

EXHIBIT NO. ___(KJB-8)
DOCKET NO. UE-13___/UG-13___
PSE EXPEDITED RATE FILING
WITNESS: KATHERINE J. BARNARD

BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of

PUGET SOUND ENERGY, INC.'S

Expedited Rate Filing

Docket No. UE-13___
Docket No. UG-13___

SEVENTH EXHIBIT (NONCONFIDENTIAL) TO THE PREFILED DIRECT
TESTIMONY OF
KATHERINE J. BARNARD
ON BEHALF OF PUGET SOUND ENERGY, INC.

FEBRUARY 1, 2013

Uh-120609-SI



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

April 30, 2012

DELIVERED VIA COURIER

Mr. David Danner
Executive Director and Secretary
Washington Utilities and Transportation Commission
1300 S. Evergreen Park Drive SW
Olympia, WA 98504-7250

RE: Gas Accounting Report Pursuant to WAC 480-90-257

Dear Mr. Danner:

Enclosed are an original and two copies of Puget Sound Energy, Inc.'s ("PSE" or "the Company") Gas Annual "Commission Basis" Results of Operations for the twelve-month period ended December 31, 2011. Workpapers supporting this filing are available upon request. These reports were prepared in compliance with the above-referenced WAC. The reports do not necessarily reflect all adjustments the Company would submit in a rate filing. There are no pro-forma adjustments in accordance with WAC 480-90-257.

The results show a normalized overall rate of return of 6.78% and a return on actual common equity of 7.30%, compared with the Company's authorized rate of return of 8.10% overall and 10.10% on common equity.

If you have any questions, please feel free to call me at (425) 462-2105.

Sincerely,

Susan E. Free
Manager of Revenue Requirement

Enclosures

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STATE OF WASH
UTIL. AND TRANS
COMMISSION

Commission Basis Report Cover Letter

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**2011
Gas**

Restated Net Operating Income	\$ 111,548,452	a
Restated Rate Base	\$ 1,644,558,987	b
Normalized Overall Rate of Return	6.78%	c=a/b
Restated Net Operating Income	\$ 111,548,452	d=a
Restated Interest Expense	\$ 53,119,255	e
Restated NOI less Restated Interest Exp	\$ 58,429,196	f=d-e
Restated Rate Base	\$ 1,644,558,987	g=b
Actual Equity Percent	48.65%	h
Equity Rate Base	\$ 800,077,947	i=g*h
Restated Return on Actual Equity	7.30%	j=f/i

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PUGET SOUND ENERGY, INC.
Utility Capital Structure
Cost of Capital and Rate of Return
For The 12 Months Ending December 31, 2011

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	\$159,106,118	2.23%	4.39%	0.10% (A)
8					
9	Long Term Debt	\$3,509,682,195	49.12%	6.38%	3.13% (A)
12					
13	Common Stock	<u>\$3,476,036,691</u>	<u>48.65%</u>	10.10%	<u>4.91%</u>
14					
16	Total	<u>\$7,144,825,004</u>	<u>100.00%</u>		<u>8.14%</u>
18					
19					
21	(i) - Average of Month-End Balances			Total (A)	3.23%

**PUGET SOUND ENERGY
PERIODIC ALLOCATED RESULTS OF OPERATIONS
FOR THE 12 MONTHS ENDED DECEMBER 31, 2011**

(Based on allocation factors developed for the 12 ME 12/31/2011)

	Electric	Gas	Total Amount
1 - OPERATING REVENUES:			
2 - SALES TO CUSTOMERS	\$ 2,133,846,001	\$ 1,154,651,316	\$ 3,288,497,317
3 - SALES FOR RESALE-FIRM	371,445	-	371,445
4 - SALES TO OTHER UTILITIES	140,420,599	-	140,420,599
5 - OTHER OPERATING REVENUES	81,684,812	14,198,253	95,883,065
6 - TOTAL OPERATING REVENUES	\$ 2,356,322,857	\$ 1,168,849,569	\$ 3,525,172,426
7			
8 - OPERATING REVENUE DEDUCTIONS:			
9			
10 - POWER COSTS:			
11 - FUEL	\$ 199,471,094	\$ -	\$ 199,471,094
12 - PURCHASED AND INTERCHANGED	783,082,464	622,087,912	1,405,170,376
13 - WHEELING	82,631,624	-	82,631,624
14 - RESIDENTIAL EXCHANGE	(71,147,374)	-	(71,147,374)
15 - TOTAL PRODUCTION EXPENSES	\$ 994,037,808	\$ 622,087,912	\$ 1,616,125,720
16			
17 - OTHER ENERGY SUPPLY EXPENSES	\$ 114,139,604	\$ 1,575,816	\$ 115,715,420
18 - TRANSMISSION EXPENSE	9,481,215	49,692	9,530,907
19 - DISTRIBUTION EXPENSE	78,245,091	52,286,164	130,531,255
20 - CUSTOMER ACCTS EXPENSES	49,059,716	30,505,504	79,565,220
21 - CUSTOMER SERVICE EXPENSES	15,881,133	5,018,076	20,899,209
22 - CONSERVATION AMORTIZATION	86,285,987	21,360,371	107,646,358
23 - ADMIN & GENERAL EXPENSE	95,893,696	46,749,178	142,642,874
24 - DEPRECIATION	196,706,434	102,889,642	299,596,076
25 - AMORTIZATION	40,172,915	12,487,218	52,660,133
26 - AMORTIZ OF PROPERTY LOSS	17,829,018	-	17,829,018
27 - OTHER OPERATING EXPENSES	116,451,295	(151,356)	116,299,939
28 - FAS 133	54,145,597	-	54,145,597
29 - TAXES OTHER THAN INCOME TAXES	207,140,327	115,819,431	322,959,758
30 - INCOME TAXES	133,244	519,801	653,045
31 - DEFERRED INCOME TAXES	39,724,568	25,140,413	64,864,981
32 - TOTAL OPERATING REV. DEDUCT.	\$ 2,115,327,648	\$ 1,036,337,862	\$ 3,151,665,510
NET OPERATING INCOME	\$ 240,995,209	\$ 132,511,707	\$ 373,506,916
RATE BASE (AMA For 12 Months Ended December 31, 2011)	\$ 4,168,735,160	\$ 1,644,558,987	

