS 133 Opt Unrealized Loss ST	(44,031,341)	(48,300,673)
245 FAS 133 Unrealized Loss ST	-	-
231 Notes Payable	(5,000,000)	(95,868,833)
232 Accounts Payable	(281,164,030)	(287,737,885)
233 Notes Payable to Associated Companies	-	-
234 Accounts Payable to Asscted Companies	-	-
235 Customer Deposits	(45,138,044)	(42,943,734)
236 Taxes Accrued	(102,130,801)	(106,264,043)
237 Interest Accrued	(48,232,040)	(57,913,770)
238 Dividends Declared	-	-
241 Tax Collections Payable	(1,764,514)	(1,577,420)
242 Misc. Current and Accrued Liabilities	(28,894,207)	(32,735,255)
243 Obligations Under Cap.Leases - Current	(1,380,870)	(354,462)
<b>**TOTAL CURRENT LIABILITIES</b>	<b>(558,034,568)</b>	<b>(674,019,579)</b>
<b>**DEFERRED TAXES</b>		
<b>***Reg. Liability for Def.Income Tax</b>		
283 Accum.Deferred Income Taxes - Other	(69,724,159)	(70,782,650)
<b>***Total Reg.Liab.for Def.Income Tax</b>	<b>(69,724,159)</b>	<b>(70,782,650)</b>
<b>***Deferred Income Tax</b>		
255 Accum.Deferred Investment Tax Credits	-	-
282 Accum. Def. Income Taxes - Other Prop.	(1,978,726,991)	(1,900,637,920)
283 Accum.Deferred Income Taxes - Other	(268,524,409)	(285,098,898)
<b>***Total Deferred Income Tax</b>	<b>(2,247,251,401)</b>	<b>(2,185,736,819)</b>
<b>**TOTAL DEFERRED TAXES</b>	<b>(2,316,975,559)</b>	<b>(2,256,519,468)</b>
<b>**OTHER DEFERRED CREDITS</b>		
Subtotal 227 Oblig Under Cap Lease - Noncurr	-	-
Total Unrealized Loss on Derivatives -LT	(18,236,863)	(19,266,751)
228.2 Accum. Prov.for Injuries and Damages	(2,360,000)	(913,458)

**PUGET SOUND ENERGY**  
**BALANCE SHEET**  
**As of June 30, 2017**

<b>FERC Account and Description</b>	<b>6/30/2017</b>	<b>June 17 AMA</b>
228.3 Pension & Post Retirement Liabilities	(72,166,079)	(85,050,205)
228.4 Accum. Misc. Operating Provisions	(254,330,284)	(272,063,757)
229 Accum Provision for Rate Refunds	-	-
230 Asset Retirement Obligations (FAS 143)	(184,327,085)	(148,298,195)
252 Customer Advances for Construction	(91,335,679)	(84,457,179)
253 Other Deferred Credits	(371,900,854)	(380,602,796)
254 Other Regulatory Liabilities	(112,496,680)	(128,600,419)
256 Def. Gains from Dispos. of Utility Plt	(2,599,333)	(2,905,870)
257 Unamortized Gain on Reacquired Debt	-	41,288
<b>**TOTAL OTHER DEFERRED CREDITS</b>	<b>(1,109,752,856)</b>	<b>(1,122,117,343)</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	(20,239,166)	(19,845,795)
216 Unappropriated Retained Earnings	(362,644,785)	(294,074,395)
216.1 Unappr. Undistrib. Subsidiary Earnings	17,244,680	15,023,595
219 Other Comprehensive Income	140,013,067	142,457,745
433 Balance Transferred from Income	(193,746,413)	(215,727,125)
438 Dividends Declared - Common Stock	51,573,654	112,338,319
439 Adjustments to Retained Earnings	5,848,610	5,848,610
<b>****Total Common Equity</b>	<b>(3,637,917,454)</b>	<b>(3,529,946,147)</b>
<b>***TOTAL SHAREHOLDER'S EQUITY</b>	<b>(3,637,917,454)</b>	<b>(3,529,946,147)</b>
<b>***REDEEMABLE SECURITIES AND LONG-TERM DEBT</b>		
<b>****Preferred Stock - Manditorily Redeemable Capital</b>	-	
<b>****Total Preferred Stock - Mand Redeem</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)	(3,523,860,000)
226 Unamort. Disc. on Long-term Debt-Debit	1,790,686	1,822,812
<b>Long-term Debt</b>	<b>(3,772,069,314)</b>	<b>(3,772,037,188)</b>
<b>****Long-term Debt Total</b>	<b>(3,772,069,314)</b>	<b>(3,772,037,188)</b>
<b>***REDEEMABLE SECURITIES AND LTD</b>	<b>(3,772,069,314)</b>	<b>(3,772,037,188)</b>
<b>**TOTAL CAPITALIZATION</b>	<b>(7,409,986,768)</b>	<b>(7,301,983,334)</b>
<b>*TOTAL CAPITALIZATION AND LIABILITIES</b>	<b>(11,394,749,751)</b>	<b>(11,354,639,725)</b>

**Puget Sound Energy**  
**Commission Basis Report**  
**Electric Rate Base**  
**June 30, 2017**

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1	Account	Description	AMA 6/30/2017
3		<b>Rate Base</b>	
4	101 / 102 / 230XXX1	Electric Plant in Service	\$ 9,239,286,238
5	101 / 253XXX3	Common Plant-Allocation to Electric	352,064,472
6	114XXX1	Electric Plant Aquisition Adjustment	282,791,675
6a	18600001 / 451/ 461	Snoqualmie Deferral -UE-130559	4,847,550
6b	18600801 / 811/ 821	Baker Deferral - UE-131387	1,234,469
6c	1822XXX1	White Rider Deferred Plant Costs	28,264,538
6d	1823XXX1	White Rider Deferred Relicensing & CWIP	(6,838,143)
6e	16599011 &18232321	Prepaid Colstrip 1&2 WECO Coal Resrd Ded.	1,500,000
6f	18600531 / 671/ 691/791	Ferndale Deferral - UE-12843	12,807,862
6g	25300831	Hopkins II Wake Effect Settlement	-
6h	18230381/18230391	Goldendale Deferral -UE-070533	-
6i	18235521	Mint Farm Deferral	23,635,439
6j	1340xxxx	BPA Deposits	786,173
6k	18606XX	WHE Deferred Costs-UE-090704	-
6l	18231041	Prepaid Major Maint Sumas	-
6m	18230351	Chelan PUD Contract Initiation	123,639,640
6n	18220091	Upper Baker - Unrecodeder Plant & Reg. Study Costs	30,158
6o	18232301 & 311 & 331	LSR Deposit Carry Charge & Deferral UE-100882	80,473,960
	18220101	Electron Unrecodeder Loss	7,177,808
7	18230041	Colstrip Common FERC Adj - Reg Asset	21,589,277
8	18230051	Accum Amortization Colstrip-Common FERC	(17,294,510)
9	18230061	Colstrip Def Depr FERC Adj - Reg	1,038,841
10	18230071	BPA Power Exch Indstmt - Reg Asset	113,632,921
11	18230081	BPA Power Exch Ind Amortization - Reg Asset	(111,869,703)
12	18230031	Electric - Def AFUDC - Regulatory Asset	50,633,342
13	1861051	Capitalized OH	-
14	10500001	Electric - Plant Held for Future Use	49,602,644
15	10500003	Common Plant Held for Fut Use-Alloc to Electric	-
16	10600501	Electric - Const Completed Non Classified	63,021,331
16a	10600503	Common - Const Completed Non Classified	2,416,805
17	108XXX1	Elec-Accum Depreciation	(3,562,205,539)
18	108XXX3	Common Accum Depr-Allocation to Electric	(76,228,495)
19	111XXX1	Elec-Accum Amortization	(37,712,019)
20	11100003	Common Accum Amort-Allocation to Electric	(67,457,230)
21	115XXX1	Accum Amort Acq Adj - Electric	(121,204,681)
22	22840331,341, 19003011,254	Snoqualmie & Baker Treasury Grants	(101,647,748)
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	dacation Pay - Accum Def Inc Taxes	-
26a	19000121	Cabot Gas Contract - Accum Def Inc Taxe	-
26b	19000151	DFIT - Westcoast Capacity Assignment - Electric	251,642
26c	19000711	DFIT - BNP Electric	344,977
27	19000191	RB-Consd Pre91 Tax Settlmt - Accum Def Inc Tax	-
27.1	19000701	DFFIT SSCM INT - ELEC	-
28	235XXX1	Customer Deposits - Electric	(7,014,471)
28a	23500003	Customer Deposits - Common	(23,871,403)
29	25400081	Residential Exchange	-
29.1	25400191& 25400201	Westcoast Pipeline Capacity Regulatory Liabilities	(1,704,626)
30	252XXX1	Cust Advances for Construction	(62,706,536)
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	(1,313,085,886)
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	(34,582,729)
35a2	19000433	NOL Carryforward	36,833,729
36	28300161	Def Inc Tax - Energy Conserdation & FAS 133	-
37	28300261	Def FIT Bond Redemption Costs	-
37a	28300091	Accum Def Inc Tax - Snoqualmie	(1,696,642)
37b	28300741	Accum Def Inc Tax - Baker	(432,064)
37c	28300011	Def FIT - White Rider Water Right	(7,499,238)
37d	28300731	Accum Def Inc Tax - Ferndale	(4,482,752)



**Puget Sound Energy**  
**Commission Basis Report**  
**Electric Rate Base**  
**June 30, 2017**

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1	Account	Description	<b>AMA 6/30/2017</b>
37e	28300431	Deferred Taxes WNP#3	(568,873)
37f	19000441	Deferred FIT FAS 143 Whitehorn 2 &3	8,001,326
37g	19000553	Common DFIT Summit Purchase Opt Buyout - Elec	89,532
37h	19000561	Def FIT - Wind Loss Settlement Agreemen	-
37i	28302061	DFIT - Electron Unrecodered Loss	(2,512,233)
37j	28300601\28300611\2830066	DFIT Mint Fam Costs-UE-090704	(8,272,404)
37k	28300631\28300641\2830067	DFIT Wild Horse Costs-UE-090704	-
37l	28300561	DFIT - Interest Chelan PUD Reg Asset	(13,766,296)
37m	28300081 & 28300721	DFIT BPA Prepayment & LSR	(4,919,888)
38	124001X1	Conservation Rate Base	-
39	18230181	1995 Conservation Trust Rate Base	-
40			-
41	Working Capital- Rate Base		213,880,217
42	Rate Base		<b>\$ 5,130,302,455</b>
43			
44			
45			
46	Gross Utility Plant in Serdce		\$ 9,989,183,164
47	Less Accum Dep and Amort		(3,864,807,964)
48	Deferred Debits and Credits		231,937,247
49	Deferred Taxes		(1,346,297,799)
50	Allowance for Working Capital		213,880,217
51	Customer Deposits/Advances		(93,592,410)
52	Total Rate Base		<b>5,130,302,455</b>

**Puget Sound Energy  
Commission Basis Report  
Combined Working Capital  
June 30, 2017**

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Line No.	Description	AMA 6/30/2017
1	<b>Average Invested Capital</b>	
2	Common Stock	\$ 859,038
3	Preferred Stock	-
4	Additional Paid in Capital	3,274,616,487
5	Unamortized Debt Expense	(20,757,450)
6	Unappropriated Retained Earnings	412,391,449
7	Notes Payable - Misc	-
8	Long Term Debt	3,772,037,188
9	Short Term Debt	95,868,833
10	Accumulated Deferred ITC	-
11	Treasury Grants	-
12	Deferred Debits-Other	(15,819)
13	Unamortized Gain/Loss on Debt	(42,239,614)
14	Total Average Invested Capital	7,492,760,112
15		
16	<b>Average Operating Investments - Electric</b>	
17		
18	Plant in Service (includes acquisition adj)	9,585,099,243
19	Electric Future Use Property	49,602,644
20	Customer Advances for Construction	(62,706,536)
21	Customer Deposits	(30,885,873)
22	Deferred Taxes	(1,080,638,712)
23	Deferred Debits/Credits - Other	108,199,579
24	Less: Accumulated Depreciation	(3,721,122,240)
25	Conservation Investment	(101,647,748)
26	Common Plant-Allocation to Electric	354,481,277
27	Common Accum Depr-Allocation to Electric	(143,685,725)
28	Common Deferred Taxes-Allocation to Electric	(34,493,197)
29	NOL Carryforward	36,833,729
30	Total Average Operating Investment - Electric	4,959,036,441
31		
32	<b>Average Operating Investments - Gas</b>	
33		
34	Gas Utility Plant in Service	3,519,915,457
35	Deferred Items - Other	96,954,031
36	Gas Stored Underground, Non-Current	8,654,564
37	Gas Accumulated Depreciation	(1,367,107,798)
38	Gas Customer Advances for Construction	(21,750,643)
39	Gas Customer Deposits	(12,057,861)
40	DFIT 17	(564,338,618)
41	PGA	(5,446,183)
42	Common Plant-Allocation to Gas	179,054,660
43	Common Accumulated Depreciation-Allocation to Gas	(72,578,160)
44	Common Deferred Tax	(17,423,114)
45	NOL Carryforward	6,285,620
46	Total Average Operating Investment - Gas	1,750,161,955
47		
48	Total Electric & Gas Operating Investment	<u>6,709,198,396</u>
49		
50	<b>Construction Work in Progress</b>	
51		
52	Elec Construction Work in Process	309,460,155
53	Gas Construction Work in Process	139,262,309
54	Other Work in Process	3,629,922
55	Electric Preliminary Surveys	-

