



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

April 30, 2013

DELIVERED VIA COURIER

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

RE: Electric Accounting Report Pursuant to WAC 480-100-257

Dear Mr. King:

Enclosed are an original and two copies of Puget Sound Energy, Inc.'s ("PSE" or "the Company") Electric Annual "Commission Basis" Results of Operations for the twelve-month period ended December 31, 2012. 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 480-100-257.

The results show a normalized overall rate of return of 7.14% and a return on actual common equity of 8.11%, compared with the Company's authorized rate of return of 7.80% overall and 9.80% on common equity.

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

Sincerely,

A handwritten signature in blue ink that reads "Susan E. Free". The signature is fluid and cursive.

Susan E. Free
Manager of Revenue Requirement

Enclosures

Commission Basis Report Cover Letter

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2012
Electric

Restated Net Operating Income	\$ 348,611,159	a
Restated Rate Base	\$ 4,883,767,763	b
Normalized Overall Rate of Return	7.14%	c=a/b
Restated Net Operating Income	\$ 348,611,159	d=a
Restated Interest Expense	\$ 157,257,322	e
Restated NOI less Restated Interest Exp	\$ 191,353,837	f=d-e
Restated Rate Base	\$ 4,883,767,763	g=b
Actual Equity Percent	48.30%	h
Equity Rate Base	\$ 2,358,859,829	i=g*h
Restated Return on Actual Equity	8.11%	j=f/i

PUGET SOUND ENERGY, INC.

Utility Capital Structure
 Cost of Capital and Rate of Return
 For The 12 Months Ending December 31, 2012

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	\$94,047,784	1.26%	6.49%	0.08% (A)
8					
9	Long Term Debt	\$3,773,845,605	50.44%	6.22%	3.14% (A)
10					
11	Common Stock	<u>\$3,613,954,006</u>	<u>48.30%</u>	9.80%	<u>4.73%</u>
12					
13	Total	<u>\$7,481,847,395</u>	<u>100.00%</u>		<u>7.95%</u>
14					
15					
16	(i) - Average of Month-End Balances			Total (A)	3.22%

PUGET SOUND ENERGY
PERIODIC ALLOCATED RESULTS OF OPERATIONS
FOR THE 12 MONTHS ENDED DECEMBER 31, 2012

(Based on allocation factors developed for the 12 ME 12/31/2012)

	Electric	Gas	Total Amount
1 - OPERATING REVENUES:			
2 - SALES TO CUSTOMERS	\$ 2,109,858,520	\$ 1,072,634,604	\$ 3,182,493,123
3 - SALES FOR RESALE-FIRM	356,031	-	356,031
4 - SALES TO OTHER UTILITIES	83,564,696	-	83,564,696
5 - OTHER OPERATING REVENUES	28,441,193	13,460,439	41,901,631
6 - TOTAL OPERATING REVENUES	\$ 2,222,220,439	\$ 1,086,095,042	\$ 3,308,315,481
7			
8 - OPERATING REVENUE DEDUCTIONS:			
9			
10 - POWER COSTS:			
11 - FUEL	\$ 204,955,672	\$ -	\$ 204,955,672
12 - PURCHASED AND INTERCHANGED	593,961,366	538,611,726	1,132,573,091
13 - WHEELING	87,085,890	-	87,085,890
14 - RESIDENTIAL EXCHANGE	(73,554,903)	-	(73,554,903)
15 - TOTAL PRODUCTION EXPENSES	\$ 812,448,025	\$ 538,611,726	\$ 1,351,059,751
16			
17 - OTHER ENERGY SUPPLY EXPENSES	\$ 114,593,256	\$ 1,880,545	\$ 116,473,801
18 - TRANSMISSION EXPENSE	19,058,040	15,005	19,073,045
19 - DISTRIBUTION EXPENSE	74,862,781	51,578,669	126,441,451
20 - CUSTOMER ACCTS EXPENSES	52,429,420	31,656,774	84,086,193
21 - CUSTOMER SERVICE EXPENSES	15,066,697	5,083,991	20,150,687
22 - CONSERVATION AMORTIZATION	85,025,496	29,151,769	114,177,265
23 - ADMIN & GENERAL EXPENSE	101,340,443	46,295,558	147,636,001
24 - DEPRECIATION	231,840,647	106,110,895	337,951,542
25 - AMORTIZATION	38,032,760	11,340,567	49,373,327
26 - AMORTIZ OF PROPERTY LOSS	17,529,940	-	17,529,940
27 - OTHER OPERATING EXPENSES	23,135,054	(84,402)	23,050,652
28 - FAS 133	(119,120,362)	-	(119,120,362)
29 - TAXES OTHER THAN INCOME TAXES	208,575,784	110,283,062	318,858,847
30 - INCOME TAXES	4,271,535	(3,749)	4,267,786
31 - DEFERRED INCOME TAXES	156,258,260	43,443,293	199,701,553
32 - TOTAL OPERATING REV. DEDUCT.	\$ 1,835,347,775	\$ 975,363,703	\$ 2,810,711,478
NET OPERATING INCOME	\$ 386,872,664	\$ 110,731,339	\$ 497,604,004
RATE BASE (AMA For 12 Months Ended December 31, 2012)	\$ 4,886,496,592	\$ 1,613,676,825	