**PUGET SOUND ENERGY
BALANCE SHEET
COMMISSION BASIS REPORT
December 31, 2011**

FERC Account and Description	Dec-11	Dec-11 AMA
*ASSETS		
**UTILITY PLANT		
101 Electric Plant in Service	6,959,385,532	6,829,245,367
101.1 Property Under Capital Leases	-	-
102 Electric Plant Purchased or Sold	-	-
105 Electric Plant Held for Future Use	13,831,085	22,846,819
106 Comp.Construction Not Classfd.-Electric	22,798,183	24,967,908
107 Construction Work in Prog. - Electric	1,166,057,949	919,784,950
114 Electric Plant Acquisition Adjustments	251,782,251	251,782,251
***Total Electric Plant	8,413,855,000	8,048,627,295
***Gas Plant		
101 Gas Plant in Service	2,775,155,272	2,724,344,047
105 Gas Plant Held for Future Use	4,702,851	7,196,502
106 Comp. Construction Not Classfd. - Gas	16,113,099	13,931,100
107 Construction Work in Progress - Gas	51,309,239	36,523,937
117.3 Gas Strd.in Resvr.& Pipln.-Noncurr.	8,513,885	8,298,080
***Total Gas Plant	2,855,794,346	2,790,293,666
***Common Plant		
101 Plant in Service - Common	420,928,119	401,144,896
101.1 Property Under Capital Leases	32,206,872	18,550,544
106 Comp Construction Not Classified - Common	86,771	3,991,300
107 Construction Work in Progress - Common	65,096,123	46,312,546
***Total Common Plant	518,317,885	469,999,286
***Accumulated Depreciation and Amortization		
108 Accumulated Provision for Depreciation	(3,724,435,102)	(3,624,505,686)
111 Accumulated Provision for Amortization	(139,853,706)	(125,569,527)
115 Accm.Prv.for Amort.of Plant Acquis.Adj.	(69,711,006)	(64,918,516)
***Less: Accumulated Depr and Amortizat	(3,933,999,814)	(3,814,993,729)
**NET UTILITY PLANT	7,853,967,417	7,493,926,518
**OTHER PROPERTY AND INVESTMENTS		
***Other Investments		
121 Nonutility Property	5,201,888	3,809,077
122 Accm.Prov.for Depr.& Amort.Non-utility P	(395,871)	(571,137)
123.1 Investment in Subsidiary Companies	43,760,155	48,672,236
124 Other Investments	70,093,913	68,252,180
***Total Other Investments	118,660,085	120,162,356
**TOTAL OTHER PROPERTY AND INVESTMENT	118,660,085	120,162,356
**CURRENT ASSETS		

**PUGET SOUND ENERGY
BALANCE SHEET
COMMISSION BASIS REPORT
December 31, 2011**

FERC Account and Description	Dec-11	Dec-11 AMA
***Cash		
131 Cash	16,329,731	23,588,983
134 Other Special Deposits	3,447,837	3,633,435
135 Working Funds	3,452,614	3,353,667
136 Temporary Cash Investments	9,200,000	24,731,667
***Total Cash	32,430,182	55,307,752
***Restricted Cash	-	-
***Total Restricted Cash	-	-
***Accounts Receivable		
141 Notes Receivable	2,448,962	3,055,378
142 Customer Accounts Receivable	263,441,167	220,610,104
143 Other Accounts Receivable	79,588,627	75,818,332
146 Accounts Receiv.from Assoc. Companies	217,147	110,313
171 Interest and Dividends Receivable	-	-
173 Accrued Utility Revenues	191,149,545	135,961,238
185 Temporary Facilities	105,627	43,939
191 Unrecovered Purchased Gas Costs	(25,940,163)	(8,922,385)
***Total Accounts Receivable	511,010,912	426,676,919
***Allowance for Doubtful Accounts		
144 Accm.Prov.for Uncollectble Accts-Credit	(8,495,095)	(8,745,004)
***Less: Allowance for Doubtful Accounts	(8,495,095)	(8,745,004)
***Materials and Supplies		
151 Fuel Stock	17,269,871	17,026,145
154 Plant Materials and Operating Supplies	71,893,629	77,486,369
163 Stores Expense Undistributed	4,174,874	4,494,968
164.1 Gas Stored - Current	79,162,154	58,287,462
164.2 Liquefied Natural Gas Stored	641,796	622,582
***Total Materials and Supplies	173,142,324	157,917,526
***Unrealized Gain-Derivative Instrumnts (ST)		
175 Invest in Derivative Instrumnts -Opt ST	6,549,742	8,473,012
176 Invest in Derivative Instrumnts-Gain ST	-	-
***Unrealized Gain on Derivatives (ST)	6,549,742	8,473,012
***Prepayments and Other Current Assets		
165 Prepayments	12,842,100	13,803,454
174 Misc.Current and Accrued Assets	-	7,016,874
186 Miscellaneous Deferred Debits	8,054	3,509
***Total Prepayments & Othr.Curr.Assets	12,850,154	20,823,837

Current Deferred Taxes

**PUGET SOUND ENERGY
BALANCE SHEET
COMMISSION BASIS REPORT
December 31, 2011**

<u>FERC Account and Description</u>	<u>Dec-11</u>	<u>Dec-11 AMA</u>
Total Current Deferred Taxes	511,537,159	534,158,720
**TOTAL CURRENT ASSETS	1,239,025,378	1,194,612,762
**LONG-TERM ASSETS		
128 Pension Assets	18,500,000	3,393,896
165 Long-Term Prepaid	6,948,591	10,761,936
175 Invest in Derivative Instrumnts -Opt LT	10,083,890	9,883,417
176 Invest in Derivative Instrumnts-Gain LT	97,412	4,059
181 Unamortized Debt Expense	43,181,844	43,195,831
182.1 Extraordinary Property Losses	87,302,575	95,447,419
182.2 Unrecovered Plant & Reg Study Costs	5,599,180	6,459,013
Subtotal WUTC AFUDC	56,314,615	56,075,816
182.3 Other Regulatory Assets	343,757,963	379,853,284
183 Prelm. Survey and Investigation Charges	1,206,341	2,156,310
184 Clearing Accounts	-	574,950
186 Miscellaneous Deferred Debits	448,910,105	352,696,960
187 Def.Losses from Dispos.of Utility Plant	653,284	665,506
189 Unamortized Loss on Reacquired Debt	33,023,258	18,351,494
**TOTAL LONG-TERM ASSETS	1,055,579,058	979,519,891
*TOTAL ASSETS	\$ 10,267,231,938	\$ 9,788,221,527
*CAPITALIZATION AND LIABILITIES		
**CURRENT LIABILITIES		
230 Asset Retirement Obligations	(1,904,012)	(1,717,005)
244 FAS 133 Opt Unrealized Loss ST	(288,923,238)	(227,156,499)
245 FAS 133 Unrealized Loss ST	(19,996,214)	(833,176)
231 Notes Payable	(25,000,000)	(130,650,000)
232 Accounts Payable	(377,276,026)	(286,552,604)
233 Notes Payable to Associated Companies	(29,997,785)	(28,456,119)
234 Accounts Payable to Asscted Companies	(206,642)	(400,671)
235 Customer Deposits	(33,665,115)	(31,419,403)
236 Taxes Accrued	(79,756,375)	(63,822,746)
237 Interest Accrued	(55,842,900)	(57,340,182)
238 Dividends Declared	-	-
241 Tax Collections Payable	(2,654,881)	(3,144,269)
242 Misc. Current and Accrued Liabilities	(18,720,736)	(18,385,400)
243 Obligations Under Cap.Leases - Current	(7,578,088)	(4,104,798)
**TOTAL CURRENT LIABILITIES	(941,522,012)	(853,982,872)
**DEFERRED TAXES		
***Reg. Liability for Def.Income Tax		
253 Other Deferred Credits		
283 Accum.Deferred Income Taxes - Other	(57,261,502)	(64,693,058)

