

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

(October through December 2016 spread is based on allocation factors developed for the 12 ME 12/31/2015)

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

	Electric	Gas	Total Amount
1 - OPERATING REVENUES:			
2 - SALES TO CUSTOMERS	\$ 2,234,414,230	\$ 981,338,068	\$ 3,215,752,298
3 - SALES FOR RESALE-FIRM	351,655	-	351,655
4 - SALES TO OTHER UTILITIES	140,946,507	-	140,946,507
5 - OTHER OPERATING REVENUES	60,497,671	(451,214)	60,046,457
6 - TOTAL OPERATING REVENUES	\$ 2,436,210,063	\$ 980,886,854	\$ 3,417,096,918
7			
8 - OPERATING REVENUE DEDUCTIONS:			
9			
10 - POWER COSTS:			
11 - FUEL	\$ 201,761,930	\$ -	\$ 201,761,930
12 - PURCHASED AND INTERCHANGED	560,994,533	356,743,873	917,738,406
13 - WHEELING	117,642,884	-	117,642,884
14 - RESIDENTIAL EXCHANGE	(73,544,672)	-	(73,544,672)
15 - TOTAL PRODUCTION EXPENSES	\$ 806,854,676	\$ 356,743,873	\$ 1,163,598,549
16			
17 - OTHER ENERGY SUPPLY EXPENSES	\$ 126,057,988	\$ 4,050,310	\$ 130,108,297
18 - TRANSMISSION EXPENSE	20,757,159	-	20,757,159
19 - DISTRIBUTION EXPENSE	80,641,858	60,179,858	140,821,716
20 - CUSTOMER ACCTS EXPENSES	47,440,085	27,646,305	75,086,390
21 - CUSTOMER SERVICE EXPENSES	21,030,176	7,992,633	29,022,809
22 - CONSERVATION AMORTIZATION	100,009,059	16,070,474	116,079,533
23 - ADMIN & GENERAL EXPENSE	127,246,737	63,662,661	190,909,397
24 - DEPRECIATION	278,134,686	129,052,353	407,187,039
25 - AMORTIZATION	56,203,576	15,133,164	71,336,740
26 - AMORTIZ OF PROPERTY LOSS	20,423,915	-	20,423,915
27 - OTHER OPERATING EXPENSES	(28,527,732)	(7,769)	(28,535,501)
28 - ASC 815	(3,478,343)	-	(3,478,343)
29 - TAXES OTHER THAN INCOME TAXES	243,151,716	111,604,456	354,756,173
30 - INCOME TAXES	46,057,216	10,309,082	56,366,298
31 - DEFERRED INCOME TAXES	126,269,465	63,341,121	189,610,586
32 - TOTAL OPERATING REV. DEDUCT.	\$ 2,068,272,236	\$ 865,778,521	\$ 2,934,050,757
<b>NET OPERATING INCOME</b>	<b><u>\$ 367,937,828</u></b>	<b><u>\$ 115,108,333</u></b>	<b><u>\$ 483,046,161</u></b>
<b>RATE BASE (AMA For 12 Months Ended September 30, 2017)</b>	<b>\$ 5,122,040,307</b>	<b>\$ 1,773,185,702</b>	