**PUGET SOUND ENERGY
BALANCE SHEET
COMMISSION BASIS REPORT
As of December 31, 2012**

FERC Account and Description	Dec-12	Dec-12 AMA
*ASSETS		
**UTILITY PLANT		
***Electric Plant		
101 Electric Plant in Service	8,036,402,860	7,545,105,630
101.1 Property Under Capital Leases	-	-
102 Electric Plant Purchased or Sold	-	-
105 Electric Plant Held for Future Use	13,865,588	14,341,469
106 Comp.Construction Not Classfd.-Electric	112,951,886	230,315,768
107 Construction Work in Prog. - Electric	615,730,026	636,599,345
114 Electric Plant Acquisition Adjustments	282,725,020	255,631,799
***Total Electric Plant	9,061,675,380	8,681,994,011
***Gas Plant		
101 Gas Plant in Service	2,903,946,429	2,827,409,873
105 Gas Plant Held for Future Use	4,702,851	4,702,851
106 Comp. Construction Not Classfd.- Gas	42,232,957	24,203,848
107 Construction Work in Progress - Gas	38,650,918	62,063,841
117.3 Gas Strd.in Resvr.& Pipln.-Noncurr.	8,654,564	8,599,111
***Total Gas Plant	2,998,187,720	2,926,979,524
***Common Plant		
101 Plant in Service - Common	418,826,311	412,772,045
101.1 Property Under Capital Leases	24,628,784	28,417,828
106 Comp Construction Not Classified - Common	440,107	169,124
107 Construction Work in Progress - Common	111,654,063	83,674,687
***Total Common Plant	555,549,265	525,033,685
***Accumulated Depreciation and Amortization		
108 Accumulated Provision for Depreciation	(4,079,059,508)	(3,874,182,066)
111 Accumulated Provision for Amortization	(126,141,213)	(133,151,151)
115 Accm.Prv.for Amort.of Plant Acquis.Adj.	(79,443,846)	(74,511,584)
***Less: Accumulated Depr and Amortizat	(4,284,644,566)	(4,081,844,801)
**NET UTILITY PLANT	8,330,767,798	8,052,162,419
**OTHER PROPERTY AND INVESTMENTS		
***Other Investments		
121 Nonutility Property	5,293,611	5,234,144
122 Accm.Prov.for Depr.& Amort.Non-utility P	(397,105)	(396,128)
123.1 Investment in Subsidiary Companies	37,573,941	43,024,604
124 Other Investments	63,802,336	65,631,239
***Total Other Investments	106,272,782	113,493,858
**TOTAL OTHER PROPERTY AND INVESTMENT	106,272,782	113,493,858

**PUGET SOUND ENERGY
BALANCE SHEET
COMMISSION BASIS REPORT
As of December 31, 2012**

FERC Account and Description	Dec-12	Dec-12 AMA
**CURRENT ASSETS		
***Cash		
131 Cash	23,956,451	6,811,139
134 Other Special Deposits	3,068,687	3,243,120
135 Working Funds	4,014,747	3,418,150
136 Temporary Cash Investments	105,000,000	16,008,469
***Total Cash	<u>136,039,886</u>	<u>29,480,878</u>
***Restricted Cash		
***Total Restricted Cash	<u>-</u>	<u>-</u>
***Accounts Receivable		
141 Notes Receivable	777,677	1,778,734
142 Customer Accounts Receivable	227,152,485	199,322,931
143 Other Accounts Receivable	69,730,596	65,542,976
146 Accounts Receiv.from Assoc. Companies	299,673	469,029
171 Interest and Dividends Receivable	-	-
173 Accrued Utility Revenues	204,358,951	149,726,645
185 Temporary Facilities	111,105	85,690
191 Unrecovered Purchased Gas Costs	(32,587,139)	(43,570,487)
***Total Accounts Receivable	<u>469,843,346</u>	<u>373,355,517</u>
***Allowance for Doubtful Accounts		
144 Accm.Prov.for Uncollectble Accts-Credit	(9,932,461)	(8,221,558)
***Less: Allowance for Doubtful Accounts	<u>(9,932,461)</u>	<u>(8,221,558)</u>
***Materials and Supplies		
151 Fuel Stock	18,243,996	16,381,984
154 Plant Materials and Operating Supplies	77,482,359	80,795,058
163 Stores Expense Undistributed	4,870,242	4,976,545
164.1 Gas Stored - Current	66,676,995	59,152,666
164.2 Liquefied Natural Gas Stored	626,020	621,559
***Total Materials and Supplies	<u>167,899,613</u>	<u>161,927,811</u>
***Unrealized Gain-Derivative Instrumnts (ST)		
175 Invest in Derivative Instrumnts -Opt ST	6,868,929	7,616,317
176 Invest in Derivative Instrumnts-Gain ST	-	-
***Unrealized Gain on Derivatives (ST)	<u>6,868,929</u>	<u>7,616,317</u>
***Prepayments and Other Current Assets		
165 Prepayments	13,394,419	13,723,169
174 Misc.Current and Accrued Assets	-	7,423,667
186 Miscellaneous Deferred Debits	15	6,450
***Total Prepayments & Othr.Curr.Assets	<u>13,394,434</u>	<u>21,153,286</u>