**PUGET SOUND ENERGY
BALANCE SHEET
COMMISSION BASIS REPORT
December 31, 2011**

FERC Account and Description	Dec-11	Dec-11 AMA
***Total Reg.Liab.for Def.Income Tax	(57,261,502)	(64,693,058)
***Deferred Income Tax		
255 Accum.Deferred Investment Tax Credits	(25,437)	(66,381)
282 Accum. Def. Income Taxes - Other Prop.	(1,206,648,908)	(1,272,028,199)
283 Accum.Deferred Income Taxes - Other	(252,014,877)	(213,591,903)
***Total Deferred Income Tax	(1,458,689,222)	(1,485,686,483)
**TOTAL DEFERRED TAXES	(1,515,950,724)	(1,550,379,541)
**OTHER DEFERRED CREDITS		
Subtotal 227 Oblig Under Cap Lease - Noncurr	(24,628,784)	(14,449,123)
Total Unrealized Loss on Derivatives -LT	(162,318,584)	(122,969,472)
228.2 Accum. Prov.for Injuries and Damages	(1,300,000)	(556,667)
228.3 Pension and Post Retirement Liabilities	(143,638,846)	(57,701,544)
228.4 Accum. Misc.Operating Provisions	(70,438,252)	(70,384,931)
230 Asset Retirement Obligations (FAS 143)	(24,636,030)	(23,591,138)
252 Customer Advances for Construction	(87,429,953)	(96,205,084)
253 Other Deferred Credits	(177,483,915)	(165,832,599)
254 Other Regulatory Liabilities	(118,743,536)	(98,139,417)
256 Def. Gains from Dispos.of Utility Plt	(3,076,017)	(4,074,505)
257 Unamortized Gain on Reacquired Debt	-	(420)
**TOTAL OTHER DEFERRED CREDITS	(813,693,917)	(653,904,900)
**CAPITALIZATION		
***SHAREHOLDER'S EQUITY		
****Common Equity		
201 Common Stock Issued	(859,038)	(859,038)
207 Premium on Capital Stock	(478,145,250)	(478,145,250)
210 Gain on Resale/Cancel.of Reacq.Cap.Stk	-	-
211 Miscellaneous Paid-in Capital	(2,775,196,691)	(2,711,321,692)
214 Capital Stock Expense	7,133,879	7,133,879
215 Appropriated Retained Earnings	(9,391,926)	(8,503,394)
216 Unappropriated Retained Earnings	(169,681,027)	(172,350,724)
216.1 Unappr.Undistrib.Subsidiary Earnings	737,289	(4,174,792)
219 Other Comprehensive Income	188,579,238	141,830,478
433 Balance Transferred from Income	(204,120,439)	(131,972,541)
438 Dividends Declared - Common Stock	212,875,426	132,241,834
439 Adjustments to Retained Earnings	5,848,610	5,848,610
****Total Common Equity	(3,222,219,929)	(3,220,272,630)
***TOTAL SHAREHOLDER'S EQUITY	(3,222,219,929)	(3,220,272,630)
***REDEEMABLE SECURITIES AND LONG-TERM DEBT		
****Preferred Stock - Manditorily Redeemable	-	-

**PUGET SOUND ENERGY
BALANCE SHEET
COMMISSION BASIS REPORT
December 31, 2011**

<u>FERC Account and Description</u>	<u>Dec-11</u>	<u>Dec-11 AMA</u>
****Total Preferred Stock - Mand Redeem	-	-
****Corporation Obligated, Mand Redeemable Preferred Stock Subscribed	-	-
****Corporation Obligated, Mand Redeem	-	-
****Long-term Debt		
221 Bonds	(3,523,860,000)	(3,259,693,333)
221 Junior Subordinated Debt	(250,000,000)	(250,000,000)
226 Unamort. Disc. on Long-term Debt-Debit	14,646	11,749
Long-term Debt	<u>(3,773,845,354)</u>	<u>(3,509,681,584)</u>
****Long-term Debt	(3,773,845,354)	(3,509,681,584)
***REDEEMABLE SECURITIES AND LTD	(3,773,845,354)	(3,509,681,584)
**TOTAL CAPITALIZATION	(6,996,065,283)	(6,729,954,214)
*TOTAL CAPITALIZATION AND LIABILITIES	<u>\$ (10,267,231,936)</u>	<u>\$ (9,788,221,527)</u>

2.03

Puget Sound Energy
Commission Basis Report
Gas Rate Base
December 31, 2011

	4-Factor	NOL
Electric	65.95%	55.67%
Gas	34.05%	44.33%

Line No.	Description	PER SAP AMA 12 Months Ended 12/31/11	AMA Adjustment 12/31/2011	AMA Adjusted For NOL/Repairs Retirements 12/31/2011
1	Gas Utility Plant in Service	\$ 2,742,181,171	\$ -	\$ 2,742,181,171
2	Common Plant-Allocation to Gas	134,829,890		134,829,890
3	Gas Stored Underground - Non current	8,298,080		8,298,080
4	Total Plant in Service and Other Assets	2,885,309,141		2,885,309,141
5	Accumulated Provision for Depreciation	(921,009,953)		(921,009,953)
7	Common Accumulated Depreciation-Allocation to Gas	(54,924,273)		(54,924,273)
8	Customer Advances for Construction	(33,203,097)		(33,203,097)
9	Contributions in Aid of Construction - Accum. Def. FIT.	5,478,192		5,478,192
10	Liberalized Depreciation Total Accum. Def. FIT - Liberalized	(343,943,898)	9,413,513	(334,530,385)
11	NOL Carryforward	36,670,678	(157,209)	36,513,469
12	Customer Deposits	(8,798,474)		(8,798,474)
	Accumulated Depreciation and Other Liabilities	(1,319,730,825)	9,256,304	(1,310,474,520)
13	Net Operating Investment	1,565,578,316	9,256,304	1,574,834,621
14	Allowance for Working Capital	70,070,014	(345,647)	69,724,366
15	Total Gas Rate Base	\$ 1,635,648,330	\$ 8,910,657	\$ 1,644,558,987

Puget Sound Energy
Commission Basis Report
Combined Working Capital
December 31, 2011