**PUGET SOUND ENERGY**  
**ACTUAL RESULTS OF OPERATIONS**  
**FOR THE 12 MONTHS ENDED SEPTEMBER 30, 2017**

	Electric	Gas	Common	Energy N/A	Total Amount
<b>OPERATING INCOME</b>					
1 - OPERATING REVENUES:					
2 - SALES TO CUSTOMERS	\$ 2,234,414,230	\$ 981,338,068	\$ -	\$ -	\$ 3,215,752,298
3 - SALES FOR RESALE-FIRM	351,655	-	-	-	351,655
4 - SALES TO OTHER UTILITIES	140,946,507	-	-	-	140,946,507
5 - OTHER OPERATING REVENUES	60,497,671	(451,214)	-	-	60,046,457
6 - TOTAL OPERATING REVENUES	\$ 2,436,210,063	\$ 980,886,854	\$ -	\$ -	\$ 3,417,096,918
7					
8 - OPERATING REVENUE DEDUCTIONS:					
9					
10 - POWER COSTS:					
11 - FUEL	\$ 201,761,930	\$ -	\$ -	\$ -	\$ 201,761,930
12 - PURCHASED AND INTERCHANGED	560,994,533	356,743,873	-	-	917,738,406
13 - WHEELING	117,642,884	-	-	-	117,642,884
14 - RESIDENTIAL EXCHANGE	(73,544,672)	-	-	-	(73,544,672)
15 - TOTAL PRODUCTION EXPENSES	\$ 806,854,676	\$ 356,743,873	\$ -	\$ -	\$ 1,163,598,549
16					
17 - OTHER ENERGY SUPPLY EXPENSES	\$ 126,057,988	\$ 4,050,310	\$ -	\$ -	\$ 130,108,297
18 - TRANSMISSION EXPENSE	20,757,159	-	-	-	20,757,159
19 - DISTRIBUTION EXPENSE	80,641,858	60,179,858	0	-	140,821,716
20 - CUSTOMER ACCTS EXPENSES	26,384,196	12,533,560	36,168,634	-	75,086,390
21 - CUSTOMER SERVICE EXPENSES	19,320,967	6,760,396	2,941,447	-	29,022,809
22 - CONSERVATION AMORTIZATION	100,009,059	16,070,474	0	-	116,079,533
23 - ADMIN & GENERAL EXPENSE	39,113,538	19,897,973	131,897,886	-	190,909,397
24 - DEPRECIATION	261,782,549	121,063,723	24,340,767	-	407,187,039
25 - AMORTIZATION	31,113,975	2,835,343	37,387,422	-	71,336,740
26 - AMORTIZ OF PROPERTY LOSS	20,423,915	-	-	-	20,423,915
27 - OTHER OPERATING EXPENSES	(28,609,158)	(45,370)	119,027	-	(28,535,501)
28 - ASC 815	(3,478,343)	-	-	-	(3,478,343)
29 - TAXES OTHER THAN INCOME TAXES	239,141,493	109,623,594	5,991,086	-	354,756,173
30 - INCOME TAXES	46,057,216	10,309,082	-	-	56,366,298
31 - DEFERRED INCOME TAXES	126,269,465	63,341,121	0	-	189,610,586
32 - TOTAL OPERATING REV. DEDUCT.	\$ 1,911,840,551	\$ 783,363,936	\$ 238,846,270	\$ -	\$ 2,934,050,757
<b>NET OPERATING INCOME</b>	\$ 524,369,513	\$ 197,522,918	\$ (238,846,270)	\$ -	\$ 483,046,161
<b>NON-OPERATING INCOME</b>					
99 - OTHER INCOME	\$ -	\$ -	\$ -	\$ (95,472,630)	\$ (95,472,630)
999 - INTEREST	-	-	-	231,473,254	231,473,254
9999 - EXTRAORDINARY ITEMS	-	-	-	-	-
<b>TOTAL NON-OPERATING INCOME</b>	\$ -	\$ -	\$ -	\$ 136,000,624	\$ 136,000,624
<b>NET INCOME</b>	<b>\$ 524,369,513</b>	<b>\$ 197,522,918</b>	<b>\$ (238,846,270)</b>	<b>\$ (136,000,624)</b>	<b>\$ 347,045,537</b>

**PUGET SOUND ENERGY**  
**INCOME STATEMENT DETAIL**  
**FOR THE 12 MONTHS ENDED SEPTEMBER 30, 2017**

Account Description	Electric	Gas	Common	Total
<b>1 - OPERATING REVENUES</b>				
<b>2 - SALES TO CUSTOMERS</b>				
(2) 440 - Electric Residential Sales	1,214,820,059	-	-	1,214,820,059
(2) 442 - Electric Commercial & Industrial Sales	1,000,600,112	-	-	1,000,600,112
(2) 444 - Public Street & Highway Lighting	18,994,059	-	-	18,994,059
(2) 480 - Gas Residential Sales	-	670,370,006	-	670,370,006
(2) 481 - Gas Commercial & Industrial Sales	-	289,435,595	-	289,435,595
(2) 489 - Rev From Transportation Of Gas To Others	-	21,532,466	-	21,532,466
(2) SUBTOTAL	2,234,414,230	981,338,068	-	3,215,752,298
<b>3 - SALES FOR RESALE-FIRM</b>				
(3) 447 - Electric Sales For Resale	351,655	-	-	351,655
(3) SUBTOTAL	351,655	-	-	351,655
<b>4 - SALES TO OTHER UTILITIES</b>				
(4) 447 - Electric Sales For Resale - Sales	50,495,331	-	-	50,495,331
(4) 447 - Electric Sales For Resale - Purchases	90,451,177	-	-	90,451,177
(4) SUBTOTAL	140,946,507	-	-	140,946,507
<b>5 - OTHER OPERATING REVENUES</b>				
(5) 412 - Lease Inc Everett Delta to NWP - Gas	-	-	-	-
(5) 450 - Forfeited Discounts	2,822,236	-	-	2,822,236
(5) 451 - Electric Misc Service Revenue	12,814,195	-	-	12,814,195
(5) 454 - Rent For Electric Property	16,699,064	-	-	16,699,064
(5) 456 - Other Electric Revenues - Transportation	7,734,034	-	-	7,734,034
(5) 456 - Other Electric Revenues - Unbilled	-	-	-	-
(5) 456 - Other Electric Revenues	20,428,143	-	-	20,428,143
(5) 487 - Forfeited Discounts	-	1,052,145	-	1,052,145
(5) 488 - Gas Misc Service Revenues	-	3,417,259	-	3,417,259
(5) 4894 - Gas Revenues from Storing Gas of Others	-	980,025	-	980,025
(5) 493 - Rent From Gas Property	-	6,860,228	-	6,860,228
(5) 495 - Other Gas Revenues	-	(12,760,872)	-	(12,760,872)
(5) SUBTOTAL	60,497,671	(451,214)	-	60,046,457
<b>(1) TOTAL OPERATING REVENUES</b>	<b>2,436,210,063</b>	<b>980,886,854</b>	<b>-</b>	<b>3,417,096,918</b>
<b>10 - ENERGY COST</b>				
<b>11 - FUEL</b>				
(11) 501 - Steam Operations Fuel	84,040,085	-	-	84,040,085
(11) 547 - Other Power Generation Oper Fuel	117,721,845	-	-	117,721,845
(11) SUBTOTAL	201,761,930	-	-	201,761,930
<b>12 - PURCHASED AND INTERCHANGED</b>				
(12) 555 - Purchased Power	560,109,757	-	-	560,109,757
(12) 557 - Other Power Supply Expense	884,776	-	-	884,776
(12) 804 - Natural Gas City Gate Purchases	-	353,130,486	-	353,130,486
(12) 805 - Other Gas Purchases	-	44,570	-	44,570
(12) 8051 - Purchased Gas Cost Adjustments	-	3,927,919	-	3,927,919
(12) 8081 - Gas Withdrawn From Storage	-	44,511,949	-	44,511,949
(12) 8082 - Gas Delivered To Storage	-	(44,871,052)	-	(44,871,052)
(12) SUBTOTAL	560,994,533	356,743,873	-	917,738,406
<b>13 - WHEELING</b>				
(13) 565 - Transmission Of Electricity By Others	117,642,884	-	-	117,642,884
(13) SUBTOTAL	117,642,884	-	-	117,642,884
<b>14 - RESIDENTIAL EXCHANGE</b>				
(14) 555 - Purchased Power	(73,544,672)	-	-	(73,544,672)
(14) SUBTOTAL	(73,544,672)	-	-	(73,544,672)