**PUGET SOUND ENERGY
BALANCE SHEET
COMMISSION BASIS REPORT
As of December 31, 2012**

FERC Account and Description	Dec-12	Dec-12 AMA
Current Deferred Taxes		
Total Current Deferred Taxes	563,177,063	565,411,811
**TOTAL CURRENT ASSETS	1,347,290,810	1,150,724,062
**LONG-TERM ASSETS		
128 Pension Assets	20,160,515	18,721,750
165 Long-Term Prepaid	6,281,902	6,888,203
175 Invest in Derivative Instrumnts -Opt LT	14,813,761	15,193,315
176 Invest in Derivative Instrumnts-Gain LT	-	4,059
181 Unamortized Debt Expense	36,271,069	39,732,316
182.1 Extraordinary Property Losses	131,903,965	135,241,956
182.2 Unrecovered Plant & Reg Study Costs	4,998,421	5,848,743
Subtotal WUTC AFUDC	55,896,463	55,564,225
182.3 Other Regulatory Assets	508,615,589	407,976,169
183 Prelm. Survey and Investigation Charges	-	50,264
184 Clearing Accounts	-	(92,300)
186 Miscellaneous Deferred Debits	255,968,698	343,811,459
187 Def.Losses from Dispos.of Utility Plant	530,629	710,342
189 Unamortized Loss on Reacquired Debt	31,399,347	32,209,855
**TOTAL LONG-TERM ASSETS	1,066,840,358	1,061,860,356
*TOTAL ASSETS	\$ 10,851,171,749	\$ 10,378,240,695
*CAPITALIZATION AND LIABILITIES		
**CURRENT LIABILITIES		
230 Asset Retirement Obligations	(1,380,483)	(1,882,199)
244 FAS 133 Opt Unrealized Loss ST	(167,026,183)	(250,070,294)
245 FAS 133 Unrealized Loss ST	(7,040,518)	(13,250,707)
231 Notes Payable	(181,000,000)	(64,066,667)
232 Accounts Payable	(323,855,881)	(277,583,504)
233 Notes Payable to Associated Companies	(29,597,785)	(29,981,119)
234 Accounts Payable to Asscted Companies	-	(38,637)
235 Customer Deposits	(35,471,873)	(34,690,851)
236 Taxes Accrued	(90,826,718)	(76,378,602)
237 Interest Accrued	(55,805,752)	(60,711,018)
238 Dividends Declared	-	-
241 Tax Collections Payable	(2,657,034)	(1,967,846)
242 Misc. Current and Accrued Liabilities	(18,368,320)	(17,298,480)
243 Obligations Under Cap.Leases - Current	(7,578,088)	(7,578,088)
**TOTAL CURRENT LIABILITIES	(920,608,635)	(835,498,010)
**DEFERRED TAXES		
***Reg. Liability for Def.Income Tax		
253 Other Deferred Credits	-	-

**PUGET SOUND ENERGY
BALANCE SHEET
COMMISSION BASIS REPORT
As of December 31, 2012**

FERC Account and Description	Dec-12	Dec-12 AMA
283 Accum.Deferred Income Taxes - Other	(114,934,211)	(68,529,333)
***Total Reg.Liab.for Def.Income Tax	(114,934,211)	(68,529,333)
***Deferred Income Tax		
255 Accum.Deferred Investment Tax Credits	(3,498)	(14,990)
282 Accum. Def. Income Taxes - Other Prop.	(1,415,588,961)	(1,340,030,484)
283 Accum.Deferred Income Taxes - Other	(241,223,282)	(251,578,561)
***Total Deferred Income Tax	(1,656,815,741)	(1,591,624,035)
**TOTAL DEFERRED TAXES	(1,771,749,952)	(1,660,153,368)
***OTHER DEFERRED CREDITS		
Subtotal 227 Oblig Under Cap Lease - Noncurr	(17,050,697)	(20,839,741)
Total Unrealized Loss on Derivatives -LT	(65,203,994)	(108,808,169)
228.2 Accum. Prov.for Injuries and Damages	(1,070,000)	(1,177,917)
228.3 Pension and Post Retirement Liabilities	(148,577,672)	(135,888,041)
228.4 Accum. Misc.Operating Provisions	(271,765,109)	(76,406,779)
229 Accum Provision for Rate Refunds	(1,316,719)	(588,362)
230 Asset Retirement Obligations (FAS 143)	(57,334,147)	(31,151,534)
252 Customer Advances for Construction	(70,300,619)	(86,828,729)
253 Other Deferred Credits	(222,080,891)	(203,450,979)
254 Other Regulatory Liabilities	(124,255,561)	(127,683,370)
256 Def. Gains from Dispos.of Utility Plt	(1,867,219)	(2,304,354)
257 Unamortized Gain on Reacquired Debt	-	-
**TOTAL OTHER DEFERRED CREDITS	(980,822,626)	(795,127,974)
***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	(2,775,196,691)	(2,775,196,691)
214 Capital Stock Expense	7,133,879	7,133,879
215 Appropriated Retained Earnings	(10,750,477)	(9,674,958)
216 Unappropriated Retained Earnings	(165,753,703)	(161,743,351)
216.1 Unappr.Undistrib.Subsidiary Earnings	6,923,503	1,472,840
219 Other Comprehensive Income	187,198,543	180,577,976
433 Balance Transferred from Income	(356,168,694)	(193,331,067)
438 Dividends Declared - Common Stock	175,624,638	110,301,311
439 Adjustments to Retained Earnings	5,848,610	5,848,610
****Total Common Equity	(3,404,144,680)	(3,313,615,738)
***TOTAL SHAREHOLDER'S EQUITY	(3,404,144,680)	(3,313,615,738)
***REDEEMABLE SECURITIES AND LONG-TERM DEBT		