Electric Gas
4-Factor 90.63%
NOL Allocator 55.67%

Line No.	Description	PER SAP AMA 12 Months Ended 12/31/11	AMA Adjustment 12/31/2011	AMA Adjusted For NOL/Repairs Retirements 12/31/2011
1	Average Invested Capital			
2	Common Stock	\$ 859,038		\$ 859,038
3	Preferred Stock	-		-
4	Additional Paid in Capital	3,181,841,487		3,181,841,487
5	Unamortized Debt Expense	(54,089,616)		(54,089,616)
6	Unappropriated Retained Earnings	184,759,618		184,759,618
7	Notes Payable - Misc	-		-
8	Long Term Debt	3,509,681,584		3,509,681,584
9	Short Term Debt	159,106,119		159,106,119
10	Accumulated Deferred ITC	66,381		66,381
11	Treasury Grants	25,916,098		25,916,098
12	Deferred Debits-Other	(13,301)		(13,301)
13	Unamortized Gain/Loss on Debt	(18,351,074)		(18,351,074)
14	Total Average Invested Capital	6,989,776,334		6,989,776,334
15				
16	Average Operating Investments - Electric			
17				
18	Plant in Service (includes acquisition adj)	7,084,103,431		7,084,103,431
19	Electric Future Use Property	22,846,819		22,846,819
20	Customer Advances for Construction	(62,989,252)		(62,989,252)
21	Customer Deposits	(22,620,429)		(22,620,429)
22	Deferred Taxes	(729,469,663)		(729,469,663)
23	Deferred Debits/Credits - Other	336,922,303		336,922,303
24	Less: Accumulated Depreciation	(2,730,876,747)		(2,730,876,747)
25	Conservation Investment	-		-
26	Common Plant-Allocation to Electric	261,146,292		261,146,292
27	Common Accum Depr-Allocation to Electric	(106,380,493)		(106,380,493)
28	Common Deferred Taxes-Allocation to Electric	(21,466,256)		(21,466,256)
29	Common Deferred Taxes-Repairs/Retirements	636,991	916,255	1,553,246
30	NOL Carryforward	46,042,579	(197,387)	45,845,192
31	Total Average Operating Investment - Electric	4,077,895,575	718,868	4,078,614,443
32				
33	Average Operating Investments - Gas			
34				
35	Gas Utility Plant in Service	2,742,181,171		2,742,181,171
36	Deferred Items - Other	8,295,151		8,295,151
37	Gas Stored Underground, Non-Current	8,298,080		8,298,080
38	Gas Accumulated Depreciation	(921,009,953)		(921,009,953)
39	Gas Customer Advances for Construction	(33,215,831)		(33,215,831)
40	Gas Customer Deposits	(8,798,474)		(8,798,474)
41	DFIT 17	(344,207,374)		(344,207,374)
42	PGA	(8,922,385)		(8,922,385)
43	Common Plant-Allocation to Gas	134,829,890		134,829,890
44	Common Accumulated Depreciation-Allocation to Gas	(54,924,273)		(54,924,273)
45	Common Deferred Tax	(11,083,033)		(11,083,033)
46	Common Deferred Taxes-Repairs/Retirements	507,332	756,304	1,263,636
47	NOL Carryforward	36,670,678	(157,209)	36,513,469
48	Total Average Operating Investment - Gas	1,548,620,979	599,095	1,549,220,074
49				
50	Total Electric & Gas Operating Investment	5,626,516,554	1,317,963	5,627,834,517
51				
52	Construction Work in Progress			
53				
54	Elec Construction Work in Process	950,328,075		950,328,075
55	Gas Construction Work in Process	52,293,359		52,293,359
56	Other Work in Process	1,829,610		1,829,610
57	Electric Preliminary Surveys	2,156,310		2,156,310

Puget Sound Energy
Commission Basis Report
Combined Working Capital
December 31, 2011

Electric 4-Factor NOL
Gas 90.63% Allocator
9.37% 55.67%

Line No.	Description	PER SAP AMA 12 Months Ended 12/31/11	AMA Adjustment 12/31/2011	AMA Adjusted For NOL/Repairs Retirements 12/31/2011
1	Average Invested Capital			
58	Total Construction Work in Progress	1,006,607,354		1,006,607,354
59				
60	Nonoperating			
61				
62	Non-Utility Property	(109,329,596)		(109,329,596)
63	Investment in Associated Companies	48,378,502		48,378,502
64	Other Investments & FAS 133	71,318,505		71,318,505
65	Deferred Items-Other	167,244,761		167,244,761
66	Deferred Federal Income Tax	(17,809,721)		(17,809,721)
67	Investment Tracking Funds	2,279,912		2,279,912
68	Environmental Receivables	(64,502,931)		(64,502,931)
69	Current Accounts - Gas Allocation only	(4,707)		(4,707)
70	Merchandising Inventory - Gas Only	77,847		77,847
71	Total Non Operating Investment	97,652,572		97,652,572
72				
73	Total CWIP & Nonoperating Investment	1,104,259,926		1,104,259,926
74				
75	Total Average Investments	6,730,776,480	1,317,963	6,732,094,443
76	Rounding			
77	Total Investor Supplied Capital	\$ 258,999,854	\$ (1,317,963)	\$ 257,681,891
	Allocation of Working Capital			
	Electric Working Capital			
	Total Investment	\$ 6,730,776,480	\$ 1,317,963	\$ 6,732,094,443
	Less: Electric CWIP	(950,328,075)		(950,328,075)
	Less: Gas	(52,293,359)		(52,293,359)
	Interest Bearing Regulatory Assets			-
	Other Work in Progress	(1,829,610)		(1,829,610)
	Preliminary Surveys	(2,156,310)		(2,156,310)
	Total	5,724,169,126	1,317,963	5,725,487,089
	Electric Working Capital Ratio	4.5247%		4.5006%
	Electric Working Capital	\$ 184,511,382	\$ (948,820)	\$ 183,562,563
	Gas Working Capital			
	Total Investment	6,730,776,480	1,317,963	6,732,094,443
	Less: Electric CWIP	(950,328,075)		(950,328,075)
	Less: Gas CWIP	(52,293,359)		(52,293,359)
	Interest Bearing Regulatory Assets			-
	Other Work in Progress	(1,829,610)		(1,829,610)
	Preliminary Surveys	(2,156,310)		(2,156,310)
	Total	5,724,169,126	1,317,963	5,725,487,089
	Gas Working Capital Ratio	4.5247%		4.5006%
	Gas Working Capital	\$ 70,070,013	\$ (345,647)	\$ 69,724,366
	Non Operating Working Capital	\$ 4,418,458	\$ (23,496)	\$ 4,394,962