**(10) TOTAL ENERGY COST**

<b>806,854,676</b>	<b>356,743,873</b>	-	<b>1,163,598,549</b>
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**GROSS MARGIN**

<b>1,629,355,388</b>	<b>624,142,981</b>	-	<b>2,253,498,369</b>
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**OPERATING EXPENSES**

## OPERATING AND MAINTENANCE

## 17 - OTHER ENERGY SUPPLY EXPENSES

(17) 500 - Steam Oper Supv & Engineering	1,911,693	-	-	1,911,693
(17) 502 - Steam Oper Steam Expenses	8,765,354	-	-	8,765,354
(17) 505 - Steam Oper Electric Expense	1,881,536	-	-	1,881,536
(17) 506 - Steam Oper Misc Steam Power	9,337,434	-	-	9,337,434
(17) 507 - Steam Operations Rents	112,768	-	-	112,768
(17) 510 - Steam Maint Supv & Engineering	1,690,771	-	-	1,690,771
(17) 511 - Steam Maint Structures	2,753,650	-	-	2,753,650
(17) 512 - Steam Maint Boiler Plant	15,853,769	-	-	15,853,769
(17) 513 - Steam Maint Electric Plant	8,890,364	-	-	8,890,364
(17) 514 - Steam Maint Misc Steam Plant	2,830,508	-	-	2,830,508
(17) 535 - Hydro Oper Supv & Engineering	1,883,474	-	-	1,883,474
(17) 536 - Hydro Oper Water For Power	-	-	-	-
(17) 537 - Hydro Oper Hydraulic Expenses	3,219,024	-	-	3,219,024
(17) 538 - Hydro Oper Electric Expenses	236,505	-	-	236,505
(17) 539 - Hydro Oper Misc Hydraulic Exp	2,630,659	-	-	2,630,659
(17) 540 - Hydro Office Rents	-	-	-	-
(17) 541 - Hydro Maint Supv & Engineering	(33,670)	-	-	(33,670)
(17) 542 - Hydro Maint Structures	602,119	-	-	602,119
(17) 543 - Hydro Maint Res. Dams & Waterways	463,846	-	-	463,846
(17) 544 - Hydro Maint Electric Plant	1,142,421	-	-	1,142,421
(17) 545 - Hydro Maint Misc Hydraulic Plant	4,790,447	-	-	4,790,447
(17) 546 - Other Pwr Gen Oper Supv & Eng	3,627,355	-	-	3,627,355
(17) 548 - Other Power Gen Oper Gen Exp	10,037,573	-	-	10,037,573
(17) 549 - Other Power Gen Oper Misc	4,956,905	-	-	4,956,905
(17) 550 - Other Power Gen Oper Rents	6,117,042	-	-	6,117,042
(17) 551 - Other Power Gen Maint Supv & Eng	812,905	-	-	812,905
(17) 552 - Other Power Gen Maint Structures	710,203	-	-	710,203
(17) 553 - Other Power Gen Maint Gen & Elec	29,225,877	-	-	29,225,877
(17) 554 - Other Power Gen Maint Misc	1,523,573	-	-	1,523,573
(17) 556 - System Control & Load Dispatch	83,884	-	-	83,884
(17) 710 - Production Operations Supv & Engineering	-	-	-	-
(17) 717 - Liquefied Petroleum Gas Expenses	-	153,022	-	153,022
(17) 735 - Misc Gas Production Exp	-	-	-	-
(17) 741 - Production Plant Maint Structures	-	-	-	-
(17) 742 - Production Plant Maint Prod Equip	-	-	-	-
(17) 8072 - Purchased Gas Expenses	-	186,745	-	186,745
(17) 8074 - Purchased Gas Calculation Exp	-	45,899	-	45,899
(17) 8075 - Purchased Gas Other Expense	-	1,554,705	-	1,554,705
(17) 812 - Gas Used For Other Utility Operations	-	(57,961)	-	(57,961)
(17) 813 - Other Gas Supply Expenses	-	259,594	-	259,594
(17) 814 - Undergrnd Strge - Operation Supv & Eng	-	163,271	-	163,271
(17) 815 - Undergrnd Strge - Oper Map & Records	-	-	-	-
(17) 816 - Undergrnd Strge - Oper Wells Expense	-	24,389	-	24,389
(17) 817 - Undergrnd Strge - Oper Lines Expense	-	30,476	-	30,476
(17) 818 - Undergrnd Strge - Oper Compressor Sta Exp	-	256,438	-	256,438
(17) 819 - Undergrnd Strge - Oper Compressor Sta Fuel	-	30,174	-	30,174
(17) 820 - Undergrnd Strge - Oper Meas & Reg Sta Exp	-	52,524	-	52,524
(17) 821 - Undergrnd Strge - Oper Purification Exp	-	-	-	-
(17) 823 - Storage Gas Losses	-	-	-	-
(17) 824 - Undergrnd Strge - Oper Other Expenses	-	112,574	-	112,574
(17) 825 - Undergrnd Strge - Oper Storage Well Royalty	-	20,850	-	20,850
(17) 826 - Undergrnd Strge - Oper Other Storage Rents	-	-	-	-
(17) 830 - Undergrnd Strge - Maint Supv & Engineering	-	139,609	-	139,609
(17) 831 - Undergrnd Strge - Maint Structures	-	33,092	-	33,092