**PUGET SOUND ENERGY
BALANCE SHEET
COMMISSION BASIS REPORT
As of December 31, 2012**

FERC Account and Description	Dec-12	Dec-12 AMA
****Preferred Stock - Manditorily Redeemable	-	-
****Total Preferred Stock - Mand Redeem	-	-
****Corporation Obligated, Mand Redeemable Preferred Stock Subscribed	-	-
****Corporation Obligated, Mand Redeem	-	-
****Long-term Debt		
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	14,144	14,395
Long-term Debt	(3,773,845,856)	(3,773,845,605)
****Long-term Debt	(3,773,845,856)	(3,773,845,605)
***REDEEMABLE SECURITIES AND LTD	(3,773,845,856)	(3,773,845,605)
**TOTAL CAPITALIZATION	(7,177,990,536)	(7,087,461,343)
*TOTAL CAPITALIZATION AND LIABILITIES	\$ (10,851,171,749)	\$ (10,378,240,695)

Puget Sound Energy
Commission Basis Report
Electric Rate Base
December 31, 2012

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1	Account	Description	AMA 12/31/2012
3		Rate Base	
4	101 / 102 / 230XXX1	Electric Plant in Service	\$ 7,514,610,398
5	101 / 253XXX3	Common Plant-Allocation to Electric	272,085,006
6	114XXX1	Electric Plant Aquisition Adjustment	255,631,799
6a	18230001	Tenaska	-
6b	18230171	Cabot	-
6c	1822XXX1	White River Deferred Plant Costs	35,024,981
6d	1823XXX1	White River Deferred Relicensing & CWIP	(4,659,297)
6e	14300061 & 25400021	Net Regulatory Liability - Canwest	3,912,808
6f	18230231/ 18230371	Hopkins Ridge BPA Transmission	-
6g	25300831	Hopkins II Wake Effect Settlement	-
6h	18230381/18230391	Goldendale Deferral -UE-070533	-
6i	18230351-71	Mint Farm Deferral	36,618,173
6j	1340xxxx	BPA Deposits	824,626
6k	18606XX	WHE Deferred Costs-UE-090704	-
6l	1860xxx	Prepaid Major Maint Sumas/Gold./Freddy	113,340
6m	18230351	Chelan PUD Contract Initiation	155,535,935
6n	18220091	Upper Baker - Unrecovered Plant & Reg. Study Costs	1,035,442
6o	18232301 & 311 & 331	LSR Deposit Carry Charge & Deferral UE-100882	127,916,260
6p	18600531 & 671 & 25301151	Ferndale Deferral Accounts	-
7	18230041	Colstrip Common FERC Adj - Reg Asset	21,589,277
8	18230051	Accum Amortization Colstrip-Common FERC	(14,700,356)
9	18230061	Colstrip Def Depr FERC Adj - Reg	1,663,459
10	18230071	BPA Power Exch Invstmt - Reg Asset	113,632,921
11	18230081	BPA Power Exch Inv Amortization - Reg Asset	(95,999,913)
12	18230031	Electric - Def AFUDC - Regulatory Asset	55,237,174
13	1861051	Capitalized OH	-
14	10500001	Electric - Plant Held for Future Use	14,341,469
15	10500003	Common Plant Held for Fut Use-Alloc to Electric	-
16	10605001	Electric - Const Completed Non Classified	230,315,768
16a	10600003	Common - Const Completed Non Classified	113,499
17	108XXX1	Elec-Accum Depreciation	(2,798,529,641)
18	108XXX3	Common Accum Depr-Allocation to Electric	(54,274,167)
19	111XXX1	Elec-Accum Amortization	(19,003,127)
20	11100003	Common Accum Amort-Allocation to Electric	(74,274,592)
21	115XXX1	Accum Amort Acq Adj - Electric	(74,511,584)
22	18230221	Accum Unamort Consvr Costs	-
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	56,268
26	19000093	Vacation Pay - Accum Def Inc Taxes	-
26a	19000121	Cabot Gas Contract - Accum Def Inc Tax	-
26b	19000151	DFIT - Westcoast Capacity Assignment - Electric	869,311
26c	19000711	DFIT- BNP Electric	1,191,737
27	19000191	RB-Consv Pre91 Tax Settlmt - Accum Def Inc Tax	-
27.1	19000701	DFFIT SSCM INT - ELEC	-
28	235XXX1	Customer Deposits - Electric	(25,176,445)
29	25400081	Residential Exchange	-
29.1	25400191& 25400201	Westcoast Pipeline Capacity Regulatory Liabilities	(6,042,725)
30	252XXX1	Cust Advances for Construction	(54,480,141)
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	(920,212,797)
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	(21,409,718)
35a2	19000433	NOL Carryforward	67,316,004
36	28300161	Def Inc Tax - Energy Conservation & FAS 133	-
37	28300261	Def FIT Bond Redemption Costs	-
37a	28300451	Accum Def Inc Tax - Tenaska Purchase	-
37b	28300461	Accum Def Inc Tax - Cabot Gas Contract	-