**Puget Sound Energy  
Commission Basis Report  
Combined Working Capital  
June 30, 2017**

Page 2.04

Line No.	Description	AMA 6/30/2017
56	Total Construction Work in Progress	452,352,386
57		
58	<b>Nonoperating</b>	
59		
60	Non-Utility Property	3,154,422
61	Investment in Associated Companies	41,018,795
62	Other Investments & FAS 133	(106,735,223)
63	Deferred Items-Other	147,668,005
64	Deferred Federal Income Tax	(46,434,038)
65	Investment Tracking Funds	1,443,576
66	Environmental Receivables	-
67	Current Accounts - Gas Allocation only	-
68	Merchandising Inventory - Gas Only	-
69	Total Non Operatting Investment	40,115,537
70		
71	Total CWIP & Nonoperating Investment	492,467,923
72		
73	Total Average Investments	7,201,666,319
74	Rounding	
75	Total Investor Supplied Capital	<b>\$ 291,093,793</b>
<b>Allocation of Working Capital</b>		
<b>Electric Working Capital</b>		
	Total Investment	\$ 7,201,666,319
	Less: Electric CWIP	\$ (309,460,155)
	Less: Gas	\$ (139,262,309)
	Interest Bearing Regulatory Assets	
	Other Work in Progress	(3,629,922)
	Preliminary Surveys	-
	Total	6,749,313,933
	Electric Working Capital Ratio	4.3129%
	Electric Working Capital	<b>\$ 213,880,217</b>
<b>Gas Working Capital</b>		
	Total Investment	7,201,666,319
	Less: Electric CWIP	(309,460,155)
	Less: Gas CWIP	(139,262,309)
	Interest Bearing Regulatory Assets	
	Other Work in Progress	(3,629,922)
	Preliminary Surveys	-
	Total	6,749,313,933
	Gas Working Capital Ratio	4.3129%
	Gas Working Capital	<b>\$ 75,483,418</b>
	<b>Non Operating Working Capital</b>	<b>\$ 1,730,159</b>

**PUGET SOUND ENERGY-ELECTRIC & GAS  
FOR THE TWELVE MONTHS ENDED JUNE 30, 2017  
ALLOCATION METHODS**

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12ME June 2017

Method	Description	Electric	Gas	Total	
1	* <b>12 Month Average Number of Customers</b>	6/30/2017	1,128,197	813,977	1,942,174
	Percent	<u>58.09%</u>	<u>41.91%</u>	100.00%	
2	* <b>Joint Meter Reading Customers</b>	6/30/2017	763,543	454,131	1,217,674
	Percent	<u>62.71%</u>	<u>37.29%</u>	100.00%	
3	* <b>Non-Production Plant</b>				
	Distribution	6/30/2017 \$	3,638,508,340	\$ 3,410,027,286	\$ 7,048,535,626
	Transmission	6/30/2017	1,456,298,294	-	1,456,298,294
	Direct General Plant	6/30/2017	224,139,212	33,904,408	258,043,620
	Total		<u>\$ 5,318,945,846</u>	<u>\$ 3,443,931,694</u>	<u>\$ 8,762,877,540</u>
	Percent		<u>60.70%</u>	<u>39.30%</u>	100.00%
4	* <b>4-Factor Allocator</b>				
	Number of Customers	6/30/2017	1,128,197	813,977	1,942,174
	Percent		<u>58.09%</u>	<u>41.91%</u>	100.00%
	Labor - Direct Charge to O&M	6/30/2017	45,903,838	24,237,547	\$ 70,141,384
	Percent		<u>65.44%</u>	<u>34.56%</u>	100.00%
	T&D O&M Expense (Less Labor)	6/30/2017	80,254,494	35,768,740	\$ 116,023,234
	Percent		<u>69.17%</u>	<u>30.83%</u>	100.00%
	Net Classified Plant (Excluding General (Common) Plant	6/30/2017	5,639,368,679	2,078,593,865	7,717,962,544
	Percent		<u>73.07%</u>	<u>26.93%</u>	100.00%
	Total Percentages		<u>265.77%</u>	<u>134.23%</u>	400.00%
	4 factor		<u>66.44%</u>	<u>33.56%</u>	100.00%
5	* <b>Direct Labor Allocator</b>				
	Direct Labor Accts 500-935	6/30/2017	50,334,110	27,103,477	77,437,588
	Total		<u>\$ 50,334,110</u>	<u>\$ 27,103,477</u>	<u>\$ 77,437,588</u>
	Percent		<u>65.00%</u>	<u>35.00%</u>	100.00%

**PUGET SOUND ENERGY-ELECTRIC  
RESULTS OF OPERATIONS  
FOR THE TWELVE MONTHS ENDED JUNE 30, 2017  
COMMISSION BASIS REPORT**

LINE NO.	ACTUAL RESULTS OF OPERATIONS	TOTAL ADJUSTMENTS	RESTATED RESULTS OF OPERATIONS
1	<u>OPERATING REVENUES:</u>		
2	\$ 2,221,296,740	\$ (173,749,318)	\$ 2,047,547,422
3	349,576	(1,409)	348,167
4	163,482,379	-	163,482,379
5	55,256,301	33,457,034	88,713,335
6	<u>2,440,384,996</u>	<u>(140,293,693)</u>	<u>2,300,091,303</u>
7			
8	OPERATING REVENUE DEDUCTIONS:		
9			
10	<u>POWER COSTS:</u>		
11	\$ 205,681,432	\$ -	\$ 205,681,432
12	582,807,205	(3,801,734)	579,005,471
13	116,334,357	-	116,334,357
14	(74,875,751)	74,875,751	-
15	<u>829,947,243</u>	<u>71,074,017</u>	<u>901,021,260</u>
16			
17	\$ 126,292,316	\$ -	\$ 126,292,316
18	20,832,542	-	20,832,542
19	82,240,012	-	82,240,012
20	48,697,415	(1,202,781)	47,494,634
21	20,894,043	(18,214,289)	2,679,753
22	96,262,272	(96,262,272)	-
23	123,818,675	(843,369)	122,975,306
24	275,354,922	(188,181)	275,166,741
25	52,353,886	-	52,353,886
26	20,484,232	-	20,484,232
27	(25,113,404)	30,292,040	5,178,636
28	2,872,254	(2,872,254)	-
29	242,108,090	(150,685,528)	91,422,562
30	15,378,147	42,789,001	58,167,148
31	149,901,027	(65,733,324)	84,167,703
32	<u>\$ 2,082,323,672</u>	<u>\$ (191,846,940)</u>	<u>\$ 1,890,476,732</u>
33			
34	\$ 358,061,324	\$ 51,553,247	\$ 409,614,571
35			
36	\$ 5,130,302,455	\$ (1,883,212)	\$ 5,128,419,243
37			
38	6.98%		7.99%
39			
40	RATE BASE:		
41	\$ 9,989,183,164	\$ (4,539,303)	\$ 9,984,643,861
42	(3,864,807,964)	1,719,173	(3,863,088,791)
43	231,937,247	-	231,937,247
44	(1,346,297,799)	936,918	(1,345,360,881)
45	213,880,217	-	213,880,217
46	(93,592,410)	-	(93,592,410)
47	<u>\$ 5,130,302,455</u>	<u>\$ (1,883,212)</u>	<u>\$ 5,128,419,243</u>



PUGET SOUND ENERGY-ELECTRIC  
STATEMENT OF OPERATING INCOME AND ADJUSTMENTS  
FOR THE TWELVE MONTHS ENDED JUNE 30, 2017  
COMMISSION BASIS REPORT

LINE NO.	INCENTIVE PAY 3.09	EXCISE TAX & FILING FEE 3.10	D&O INSURANCE 3.11	MONTANA ENERGY 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		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (173,749,318)
4										(1,409)
5										-
6										33,457,034
7		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (140,293,693)
8										
9										
10										
11		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
12										(3,801,734)
13										-
14										74,875,751
15	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 71,074,017
16										
17		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
18										-
19										-
20					179,091					(1,202,781)
21										(18,214,289)
22										(96,262,272)
23	(2,876,844)	(108,117)	(6,533)				2,783,813	(308,749)		(843,369)
24									(188,181)	(188,181)
25										-
26										-
27										30,292,040
28						(2,872,254)				(2,872,254)
29	(222,746)	(23,080)		11,855						(150,685,528)
30	1,084,857	45,919	2,287	(4,149)			(974,334)	108,062	65,863	42,789,001
31						1,005,289				(65,733,324)
32	\$ (2,014,734)	\$ (85,278)	\$ (4,247)	\$ 7,706	\$ 179,091	\$ (1,866,965)	\$ 1,809,478	\$ (200,687)	\$ (122,318)	\$ (191,846,940)
33										
34	\$ 2,014,734	\$ 85,278	\$ 4,247	\$ (7,706)	\$ (179,091)	\$ 1,866,965	\$ (1,809,478)	\$ 200,687	\$ 122,318	\$ 51,553,247
35										
36	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,883,212)	\$ (1,883,212)
37										
38										
39										
40										
41	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (4,539,303)	\$ (4,539,303)
42									1,719,173	1,719,173
43										-
44									936,918	936,918
45										-
46										-
47	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,883,212)	\$ (1,883,212)

**PUGET SOUND ENERGY-ELECTRIC**  
**TEMPERATURE NORMALIZATION**  
**FOR THE TWELVE MONTHS ENDED JUNE 30, 2017**  
**COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION				
1	<u>TEMPERATURE NORMALIZATION ADJUSTMENT:</u>				
2		ACTUAL	TEMP ADJ	KWH	ADJ FOR LOSSES
3		<u>GPI KWH</u>	<u>GPI KWH</u>	<u>CHANGE</u>	<u>7.30%</u>
4	Jul-16	1,647,778,275	1,645,397,293	(2,380,982)	(2,207,171)
5	Aug-16	1,712,297,533	1,680,388,552	(31,908,981)	(29,579,626)
6	Sep-16	1,559,199,266	1,565,709,071	6,509,805	6,034,589
7	Oct-16	1,742,257,627	1,761,275,414	19,017,787	17,629,488
8	Nov-16	1,856,654,541	1,993,774,263	137,119,722	127,109,982
9	Dec-16	2,470,356,956	2,374,892,782	(95,464,173)	(88,495,289)
10	Jan-17	2,485,902,740	2,371,642,243	(114,260,497)	(105,919,481)
11	Feb-17	2,052,421,733	1,995,724,785	(56,696,948)	(52,558,071)
12	Mar-17	2,094,841,272	2,085,750,025	(9,091,247)	(8,427,586)
13	Apr-17	1,766,732,131	1,777,985,845	11,253,714	10,432,193
14	May-17	1,719,520,881	1,714,445,104	(5,075,777)	(4,705,246)
15	Jun-17	1,578,536,053	1,570,498,497	(8,037,556)	(7,450,814)
16		<u>22,686,499,008</u>	<u>22,537,483,873</u>	<u>(149,015,135)</u>	<u>(138,137,030)</u>
17					
18	REVENUE ADJUST Schedule 7			(101,538,284)	(\$7,109,241)
19	Schedule 24			(16,953,257)	(\$1,086,268)
20	Schedule 25			(10,675,515)	(\$680,305)
21	Schedule 26			(3,409,554)	(\$221,943)
22	Schedule 29			(141,168)	(\$8,826)
23	Schedule 31			(2,149,639)	(\$127,284)
24	Schedule 43			(1,901,027)	(\$111,798)
25	Schedule 40			(1,328,462)	(\$86,978)
26	Firm Resale			(40,124)	(\$1,409)
27	INCREASE (DECREASE) SALES TO CUSTOMERS			<u>(138,137,030)</u>	\$ (9,434,052) \$ (9,434,052)
28				-	
29	UNCOLLECTIBLES @			0.0071620	\$ (67,567)
30	ANNUAL FILING FEE @			0.0020000	(18,868)
31	INCREASE (DECREASE) EXPENSE				(86,435)
32					
33	STATE UTILITY TAX @			0.0384570	\$ (362,805)
34	INCREASE (DECREASE) TAXES OTHER				<u>(362,805)</u>
35					
36	INCREASE (DECREASE) OPERATING INCOME				(8,984,812)
37					
38	INCREASE (DECREASE) FIT @			35%	<u>(3,144,684)</u>
39	INCREASE (DECREASE) NOI				<u>\$ (5,840,128)</u>