(17) 832 - Undergrnd Strge - Maint Reservoirs & Wells	-	112,844	-	112,844
(17) 833 - Undergrnd Strge - Maint Of Lines	-	20,182	-	20,182
(17) 834 - Undergrnd Strge - Maint Compressor Sta Equip	-	310,364	-	310,364
(17) 835 - Undergrnd Strge - Maint Meas & Reg Sta E	-	-	-	-
(17) 836 - Undergrnd Strge - Maint Purification Equip	-	34,172	-	34,172
(17) 837 - Undergrnd Strge-Maint Other Equipment	-	13,301	-	13,301
(17) 841 - Operating Labor & Expenses	-	553,016	-	553,016
(17) 8432 - Maint Struc & Impro	-	-	-	-
(17) 8433 - Maintenance of Gas Holders	-	-	-	-
(17) 8436 - Maintenance of Vaporizing Equipment	-	-	-	-
(17) 8438 - Maint Measure & Reg	-	-	-	-
(17) 8439 - Other Gas Maintenance	-	-	-	-
(17) 8441 - Gas LNG Oper Sup & Eng	-	1,030	-	1,030
(17) SUBTOTAL	126,057,988	4,050,310	-	130,108,297
<b>18 - TRANSMISSION EXPENSE</b>				
(18) 560 - Transmission Oper Supv & Engineering	1,746,579	-	-	1,746,579
(18) 561 - Transmission Oper Load Dispatching	-	-	-	-
(18) 5611 - Transmission Oper Load Dispatching	36,500	-	-	36,500
(18) 5612 - Load Dispatch - Monitor & Oper Trans System	847,897	-	-	847,897
(18) 5613 - Load Dispatch - Service and Scheduling	359,341	-	-	359,341
(18) 5615 - Reliability Planning & Standards	1,798,548	-	-	1,798,548
(18) 5616 - Transmission Svc Studies	-	-	-	-
(18) 5617 Gen Intercnct Studies	2,851,281	-	-	2,851,281
(18) 5618 - Reliability Planning	139,003	-	-	139,003
(18) 562 - Transmission Oper Station Expense	1,229,556	-	-	1,229,556
(18) 563 - Transmission Oper Overhead Line Exp	342,906	-	-	342,906
(18) 566 - Transmission Oper Misc	1,590,824	-	-	1,590,824
(18) 567 - Transmission Oper Rents	128,526	-	-	128,526
(18) 568 - Transmission Maint Supv & Eng	94,661	-	-	94,661
(18) 569 - Transmission Maint Structures	269	-	-	269
(18) 5691 - Transmission Computer Hardware Maint	-	-	-	-
(18) 5692 - Maintenance of Computer Software	123,905	-	-	123,905
(18) 570 - Transmission Maint Station Equipment	2,755,750	-	-	2,755,750
(18) 571 - Transmission Maint Overhead Lines	6,550,595	-	-	6,550,595
(18) 572 - Transmission Maint Underground Lines	10,366	-	-	10,366
(18) 573 - Transm Maint Misc	150,651	-	-	150,651
(18) 850 - Transmission Oper Supv & Engineering	-	-	-	-
(18) 856 - Transmission Oper Mains Expenses	-	-	-	-
(18) 857 - Transmission Oper Meas & Reg Sta Exp	-	-	-	-
(18) 862 - Transmission Maint Structures & Improvements	-	-	-	-
(18) 863 - Transmission Maint Supv & Eng	-	-	-	-
(18) 865 - Transmission Maint of measur & regul station equip	-	-	-	-
(18) 867 - Transmission Maint Other Equipment	-	-	-	-
(18) SUBTOTAL	20,757,159	-	-	20,757,159
<b>19 - DISTRIBUTION EXPENSE</b>				
(19) 580 - Distribution Oper Supv & Engineering	(4,910,515)	-	-	(4,910,515)
(19) 581 - Distribution Oper Load Dispatching	2,871,856	-	-	2,871,856
(19) 582 - Distribution Oper Station Expenses	1,250,461	-	-	1,250,461
(19) 583 - Distribution Oper Overhead Line Exp	2,482,721	-	-	2,482,721
(19) 584 - Distribution Oper Underground Line Exp	4,288,350	-	-	4,288,350
(19) 585 - Distribution Oper St Lighting & Signal	400,656	-	-	400,656
(19) 586 - Distribution Oper Meter Expense	(1,513,762)	-	-	(1,513,762)
(19) 587 - Distribution Oper Cust Installation	3,631,529	-	-	3,631,529
(19) 588 - Distribution Oper Misc Dist Exp	13,498,456	-	-	13,498,456
(19) 589 - Distribution Oper Rents	1,149,970	-	-	1,149,970
(19) 590 - Distribution Maint Superv & Engineering	314,411	-	-	314,411
(19) 591 - Distribution Maint Structures	-	-	-	-
(19) 592 - Distribution Maint Station Equipment	1,895,180	-	-	1,895,180
(19) 593 - Distribution Maint Overhead Lines	38,882,286	-	-	38,882,286
(19) 594 - Distribution Maint Underground Lines	13,394,472	-	-	13,394,472
(19) 595 - Distribution Maint Line Transformers	160,776	-	-	160,776