**PUGET SOUND ENERGY-ELECTRIC & GAS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2011
ALLOCATION METHODS**

Method	Description		Electric	Gas	Total
1	* <u>12 Month Average Number of Customers</u>	12/31/2011	1,083,403	756,711	1,840,114
	Percent		<u>58.88%</u>	<u>41.12%</u>	<u>100.00%</u>
2	* <u>Joint Meter Reading Customers</u>	12/31/2011	711,247	412,367	1,123,614
	Percent		<u>63.30%</u>	<u>36.70%</u>	<u>100.00%</u>
3	* <u>Non-Production Plant</u>				
	Distribution	12/31/2011	\$ 2,995,941,531	\$ 2,639,163,800	\$ 5,635,105,331
	Transmission	12/31/2011	1,068,191,547	-	1,068,191,547
	Direct General Plant	12/31/2011	146,279,781	38,526,839	184,806,620
	Total		<u>\$ 4,210,412,859</u>	<u>\$ 2,677,690,639</u>	<u>\$ 6,888,103,498</u>
	Percent		<u>61.13%</u>	<u>38.87%</u>	<u>100.00%</u>
4	* <u>4-Factor Allocator</u>				
	Number of Customers	12/31/2011	1,083,403	756,711	1,840,114
	Percent		<u>58.88%</u>	<u>41.12%</u>	<u>100.00%</u>
	Labor - Direct Charge to O&M	12/31/2011	49,824,740	25,029,769	\$ 74,854,509
	Percent		<u>66.56%</u>	<u>33.44%</u>	<u>100.00%</u>
	T&D O&M Expense (Less Labor)	12/31/2011	61,862,168	28,236,713	\$ 90,098,881
	Percent		<u>68.66%</u>	<u>31.34%</u>	<u>100.00%</u>
	Net Classified Plant (Excluding General (Common) Plant)	12/31/2011	4,139,592,778	1,800,043,615	5,939,636,393
	Percent		<u>69.69%</u>	<u>30.31%</u>	<u>100.00%</u>
	Total Percentages		<u>263.79%</u>	<u>136.21%</u>	<u>400.00%</u>
	Percent		<u>65.95%</u>	<u>34.05%</u>	<u>100.00%</u>
5	* <u>Employee Benefits</u>				
	Direct Labor Accts 500-935	12/31/2011	51,534,026	25,705,486	77,239,512
	Total		<u>\$ 51,534,026</u>	<u>\$ 25,705,486</u>	<u>\$ 77,239,512</u>
	Percent		<u>66.72%</u>	<u>33.28%</u>	<u>100.00%</u>

**PUGET SOUND ENERGY-GAS
RESULTS OF OPERATIONS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2011
COMMISSION BASIS REPORT**

LINE NO.	ACTUAL RESULTS OF OPERATIONS	TOTAL ADJUSTMENTS	RESTATED RESULTS OF OPERATIONS
1	<u>OPERATING REVENUES:</u>		
2	\$ 1,103,913,121	\$ (58,108,884)	\$ 1,045,804,237
3	51,136,280	(51,136,280)	(0)
4	13,800,168	0	13,800,168
5	<u>\$ 1,168,849,569</u>	<u>\$ (109,245,164)</u>	<u>\$ 1,059,604,405</u>
6			
7			
8	<u>OPERATING REVENUE DEDUCTIONS:</u>		
9			
10	<u>GAS COSTS:</u>		
11			
12	\$ 622,087,912	\$ (16,372,111)	\$ 605,715,801
13			
14	<u>\$ 622,087,912</u>	<u>\$ (16,372,111)</u>	<u>\$ 605,715,801</u>
15			
16	\$ 1,575,816	\$ -	\$ 1,575,816
17	49,692	-	49,692
18	52,286,164	-	52,286,164
19	30,505,504	(133,722)	30,371,782
20	5,018,076	(3,938,031)	1,080,045
21	21,360,371	(21,360,371)	0
22	46,749,178	(365,655)	46,383,523
23	102,889,642	0	102,889,642
24	12,487,218	-	12,487,218
25	-	-	-
26	(151,356)	-	(151,356)
27	115,819,431	(53,493,757)	62,325,674
28	519,801	1,697,902	2,217,703
29	25,140,413	5,683,836	30,824,249
30	<u>\$ 414,249,950</u>	<u>\$ (71,909,798)</u>	<u>\$ 342,340,152</u>
31			
32	\$ 132,511,707	\$ (20,963,255)	\$ 111,548,452
33			
34	\$ 1,644,558,987	\$ 0	\$ 1,644,558,987
35			
36	8.06%		6.78%
37			
38	<u>RATE BASE:</u>		
39	\$ 2,877,011,061	\$ -	\$ 2,877,011,061
40	(975,934,226)	-	(975,934,226)
41	(298,016,915)	-	(298,016,915)
42	(28,225,299)	-	(28,225,299)
43	<u>\$ 1,574,834,621</u>	<u>\$ -</u>	<u>\$ 1,574,834,621</u>
44	69,724,366	-	69,724,366
45	<u>\$ 1,644,558,987</u>	<u>\$ -</u>	<u>\$ 1,644,558,987</u>

PUGET SOUND ENERGY-GAS
STATEMENT OF OPERATING INCOME AND ADJUSTMENTS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2011
COMMISSION BASIS REPORT

LINE NO.	ACTUAL RESULTS OF OPERATIONS 12 ME Dec 31, 2011	TEMPERATURE NORMALIZATION 3.01	REVENUE & EXPENSE 3.02	FEDERAL INCOME TAX 3.03	TAX BENEFIT OF RESTATED INTEREST 3.04	PASS-THROUGH REVENUE & EXPENSES 3.05	RATE CASE EXPENSES 3.06	BAD DEBTS 3.07
1	OPERATING REVENUES							
2	SALES TO CUSTOMERS	\$ 1,105,913,121	\$ (55,432,384)	\$ 3,221,159	\$ -	\$ (5,897,639)	\$ -	\$ -
3	MUNICIPAL ADDITIONS	51,136,280				(51,136,280)		
4	OTHER OPERATING REVENUES	13,800,168						
5	TOTAL OPERATING REVENUES	\$ 1,168,849,569	\$ (55,432,384)	\$ 3,221,159	\$ -	\$ (57,033,940)	\$ -	\$ -
6								
7								
8	OPERATING REVENUE DEDUCTIONS:							
9								
10	GAS COSTS:	\$ -						
11								
12	PURCHASED GAS	\$ 622,087,912	\$ (36,027,402)	\$ -	\$ -	\$ 19,655,291	\$ -	\$ -
13								
14	TOTAL PRODUCTION EXPENSES	\$ 622,087,912	\$ (36,027,402)	\$ -	\$ -	\$ 19,655,291	\$ -	\$ -
15								
16	OTHER ENERGY SUPPLY EXPENSES	\$ 1,575,816	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
17	TRANSMISSION EXPENSE	49,692						
18	DISTRIBUTION EXPENSE	52,286,164						
19	CUSTOMER ACCTS EXPENSES	30,505,504	(214,634)	12,472		(220,835)		265,795
20	CUSTOMER SERVICE EXPENSES	5,018,076				(3,938,031)		
21	CONSERVATION AMORTIZATION	21,360,371				(21,360,371)		
22	ADMIN & GENERAL EXPENSE	46,749,178	(110,865)	6,442		(114,068)	223,636	
23	DEPRECIATION	102,889,642						
24	AMORTIZATION	12,487,218						
25	AMORTIZATION OF PROPERTY LOSS	-						
26	OTHER OPERATING EXPENSES	(151,356)						
27	TAXES OTHER THAN F.I.T.	115,819,431	(2,126,996)	123,599		(51,393,065)		
28	FEDERAL INCOME TAXES	519,801	(5,933,370)	1,077,526	25,034,954	117,999	(78,273)	(93,028)
29	DEFERRED INCOME TAXES	25,140,413			3,683,836			
30	TOTAL OPERATING REV. DEDUCT.	\$ 414,249,950	\$ (8,385,865)	\$ 1,220,040	\$ 30,718,790	\$ (18,591,739)	\$ (76,908,371)	\$ 145,364
31								\$ 172,767
32	NET OPERATING INCOME	\$ 132,511,707	\$ (11,019,117)	\$ 2,001,119	\$ (30,718,790)	\$ 18,591,739	\$ 219,140	\$ (145,364)
33								
34	RATE BASE	\$ 1,644,558,987				\$ -		
35								
36	RATE OF RETURN	8.06%						
37								
38	RATE BASE:							
39	UTILITY PLANT IN SERVICE AND OTHER	\$ 2,877,011,061	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
40	ACCUMULATED DEPRECIATION	(975,994,226)						
41	ACCUMULATED DEFERRED FIT - LIBERA	(298,016,915)						
42	DEPRECIATION AND OTHER LIABILITIES	(28,225,299)						
43	TOTAL NET INVESTMENT	\$ 1,574,834,621	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
44	ALLOWANCE FOR WORKING CAPITAL	69,724,366						
45	TOTAL RATE BASE	\$ 1,644,558,987	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