**PUGET SOUND ENERGY-ELECTRIC  
REVENUE & EXPENSE RESTATING  
FOR THE TWELVE MONTHS ENDED JUNE 30, 2017  
COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION	AMOUNT	ADJUSTMENT
1	<b>SALES TO CUSTOMERS:</b>		
2	REMOVE MERGER RATE CREDIT SCH 132	6,476,278	
3	REMOVE TEST YEAR EARNINGS SHARING ACCRUAL	6,047,055	
4	REMOVE SCHEDULE 95A TREASURY GRANTS	<u>54,619,014</u>	
5			
6	INCREASE (DECREASE) SALES TO CUSTOMERS	<u>67,142,347</u>	
7			
8	INCREASE (DECREASE) REVENUES		
9			\$ 67,142,347
10	UNCOLLECTIBLES @	0.0074510 \$ 500,278	
11	ANNUAL FILING FEE @	0.0020000 134,285	
12	INCREASE (DECREASE) EXPENSE		
13			634,562
14	STATE UTILITY TAX @	0.0384450 \$ 2,581,288	
15	INCREASE (DECREASE) TAXES OTHER		
16			2,581,288
17			
18			
19	<b>OTHER OPERATING EXPENSES:</b>		
20	REMOVE SCHEDULE 95A TREASURY GRANTS		
21	AMORTIZATION OF INTEREST AND GRANTS	39,355,237	
22	REMOVE ACCRUAL FOR FUTURE PTC LIABILITY		
23	(ACTUAL PTC'S REMOVED IN FIT ADJUSTMENT NO. 3.06)	<u>(9,063,868)</u>	
24	INCREASE (DECREASE) OPERATING EXPENSES		
25			<u>30,291,369</u>
26			
27	INCREASE (DECREASE) OPERATING INCOME BEFORE FIT		33,635,128
28		35%	
29	INCREASE (DECREASE) FIT @		<u>11,772,295</u>
30			
31	INCREASE (DECREASE) NOI		<u>\$ 21,862,833</u>

**PUGET SOUND ENERGY-ELECTRIC**  
**POWER COSTS**  
**FOR THE TWELVE MONTHS ENDED JUNE 30, 2017**  
**COMMISSION BASIS REPORT**

LINE NO. DESCRIPTION	ACTUAL	RESTATED	INCREASE (DECREASE)
1 PRODUCTION EXPENSES:			
2 FUEL	\$ 205,681,432	\$ 205,681,432	\$ -
3 PURCHASED AND INTERCHANGED	582,807,205	580,422,430	(2,384,775)
4 WHEELING	116,334,357	116,334,357	-
5 SALES TO OTHER UTILITIES	(163,482,379)	(163,482,379)	-
6 PURCHASES/SALES OF NON-CORE GAS & OTHER	(10,452,241)	(10,452,241)	-
7 SUBTOTAL - POWER COSTS TO BE ADJUSTED	\$ 730,888,374	\$ 728,503,599	\$ (2,384,775)
8			
9 INCREASE(DECREASE) INCOME			\$ 2,384,775
10			
11 INCREASE(DECREASE) FIT @	35%		834,671
12 INCREASE(DECREASE) NOI			<u>\$ 1,550,104</u>

**PUGET SOUND ENERGY-ELECTRIC**  
**FEDERAL INCOME TAX**  
**FOR THE TWELVE MONTHS ENDED JUNE 30, 2017**  
**COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION	AMOUNT
1	TAXABLE INCOME BEFORE INTEREST DEDUCTION	\$ 294,128,668
2		
3	FEDERAL INCOME TAX @	102,945,034
4	CURRENTLY PAYABLE	102,945,034
5		
6	DEFERRED FIT - DEBIT	83,462,119
7	DEFERRED FIT - OTHER	\$ (299,705)
8	TOTAL RESTATED FIT	186,107,447
9	FIT PER BOOKS:	
10	CURRENTLY PAYABLE	15,378,147
11	DEFERRED FIT - DEBIT	584,969,962
12	DEFERRED FIT - CREDIT	(435,068,935)
13	DEFERRED FIT - INV TAX CREDIT, NET OF AMORT.	\$0
14	TOTAL CHARGED TO EXPENSE	165,279,174
15		
16	INCREASE(DECREASE) FIT	87,566,887
17	INCREASE(DECREASE) DEFERRED FIT	(66,738,613)
18	INCREASE(DECREASE) NOI	<u>\$ (20,828,273)</u>

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**PUGET SOUND ENERGY-ELECTRIC**  
**TAX BENEFIT OF RESTATED INTEREST**  
**FOR THE TWELVE MONTHS ENDED JUNE 30, 2017**  
**COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION	AMOUNT
1	RATE BASE	\$ 5,128,419,243
2		
3	WEIGHTED COST OF DEBT	3.00%
4	RESTATED INTEREST	<u>\$ 153,852,577</u>
5		
6		
7		
8		
9	INCREASE (DECREASE) INCOME	<u>\$ (153,852,577)</u>
10		
11	INCREASE (DECREASE) FIT @	35% \$ (53,848,402)
12		
13	INCREASE (DECREASE) NOI	<u><u>\$ 53,848,402</u></u>

**PUGET SOUND ENERGY-ELECTRIC**  
**PASS-THROUGH REVENUE & EXPENSE**  
**FOR THE TWELVE MONTHS ENDED JUNE 30, 2017**  
**COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION	AMOUNT	ADJUSTMENT
1	<u>REMOVE REVENUES ASSOCIATED WITH RIDERS:</u>		
2	CONSERVATION RIDER - SCHEDULE 120		\$ 100,947,460
3	PROPERTY TAX TRACKER - SCHEDULE 140		64,776,283
4	MUNICIPAL TAXES - SCHEDULE 81		86,911,437
5	LOW INCOME RIDER - SCHEDULE 129		17,637,324
6	RESIDENTIAL EXCHANGE - SCH 194		(76,488,520)
7	REC PROCEEDS - SCH 137 REC AND BIOGAS PROCEEDS		(778,459)
8	EXPENSE OFFSET FOR SCH 137 REC AND BIOGAS PROCEEDS		735,576
9	DECOUPLING SCH 142 REVENUE		28,279,852
10	DECOUPLING SCH 142 SURCHARGE AMORT EXPENSE		(26,925,360)
11	GREEN POWER - SCH 135/136		4,130,771
12	GREEN POWER - SCH 135/136 ELIMINATE OVER EXPENSED		(1,220,195)
13	REMOVE JPUD GAIN ON SALE SCH 133		(4,181)
14	TOTAL (INCREASE) DECREASE REVENUES		<u>\$ 198,001,988</u>
15			
16	<u>DECREASE REVENUE SENSITIVE ITEMS FOR DECREASE IN REVENUES:</u>		
17	BAD DEBTS	0.74510%	\$ (1,459,740)
18	ANNUAL FILING FEE	0.20000%	(391,824)
19	STATE UTILITY TAX	3.84450%	(7,531,834)
20	TOTAL		<u>\$ (9,383,397)</u>
21			
22	<u>REMOVE EXPENSES ASSOCIATED WITH RIDERS</u>		
23	CONSERVATION AMORTIZATON - SCHEDULE 120		\$ (96,262,272)
24	PROPERTY TAX AMORTIZATION EXP - SCHEDULE 140		(61,821,124)
25	MUNICIPAL TAXES - SCHEDULE 81		(83,306,137)
26	LOW INCOME AMORTIZATION - SCHEDULE 129		(16,820,135)
27	RESIDENTIAL EXCHANGE - SCH 194		74,875,751
28	AMORT ON INTEREST ON REC PROCEEDS - SCH 137		671
29	GREEN POWER - SCH 135/136 TAGS CHARGED TO 557		(1,416,958)
30	GREEN POWER - SCH 135/136 CHARGED TO 908/909		(1,394,154)
31	GREEN POWER - SCH 135/136 BENEFITS PORTION OF ADMIN		(39,010)
32	GREEN POWER - SCH 135/136 TAXES PORTION OF ADMIN		(10,944)
33	REMOVE JPUD AMORT EXPENSE SCH 133		-
34	TOTAL INCREASE (DECREASE) EXPENSE		<u>\$ (186,194,314)</u>
35			
36	INCREASE (DECREASE) OPERATING INCOME BEFORE FIT		\$ (2,424,277)
37	INCREASE (DECREASE) FIT		(848,497)
38	INCREASE (DECREASE) NOI		<u><u>\$ (1,575,780)</u></u>

**PUGET SOUND ENERGY-ELECTRIC**  
**RATE CASE EXPENSES**  
**FOR THE TWELVE MONTHS ENDED JUNE 30, 2017**  
**COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION	AMOUNT	
1	EXPENSES TO BE NORMALIZED		
2			
3			
4	2009 AND 2011 GRC EXPENSES TO BE NORMALIZED	\$ 1,040,000	
5			
6	ANNUAL NORMALIZATION (LINE 4 ÷ 2 YEARS)	520,000	
7	LESS TEST YEAR EXPENSE	599,771	
8	INCREASE (DECREASE) EXPENSE	<u>\$ (79,771)</u>	(79,771)
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	<u>\$ 68,250</u>	<u>\$ 68,250</u>
15			
16			
17	TOTAL INCREASE (DECREASE) EXPENSE		\$ (11,521)
18			
19	INCREASE(DECREASE) FIT @	35%	4,032
20	INCREASE(DECREASE) NOI		<u>\$ 7,489</u>

**PUGET SOUND ENERGY-ELECTRIC**  
**BAD DEBTS**  
**FOR THE TWELVE MONTHS ENDED JUNE 30, 2017**  
**COMMISSION BASIS REPORT**

LINE NO.	YEAR	NET WRITEOFF'S	NET REVENUES	PERCENT WRITEOFFS TO REVENUE
		June	February	
1	12 ME 6/30/2013 AND 2/28/2013	\$ 14,303,772	\$ 2,120,293,215	0.6746%
2	12 ME 6/30/2014 AND 2/28/2014	\$ 16,933,464	2,084,494,011	0.8124%
3	12 ME 6/30/2016 AND 2/28/2016	\$ 16,371,341	2,187,608,347	0.7484%
4				
5	3-YR AVERAGE OF NET WRITE OFF RATE			0.7451%
6				
7	REPORTING PERIOD REVENUES		\$ 2,221,296,740	
8				
9				
10	PROFORMA BAD DEBT RATE		<u>0.7451%</u>	
11	PROFORMA BAD DEBTS		16,550,882	
12				
13	UNCOLLECTIBLES CHARGED TO EXPENSE IN TES		<u>16,905,725</u>	
14	INCREASE (DECREASE) EXPENSE			\$ (354,843)
15				
16	INCREASE (DECREASE) NOI			\$ 354,843
17	INCREASE (DECREASE) FIT		35%	<u>124,195</u>
18	INCREASE (DECREASE) NOI			<u><u>\$ 230,648</u></u>