Puget Sound Energy
Commission Basis Report
Electric Rate Base
December 31, 2012

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1	Account	Description	AMA 12/31/2012
37c	28300011	Def FIT - White River Water Right	(10,631,619)
37d	19000451	Deferred FIT - Canwest Gas Supply - Ele	-
37e	28300431	Deferred Taxes WNP#3	(5,659,980)
37f	19000441	Deferred FIT FAS 143 Whitehorn 2 &3	2,689,625
37g	19000553	Common DFIT Summit Purchase Opt Buyout - Elec	347,462
37h	19000561	Def FIT - Wind Loss Settlement Agreemen	-
37i	28300541 \ 28300551	DFIT Goldendale Deferral -UE-070533	-
37j	28300601\28300611\2830066	DFIT Mint Fam Costs-UE-090704	(12,816,366)
37k	28300631\28300641\2830067	DFIT Wild Horse Costs-UE-090704	4
37l	28300561	DFIT - Interest Chelan PUD Reg Asset	(17,850,717)
37m	19000831 & 28300731	DFIT - Ferndale Def - L T & Equity Reserve	-
37n	28300081 & 28300721	DFIT BPA Prepayment & LSR	(6,870,980)
38	124001X1	Conservation Rate Base	-
39	18230181	1995 Conservation Trust Rate Base	-
40			
41	Working Capital- Rate Base		190,928,011
42	Rate Base		\$ 4,886,496,592
43			
44			
45			
46	Gross Utility Plant in Service		\$ 8,287,097,939
47	Less Accum Dep and Amort		(3,020,593,111)
48	Deferred Debits and Credits		431,702,107
49	Deferred Taxes		(922,981,768)
50	Allowance for Working Capital		190,928,011
51	Customer Deposits/Advances		(79,656,586)
52	Total Rate Base		\$ 4,886,496,592

Puget Sound Energy
Commission Basis Report
Combined Working Capital
December 31, 2012

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Line No.	Description	AMA Adjusted For NOL/Repairs Retirements 12/31/2012
1	Average Invested Capital	
2	Common Stock	\$ 859,038
3	Preferred Stock	-
4	Additional Paid in Capital	3,245,716,487
5	Unamortized Debt Expense	(50,166,194)
6	Unappropriated Retained Earnings	252,975,224
7	Notes Payable - Misc	-
8	Long Term Debt	3,773,845,605
9	Short Term Debt	94,047,785
10	Accumulated Deferred ITC	14,989
11	Treasury Grants	30,739,455
12	Deferred Debits-Other	(10,898)
13	Unamortized Gain/Loss on Debt	(32,209,855)
14	Total Average Invested Capital	7,315,811,636
15		
16	Average Operating Investments - Electric	
17		
18	Plant in Service (includes acquisition adj)	8,000,557,965
19	Electric Future Use Property	14,341,469
20	Customer Advances for Construction	(54,480,141)
21	Customer Deposits	(25,176,445)
22	Deferred Taxes	(807,299,794)
23	Deferred Debits/Credits - Other	269,715,272
24	Less: Accumulated Depreciation	(2,890,380,893)
25	Conservation Investment	-
26	Common Plant-Allocation to Electric	272,198,505
27	Common Accum Depr-Allocation to Electric	(128,548,759)
28	Common Deferred Taxes-Allocation to Electric	(28,614,572)
29	NOL Carryforward	67,316,004
30	Total Average Operating Investment - Electric	4,689,628,611
31		
32	Average Operating Investments - Gas	
33		
34	Gas Utility Plant in Service	2,853,866,608
35	Deferred Items - Other	5,172,220
36	Gas Stored Underground, Non-Current	8,599,111
37	Gas Accumulated Depreciation	(998,251,113)
38	Gas Customer Advances for Construction	(32,396,492)
39	Gas Customer Deposits	(9,513,906)
40	DFIT 17	(381,264,956)
41	PGA	(43,570,487)
42	Common Plant-Allocation to Gas	133,402,009
43	Common Accumulated Depreciation-Allocation to Gas	(63,000,577)
44	Common Deferred Tax	(14,023,741)
45	NOL Carryforward	51,286,200
46	Total Average Operating Investment - Gas	1,510,304,876
47		
48	Total Electric & Gas Operating Investment	6,199,933,487
49		
50	Construction Work in Progress	
51		
52	Elec Construction Work in Process	692,753,427
53	Gas Construction Work in Process	89,584,446
54	Other Work in Process	1,985,399
55	Electric Preliminary Surveys	50,264

Puget Sound Energy
Commission Basis Report
Combined Working Capital
December 31, 2012