PUGET SOUND ENERGY-GAS
STATEMENT OF OPERATING INCOME AND ADJUSTMENTS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2011
COMMISSION BASIS REPORT

LINE NO.	EXCISE TAX & FILING FEE 3.08	INTEREST ON CUST DEPOSITS 3.09	PENSION PLAN 3.10	D&O INSURANCE 3.11	INJURIES AND DAMAGES 3.12	PROPERTY SALES 3.13	INCENTIVE PAY 3.14	TOTAL ADJUSTMENTS	ADJUSTED RESULTS OF OPERATIONS
1 OPERATING REVENUES									
2 SALES TO CUSTOMERS		\$ -	\$ -	\$ -				\$ (58,108,884)	\$ 1,045,804,237
3 MUNICIPAL ADDITIONS								(51,156,280)	(0)
4 OTHER OPERATING REVENUES								-	13,800,168
5 TOTAL OPERATING REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	(109,245,164)	\$ 1,059,604,405
6									
7									
8 OPERATING REVENUE DEDUCTIONS:									
9									
10 GAS COSTS:									
11									
12 PURCHASED GAS		\$ -	\$ -	\$ -	\$ -			(16,372,111)	\$ 605,715,801
13									
14 TOTAL PRODUCTION EXPENSES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	(16,372,111)	\$ 605,715,801
15									
16 OTHER ENERGY SUPPLY EXPENSES	\$ -	\$ -	\$ -	\$ -	\$ -			\$ -	\$ 1,375,816
17 TRANSMISSION EXPENSE								-	49,692
18 DISTRIBUTION EXPENSE								-	52,286,164
19 CUSTOMER ACCTS EXPENSES		23,480						(133,722)	30,371,782
20 CUSTOMER SERVICE EXPENSES								(3,938,031)	1,080,045
21 CONSERVATION AMORTIZATION								(21,360,371)	0
22 ADMIN & GENERAL EXPENSE	(0)		1,675,991	(50,002)	(452,358)		(1,544,431)	(365,655)	46,383,523
23 DEPRECIATION								-	102,889,642
24 AMORTIZATION								-	12,487,218
25 AMORTIZATION OF PROPERTY LOSS								-	-
26 OTHER OPERATING EXPENSES								-	(151,356)
27 TAXES OTHER THAN F.I.T.	1,405						(98,700)	(53,493,757)	62,325,674
28 FEDERAL INCOME TAXES	(492)		(586,597)	17,501	158,325		575,096	1,697,902	2,217,703
29 DEFERRED INCOME TAXES								5,683,836	30,824,249
30 TOTAL OPERATING REV. DEDUCT.	\$ 913	\$ 23,480	\$ 1,089,394	\$ (32,501)	\$ (294,033)	\$ -	\$ (1,068,035)	\$ (71,909,798)	\$ 342,340,152
31									
32 NET OPERATING INCOME	\$ (913)	\$ (23,480)	\$ (1,089,394)	\$ 32,501	\$ 294,033	\$ -	\$ 1,068,035	\$ (20,963,255)	\$ 111,548,452
33									
34 RATE BASE								\$ -	\$ 1,644,558,987
35									
36 RATE OF RETURN									6.78%
37									
38 RATE BASE:									
39 UTILITY PLANT IN SERVICE AND OTHER ASSETS	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	\$ 2,877,011,061
40 ACCUMULATED DEPRECIATION								-	(975,934,226)
41 ACCUMULATED DEFERRED FIT - LIBERALIZED								-	(298,016,915)
42 DEPRECIATION AND OTHER LIABILITIES								-	(28,225,299)
43 TOTAL NET INVESTMENT	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	\$ 1,574,834,621
44 ALLOWANCE FOR WORKING CAPITAL								-	69,724,366
45 TOTAL RATE BASE	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	\$ 1,644,558,987

**PUGET SOUND ENERGY-GAS
TEMPERATURE NORMALIZATION
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2011
COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION	ACTUAL	RESTATED	ADJUSTMENT
1	TEMPERATURE NORMALIZATION ADJUSTMENT:			
2		ACTUAL	TEMP ADJ	THERMS
3		THERMS	THERMS	CHANGE
4	Jan-11	148,907,734	149,501,908	594,174
5	Feb-11	137,883,134	121,918,901	(15,964,233)
6	Mar-11	135,352,915	131,098,977	(4,253,938)
7	Apr-11	108,024,093	92,228,779	(15,795,314)
8	May-11	79,638,031	71,136,960	(8,501,071)
9	Jun-11	55,401,550	53,492,332	(1,909,218)
10	Jul-11	45,643,184	45,332,845	(310,339)
11	Aug-11	44,634,141	44,888,356	254,215
12	Sep-11	48,714,610	52,279,549	3,564,939
13	Oct-11	85,673,225	84,041,190	(1,632,035)
14	Nov-11	131,642,425	123,156,941	(8,485,484)
15	Dec-11	152,727,386	148,912,355	(3,815,031)
16		1,174,242,428	1,117,989,093	(56,253,335)
17	REVENUE ADJUSTMENT:			
18	Residential (23)			\$ (40,473,510)
19	Residential (16)			0
20	Commercial & industrial (31)			(11,630,616)
21	Large volume (41)			(1,562,315)
22	Compressed natural gas (50)			0
23	Interruptible (85)			(490,468)
24	Limited interruptible (86)			(597,851)
25	Non exclusive interruptible (87)			(638,068)
26	Transportation (87T)			(18,203)
27	Contracts (99,199,299)			(21,354)
28	INCREASE (DECREASE) SALES TO CUSTOMERS			\$ (55,432,384)
29				
30	OPERATING EXPENSES:			(36,027,402)
31	PURCHASED GAS COSTS			\$ (36,027,402)
32				
33	UNCOLLECTIBLES @		0.38720%	\$ (214,634)
34	ANNUAL FILING FEE @		0.20000%	(110,865)
35	INCREASE (DECREASE) EXPENSE			(325,499)
36				
37	STATE UTILITY TAX @		3.83710%	\$ (2,126,996)
38	INCREASE (DECREASE) TAXES OTHER			(2,126,996)
39				
40	INCREASE (DECREASE) OPERATING INCOME			(16,952,487)
41				
42	INCREASE (DECREASE) FIT @		35%	(5,933,370)
43	INCREASE (DECREASE) NOI			\$ (11,019,117)