**PUGET SOUND ENERGY-ELECTRIC  
INCENTIVE PLAN  
FOR THE TWELVE MONTHS ENDED JUNE 30, 2017  
COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION	ACTUAL	RESTATED	ADJUSTMENT
1	TOTAL INCENTIVE / MERIT PAY	\$ 9,578,957	\$ 6,702,114	\$ (2,876,844)
2				
3	PAYROLL TAXES ASSOCI WITH MERIT PAY	\$ 741,673	\$ 518,927	\$ (222,746)
4	INCREASE(DECREASE ) IN EXPENSE	\$ 10,320,630	\$ 7,221,040	\$ (3,099,590)
5				
6	INCREASE (DECREASE) INCOME			3,099,590
7	INCREASE (DECREASE) FIT @		35%	1,084,857
8				
9	INCREASE (DECREASE) NOI			<u>\$ 2,014,734</u>



**PUGET SOUND ENERGY-ELECTRIC  
EXCISE TAX & FILING FEE  
FOR THE TWELVE MONTHS ENDED JUNE 30, 2017  
COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION	AMOUNT
1	<b>RESTATED EXCISE TAXES</b>	\$ 87,402,259
2	CHARGED TO EXPENSE FOR TEST YEAR	\$ 87,425,339
3	INCREASE(DECREASE) EXCISE TAX	\$ (23,080)
4		
5	<b>RESTATED WUTC FILING FEE</b>	\$ 4,502,124
6	CHARGED TO EXPENSE FOR TEST YEAR	4,610,242
7	INCREASE(DECREASE) WUTC FILING FEE	\$ (108,117)
8		
9	INCREASE(DECREASE) EXPENSE	\$ (131,197)
10		
11	INCREASE(DECREASE) OPERATING INCOME	\$ 131,197
12		
13	INCREASE(DECREASE) FIT	35% \$ 45,919
14		
15	INCREASE(DECREASE) NOI	<u>\$ 85,278</u>

**PUGET SOUND ENERGY-ELECTRIC**  
**D&O INSURANCE**  
**FOR THE TWELVE MONTHS ENDED JUNE 30, 2017**  
**COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION	TEST YEAR	RESTATED	ADJUSTMENT
1	D & O INS. CHG EXPENSE	\$ 97,113	\$ 90,580	\$ (6,533)
2				
3	INCREASE (DECREASE) IN EXPENSE	\$ 97,113	\$ 90,580	\$ (6,533)
4				
5	INCREASE (DECREASE) OPERATING INCOME			6,533
6				
7	INCREASE (DECREASE) FIT @		35%	2,287
8				
9	INCREASE (DECREASE) NOI			<u>\$ 4,247</u>

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**PUGET SOUND ENERGY-ELECTRIC**  
**MONTANA ENERGY TAX**  
**FOR THE TWELVE MONTHS ENDED JUNE 30, 2017**  
**COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION	AMOUNT
1	ACTUAL KWH	4,546,720,000
2	TRANSMISSION LINE LOSS % FOR WECC	0.05
3	WETT TAX RATE	0.00015
4	WETT TAX	\$ 647,908
5		
6	EEELT TAX RATE	0.0002
7	EEELT TAX	\$ 909,344
8		
9	RESTATED ENERGY TAX	1,557,252
10	CHARGED TO EXPENSE	1,545,396
11	INCREASE (DECREASE) INCOME	\$ (11,855)
12		
13	INCREASE (DECREASE) FIT @ 35%	(4,149)
14	INCREASE (DECREASE) NOI	<u>\$ (7,706)</u>

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**PUGET SOUND ENERGY-ELECTRIC**  
**INTEREST ON CUSTOMER DEPOSITS**  
**FOR THE TWELVE MONTHS ENDED JUNE 30, 2017**  
**COMMISSION BASIS REPORT**

<b>LINE NO.</b>	<b>DESCRIPTION</b>	<b>AMOUNT</b>
1	INTEREST EXPENSE FOR TEST YEAR	\$ 179,091
2		
3		
4	INCREASE (DECREASE) NOI	<u>\$ (179,091)</u>

**PUGET SOUND ENERGY-ELECTRIC**  
**ASC 815**  
**FOR THE TWELVE MONTHS ENDED JUNE 30, 2017**  
**COMMISSION BASIS REPORT**

LINE NO.		ACTUAL	RESTATED	ADJUSTMENT
1	ASC 815 OPERATING EXPENSE	\$ 2,872,254	\$ -	\$ (2,872,254)
2				
3	INCREASE (DECREASE) IN EXPENSE	\$ 2,872,254	\$ -	\$ (2,872,254)
4				
5	INCREASE (DECREASE) OPERATING INCOME			2,872,254
6				
7	INCREASE (DECREASE) DEFERRED FIT @	35%		1,005,289
8				
9	INCREASE (DECREASE) NOI			<u>\$ 1,866,965</u>

**PUGET SOUND ENERGY-ELECTRIC**  
**PENSION PLAN**  
**FOR THE TWELVE MONTHS ENDED JUNE 30, 2017**  
**COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION	ACTUAL	RESTATED	ADJUSTMENT
1	QUALIFIED RETIREMENT FUND	\$ 4,803,602	\$ 7,587,414	\$ 2,783,813
2				
3	INCREASE (DECREASE ) IN EXPENSE	\$ 4,803,602	\$ 7,587,414	\$ 2,783,813
4				
5	INCREASE (DECREASE) INCOME			(2,783,813)
6	INCREASE (DECREASE) FIT @		35%	(974,334)
7				
8	INCREASE (DECREASE) NOI			<u>\$ (1,809,478)</u>

**PUGET SOUND ENERGY-ELECTRIC**  
**INJURIES AND DAMAGES**  
**FOR THE TWELVE MONTHS ENDED JUNE 30, 2017**  
**COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION	ACTUAL	RESTATED	ADJUSTMENT
1	INJURIES & DAMAGES ACCRUALS	\$ (57,500)	\$ 75,000	\$ 132,500
2	INJURIES & DAMAGES PAYMENTS IN EXCESS OF ACCRUALS	890,370	449,122	(441,249)
3	INCREASE/(DECREASE) IN EXPENSE	<u>832,870</u>	<u>524,122</u>	<u>(308,749)</u>
4				
5	INCREASE/(DECREASE) IN OPERATING EXPENSE (LINE 3)			\$ (308,749)
6	INCREASE (DECREASE) FIT @		35%	<u>108,062</u>
7				
8	INCREASE (DECREASE) NOI			<u>\$ 200,687</u>

**PUGET SOUND ENERGY-ELECTRIC**  
**WILD HORSE SOLAR**  
**FOR THE TWELVE MONTHS ENDED JUNE 30, 2017**  
**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	\$ (1,719,173)		1,719,173
5	DEFERRED INCOME TAX LIABILITY	\$ (936,918)		936,918
6	NET WH SOLAR PLANT RATEBASE	1,883,212	0	(1,883,212)
7				
8	<u>WILD HORSE SOLAR OPERATING EXPENSE</u>			
9	DEPRECIATION EXPENSE	188,181		(188,181)
10	INCREASE (DECREASE ) EXPENSE	<u>\$ 188,181</u>	<u>\$ -</u>	<u>\$ (188,181)</u>
11				
12	INCREASE (DECREASE) FIT @		35%	<u>65,863</u>
13	INCREASE (DECREASE) NOI			<u>\$ 122,318</u>



**PUGET SOUND ENERGY-ELECTRIC**  
**CONVERSION FACTOR**  
**FOR THE TWELVE MONTHS ENDED JUNE 30, 2017**  
**COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION	RATE
1	BAD DEBTS	0.007451
2	ANNUAL FILING FEE	0.002000
3	STATE UTILITY TAX ( ( 1 - LINE 1 ) * 3.8734% )	3.8734% <u>0.038445</u>
4		
5	SUM OF TAXES OTHER	0.047896
6		
7	CONVERSION FACTOR EXCLUDING FEDERAL INCOME TAX ( 1 - LINE 5 )	0.952104
8	FEDERAL INCOME TAX ( ( 1 - LINE 5 ) * 35% )	35% <u>0.333236</u>
9	CONVERSION FACTOR ( 1 - LINE 8 )	<u><u><b>0.618868</b></u></u>

**Gas Commission Basis Report Cover Letter**  
**June 30, 2017**

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			<b>Adjusted Results of Operations</b>
Restated Net Operating Income	a	\$	147,802,685
Restated Rate Base	b	\$	1,763,440,055
<b>Normalized Overall Rate of Return</b>	c=a/b		<b>8.38%</b>
Restated Net Operating Income	d=a	\$	147,802,685
Restated Interest Expense	e	\$	52,903,202
Restated NOI less Restated Interest Exp	f=d-e	\$	94,899,483
Restated Rate Base	g=b	\$	1,763,440,055
Actual Equity Percent	h		49.13%
Equity Rate Base	i=g*h	\$	866,378,099
<b>Restated Return on Actual Equity</b>	j=f/i		<b>10.95%</b>

## PUGET SOUND ENERGY, INC.

**Utility Capital Structure  
Cost of Capital and Rate of Return  
FOR THE TWELVE MONTHS ENDED JUNE 30, 2017**

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	<b>Short Term Debt</b>	\$95,868,833	1.27%	3.80%	0.05% (A)
8					
9	<b>Long Term Debt</b>	\$3,746,168,142	49.60%	5.95%	2.95% (A)
12					
13	<b>Common Stock</b>	\$3,710,919,611	<u>49.13%</u>	9.80%	<u>4.81%</u>
14					
16	<b>Total</b>	<b><u>\$7,552,956,586</u></b>	<b><u>100.00%</u></b>		<b><u>7.81%</u></b>
18					
19					
21	(i) - Average of Month-End Balances			Total (A)	3.00%

**PUGET SOUND ENERGY**  
**PERIODIC ALLOCATED RESULTS OF OPERATIONS**  
**FOR THE 12 MONTHS ENDED JUNE 30, 2017**

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(Common cost is spread based on allocation factors developed for the 12 ME 06/30/2017)

	Electric	Gas	Total Amount
1 - OPERATING REVENUES:			
2 - SALES TO CUSTOMERS	\$ 2,221,296,740	\$ 981,840,832	\$ 3,203,137,572
3 - SALES FOR RESALE-FIRM	349,576	-	349,576
4 - SALES TO OTHER UTILITIES	163,482,379	-	163,482,379
5 - OTHER OPERATING REVENUES	55,256,301	1,987,948	57,244,249
6 - TOTAL OPERATING REVENUES	\$ 2,440,384,996	\$ 983,828,780	\$ 3,424,213,777
7			
8 - OPERATING REVENUE DEDUCTIONS:			
9			
10 - POWER COSTS:			
11 - FUEL	\$ 205,681,432	\$ -	\$ 205,681,432
12 - PURCHASED AND INTERCHANGED	582,807,205	358,561,524	941,368,728
13 - WHEELING	116,334,357	-	116,334,357
14 - RESIDENTIAL EXCHANGE	(74,875,751)	-	(74,875,751)
15 - TOTAL PRODUCTION EXPENSES	\$ 829,947,243	\$ 358,561,524	\$ 1,188,508,766
16			
17 - OTHER ENERGY SUPPLY EXPENSES	\$ 126,292,316	\$ 3,529,341	\$ 129,821,657
18 - TRANSMISSION EXPENSE	20,832,542	-	20,832,542
19 - DISTRIBUTION EXPENSE	82,240,012	58,102,630	140,342,642
20 - CUSTOMER ACCTS EXPENSES	48,697,415	27,966,980	76,664,395
21 - CUSTOMER SERVICE EXPENSES	20,894,043	8,488,209	29,382,252
22 - CONSERVATION AMORTIZATION	96,262,272	16,222,702	112,484,974
23 - ADMIN & GENERAL EXPENSE	123,818,675	63,009,137	186,827,812
24 - DEPRECIATION	275,354,922	127,379,845	402,734,767
25 - AMORTIZATION	52,353,886	14,297,619	66,651,505
26 - AMORTIZ OF PROPERTY LOSS	20,484,232	-	20,484,232
27 - OTHER OPERATING EXPENSES	(25,113,404)	(195,212)	(25,308,616)
28 - ASC 815	2,872,254	-	2,872,254
29 - TAXES OTHER THAN INCOME TAXES	242,108,090	111,546,662	353,654,752
30 - INCOME TAXES	15,378,147	22,937,489	38,315,636
31 - DEFERRED INCOME TAXES	149,901,027	51,624,674	201,525,701
32 - TOTAL OPERATING REV. DEDUCT.	\$ 2,082,323,672	\$ 863,471,599	\$ 2,945,795,270
<b>NET OPERATING INCOME</b>	<b>\$ 358,061,324</b>	<b>\$ 120,357,182</b>	<b>\$ 478,418,506</b>