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Line No.	Description	AMA Adjusted For NOL/Repairs Retirements 12/31/2012
1	Average Invested Capital	
56	Total Construction Work in Progress	784,373,536
57		
58	Nonoperating	
59		
60	Non-Utility Property	(112,207,342)
61	Investment in Associated Companies	43,454,996
62	Other Investments & FAS 133	66,967,118
63	Deferred Items-Other	125,233,220
64	Deferred Federal Income Tax	15,123,283
65	Investment Tracking Funds	1,451,930
66	Environmental Receivables	(64,094,542)
67	Current Accounts - Gas Allocation only	(10,168)
68	Merchandising Inventory - Gas Only	75,409
69	Total Non Operating Investment	75,993,904
70		
71	Total CWIP & Nonoperating Investment	860,367,440
72		
73	Total Average Investments	7,060,300,927
74	Rounding	
75	Total Investor Supplied Capital	\$ 255,510,709
Allocation of Working Capital		
Electric Working Capital		
	Total Investment	\$ 7,060,300,927
	Less: Electric CWIP	(692,753,427)
	Less: Gas	(89,584,446)
	Interest Bearing Regulatory Assets	
	Other Work in Progress	(1,985,399)
	Preliminary Surveys	(50,264)
	Total	6,275,927,391
	Electric Working Capital Ratio	4.0713%
	Electric Working Capital	\$ 190,928,011
Gas Working Capital		
	Total Investment	7,060,300,927
	Less: Electric CWIP	(692,753,427)
	Less: Gas CWIP	(89,584,446)
	Interest Bearing Regulatory Assets	
	Other Work in Progress	(1,985,399)
	Preliminary Surveys	(50,264)
	Total	6,275,927,391
	Gas Working Capital Ratio	4.0713%
	Gas Working Capital	\$ 61,488,772
	Non Operating Working Capital	\$ 3,093,926

PUGET SOUND ENERGY-ELECTRIC & GAS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2012
ALLOCATION METHODS

<u>Method</u>	<u>Description</u>		<u>Electric</u>	<u>Gas</u>	<u>Total</u>
1	* <u>12 Month Average Number of Customers</u>	12/31/2012	1,089,296	763,655	1,852,951
	Percent		58.79%	41.21%	100.00%
2	* <u>Joint Meter Reading Customers</u>	12/31/2012	717,700	417,533	1,135,233
	Percent		63.22%	36.78%	100.00%
3	* <u>Non-Production Plant</u>				
	Distribution	12/31/2012	3,176,775,040	2,749,020,760	\$ 5,925,795,800
	Transmission	12/31/2012	1,119,834,432	-	1,119,834,432
	Direct General Plant	12/31/2012	172,284,213	33,226,574	205,510,787
	Total		\$ 4,468,893,685	\$ 2,782,247,334	\$ 7,251,141,019
	Percent		61.63%	38.37%	100.00%
4	* <u>4-Factor Allocator</u>				
	Number of Customers	12/31/2012	1,089,296	763,655	1,852,951
	Percent		58.79%	41.21%	100.00%
	Labor - Direct Charge to O&M	12/31/2012	50,996,299	24,551,761	\$ 75,548,060
	Percent		67.50%	32.50%	100.00%
	T&D O&M Expense (Less Labor)	12/31/2012	65,820,175	28,021,570	\$ 93,841,745
	Percent		70.14%	29.86%	100.00%
	Net Classified Plant (Excluding General (Common) Plant)	12/31/2012	4,697,077,630	1,826,708,795	6,523,786,425
	Percent		72.00%	28.00%	100.00%
	Total Percentages		268.43%	131.57%	400.00%
	Percent		67.11%	32.89%	100.00%
5	* <u>Employee Benefits</u>				
	Direct Labor Accts 500-935	12/31/2012	50,999,245	25,256,983	76,256,228
	Total		\$ 50,999,245	\$ 25,256,983	\$ 76,256,228
	Percent		66.88%	33.12%	100.00%

Summary-1

**PUGET SOUND ENERGY-ELECTRIC
RESULTS OF OPERATIONS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2012
COMMISSION BASIS REPORT**

LINE NO.	ACTUAL RESULTS OF OPERATIONS	TOTAL ADJUSTMENTS	RESTATED RESULTS OF OPERATIONS
1	<u>OPERATING REVENUES:</u>		
2	\$ 2,109,858,520	\$ (84,858,337)	\$ 2,025,000,182
3	356,031	413	356,444
4	83,564,696	-	83,564,696
5	28,441,193	(5,649,112)	22,792,081
6	2,222,220,439	(90,507,037)	2,131,713,402
7			
8	<u>OPERATING REVENUE DEDUCTIONS:</u>		
9			
10	<u>POWER COSTS:</u>		
11	\$ 204,955,672	\$ -	\$ 204,955,672
12	593,961,366	(1,056,071)	592,905,294
13	87,085,890	-	87,085,890
14	(73,554,903)	73,554,903	-
15	812,448,025	72,498,832	884,946,856
16			
17	\$ 114,593,256	\$ -	\$ 114,593,256
18	19,058,040	-	19,058,040
19	74,862,781	-	74,862,781
20	52,429,420	(3,208,575)	49,220,845
21	15,066,697	(13,034,565)	2,032,132
22	85,025,496	(85,025,496)	-
23	101,340,443	(2,075,577)	99,264,866
24	231,840,647	(187,935)	231,652,712
25	38,032,760	-	38,032,760
26	17,529,940	-	17,529,940
27	23,135,054	(16,878,188)	6,256,866
28	(119,120,362)	119,120,362	-
29	208,575,784	(78,152,166)	130,423,619
30	4,271,535	(31,499,386)	(27,227,851)
31	156,258,260	(13,802,837)	142,455,423
32	\$ 1,835,347,775	\$ (52,245,531)	\$ 1,783,102,243
33			
34	\$ 386,872,664	\$ (38,261,505)	\$ 348,611,159
35			
36	\$ 4,886,496,592	\$ (2,728,829)	\$ 4,883,767,763
37			
38	7.92%		7.14%
39			
40	<u>RATE BASE:</u>		
41	\$ 5,266,504,827	\$ (3,657,772)	\$ 5,262,847,056
42	431,702,107	-	431,702,107
43	(922,981,768)	928,943	(922,052,825)
44	190,928,011	-	190,928,011
45	(79,656,586)	-	(79,656,586)
46	\$ 4,886,496,592	\$ (2,728,829)	\$ 4,883,767,763