(19) 596 - Distribution Maint St Lighting/Signal	2,363,770	-	-	2,363,770
(19) 597 - Distribution Maint Meters	481,242	-	-	481,242
(19) 598 - Distribution Maint Misc Dist Plant	-	-	-	-
(19) 870 - Distribution Oper Supv & Engineering	-	2,033,345	-	2,033,345
(19) 871 - Distribution Oper Load Dispatching	-	474,527	-	474,527
(19) 874 - Distribution Oper Mains & Services Exp	-	17,091,464	-	17,091,464
(19) 875 - Distribution Oper Meas & Reg Sta Gen	-	1,521,167	-	1,521,167
(19) 876 - Distribution Oper Meas & Reg Sta Indus	-	282,113	-	282,113
(19) 878 - Distribution Oper Meter & House Reg	-	3,159,242	-	3,159,242
(19) 879 - Distribution Oper Customer Install Exp	-	4,432,063	-	4,432,063
(19) 880 - Distribution Oper Other Expense	-	13,758,220	-	13,758,220
(19) 881 - Distribution Oper Rents Expense	-	162,636	-	162,636
(19) 885 - Dist Maint Supv & Engineering	-	385,478	-	385,478
(19) 886 - Maint of Facilities and Structures	-	235,391	-	235,391
(19) 887 - Distribution Maint Mains	-	8,695,867	-	8,695,867
(19) 889 - Distribution Maint Meas & Reg Sta Gen	-	738,912	-	738,912
(19) 890 - Distribution Maint Meas & Reg Sta Ind	-	412,449	-	412,449
(19) 892 - Distribution Maint Services	-	5,597,463	-	5,597,463
(19) 893 - Distribution Maint Meters & House Reg	-	444,034	-	444,034
(19) 894 - Distribution Maint Other Equipment	-	755,486	-	755,486
(19) SUBTOTAL	80,641,858	60,179,858	-	140,821,716
<b>20 - CUSTOMER ACCTS EXPENSES</b>				
(20) 901 - Customer Accounts Supervision	-	-	221,487	221,487
(20) 902 - Meter Reading Expense	10,003,536	7,690,263	853,832	18,547,632
(20) 903 - Customer Records & Collection Expense	1,101,881	1,106,171	35,093,314	37,301,367
(20) 904 - Uncollectible Accounts	15,278,779	3,737,126	-	19,015,904
(20) 905 - Misc. Customer Accounts Expense	-	-	-	-
(20) SUBTOTAL	26,384,196	12,533,560	36,168,634	75,086,390
<b>21 - CUSTOMER SERVICE EXPENSES</b>				
(21) 908 - Customer Assistance Expense	17,304,696	6,637,230	1,412,810	25,354,735
(21) 909 - Info & Instructional Advertising	1,344,580	123,166	1,486,662	2,954,408
(21) 910 - Misc Cust Svc & Info Expense	-	-	41,975	41,975
(21) 911 - Sales Supervision Exp	-	-	-	-
(21) 912 - Demonstration & Selling Expense	677,158	-	-	677,158
(21) 913 - Advertising Expenses	-	-	-	-
(21) 916 - Misc. Sales Expense	(5,467)	-	-	(5,467)
(21) SUBTOTAL	19,320,967	6,760,396	2,941,447	29,022,809
<b>22 - CONSERVATION AMORTIZATION</b>				
(22) 908 - Customer Assistance Expense	100,009,059	16,070,474	-	116,079,533
(22) SUBTOTAL	100,009,059	16,070,474	-	116,079,533
<b>23 - ADMIN &amp; GENERAL EXPENSE</b>				
(23) 920 - A & G Salaries	3,032,237	1,603,993	68,497,985	73,134,215
(23) 921 - Office Supplies and Expenses	408,737	174,428	451,210	1,034,375
(23) 922 - Admin Expenses Transferred	-	-	(26,152,041)	(26,152,041)
(23) 923 - Outside Services Employed	1,287,099	878,176	19,449,737	21,615,012
(23) 924 - Property Insurance	4,896,780	270,824	62,931	5,230,535
(23) 925 - Injuries & Damages	1,513,123	3,645,761	6,189,681	11,348,566
(23) 926 - Emp Pension & Benefits	18,403,197	9,438,090	19,160,031	47,001,317
(23) 928 - Regulatory Commission Expense	6,961,252	2,408,128	1,838,806	11,208,187
(23) 9301 - Gen Advertising Exp	-	-	74,493	74,493
(23) 9302 - Misc. General Expenses	1,477,204	510,616	2,171,253	4,159,073
(23) 931 - Rents	220,871	-	18,585,649	18,806,520
(23) 932 - Maint Of General Plant- Gas	-	967,957	-	967,957
(23) 935 - Maint General Plant - Electric	913,038	-	21,568,151	22,481,189
(23) SUBTOTAL	39,113,538	19,897,973	131,897,886	190,909,397
TOTAL OPERATING AND MAINTENANCE	412,284,764	119,492,570	171,007,968	702,785,302
<b>DEPRECIATION, DEPLETION AND AMORTIZATION</b>				
<b>24 - DEPRECIATION</b>				
(24) 403 - Depreciation Expense	255,346,118	120,923,805	24,340,767	400,610,690
(24) 4031 - Depreciation Expense - FAS143	6,436,431	139,918	-	6,576,349