**PUGET SOUND ENERGY**  
**BALANCE SHEET**  
**As of June 30, 2017**

<b>FERC Account and Description</b>	<b>June-17</b>	<b>June 17 AMA</b>
<b>*ASSETS</b>		
<b>**UTILITY PLANT</b>		
<b>***Electric Plant</b>		
101 Electric Plant in Service	9,563,337,830	9,379,928,268
102 Electric Plant Purchased or Sold	-	-
105 Electric Plant Held for Future Use	51,838,763	49,602,644
106 Comp.Construction Not Classfd.-Electric	66,559,971	63,021,331
107 Construction Work in Prog. - Electric	260,700,338	247,488,573
114 Electric Plant Acquisition Adjustments	282,791,675	282,791,675
Total Electric Plant	10,225,228,577	10,022,832,490
<b>***Gas Plant</b>		
101 Gas Plant in Service	3,547,918,462	3,453,565,593
105 Gas Plant Held for Future Use	1,436,911	1,436,613
106 Comp. Construction Not Classfd.- Gas	76,168,188	72,777,181
107 Construction Work in Progress - Gas	130,324,620	107,959,384
117.3 Gas Strd.in Resvr.& Pipln.-Noncurr.	8,654,564	8,654,564
Total Gas Plant	3,764,502,745	3,644,393,336
<b>***Common Plant</b>		
101 Plant in Service - Common	583,721,717	534,418,575
101.1 - Property under capital leases	1,374,444	345,974
105 Common Plant Held for Future Use	10,945,931	3,250,834
106 Comp Construction Not Classfd. - Common	915,603	3,639,129
107 Construction Work in Progress - Common	114,308,619	93,274,506
Total Common Plant	711,266,314	634,929,019
<b>***Accumulated Depreciation and Amortization</b>		
108 Accumulated Provision for Depreciation	(5,167,333,455)	(5,037,052,568)
111 Accumulated Provision for Amortization	(165,358,615)	(146,236,673)
115 Accm.Prv.for Amort.of Plant Acquis.Adj.	(125,425,629)	(121,204,681)
Less: Accumulated Depr and Amortizat	(5,458,117,699)	(5,304,493,922)
<b>**NET UTILITY PLANT</b>	<b>9,242,879,937</b>	<b>8,997,660,924</b>
<b>**OTHER PROPERTY AND INVESTMENTS</b>		
<b>***Other Investments</b>		
121 Nonutility Property	3,055,298	3,056,807
122 Accm.Prov.for Depr.& Amort.Non-utility P	(25,296)	97,614
123.1 Investment in Subsidiary Companies	27,252,764	29,307,183
124 Other Investments	50,161,587	50,258,795
<b>***Total Other Investments</b>	<b>80,444,352</b>	<b>82,720,400</b>
<b>**TOTAL OTHER PROPERTY AND INVESTMENT</b>	<b>80,444,352</b>	<b>82,720,400</b>

**PUGET SOUND ENERGY**  
**BALANCE SHEET**  
As of June 30, 2017

FERC Account and Description	June-17	June 17 AMA
<b>**CURRENT ASSETS</b>		
<b>***Cash</b>		
131 Cash	6,035,266	18,372,502
134 Other Special Deposits	3,567,827	4,424,941
135 Working Funds	8,399,489	5,122,306
136 Temporary Cash Investments	-	1,666,667
<b>***Total Cash</b>	<b>18,002,583</b>	<b>29,586,415</b>
<b>***Restricted Cash</b>		
<b>***Total Restricted Cash</b>		
<b>***Accounts Receivable</b>		
141 Notes Receivable	2,619,411	3,152,561
142 Customer Accounts Receivable	172,984,238	207,746,878
143 Other Accounts Receivable	83,435,149	84,215,550
146 Accounts Receiv.from Assoc. Companies	7,168,529	11,419,352
171 Interest and Dividends Receivable	-	-
173 Accrued Utility Revenues	115,944,562	161,004,748
185 Temporary Facilities	143,494	137,462
191 Unrecovered Purchased Gas Costs	(10,979,924)	(5,446,183)
<b>***Total Accounts Receivable</b>	<b>371,315,458</b>	<b>462,230,369</b>
<b>***Allowance for Doubtful Accounts</b>		
144 - Accumulated provision for uncollectible account credit	(9,976,764)	(10,139,304)
<b>***Less: Allowance for Doubtful Accounts</b>	<b>(9,976,764)</b>	<b>(10,139,304)</b>
<b>***Materials and Supplies</b>		
151 Fuel Stock	20,224,231	19,628,249
154 Plant Materials and Operating Supplies	100,850,561	103,412,189
156 Other Materials and Supplies	186,907	230,835
158.1 Carbon Allowances	4,083	4,083
163 Stores Expense Undistributed	(82,569)	1,574,344
164.1 Gas Stored - Current	33,929,204	31,885,597
164.2 Liquefied Natural Gas Stored	37,421	49,269
<b>***Total Materials and Supplies</b>	<b>155,149,838</b>	<b>156,784,565</b>
<b>***Unrealized Gain-Derivative Instrumnts (ST)</b>		
175 Invest in Derivative Instrumnts -Opt ST	16,077,806	24,529,597
176 Invest in Derivative Instrumnts-Gain ST	-	-
<b>***Unrealized Gain on Derivatives (ST)</b>	<b>16,077,806</b>	<b>24,529,597</b>
<b>***Prepayments and Other Current Assets</b>		
165 Prepayments	29,041,299	24,085,075
174 Misc.Current and Accrued Assets	-	7,291,315
186 Miscellaneous Deferred Debits	10,944	7,555
<b>***Total Prepayments &amp; Othr.Curr.Assets</b>	<b>29,052,244</b>	<b>31,383,945</b>
<b>Current Deferred Taxes</b>		
Total Current Deferred Taxes	485,024,732	513,828,955
<b>**TOTAL CURRENT ASSETS</b>	<b>1,064,645,897</b>	<b>1,208,204,543</b>

**PUGET SOUND ENERGY**  
**BALANCE SHEET**  
As of June 30, 2017

<b>FERC Account and Description</b>	<b>June-17</b>	<b>June 17 AMA</b>
<b>**LONG-TERM ASSETS</b>		
128 Qualified Pension Plan Funded Status	20,164,574	20,163,365
165 Long-Term Prepaid	4,802,823	14,907,813
165.8 Long-Term Prepaid Contra	(4,759,534)	(5,832,713)
165.9 Long-Term Prepaid	4,759,534	5,832,713
175 Invest in Derivative Instrumnts -Opt LT	4,505,198	6,246,720
176 Invest in Derivative Instrumnts-Gain LT	-	-
181 Unamortized Debt Expense	25,878,172	27,175,545
182.1 Extraordinary Property Losses	127,021,619	124,363,718
182.2 Unrecovered Plant & Reg Study Costs	2,787,564	5,260,824
Subtotal WUTC AFUDC	50,429,251	50,987,368
182.3 Other Regulatory Assets	511,282,706	559,238,867
183 Prelm. Survey and Investigation Charges	-	-
184 Clearing Accounts	(607,698)	(506,055)
186 Miscellaneous Deferred Debits	219,367,906	215,582,108
187 Def.Losses from Dispos.of Utility Plant	321,095	435,257
189 Unamortized Loss on Reacquired Debt	40,826,355	42,198,326
<b>**TOTAL LONG-TERM ASSETS</b>	<b>1,006,779,565</b>	<b>1,066,053,858</b>
<b>*TOTAL ASSETS</b>	<b>11,394,749,751</b>	<b>11,354,639,725</b>
<b>*CAPITALIZATION AND LIABILITIES</b>		
<b>**CURRENT LIABILITIES</b>		
230 Asset Retirement Obligations	(298,722)	(323,504)
244 FAS 133 Opt Unrealized Loss ST	(44,031,341)	(48,300,673)
245 FAS 133 Unrealized Loss ST	-	-
231 Notes Payable	(5,000,000)	(95,868,833)
232 Accounts Payable	(281,164,030)	(287,737,885)
233 Notes Payable to Associated Companies	-	-
234 Accounts Payable to Asscted Companies	-	-
235 Customer Deposits	(45,138,044)	(42,943,734)
236 Taxes Accrued	(102,130,801)	(106,264,043)
237 Interest Accrued	(48,232,040)	(57,913,770)
238 Dividends Declared	-	-
241 Tax Collections Payable	(1,764,514)	(1,577,420)
242 Misc. Current and Accrued Liabilities	(28,894,207)	(32,735,255)
243 Obligations Under Cap.Leases - Current	(1,380,870)	(354,462)
<b>**TOTAL CURRENT LIABILITIES</b>	<b>(558,034,568)</b>	<b>(674,019,579)</b>
<b>**DEFERRED TAXES</b>		
<b>***Reg. Liability for Def.Income Tax</b>		
283 Accum.Deferred Income Taxes - Other	(69,724,159)	(70,782,650)
<b>***Total Reg.Liab.for Def.Income Tax</b>	<b>(69,724,159)</b>	<b>(70,782,650)</b>
<b>***Deferred Income Tax</b>		
255 Accum.Deferred Investment Tax Credits	-	-
282 Accum. Def. Income Taxes - Other Prop.	(1,978,726,991)	(1,900,637,920)
283 Accum.Deferred Income Taxes - Other	(268,524,409)	(285,098,898)
<b>***Total Deferred Income Tax</b>	<b>(2,247,251,401)</b>	<b>(2,185,736,819)</b>
<b>**TOTAL DEFERRED TAXES</b>	<b>(2,316,975,559)</b>	<b>(2,256,519,468)</b>

**PUGET SOUND ENERGY**  
**BALANCE SHEET**  
As of June 30, 2017

<b>FERC Account and Description</b>	<b>June-17</b>	<b>June 17 AMA</b>
<b>**OTHER DEFERRED CREDITS</b>		
Subtotal 227 Oblig Under Cap Lease - Noncurr	-	-
Total Unrealized Loss on Derivatives -LT	(18,236,863)	(19,266,751)
228.2 Accum. Prov.for Injuries and Damages	(2,360,000)	(913,458)
228.3 Pension & Post Retirement Liabilities	(72,166,079)	(85,050,205)
228.4 Accum. Misc.Operating Provisions	(254,330,284)	(272,063,757)
229 Accum Provision for Rate Refunds	-	-
230 Asset Retirement Obligations (FAS 143)	(184,327,085)	(148,298,195)
252 Customer Advances for Construction	(91,335,679)	(84,457,179)
253 Other Deferred Credits	(371,900,854)	(380,602,796)
254 Other Regulatory Liabilities	(112,496,680)	(128,600,419)
256 Def. Gains from Dispos.of Utility Plt	(2,599,333)	(2,905,870)
257 Unamortized Gain on Reacquired Debt	-	41,288
<b>**TOTAL OTHER DEFERRED CREDITS</b>	<b>(1,109,752,856)</b>	<b>(1,122,117,343)</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	(20,239,166)	(19,845,795)
216 Unappropriated Retained Earnings	(362,644,785)	(294,074,395)
216.1 Unappr.Undistrib.Subsidiary Earnings	17,244,680	15,023,595
219 Other Comprehensive Income	140,013,067	142,457,745
433 Balance Transferred from Income	(193,746,413)	(215,727,125)
438 Dividends Declared - Common Stock	51,573,654	112,338,319
439 Adjustments to Retained Earnings	5,848,610	5,848,610
<b>****Total Common Equity</b>	<b>(3,637,917,454)</b>	<b>(3,529,946,147)</b>
<b>***TOTAL SHAREHOLDER'S EQUITY</b>	<b>(3,637,917,454)</b>	<b>(3,529,946,147)</b>
<b>***REDEEMABLE SECURITIES AND LONG-TERM DEBT</b>		
<b>****Preferred Stock - Manditorily Redeemable Capital</b>	-	
<b>****Total Preferred Stock - Mand Redeem</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)	(3,523,860,000)
226 Unamort.Disct. on Long-term Debt-Debit	1,790,686	1,822,812
<b>Long-term Debt</b>	<b>(3,772,069,314)</b>	<b>(3,772,037,188)</b>
<b>****Long-term Debt Total</b>	<b>(3,772,069,314)</b>	<b>(3,772,037,188)</b>
<b>***REDEEMABLE SECURITIES AND LTD</b>	<b>(3,772,069,314)</b>	<b>(3,772,037,188)</b>
<b>**TOTAL CAPITALIZATION</b>	<b>(7,409,986,768)</b>	<b>(7,301,983,334)</b>
<b>*TOTAL CAPITALIZATION AND LIABILITIES</b>	<b>(11,394,749,751)</b>	<b>(11,354,639,725)</b>