**PUGET SOUND ENERGY-GAS
REVENUE & EXPENSE RESTATING
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2011
COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION	ADJUSTMENT
1	SALES TO CUSTOMERS:	
2		
3	REMOVE MERGER RATE CREDIT SCH 132	<u>\$ 3,221,159</u>
4		
5	TOTAL INCREASE (DECREASE) SALES TO CUSTOMERS	<u>\$ 3,221,159</u>
6		
7	TOTAL INCREASE (DECREASE) REVENUES	3,221,159
8		
9	OPERATING EXPENSES:	
10		
11	UNCOLLECTIBLES @	0.38720% 12,472
12	ANNUAL FILING FEE @	0.20000% <u>6,442</u>
13	INCREASE (DECREASE) EXPENSE	18,915
14		
15	STATE UTILITY TAX @	3.83710% <u>\$ 123,599</u>
16		
17	INCREASE (DECREASE) TAXES OTHER	<u>123,599</u>
18		
19	INCREASE (DECREASE) OPERATING INCOME	3,078,645
20	INCREASE (DECREASE) FIT @	35% <u>1,077,526</u>
21	INCREASE (DECREASE) NOI	<u><u>\$ 2,001,119</u></u>

**PUGET SOUND ENERGY-GAS
FEDERAL INCOME TAX
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2011
COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION	AMOUNT
1	TAXABLE INCOME	\$ 73,013,586
2		
3	FEDERAL INCOME TAX	
4	CURRENT FIT @ 35%	25,554,755
5	DEFERRED FIT - DEBIT	34,967,381
6	DEFERRED FIT - CREDIT	(4,053,016)
7	DEFERRED FIT - INV TAX CREDIT, NET OF AMORTIZATION	(90,116)
8	TOTAL RESTATED FIT	\$ 56,379,004
9		
10	FIT PER BOOKS:	
11	CURRENT FIT	519,801
12	DEFERRED FIT - DEBIT	141,858,600
13	DEFERRED FIT - CREDIT	(116,628,071)
14	DEFERRED FIT - INV TAX CREDIT, NET OF AMORTIZATION	(90,116)
15	TOTAL CHARGED TO EXPENSE	\$ 25,660,214
16		
17	INCREASE(DECREASE) FIT (LINE 4 - LINE 11)	\$ 25,034,954
18	INCREASE(DECREASE) DEFERRED FIT (LINES 5 + 6 + 7 - 12 - 13 - 14)	5,683,836
19	INCREASE(DECREASE) ITC	-
20	INCREASE(DECREASE) NOI	\$ (30,718,790)

**PUGET SOUND ENERGY-GAS
TAX BENEFIT OF RESTATED INTEREST
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2011
COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION		AMOUNT
1	RATE BASE	\$	1,644,558,987
2			
3	NET RATE BASE	\$	1,644,558,987
4			
5	WEIGHTED COST OF DEBT		3.23%
6	RESTATED INTEREST	\$	53,119,255
7			
8	INCREASE (DECREASE) INTEREST EXPENSE	\$	53,119,255
9			
10	INCREASE (DECREASE) FIT @	35%	(18,591,739)
11	INCREASE (DECREASE) NOI	\$	18,591,739

**PUGET SOUND ENERGY-GAS
PASS-THROUGH REVENUE & EXPENSE
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2011
COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION	ADJUSTMENT
1	<u>REMOVE REVENUES ASSOCIATED WITH RIDERS:</u>	
2	REMOVE LOW INCOME RIDER - SCHEDULE 129	\$ 4,116,024
3	REMOVE CONSERVATION TRACKER - SCHEDULE 120	22,325,317
4	REMOVE REVENUE ASSOC WITH PGA AMORTIZATION - SCHEDULE 106	(20,543,682)
5	REMOVE MUNICIPAL TAXES ASSOC WITH SALES TO CUSTOMERS	50,738,195
6	REMOVE MUNICIPAL TAXES ASSOC WITH OTHER OPRTG REV	398,085
7	TOTAL (INCREASE) DECREASE REVENUES	<u>\$ 57,033,940</u>
8		
9	<u>DECREASE REVENUE SENSITIVE ITEMS FOR DECREASE IN REVENUES:</u>	
10	UNCOLLECTIBLES @ 0.0038720	\$ (220,835)
11	ANNUAL FILING FEE 0.0020000	(114,068)
12	STATE UTILITY TAX 0.0383710	(2,188,449)
13	TOTAL	<u>\$ (2,523,353)</u>
14		
15	<u>REMOVE EXPENSES ASSOCIATED WITH RIDERS</u>	
16	REMOVE LOW INCOME AMORTIZATION - SCHEDULE 129	\$ (3,938,031)
17	REMOVE CONSERVATION AMORTIZATION - SCHEDULE 120	(21,360,371)
18	REMOVE PGA DEFERRAL AMORTIZATION EXP - SCHEDULE 106	19,655,291
19	REMOVE MUNICIPAL TAXES	(49,204,616)
20	TOTAL INCREASE (DECREASE) EXPENSE	<u>\$ (54,847,726)</u>
21		
22	INCREASE (DECREASE) OPERATING INCOME BEFORE FIT	\$ 337,139
23	INCREASE (DECREASE) FIT (LINE 23 * 35%)	117,999
24	INCREASE (DECREASE) NOI	<u>\$ 219,140</u>

**PUGET SOUND ENERGY-GAS
RATE CASE EXPENSES
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2011
COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION	AMOUNT	
1	EXPENSES TO BE NORMALIZED:		
2			
3	2007 and 2006 GRC EXPENSES TO BE NORMALIZED	\$ 1,139,000	
4			
5	ANNUAL NORMALIZATION (LINE 3 / 2)	569,500	
6	LESS TEST YEAR EXPENSE: GRC DIRECT CHARGES TO O&M	345,864	
7	INCREASE (DECREASE) EXPENSE	\$ 223,636	<u>\$ 223,636</u>
8			
9			
10	TOTAL INCREASE (DECREASE) EXPENSE		\$ 223,636
11			
12	INCREASE(DECREASE) FIT @	35%	<u>(78,273)</u>
13	INCREASE(DECREASE) NOI		<u><u>\$ (145,364)</u></u>