(24) SUBTOTAL	261,782,549	121,063,723	24,340,767	407,187,039
<b>25 - AMORTIZATION</b>				
(25) 404 - Amort Ltd-Term Plant	14,659,583	2,810,368	37,387,422	54,857,374
(25) 406 - Amortization Of Plant Acquisition Adj	11,648,257	-	-	11,648,257
(25) 4111 - Accretion Exp - FAS143	4,806,134	24,974	-	4,831,108
(25) SUBTOTAL	31,113,975	2,835,343	37,387,422	71,336,740
<b>26 - AMORTIZ OF PROPERTY LOSS</b>				
(26) 407 - Amortization Of Prop. Losses	20,423,915	-	-	20,423,915
(26) SUBTOTAL	20,423,915	-	-	20,423,915
<b>27 - OTHER OPERATING EXPENSES</b>				
(27) 4073 - Regulatory Debits	15,517,689	-	-	15,517,689
(27) 4074 - Regulatory Credits	(43,611,842)	-	119,027	(43,492,815)
(27) 4116 - Gains From Disposition Of Utility Plant	(633,008)	(61,849)	-	(694,857)
(27) 4117 - Losses From Disposition Of Utility Plant	132,649	16,479	-	149,127
(27) 4118 - Gains From Disposition Of Allowances	(14,646)	-	-	(14,646)
(27) 414 - Other Utility Operating Income	-	-	-	-
(27) SUBTOTAL	(28,609,158)	(45,370)	119,027	(28,535,501)
<b>28 - ASC 815</b>				
(28) 421 - FAS 133 Gain	3,218,208	-	-	3,218,208
(28) 4265 - FAS 133 Loss	(6,696,552)	-	-	(6,696,552)
(28) SUBTOTAL	(3,478,343)	-	-	(3,478,343)
<b>TOTAL DEPRECIATION, DEPLETION AND AMORTIZATION</b>	<b>281,232,938</b>	<b>123,853,695</b>	<b>61,847,216</b>	<b>466,933,849</b>
<b>29 - TAXES OTHER THAN INCOME TAXES</b>				
(29) 4081 - Taxes Other-Util Income	239,141,493	109,623,594	5,991,086	354,756,173
(29) SUBTOTAL	239,141,493	109,623,594	5,991,086	354,756,173
<b>30 - INCOME TAXES</b>				
(30) 4081 - Montana Corp. License Taxes	-	-	-	-
(30) 4091 - Montana Corp license Tax	19,620	-	-	19,620
(30) 4091 - Fit-Util Oper Income	46,037,596	10,309,082	-	56,346,679
(30) SUBTOTAL	46,057,216	10,309,082	-	56,366,298
<b>31 - DEFERRED INCOME TAXES</b>				
(31) 4101 - Def Fit-Util Oper Income	587,355,334	269,774,792	-	857,130,126
(31) 4111 - Def Fit-Cr - Util Oper Income	(461,085,868)	(206,433,671)	-	(667,519,540)
(31) 4114 - Inv Tax Cr Adj-Util Operations	-	-	-	-
(31) SUBTOTAL	126,269,465	63,341,121	-	189,610,586
<b>NET OPERATING INCOME</b>	<b>524,369,513</b>	<b>197,522,918</b>	<b>(238,846,270)</b>	<b>483,046,161</b>
<b>NON-OPERATING INCOME</b>				
<b>99 - OTHER INCOME</b>				
(99) 4082 - Taxes Other - Other Income	349,288	-	-	349,288
(99) 4092 - Fit - Other Income	-	-	(56,346,680)	(56,346,680)
(99) 4102 - Def Fit - Other Income	-	-	(22,333,530)	(22,333,530)
(99) 4112 - Provision for Deferred FIT - Credit & Other Income	-	-	-	-
(99) 415 - Revenues From Merchandising And Jobbing	-	-	(521,147)	(521,147)
(99) 416 - Expenses Of Merchandising And Jobbing	-	-	469,768	469,768
(99) 417 - Revenues From Non-Utility Operations	-	-	(38,825,478)	(38,825,478)
(99) 4171 - Merger Related Costs	-	-	-	-
(99) 4171 - Expenses of Non-Utility Operations	-	-	33,260,522	33,260,522
(99) 418 - Nonoperating Rental Income	-	-	-	-
(99) 4181 - Equity in Earnings of Subsidiaries	-	-	288,391	288,391
(99) 419 - Interest And Dividend Income	-	-	(7,351,555)	(7,351,555)
(99) 4191 - Allowance For Other Funds Used During Construction	(7,466,536)	(2,584,478)	(3,022,256)	(13,073,270)
(99) 421 - Misc. Non-Operating Income	(3,150)	(4,350)	(5,939)	(13,439)
(99) 4211 - Gain On Disposition Of Property	(183,542)	-	-	(183,542)
(99) 4212 - Loss On Disposition Of Property	-	-	-	-
(99) 4213 - Misc. Non-Op Income - AFUDC(WUTC)	(1,692,816)	-	-	(1,692,816)
(99) 4214 - Misc. Non-Op Income - AFUCE	-	-	-	-
(99) 425 - Miscellaneous Amortization	-	-	-	-