**Puget Sound Energy**  
**Gas Rate Base**  
**As of June 30, 2017**

Line No.	Description	AMA 06/30/17
1	Gas Utility Plant in Service	3,519,915,457
2	Common Plant-Allocation to Gas	179,054,660
3	Gas Stored Underground - Non current	8,654,564
4	Total Plant in Service and Other Assets	<u>3,707,624,681</u>
5	Accumulated Provision for Depreciation	(1,367,107,798)
7	Common Accumulated Depreciation-Allocation to Gas	(72,578,160)
8	Customer Advances for Construction	(21,750,643)
9	Contributions in Aid of Construction - Accum. Def. FIT.	-
10	Liberalized Depreciation Total Accum. Def. FIT - Liberalized	(552,459,202)
11	NOL Carryforward	6,285,620
12	Customer Deposits	(12,057,861)
12	Accumulated Depreciation and Other Liabilities	<u>(2,019,668,044)</u>
13	Net Operating Investment	<u>1,687,956,637</u>
14	<b>Allowance for Working Capital</b>	<u>75,483,418</u>
15	Total Gas Rate Base	<u><u>1,763,440,055</u></u>

**Puget Sound Energy  
Commission Basis Report  
Combined Working Capital  
June 30, 2017**

<b>Page 2.04</b>
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Line No.	Description	AMA 6/30/2017
1	<b>Average Invested Capital</b>	
2	Common Stock	\$ 859,038
3	Preferred Stock	-
4	Additional Paid in Capital	3,274,616,487
5	Unamortized Debt Expense	(20,757,450)
6	Unappropriated Retained Earnings	412,391,449
7	Notes Payable - Misc	-
8	Long Term Debt	3,772,037,188
9	Short Term Debt	95,868,833
10	Accumulated Deferred ITC	-
11	Treasury Grants	-
12	Deferred Debits-Other	(15,819)
13	Unamortized Gain/Loss on Debt	(42,239,614)
14	Total Average Invested Capital	7,492,760,112
15		
16	<b>Average Operating Investments - Electric</b>	
17		
18	Plant in Service (includes acquisition adj)	9,585,099,243
19	Electric Future Use Property	49,602,644
20	Customer Advances for Construction	(62,706,536)
21	Customer Deposits	(30,885,873)
22	Deferred Taxes	(1,080,638,712)
23	Deferred Debits/Credits - Other	108,199,579
24	Less: Accumulated Depreciation	(3,721,122,240)
25	Conservation Investment	(101,647,748)
26	Common Plant-Allocation to Electric	354,481,277
27	Common Accum Depr-Allocation to Electric	(143,685,725)
28	Common Deferred Taxes-Allocation to Electric	(34,493,197)
29	NOL Carryforward	36,833,729
30	Total Average Operating Investment - Electric	4,959,036,441
31		
32	<b>Average Operating Investments - Gas</b>	
33		
34	Gas Utility Plant in Service	3,519,915,457
35	Deferred Items - Other	96,954,031
36	Gas Stored Underground, Non-Current	8,654,564
37	Gas Accumulated Depreciation	(1,367,107,798)
38	Gas Customer Advances for Construction	(21,750,643)
39	Gas Customer Deposits	(12,057,861)
40	DFIT 17	(564,338,618)
41	PGA	(5,446,183)
42	Common Plant-Allocation to Gas	179,054,660
43	Common Accumulated Depreciation-Allocation to Gas	(72,578,160)
44	Common Deferred Tax	(17,423,114)
45	NOL Carryforward	6,285,620
46	Total Average Operating Investment - Gas	1,750,161,955
47		
48	Total Electric & Gas Operating Investment	<u>6,709,198,396</u>
49		
50	<b>Construction Work in Progress</b>	
51		
52	Elec Construction Work in Process	309,460,155
53	Gas Construction Work in Process	139,262,309
54	Other Work in Process	3,629,922
55	Electric Preliminary Surveys	-

**Puget Sound Energy  
Commission Basis Report  
Combined Working Capital  
June 30, 2017**

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Line No.	Description	AMA 6/30/2017
56	Total Construction Work in Progress	452,352,386
57		
58	<b>Nonoperating</b>	
59		
60	Non-Utility Property	3,154,422
61	Investment in Associated Companies	41,018,795
62	Other Investments & FAS 133	(106,735,223)
63	Deferred Items-Other	147,668,005
64	Deferred Federal Income Tax	(46,434,038)
65	Investment Tracking Funds	1,443,576
66	Environmental Receivables	-
67	Current Accounts - Gas Allocation only	-
68	Merchandising Inventory - Gas Only	-
69	Total Non Operatting Investment	40,115,537
70		
71	Total CWIP & Nonoperating Investment	492,467,923
72		
73	Total Average Investments	7,201,666,319
74	Rounding	
75	Total Investor Supplied Capital	<b>\$ 291,093,793</b>
<b>Allocation of Working Capital</b>		
<b>Electric Working Capital</b>		
	Total Investment	\$ 7,201,666,319
	Less: Electric CWIP	\$ (309,460,155)
	Less: Gas	\$ (139,262,309)
	Interest Bearing Regulatory Assets	
	Other Work in Progress	(3,629,922)
	Preliminary Surveys	-
	Total	6,749,313,933
	Electric Working Capital Ratio	4.3129%
	Electric Working Capital	<b>\$ 213,880,217</b>
<b>Gas Working Capital</b>		
	Total Investment	7,201,666,319
	Less: Electric CWIP	(309,460,155)
	Less: Gas CWIP	(139,262,309)
	Interest Bearing Regulatory Assets	
	Other Work in Progress	(3,629,922)
	Preliminary Surveys	-
	Total	6,749,313,933
	Gas Working Capital Ratio	4.3129%
	Gas Working Capital	<b>\$ 75,483,418</b>
	<b>Non Operating Working Capital</b>	<b>\$ 1,730,159</b>

**PUGET SOUND ENERGY-ELECTRIC & GAS**  
**FOR THE TWELVE MONTHS ENDED JUNE 30, 2017**  
**ALLOCATION METHODS**

Method	Description		Electric	Gas	Total
1	* <b><u>12 Month Average Number of Customers</u></b>	6/30/2017	1,128,197	813,977	1,942,174
	Percent		<b>58.09%</b>	<b>41.91%</b>	100.00%
2	* <b><u>Joint Meter Reading Customers</u></b>	6/30/2017	763,543	454,131	1,217,674
	Percent		<b>62.71%</b>	<b>37.29%</b>	100.00%
3	* <b><u>Non-Production Plant</u></b>				
	Distribution	6/30/2017	\$ 3,638,508,340	\$ 3,410,027,286	\$ 7,048,535,626
	Transmission	6/30/2017	1,456,298,294	-	1,456,298,294
	Direct General Plant	6/30/2017	224,139,212	33,904,408	258,043,620
	Total		<b>\$ 5,318,945,846</b>	<b>\$ 3,443,931,694</b>	<b>\$ 8,762,877,540</b>
	Percent		<b>60.70%</b>	<b>39.30%</b>	100.00%
4	* <b><u>4-Factor Allocator</u></b>				
	Number of Customers	6/30/2017	1,128,197	813,977	1,942,174
	Percent		58.09%	41.91%	100.00%
	Labor - Direct Charge to O&M	6/30/2017	45,903,838	24,237,547	\$ 70,141,384
	Percent		65.44%	34.56%	100.00%
	T&D O&M Expense (Less Labor)	6/30/2017	80,254,494	35,768,740	\$ 116,023,234
	Percent		69.17%	30.83%	100.00%
	Net Classified Plant (Excluding General (Common) Plant)	6/30/2017	5,639,368,679	2,078,593,865	7,717,962,544
	Percent		73.07%	26.93%	100.00%
	Total Percentages		265.77%	134.23%	400.00%
4 factor		<b>66.44%</b>	<b>33.56%</b>	100.00%	
5	* <b><u>Direct Labor Allocator</u></b>				
	Direct Labor Accts 500-935	6/30/2017	50,334,110	27,103,477	77,437,588
	Total		<b>\$ 50,334,110</b>	<b>\$ 27,103,477</b>	<b>\$ 77,437,588</b>
	Percent		<b>65.00%</b>	<b>35.00%</b>	100.00%

**PUGET SOUND ENERGY-GAS**  
**RESULTS OF OPERATIONS**  
**FOR THE TWELVE MONTHS ENDED JUNE 30, 2017**  
**COMMISSION BASIS REPORT**

LINE NO.	ACTUAL RESULTS OF OPERATIONS	TOTAL ADJUSTMENTS	RESTATED RESULTS OF OPERATIONS
1	<u>OPERATING REVENUES:</u>		
2	\$ 935,993,863	\$ (65,483,454)	\$ 870,510,409
3	45,846,969	(45,846,969)	-
4	1,987,948	37,926,152	39,914,101
5	\$ 983,828,780	\$ (73,404,271)	\$ 910,424,510
6			
7			
8	<u>OPERATING REVENUE DEDUCTIONS:</u>		
9			
10	<u>GAS COSTS:</u>		
11			
12	\$ 358,561,524	\$ 18,662,123	\$ 377,223,647
13			
14	\$ 358,561,524	\$ 18,662,123	\$ 377,223,647
15			
16	\$ 3,529,341	\$ (56,085)	\$ 3,473,256
17	-	-	-
18	58,102,630	-	58,102,630
19	27,966,980	167,255	28,134,235
20	8,488,209	(6,540,139)	1,948,070
21	16,222,702	(16,222,702)	(0)
22	63,009,137	(1,974,102)	61,035,035
23	127,379,845	0	127,379,845
24	14,297,619	-	14,297,619
25	-	-	-
26	(195,212)	-	(195,212)
27	111,546,662	(72,179,421)	39,367,241
28	22,937,489	(14,757,733)	8,179,756
29	51,624,674	(7,948,970)	43,675,704
30	\$ 504,910,075	\$ (119,511,897)	\$ 385,398,178
31			
32	\$ 120,357,182	\$ 27,445,503	\$ 147,802,685
33			
34	\$ 1,763,440,055	\$0	\$ 1,763,440,055
35			
36	6.83%		8.38%
37			
38	<u>RATE BASE:</u>		
39	\$ 3,707,624,681	\$ -	\$ 3,707,624,681
40	(1,439,685,958)	-	(1,439,685,958)
41	(552,459,202)	-	(552,459,202)
42	(27,522,884)	-	(27,522,884)
43	\$ 1,687,956,637	\$ -	\$ 1,687,956,637
44	75,483,418	-	75,483,418
45	\$ 1,763,440,055	\$ -	\$ 1,763,440,055



PUGET SOUND ENERGY-GAS  
 STATEMENT OF OPERATING INCOME AND ADJUSTMENTS  
 FOR THE TWELVE MONTHS ENDED JUNE 30, 2017  
 COMMISSION BASIS REPORT