**PUGET SOUND ENERGY-GAS
BAD DEBTS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2011
COMMISSION BASIS REPORT**

LINE NO.	YEAR	NET WRITEOFFS	GROSS REVENUES	OTHER OPERATING REVENUE	NET REVENUES	PERCENT WRITEOFFS TO REVENUE
1	12 ME 12/31/2008	\$ 3,664,592	\$ 1,193,302,341	\$ 17,237,406	\$ 1,176,064,935	0.3115978%
2	12 ME 12/31/2009	\$ 5,677,036	\$ 1,279,928,251	\$ 19,180,943	\$ 1,260,747,308	0.4502913%
3	12 ME 12/31/2011	\$ 4,546,408	\$ 1,151,527,449	\$ 14,157,540	\$ 1,137,369,909	<u>0.3997299%</u>
4						
5	3-Yr Average of Net Write Off Rate					0.3872000%
6						
7	Reporting Period Revenues		\$ 1,168,849,570	\$ 14,198,253	\$ 1,154,651,317	
8						
9	RESTATED BAD DEBT RATE				<u>0.3872000%</u>	
10	RESTATED BAD DEBTS				\$ 4,470,810	
11						
12	UNCOLLECTIBLES CHARGED TO EXPENSE IN TEST YEAR				<u>4,205,015</u>	
13	INCREASE (DECREASE) EXPENSE					\$ 265,795
14						
15	INCREASE(DECREASE) IN INCOME					\$ (265,795)
16	INCREASE (DECREASE) FIT				35%	<u>(93,028)</u>
17	INCREASE (DECREASE) NOI					<u><u>\$ (172,767)</u></u>

**PUGET SOUND ENERGY-GAS
EXCISE TAX & FILING FEE
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2011
COMMISSION BASIS REPORT**

LINE NO. DESCRIPTION	AMOUNT
1 RESTATED EXCISE TAXES	\$ 44,871,468
2 CHARGED TO EXPENSE FOR TEST YEAR	44,870,063
3 INCREASE(DECREASE) EXCISE TAX	\$ 1,405
4	
5 RESTATED WUTC FILING FEE	\$ 2,340,615
6 CHARGED TO EXPENSE FOR TEST YEAR	2,340,615
7 INCREASE(DECREASE) WUTC FILING FEE	\$ (0)
8	
9 INCREASE(DECREASE) EXPENSE	\$ 1,405
10	
11 INCREASE(DECREASE) OPERATING INCOME	\$ (1,405)
12	
13 INCREASE(DECREASE) FIT 35%	\$ (492)
14	
15 INCREASE(DECREASE) NOI	<u>\$ (913)</u>

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**PUGET SOUND ENERGY-GAS
INTEREST ON CUSTOMER DEPOSITS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2011
COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION	AMOUNT
1	INTEREST EXPENSE FOR TEST YEAR	\$ 23,480
2		
3		
4	INCREASE (DECREASE) NOI	<u>\$ (23,480)</u>

**PUGET SOUND ENERGY-GAS
PENSION PLAN
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2011
COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION	ACTUAL	RESTATED	ADJUSTMENT
1	QUALIFIED RETIREMENT FUND	\$ 1,332,960	\$ 3,008,951	\$ 1,675,991
2				
3				
4	INCREASE (DECREASE) IN EXPENSE	\$ 1,332,960	\$ 3,008,951	\$ 1,675,991
5				
6	INCREASE (DECREASE) INCOME			(1,675,991)
7	INCREASE (DECREASE) FIT @		35%	(586,597)
8				
9	INCREASE (DECREASE) NOI			<u>\$ (1,089,394)</u>

**PUGET SOUND ENERGY-GAS
D&O INSURANCE
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2011
COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION	TEST YEAR	RESTATED	ADJUSTMENT
1	D & O INS. CHG EXPENSE	\$ 151,777	\$ 101,775	\$ (50,002)
2				
3	INCREASE (DECREASE) IN EXPENSE	\$ 151,777	\$ 101,775	\$ (50,002)
4				
5	INCREASE (DECREASE) OPERATING INCOME			50,002
6				
7	INCREASE (DECREASE) FIT @		35%	17,501
8				
9	INCREASE (DECREASE) NOI			<u>\$ 32,501</u>

**PUGET SOUND ENERGY-GAS
INJURIES AND DAMAGES
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2011
COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION	ACTUAL	RESTATED	ADJUSTMENT
1	INJURIES & DAMAGES ACCRUALS	\$ 1,000,000	\$ 370,636	\$ (629,364)
2	INJURIES & DAMAGES PAYMENTS IN EXCESS OF ACCRUALS	373,923	550,929	177,006
3	INCREASE/(DECREASE) IN EXPENSE	1,373,923	921,564	(452,358)
4				
5	INCREASE/(DECREASE) IN OPERATING EXPENSE (LINE 3)			\$ (452,358)
6	INCREASE (DECREASE) FIT @		35%	158,325
7				
8	INCREASE (DECREASE) NOI			\$ 294,033

**PUGET SOUND ENERGY-GAS
GAINS AND LOSSES ON PROPERTY SALES
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2011
COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION	ACTUAL	RESTATED	ADJUSTMENT
1	AMORTIZATION OF DEFERRED GAIN	\$ (206,331)	\$ (206,331)	\$ -
2	AMORTIZATION OF DEFERRED LOSS	54,976	54,976	-
3	TOTAL GAIN/LOSS AMORTIZATION	(151,356)	(151,356)	-
4				
5	INCREASE (DECREASE) EXPENSE			\$ -
6				
7	INCREASE (DECREASE) FIT @ 35%			-
8				
9	INCREASE (DECREASE) NOI			\$ -

**PUGET SOUND ENERGY-GAS
INCENTIVE PAY
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2011
COMMISSION BASIS REPORT**

LINE NO. DESCRIPTION	ACTUAL	RESTATED	ADJUSTMENT
1 INCENTIVE/MERIT PAY			
2 TOTAL INCENTIVE PAY	\$ 4,458,124	\$ 2,913,693	\$ (1,544,431)
3			
4 PAYROLL TAXES ASSOC WITH MERIT PAY	284,905	186,205	(98,700)
5 INCREASE(DECREASE) EXPENSE	4,743,029	3,099,898	(1,643,131)
6			
7 INCREASE (DECREASE) OPERATING EXPENSE			(1,643,131)
8			
9 INCREASE(DECREASE) FIT @		35%	575,096
10 INCREASE(DECREASE) NOI			<u>\$ 1,068,035</u>

**PUGET SOUND ENERGY-GAS
CONVERSION FACTOR
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2011
COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION	BASE	RATE	AMOUNT
1	BAD DEBTS			0.003872
2	ANNUAL FILING FEE			0.002000
3	STATE UTILITY TAX (3.852% - (LINE 1 * 3.852%))		3.852%	0.038371
4				
5	SUM OF TAXES OTHER			0.044243
6				
7	FEDERAL INCOME TAX ((1 - LINE 5) * 35%)		35%	0.334515
8	CONVERSION FACTOR (1 - (LINE 5 + LINE 7))			0.955757