(99) 4261 - Donations	-	-	60,428	60,428
(99) 4262 - Life Insurance	-	-	(2,461,181)	(2,461,181)
(99) 4263 - Penalties	-	-	(437,600)	(437,600)
(99) 4264 - Expenses For Civic & Political Activities	-	-	5,653,683	5,653,683
(99) 4265 - Other Deductions	-	-	7,685,528	7,685,528
(99) SUBTOTAL	(8,996,755)	(2,588,828)	(83,887,047)	(95,472,630)
<b>999 - INTEREST</b>				
(999) 427 - Interest On Long Term Debt	-	-	218,136,834	218,136,834
(999) 4271 - Interest on Preferred Stock	-	-	-	-
(999) 428 - Amortization Of Debt Discount & Expenses	-	-	2,773,332	2,773,332
(999) 4281 - Amortization Of Loss On Required Debt	9,300	5,700	2,695,479	2,710,479
(999) 429 - Amortization Of Premium On Debt-Cr	-	-	-	-
(999) 4291 - Amortization Gain On Reacquired Debt	-	-	-	-
(999) 430 - Int on Debt to Assoc. Companies	-	-	-	-
(999) 431 - Other Interest Expense	14,060,475	439,262	2,846,820	17,346,557
(999) 432 - Allowances For Borrowed Funds	(5,614,898)	(1,687,561)	(2,191,490)	(9,493,949)
(999) SUBTOTAL	8,454,877	(1,242,599)	224,260,976	231,473,254
<b>9999 - EXTRAORDINARY ITEMS</b>				
(9999) 4111 - Def Fit-Cr - Util Oper Income	-	-	-	-
(9999) 435 - Extraordinary Deductions	-	-	-	-
(9999) SUBTOTAL	-	-	-	-
<b>TOTAL NON-OPERATING INCOME</b>	(541,878)	(3,831,427)	140,373,929	136,000,624
<b>NET INCOME</b>	<b>524,911,391</b>	<b>201,354,345</b>	<b>(379,220,199)</b>	<b>347,045,537</b>



**PUGET SOUND ENERGY**  
**ALLOCATION OF COMMON CHARGES**  
**FOR THE 12 MONTHS ENDED SEPTEMBER 30, 2017**  
(October through December 2016 spread is based on allocation factors developed for the 12 ME 12/31/2015)  
(January through September 2017 spread is based on allocation factors developed for the 12 ME 12/31/2016)