LINE NO.	EXCISE TAX & FILING FEE Adj 3.08	INTEREST ON CUST DEPOSITS Adj 3.09	PENSION PLAN Adj 3.10	D&O INSURANCE Adj 3.11	INJURIES AND DAMAGES Adj 3.12	INCENTIVE PAY Adj 3.13	TOTAL ADJUSTMENTS	ADJUSTED RESULTS OF OPERATIONS
1 OPERATING REVENUES								
2 SALES TO CUSTOMERS	\$	-	-	-	-		\$ (65,483,454)	\$ 870,510,409
3 MUNICIPAL ADDITIONS							(45,846,969)	-
4 OTHER OPERATING REVENUES							37,926,152	39,914,101
5 TOTAL OPERATING REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (73,404,271)	\$ 910,424,510
6								
7								
8 OPERATING REVENUE DEDUCTIONS:								
9								
10 GAS COSTS:								
11								
12 PURCHASED GAS	\$	-	-	-	-		18,662,123	\$ 377,223,647
13								
14 TOTAL PRODUCTION EXPENSES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	18,662,123	\$ 377,223,647
15								
16 OTHER ENERGY SUPPLY EXPENSES	\$ -	\$ -	\$ -	\$ -	\$ -		(56,085)	\$ 3,473,256
17 TRANSMISSION EXPENSE							-	-
18 DISTRIBUTION EXPENSE							-	58,102,630
19 CUSTOMER ACCTS EXPENSES		50,300					167,255	28,134,235
20 CUSTOMER SERVICE EXPENSES							(6,540,139)	1,948,070
21 CONSERVATION AMORTIZATION							(16,222,702)	(0)
22 ADMIN & GENERAL EXPENSE	108,802		1,498,976	(4,714)	(1,582,581)	(2,064,823)	(1,974,102)	61,035,035
23 DEPRECIATION							-	127,379,845
24 AMORTIZATION							-	14,297,619
25 AMORTIZATION OF PROPERTY LOSS							-	-
26 OTHER OPERATING EXPENSES							-	(195,212)
27 TAXES OTHER THAN F.I.T.	0					(149,341)	(72,179,421)	39,367,241
28 FEDERAL INCOME TAXES	(38,081)		(524,642)	1,650	553,903	774,957	(14,757,733)	8,179,756
29 DEFERRED INCOME TAXES							(7,948,970)	43,675,704
30 TOTAL OPERATING REV. DEDUCT.	\$ 70,722	\$ 50,300	\$ 974,334	\$ (3,064)	\$ (1,028,678)	\$ (1,439,206)	\$ (119,511,897)	\$ 385,398,178
31								
32 NET OPERATING INCOME	\$ (70,722)	\$ (50,300)	\$ (974,334)	\$ 3,064	\$ 1,028,678	\$ 1,439,206	\$ 27,445,503	\$ 147,802,685
33								
34 RATE BASE							-	\$ 1,763,440,055
35								
36 RATE OF RETURN								8.38%
37								
38 RATE BASE:								
39 UTILITY PLANT IN SERVICE AND OTHER ASSETS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ 3,707,624,681
40 ACCUMULATED DEPRECIATION							-	(1,439,685,958)
41 ACCUMULATED DEFERRED FIT - LIBERALIZED							-	(552,459,202)
42 DEPRECIATION AND OTHER LIABILITIES							-	(27,522,884)
43 TOTAL NET INVESTMENT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ 1,687,956,637
44 ALLOWANCE FOR WORKING CAPITAL							-	75,483,418
45 TOTAL RATE BASE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ 1,763,440,055

Adj 3.01

**PUGET SOUND ENERGY-GAS**  
**TEMPERATURE NORMALIZATION**  
**FOR THE TWELVE MONTHS ENDED JUNE 30, 2017**  
**COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION	ACTUAL	RESTATED	ADJUSTMENT
1	TEMPERATURE NORMALIZATION ADJUSTMENT:			
2		ACTUAL	TEMP ADJ	THERMS
3		<u>THERMS</u>	<u>THERMS</u>	<u>CHANGE</u>
4	Jul-16	20,091,554	20,091,554	0
5	Aug-16	18,942,428	18,942,428	0
6	Sep-16	17,482,263	17,502,644	20,381
7	Oct-16	21,461,969	21,847,877	385,908
8	Nov-16	20,452,749	21,869,713	1,416,964
9	Dec-16	26,657,431	25,751,194	(906,237)
10	Jan-17	23,122,400	21,911,615	(1,210,785)
11	Feb-17	22,106,021	21,558,289	(547,732)
12	Mar-17	22,505,524	22,411,218	(94,306)
13	Apr-17	22,325,036	22,305,666	(19,370)
14	May-17	21,364,122	21,496,948	132,826
15	Jun-17	18,221,674	18,359,732	138,058
16		<u>254,733,172</u>	<u>254,048,879</u>	<u>(684,293)</u>
17	<b>REVENUE ADJUSTMENT:</b>			
18				
19	TRANS. INTERRUPT WITH FIRM OPTION - COM		85T	\$ (4,377)
20	TRANS. NON-EXCLUS INTER W/ FIRM OPTION - COM		87T	(2,808)
21	INTERRUPTIBLE WITH FIRM OPTION - COM		85	(5,808)
22	NON-EXCL INTERRUPT W/ FIRM OPTION - COM		87	(2,717)
23	SPECIAL CONTRACTS		SC	<u>(2,477)</u>
24	INCREASE (DECREASE) SALES TO CUSTOMERS			\$ (18,186)
25				
26	<b>OPERATING EXPENSES:</b>			
27	PURCHASED GAS COSTS			<u>0</u>
28				\$ -
29	UNCOLLECTIBLES @		0.52210%	\$ (95)
30	ANNUAL FILING FEE @		0.20000%	<u>(36)</u>
31	INCREASE (DECREASE) EXPENSE			(131)
32				
33	STATE UTILITY TAX @		3.83190%	<u>\$ (697)</u>
34	INCREASE (DECREASE) TAXES OTHER			<u>(697)</u>
35				
36	INCREASE (DECREASE) OPERATING INCOME			(17,358)
37				
38	INCREASE (DECREASE) FIT @		35%	<u>(6,075)</u>
39	INCREASE (DECREASE) NOI			<u>\$ (11,283)</u>



**PUGET SOUND ENERGY-GAS**  
**REVENUE & EXPENSE RESTATING**  
**FOR THE TWELVE MONTHS ENDED JUNE 30, 2017**  
**COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION	ADJUSTMENT	
1	SALES TO CUSTOMERS:		
2			
3	REMOVE MERGER RATE CREDIT SCH 132	\$	3,250,902
4			
5	TOTAL INCREASE (DECREASE) SALES TO CUSTOMERS		\$ 3,250,902
6			
7	OTHER OPERATING REVENUES:		
8			
9	REMOVE RENTALS ASSOC WITH SCH 132	\$	52,561
10			
11	REMOVE EARNINGS SHARING ACCRUALS		1,624,667
12			
13			
14	TOTAL INCREASE (DECREASE) OPERATING REVENUES		\$ 1,677,229
15			
16	TOTAL INCREASE (DECREASE) REVENUES		4,928,130
17			
18	UNCOLLECTIBLES @	0.52210%	25,730
19	ANNUAL FILING FEE @	0.20000%	9,856
20	INCREASE (DECREASE) EXPENSE		35,586
21			
22	STATE UTILITY TAX @	3.83190%	\$ 188,841
23			
24	INCREASE (DECREASE) TAXES OTHER		188,841
25			
26	INCREASE (DECREASE) OPERATING INCOME		4,703,703
27	INCREASE (DECREASE) FIT @	35%	1,646,296
28	INCREASE (DECREASE) NOI		\$ 3,057,407

Adj 3.03

**PUGET SOUND ENERGY-GAS**  
**FEDERAL INCOME TAX**  
**FOR THE TWELVE MONTHS ENDED JUNE 30, 2017**  
**COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION	AMOUNT
1	TAXABLE INCOME	\$ 71,484,832
2		
3	FEDERAL INCOME TAX	
4	CURRENT FIT @	25,019,691
5	DEFERRED FIT - DEBIT	43,975,704
6	DEFERRED FIT - OTHER	(300,000)
7	DEFERRED FIT - INV TAX CREDIT, NET OF AMORTIZATION	-
8	TOTAL RESTATED FIT	<u>68,695,396</u>
9		
10	FIT PER BOOKS:	
11	CURRENT FIT	22,937,489
12	DEFERRED FIT - DEBIT	267,605,345
13	DEFERRED FIT - CREDIT	(215,980,671)
14	DEFERRED FIT - INV TAX CREDIT, NET OF AMORTIZATION	-
15		
16	TOTAL CHARGED TO EXPENSE	74,562,163
17		
18	INCREASE (DECREASE) FIT	2,082,203
19	INCREASE (DECREASE) DEFERRED FIT	(7,948,970)
20	INCREASE(DECREASE) NOI	<u><u>\$ 5,866,767</u></u>

Adj 3.04

**PUGET SOUND ENERGY-GAS**  
**TAX BENEFIT OF RESTATED INTEREST**  
**FOR THE TWELVE MONTHS ENDED JUNE 30, 2017**  
**COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION	AMOUNT
1	RATE BASE	1,763,440,055
2		
3	NET RATE BASE	<u>\$ 1,763,440,055</u>
4		
5	WEIGHTED COST OF DEBT	<u>3.00%</u>
6	RESTATED INTEREST	\$ 52,903,202
7		
8		
9		
10	INCREASE (DECREASE) INCOME	\$ (52,903,202)
11		
12	INCREASE (DECREASE) FIT @	35% (18,516,121)
13	INCREASE (DECREASE) NOI	<u><u>\$ 18,516,121</u></u>

Adj 3.05

**PUGET SOUND ENERGY-GAS**  
**PASS-THROUGH REVENUE & EXPENSE**  
**FOR THE TWELVE MONTHS ENDED JUNE 30, 2017**  
**COMMISSION BASIS REPORT**

**LINE**

NO.	DESCRIPTION	ADJUSTMENT
1	<u>REMOVE REVENUES ASSOCIATED WITH RIDERS:</u>	
2	REMOVE LOW INCOME RIDER - SCHEDULE 129	\$ 6,841,866
3	REMOVE CONSERVATION TRACKER - SCHEDULE 120	16,971,129
4	REMOVE PROPERTY TAX TRACKER - SCHEDULE 140	26,040,107
5	REMOVE REVENUE ASSOC WITH PGA AMORTIZATION - SCHEDULE 106	(19,552,546)
6	REMOVE CARBON OFFSET - SCHEDULE 137	91,286
7	REMOVE OTHER ASSOC WITH CARBON OFFSET - SCHEDULE 137	(31,240)
8	REMOVE DECOUPLING SCH 142 REVENUE	38,324,328
9	REMOVE DECOUPLING SCH 142 SURCHARGE AMORT EXPENSE	(36,579,038)
10	REMOVE MUNICIPAL TAXES ASSOC WITH SALES TO CUSTOMERS	45,846,969
11	REMOVE MUNICIPAL TAXES ASSOC WITH OTHER OPRTG REV	361,355
12	TOTAL (INCREASE) DECREASE REVENUES	<u>\$ 78,314,215</u>
13		
14	<u>DECREASE REVENUE SENSITIVE ITEMS FOR DECREASE IN REVENUES:</u>	
15	UNCOLLECTIBLES @	0.005221 \$ (408,879)
16	ANNUAL FILING FEE	0.002000 (156,628)
17	STATE UTILITY TAX	0.038319 (3,000,922)
18	TOTAL	<u>\$ (3,566,429)</u>
19		
20	<u>REMOVE EXPENSES ASSOCIATED WITH RIDERS</u>	
21	REMOVE LOW INCOME AMORTIZATION - SCHEDULE 129	\$ (6,540,139)
22	REMOVE CONSERVATION AMORTIZATION - SCHEDULE 120	(16,222,702)
23	REMOVE PROPERTY TAX AMORTIZATION EXP - SCHEDULE 140	(24,894,516)
24	REMOVE PGA DEFERRAL AMORTIZATION EXP - SCHEDULE 106	18,662,123
25	REMOVE CARBON OFFSET AMORTIZATION EXP - SCHEDULE 137	(56,085)
26	REMOVE MUNICIPAL TAXES ASSOC WITH SALES TO CUSTOMERS	(44,322,786)
27	TOTAL INCREASE (DECREASE) EXPENSE	<u>\$ (73,374,105)</u>
28		
29	INCREASE (DECREASE) OPERATING INCOME BEFORE FIT	\$ (1,373,680)
30	INCREASE (DECREASE) FIT (LINE 26 * 35%)	(480,788)
31	INCREASE (DECREASE) NOI	<u>\$ (892,892)</u>

**PUGET SOUND ENERGY-GAS**  
**RATE CASE EXPENSES**  
**FOR THE TWELVE MONTHS ENDED JUNE 30, 2017**  
**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>302,955</u>	
7	INCREASE (DECREASE) EXPENSE	\$ 217,045	<u>\$ 217,045</u>
8			
9			
10	TOTAL INCREASE (DECREASE) EXPENSE		\$ 217,045
11			
12	INCREASE(DECREASE) FIT @	35%	<u>(75,966)</u>
13	INCREASE(DECREASE) NOI		<u><u>\$ (141,079)</u></u>