Summary-3

PUGET SOUND ENERGY-ELECTRIC
STATEMENT OF OPERATING INCOME AND ADJUSTMENTS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2012
COMMISSION BASIS REPORT

LINE NO.	INCENTIVE PAY 3.10	EXCISE TAX & FILING FEE 3.11	TAX & INSURANCE 3.12	D&O TAX 3.13	MONTANA TAX 3.14	INTEREST ON CUST DEPOSITS 3.15	ASC 815 3.16	PENSION PLAN 3.17	INJURIES & DAMAGES 3.18	PROPERTY SALES 3.19	WILD HORSE SOLAR 3.19	TOTAL ADJUSTMENTS
1	OPERATING REVENUES											
2		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				\$ (84,858,337)
3												413
4												-
5												(5,649,112)
6		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (90,507,037)
7	OPERATING REVENUE DEDUCTIONS:											
8	POWER COSTS:											
9		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				\$ -
10												(1,056,071)
11												-
12												73,554,903
13												-
14												73,554,903
15	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 72,498,832
16												-
17		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				\$ -
18												-
19												-
20						28,318						(3,208,575)
21												(13,034,565)
22												(85,025,496)
23	(1,928,365)	(5)	(8,633)					(102,626)	92,618			(2,075,577)
24											(187,935)	(187,935)
25												-
26												-
27										510,465		(16,878,188)
28							119,120,362					119,120,362
29	(158,817)	17,914		507,662								(78,152,166)
30	730,514	(6,268)	3,021	(177,682)				35,919	(32,416)	(178,663)	65,777	(31,499,386)
31							(41,692,127)					(13,802,837)
32	\$ (1,356,669)	\$ 11,641	\$ (5,611)	\$ 329,980	\$ 28,318	\$ 77,428,235	\$ (66,707)	\$ 60,202	\$ 331,803	\$ (122,158)	\$ (122,158)	\$ (52,245,531)
33												-
34	\$ 1,356,669	\$ (11,641)	\$ 5,611	\$ (329,980)	\$ (28,318)	\$ (77,428,235)	\$ 66,707	\$ (60,202)	\$ (331,803)	\$ 122,158	\$ 122,158	\$ (38,261,505)
35												-
36	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	(2,728,829)	(2,728,829)
37												-
38												-
39												-
40												-
41	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	(3,657,772)	(3,657,772)
42												-
43											928,943	928,943
44												-
45												-
46	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	(2,728,829)	(2,728,829)

ADJ 3.01

**PUGET SOUND ENERGY-ELECTRIC
TEMPERATURE NORMALIZATION
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2012
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>6.90%</u>	
4	Jan-12	2,329,289,640	2,286,543,210	(42,746,430)	(39,796,926)	
5	Feb-12	2,069,633,555	2,081,677,804	12,044,249	11,213,195	
6	Mar-12	2,153,018,039	2,100,451,332	(52,566,707)	(48,939,604)	
7	Apr-12	1,772,924,058	1,787,806,956	14,882,898	13,855,978	
8	May-12	1,714,905,054	1,713,355,338	(1,549,716)	(1,442,785)	
9	Jun-12	1,603,914,583	1,614,541,984	10,627,401	9,894,110	
10	Jul-12	1,646,308,903	1,663,004,948	16,696,045	15,544,018	
11	Aug-12	1,724,310,431	1,706,781,713	(17,528,718)	(16,319,236)	
12	Sep-12	1,609,202,527	1,608,502,809	(699,718)	(651,437)	
13	Oct-12	1,826,022,754	1,849,927,084	23,904,330	22,254,932	
14	Nov-12	2,003,623,000	2,036,836,025	33,213,025	30,921,326	
15	Dec-12	2,317,181,000	2,347,574,627	30,393,627	28,296,467	
16		<u>22,770,333,544</u>	<u>22,797,003,831</u>	<u>26,670,287</u>	<u>24,830,038</u>	
17						
18	REVENUE ADJUSTMENT:	Schedule 7		22,339,623	\$ 2,547,447	
19		Schedule 24		1,295,719	130,462	
20		Schedule 25		139,692	17,496	
21		Schedule 26		131,954	11,601	
22		Schedule 29		10,557	585	
23		Schedule 31		402,054	27,105	
24		Schedule 43		352,806	22,749	
25		Schedule 40		145,874	9,400	
26		Firm Resale		<u>11,758</u>	<u>413</u>	
27	INCREASE (DECREASE) SALES TO CUSTOMERS			24,830,037	\$ 2,767,258	\$ 2,767,258
28				0		
29	UNCOLLECTIBLES @			0.0054380	\$ 15,048	
30	ANNUAL FILING FEE @			0.0020000	<u>5,535</u>	
31	INCREASE (DECREASE) EXPENSE					20,583
32						
33	STATE UTILITY TAX @			0.0385230	\$ <u>106,603</u>	
34	INCREASE (DECREASE) TAXES OTHER					<u>106,603</u>
35						
36	INCREASE (DECREASE) OPERATING INCOME					2,640,072
37						
38	INCREASE (DECREASE) FIT @			35%		<u>924,025</u>
39	INCREASE (DECREASE) NOI					<u>\$ 1,716,047</u>