FERC Account and Description	Allocated Electric	Allocated Gas	Allocation Method	Blended Electric Rate	Blended Gas Rate	Common
<b>20 - CUSTOMER ACCTS EXPENSES</b>						
(20) 901 - Customer Accounts Supervision	\$ 128,701	\$ 92,786	1	58.11%	41.89%	\$ 221,487
(20) 902 - Meter Reading Expense	535,745	318,087	2	62.75%	37.25%	853,832
(20) 903 - Customer Records & Collection Expense	20,391,442	14,701,873	1	58.11%	41.89%	35,093,314
(20) 905 - Misc. Customer Accounts Expense	-	-	1			-
<b>SUBTOTAL</b>	<b>21,055,888</b>	<b>15,112,746</b>				<b>36,168,634</b>
<b>21 - CUSTOMER SERVICE EXPENSES</b>						
(21) 908 - Customer Assistance Expense	820,967	591,843	1	58.11%	41.89%	1,412,810
(21) 909 - Info & Instructional Advertising	863,843	622,819	1	58.11%	41.89%	1,486,662
(21) 910 - Misc Cust Svc & Info Expense	24,400	17,576	1	58.13%	41.87%	41,975
(21) 911 - Sales Supervision Exp	-	-	1			-
(21) 912 - Demonstration & Selling Expense	-	-	1			-
(21) 913 - Advertising Expense	-	-	1			-
(21) 916 - Misc. Sales Expense	-	-	1			-
<b>SUBTOTAL</b>	<b>1,709,210</b>	<b>1,232,237</b>				<b>2,941,447</b>
<b>23 - ADMIN &amp; GENERAL EXPENSE</b>						
(23) 920 - A & G Salaries	45,886,447	22,611,537	4	66.99%	33.01%	68,497,985
(23) 921 - Office Supplies and Expenses	347,880	103,330	4	77.10%	22.90%	451,210
(23) 922 - Admin Expenses Transferred	(17,462,940)	(8,689,100)	4	66.77%	33.23%	(26,152,041)
(23) 923 - Outside Services Employed	13,032,196	6,417,541	4	67.00%	33.00%	19,449,737
(23) 924 - Property Insurance	38,251	24,680	3	60.78%	39.22%	62,931
(23) 925 - Injuries & Damages	3,596,566	2,593,115	1	58.11%	41.89%	6,189,681
(23) 926 - Emp Pension & Benefits	13,020,709	6,139,322	5	67.96%	32.04%	19,160,031
(23) 928 - Regulatory Commission Expense	1,230,149	608,658	4			1,838,806
(23) 9301 - Gen Advertising Exp	50,948	23,545	4	68.39%	31.61%	74,493
(23) 9302 - Misc. General Expenses	1,458,412	712,841	4	67.17%	32.83%	2,171,253
(23) 931 - Rents	12,457,373	6,128,277	4	67.03%	32.97%	18,585,649
(23) 932 - Maint Of General Plant- Gas	-	-	4			-
(23) 935 - Maint General Plant - Electric	14,477,208	7,090,943	4	67.12%	32.88%	21,568,151
<b>SUBTOTAL</b>	<b>88,133,199</b>	<b>43,764,688</b>				<b>131,897,886</b>
<b>24 - DEPRECIATION/AMORTIZATION</b>						
(24) 403 - Depreciation Expense	16,352,136	7,988,630	4	67.18%	32.82%	24,340,767
(24) 4031 - Depreciation Expense - ASC 815	-	-	4			-
<b>SUBTOTAL</b>	<b>16,352,136</b>	<b>7,988,630</b>				<b>24,340,767</b>
<b>25 - AMORTIZATION</b>						
(25) 404 - Amort Ltd-Term Plant	25,089,601	12,297,821	4	67.11%	32.89%	37,387,422
(25) 406 - Amortization Of Plant Acquisition Adj	-	-	4			-
(25) 4111 - Accretion Exp - FAS143	-	-	4			-
<b>SUBTOTAL</b>	<b>25,089,601</b>	<b>12,297,821</b>				<b>37,387,422</b>
<b>27- OTHER OPERATING EXPENSES</b>						
(27) 4073 - Regulatory Debits	-	-				-
(27) 4074 - Regulatory Credits	81,427	37,601	4	68.41%	31.59%	119,027
(27) 4116 - Gains From Disposition Of Utility Plant	-	-	4			-
(27) 4117 - Losses From Disposition Of Utility Plant	-	-	4			-
(27) 4118 - Gains From Disposition Of Allowances	-	-				-
(27) 414 - Other Utility Operating Income	-	-				-
(27) <b>SUBTOTAL</b>	<b>81,427</b>	<b>37,601</b>				<b>119,027</b>
<b>29-TAXES OTHER THAN INCOME TAXES</b>						
(29) 4081 - Taxes Other-Util Income	4,010,224	1,980,862	4	66.94%	33.06%	5,991,086
<b>SUBTOTAL</b>	<b>4,010,224</b>	<b>1,980,862</b>				<b>5,991,086</b>
<b>30 - INCOME TAXES</b>						
(30) 4091 - Fit-Util Oper Income	-	-	4			-
<b>SUBTOTAL</b>	<b>-</b>	<b>-</b>				<b>-</b>
<b>31 - DEFERRED INCOME TAXES</b>						
(31) 4101 - Def Fit-Util Oper Income	-	-	4			-
(31) 4111 - Def Fit-Cr - Util Oper Income	-	-	4			-
<b>SUBTOTAL</b>	<b>-</b>	<b>-</b>				<b>-</b>
<b>GRAND TOTAL</b>	<b>\$ 156,431,685</b>	<b>\$ 82,414,585</b>				<b>\$ 238,846,270</b>

Allocation Method		Electric		Gas	
		Oct 16 - Dec 16		Jan 17 - Sep 17	
1	12 Month Average number of Customers	58.13%	41.87%	58.10%	41.90%
2	Joint Meter Reading Customers	62.68%	37.32%	62.77%	37.23%
3	Non-Production Plant	60.94%	39.06%	60.78%	39.22%
4	4-Factor Allocator	68.41%	31.59%	66.77%	33.23%
5	Direct Labor	69.99%	30.01%	67.53%	32.47%