Adj 3.07

**PUGET SOUND ENERGY-GAS**  
**BAD DEBTS**  
**FOR THE TWELVE MONTHS ENDED JUNE 30, 2017**  
**COMMISSION BASIS REPORT**

LINE NO.	YEAR	NET WRITEOFFS	GROSS REVENUES	OTHER OPERATING REVENUE	NET REVENUES	PERCENT WRITEOFFS TO REVENUE
		June	February	February	February	
1	12 ME 06/30/2013 and 02/28/2013	\$ 5,663,393	\$ 1,074,328,854	\$ 13,479,352	\$ 1,060,849,502	0.5339%
2	12 ME 06/30/2014 and 02/28/2014	\$ 5,595,418	\$ 1,027,824,696	\$ 7,258,950	1,020,565,746	0.5483%
3	12 ME 06/30/2016 and 02/28/2016	\$ 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		\$ 983,828,780	\$ 1,987,948	\$ 981,840,832	
8						
9						
10	PROFORMA BAD DEBT RATE				<b>0.5221%</b>	
11	PROFORMA BAD DEBTS				\$ 5,126,191	
12						
13	UNCOLLECTIBLES CHARGED TO EXPENSE IN TEST YEAR				4,625,993	
14	INCREASE (DECREASE) EXPENSE					\$ 500,198
15						
16	INCREASE(DECREASE ) IN INCOME					\$ (500,198)
17	INCREASE (DECREASE) FIT				35%	(175,069)
18	INCREASE (DECREASE) NOI					<b>\$ (325,129)</b>

Adj 3.08

**PUGET SOUND ENERGY-GAS**  
**EXCISE TAX & FILING FEE**  
**FOR THE TWELVE MONTHS ENDED JUNE 30, 2017**  
**COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION	AMOUNT
1	<b>RESTATED EXCISE TAXES</b>	\$ 38,335,310
2	CHARGED TO EXPENSE FOR TEST YEAR	<u>\$ 38,335,310</u>
3	INCREASE(DECREASE) EXCISE TAX	\$ 0
4		
5	<b>RESTATED WUTC FILING FEE</b>	\$ 1,963,632
6	CHARGED TO EXPENSE FOR TEST YEAR	<u>\$ 1,854,829</u>
7	INCREASE(DECREASE) WUTC FILING FEE	\$ 108,802
8		
9	INCREASE(DECREASE) EXPENSE	\$ 108,802
10		
11	INCREASE(DECREASE) OPERATING INCOME	\$ (108,802)
12		
13	INCREASE(DECREASE) FIT 35%	\$ (38,081)
14		
15	INCREASE(DECREASE) NOI	<u><u>\$ (70,722)</u></u>

Adj 3.09
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**PUGET SOUND ENERGY-GAS**  
**INTEREST ON CUSTOMER DEPOSITS**  
**FOR THE TWELVE MONTHS ENDED JUNE 30, 2017**  
**COMMISSION BASIS REPORT**

LINE		
NO.	DESCRIPTION	AMOUNT
1	INTEREST EXPENSE FOR TEST YEAR	\$ 50,300
2		
3		
4	INCREASE (DECREASE) NOI	<u>\$ (50,300)</u>



Adj 3.10

**PUGET SOUND ENERGY-GAS**  
**PENSION PLAN**  
**FOR THE TWELVE MONTHS ENDED JUNE 30, 2017**  
**COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION	ACTUAL	RESTATED	ADJUSTMENT
1	QUALIFIED RETIREMENT FUND	\$ 2,586,555	\$ 4,085,531	\$ 1,498,976
2				
3				
4	INCREASE (DECREASE ) IN EXPENSE	\$ 2,586,555	\$ 4,085,531	\$ 1,498,976
5				
6	INCREASE (DECREASE) INCOME			(1,498,976)
7	INCREASE (DECREASE) FIT @		35%	(524,642)
8				
9	INCREASE (DECREASE) NOI			<u><u>\$ (974,334)</u></u>

Adj 3.11

**PUGET SOUND ENERGY-GAS**  
**D&O INSURANCE**  
**FOR THE TWELVE MONTHS ENDED JUNE 30, 2017**  
**COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION	TEST YEAR	RESTATED	ADJUSTMENT
1	D & O INS. CHG EXPENSE	\$ 70,064	\$ 65,350	\$ (4,714)
2				
3	INCREASE (DECREASE) IN EXPENSE	\$ 70,064	\$ 65,350	\$ (4,714)
4				
5	INCREASE (DECREASE) OPERATING INCOME			4,714
6				
7	INCREASE (DECREASE) FIT @		35%	1,650
8				
9	INCREASE (DECREASE) NOI			<u>\$ 3,064</u>

Adj 3.12

**PUGET SOUND ENERGY-GAS**  
**INJURIES AND DAMAGES**  
**FOR THE TWELVE MONTHS ENDED JUNE 30, 2017**  
**COMMISSION BASIS REPORT**

LINE NO. DESCRIPTION	ACTUAL	RESTATED	ADJUSTMENT
1 INJURIES & DAMAGES ACCRUALS	\$ 2,072,500	\$ 827,000	\$ (1,245,500)
2 INJURIES & DAMAGES PAYMENTS IN EXCESS OF ACCRUALS	703,403	366,322	(337,081)
3 INCREASE/(DECREASE) IN EXPENSE	2,775,903	1,193,322	(1,582,581)
4			
5 INCREASE/(DECREASE) IN OPERATING EXPENSE (LINE 3)			\$ (1,582,581)
6 INCREASE (DECREASE) FIT @		35%	553,903
7			
8 INCREASE (DECREASE) NOI			\$ 1,028,678

Adj 3.13

**PUGET SOUND ENERGY-GAS**  
**INCENTIVE PAY**  
**FOR THE TWELVE MONTHS ENDED JUNE 30, 2017**  
**COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION	ACTUAL	RESTATED	ADJUSTMENT
1				
2	TOTAL INCENTIVE / MERIT PAY	\$ 5,116,728	\$ 3,051,905	(2,064,823)
3				
4	PAYROLL TAXES ASSOC WITH MERIT PAY	370,073	220,733	(149,341)
5	INCREASE(DECREASE) EXPENSE	5,486,801	3,272,638	(2,214,163)
6				
7	INCREASE (DECREASE) OPERATING EXPENSE			(2,214,163)
8				
9	INCREASE(DECREASE) FIT @		35%	774,957
10	INCREASE(DECREASE) NOI			\$ 1,439,206

Adj 4.01

**PUGET SOUND ENERGY-GAS**  
**CONVERSION FACTOR**  
**FOR THE TWELVE MONTHS ENDED JUNE 30, 2017**  
**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 2017 Commission Basis Report**

This additional information supplied with PSE’s June 2017 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 2016 and the twelve months ended June of 2017 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 overall annual average increase in non-production O&M per customer through June 2017 is lower than the historical growth rate presented in the ERF/Decoupling proceedings at 1.7% 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 2.1%, 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, is 1.1% 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.

**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 Dec 2016	12ME June 2017	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	RESTATED RESULTS OF OPERATIONS	
1	COMBINED EXPENSES:								
2	TRANSMISSION EXPENSE	\$ 9,530,907	\$ 19,073,045	\$ 19,383,744	\$ 21,589,406	\$ 19,801,305	\$ 20,320,134	\$ 20,832,542	
3	DISTRIBUTION EXPENSE	130,531,255	126,441,451	127,563,845	136,490,873	131,977,836	146,062,640	140,342,642	
4	CUSTOMER ACCOUNT EXPENSES	78,512,657	80,013,147	82,230,612	82,709,937	76,520,034	71,881,945	75,628,869	
5	CUSTOMER SERVICE EXPENSES	4,800,000	3,249,127	3,914,400	5,603,627	3,810,121	4,899,412	4,627,823	
6	ADMIN & GENERAL EXPENSE	142,745,361	145,172,486	154,517,147	159,194,144	156,849,476	170,342,501	184,010,341	
7	TOTAL EXPENSES	\$ 366,120,180	\$ 373,949,255	\$ 387,609,749	\$ 405,587,987	\$ 388,958,771	\$ 413,506,632	\$ 425,442,217	<b>2.8%</b>
8									
9	AVERAGE CUSTOMER COUNT	1,840,114	1,852,951	1,858,766	1,876,129	1,898,648	1,927,305	1,949,093	
10	ACTUAL COST PER CUSTOMER	\$ 198.97	\$ 201.81	\$ 208.53	\$ 216.18	\$ 204.86	\$ 214.55	\$ 218.28	<b>CALCULATED 1.7%</b>
11	2011 GROWN AT HISTORICAL RATE	\$ 198.97	\$ 206.45	\$ 214.22	\$ 222.28	\$ 230.64	\$ 239.32	\$ 248.32	<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 Dec 2016	12ME June 2017	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	RESTATED RESULTS OF OPERATIONS	
1	COMBINED EXPENSES:								
2	TRANSMISSION EXPENSE	\$ 9,481,215	\$ 19,058,040	\$ 19,355,851	\$ 21,589,071	\$ 19,801,305	\$ 20,320,134	\$ 20,832,542	
3	DISTRIBUTION EXPENSE	78,245,091	74,862,781	77,321,920	84,585,141	82,427,091	86,297,607	82,240,012	
4	CUSTOMER ACCOUNT EXPENSES	48,140,876	49,220,845	50,570,101	51,078,600	48,055,081	45,755,373	47,494,634	
5	CUSTOMER SERVICE EXPENSES	3,719,955	2,032,132	2,090,482	2,575,945	2,145,431	2,655,739	2,679,753	
6	ADMIN & GENERAL EXPENSE	96,361,837	99,264,866	106,511,054	110,332,421	109,690,022	117,707,588	122,975,306	2.9%
7	TOTAL EXPENSES	\$ 235,948,974	\$ 244,438,664	\$ 255,849,409	\$ 270,161,178	\$ 262,118,931	\$ 272,736,441	\$ 276,222,247	
8									
9	AVERAGE CUSTOMER COUNT	1,083,403	1,089,296	1,085,381	1,091,517	1,103,635	1,119,719	1,131,834	
10	ACTUAL COST PER CUSTOMER	\$ 217.79	\$ 224.40	\$ 235.72	\$ 247.51	\$ 237.51	\$ 243.58	\$ 244.05	CALCULATED 2.1%
11	2011 GROWN AT HISTORICAL RATE	\$ 217.79	\$ 228.00	\$ 238.69	\$ 249.89	\$ 261.61	\$ 273.88	\$ 286.73	COMBINED ERF 4.7%

**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 Dec 2016	12ME June 2017	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	RESTATED RESULTS OF OPERATIONS	
1	COMBINED EXPENSES:								
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	59,765,034	58,102,630	
4	CUSTOMER ACCOUNT EXPENSES	30,371,782	30,792,302	31,660,511	31,631,337	28,464,953	26,126,572	28,134,235	
5	CUSTOMER SERVICE EXPENSES	1,080,045	1,216,995	1,823,918	3,027,682	1,664,690	2,243,672	1,948,070	
6	ADMIN & GENERAL EXPENSE	46,383,523	45,907,620	48,006,093	48,861,723	47,159,453	52,634,913	61,035,035	
7	TOTAL EXPENSES	\$ 130,171,206	\$ 129,510,591	\$ 131,760,339	\$ 135,426,809	\$ 126,839,840	\$ 140,770,191	\$ 149,219,969	<b>2.5%</b>
8									
9	AVERAGE CUSTOMER COUNT	756,711	763,655	773,385	784,612	795,013	807,586	817,259	
10	<b>ACTUAL COST PER CUSTOMER</b>	<b>\$ 172.02</b>	<b>\$ 169.59</b>	<b>\$ 170.37</b>	<b>\$ 172.60</b>	<b>\$ 159.54</b>	<b>\$ 174.31</b>	<b>\$ 182.59</b>	<b>CALCULATED 1.1%</b>
11	<b>2011 GROWN AT HISTORICAL RATE</b>	<b>\$ 172.02</b>	<b>\$ 175.77</b>	<b>\$ 179.61</b>	<b>\$ 183.53</b>	<b>\$ 187.53</b>	<b>\$ 191.62</b>	<b>\$ 195.80</b>	<b>COMBINED ERF 2.2%</b>