ADJ 3.02

**PUGET SOUND ENERGY-ELECTRIC
REVENUE & EXPENSE RESTATING
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2012
COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION	AMOUNT	ADJUSTMENT
1	SALES TO CUSTOMERS:		
2	REMOVE MERGER RATE CREDIT SCH 132	\$ 6,024,348	
3	REMOVE SCHEDULE 95A TREASURY GRANTS	<u>6,893,748</u>	
4			
5	INCREASE (DECREASE) SALES TO CUSTOMERS	<u>12,918,097</u>	
6			
7	INCREASE (DECREASE) REVENUES		\$ 12,918,097
8			
9	UNCOLLECTIBLES @	0.0054380 \$ 70,249	
10	ANNUAL FILING FEE @	0.0020000 <u>25,836</u>	
11	INCREASE (DECREASE) EXPENSE		96,085
12			
13	STATE UTILITY TAX @	0.0385230 \$ <u>497,644</u>	
14	INCREASE (DECREASE) TAXES OTHER		497,644
15			
16			
17			
18	OTHER OPERATING EXPENSES:		
19	REMOVE SCHEDULE 95A TREASURY GRANTS AMORTIZATION OF INTEREST AND GRANTS	5,098,531	
20	REMOVE ACCRUAL FOR FUTURE PTC LIABILITY		
21	(ACTUAL PTC'S REMOVED IN FIT ADJUSTMENT NO. 3.06)	<u>(34,134,766)</u>	
22	INCREASE (DECREASE) OPERATING EXPENSES		<u>(29,036,235)</u>
23			
24	INCREASE (DECREASE) OPERATING INCOME BEFORE FIT		41,360,603
25			
26	INCREASE (DECREASE) FIT @	35%	<u>14,476,211</u>
27			
28	INCREASE (DECREASE) NOI		<u>\$ 26,884,392</u>

ADJ 3.03

**PUGET SOUND ENERGY-ELECTRIC
POWER COSTS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2012
COMMISSION BASIS REPORT**

LINE NO. DESCRIPTION	ACTUAL	RESTATED	INCREASE (DECREASE)
1 PRODUCTION EXPENSES:			
2 FUEL	\$ 204,955,672	\$ 204,955,672	\$ -
3 PURCHASED AND INTERCHANGED	593,961,366	595,495,996	1,534,630
4 PRUDENCE FROM UE-921262	-	-	-
5 SCHEDULE G DISALLOWANCE	-	-	-
6 WHEELING	87,085,890	87,085,890	-
7 SALES TO OTHER UTILITIES	(83,564,696)	(83,564,696)	-
8 PURCHASES/SALES OF NON-CORE GAS	21,313,768	21,313,768	-
9 SUBTOTAL - POWER COSTS TO BE ADJUSTED	<u>\$ 823,752,000</u>	<u>\$ 825,286,630</u>	<u>\$ 1,534,630</u>
10			
11 LESS: SALES FOR RESALE	83,564,696		
12 SCH. 94 - RES./FARM CREDIT	(73,554,903)		
13 TOTAL	<u>\$ 833,761,793</u>		
14 PURCHASES/SALES OF NON-CORE GAS	(21,313,768)		
15 PRODUCTION EXPENSES ON INCOME STATEMENT	<u><u>\$ 812,448,025</u></u>		
16 INCREASE(DECREASE) INCOME	0		\$ (1,534,630)
17			
18 INCREASE(DECREASE) FIT @	35%		(537,121)
19 INCREASE(DECREASE) NOI			<u><u>\$ (997,510)</u></u>

ADJ 3.04

**PUGET SOUND ENERGY-ELECTRIC
REGULATORY CREDITS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2012
COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION	ACTUAL	RESTATED	ADJUSTMENT
1	<u>FERNDALE</u>			
2	FERNDALE FIXED COST DEFERRALS	(1,072,995)	-	\$ 1,072,995
3	TOTAL FERNDALE EXPENSE	(1,072,995)	-	1,072,995
4				
5	<u>LOWER SNAKE RIVER</u>			
6	LOWER SNAKE RIVER FIXED COST DEFERRALS	(9,750,038)	-	\$ 9,750,038
7	TOTAL LOWER SNAKE RIVER EXPENSE	(9,750,038)	-	\$ 9,750,038
8				
9	INCREASE(DECREASE) OPERATING EXPENSES			10,823,033
10				
11	INCREASE(DECREASE) OPERATING EXPENSE			(10,823,033)
12	INCREASE(DECREASE) FIT @	35%		(3,788,062)
13	INCREASE(DECREASE) NOI			(7,034,972)

ADJ 3.05

**PUGET SOUND ENERGY-ELECTRIC
FEDERAL INCOME TAX
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2012
COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION	AMOUNT
1	TAXABLE INCOME	\$ 43,878,510
2		
3	FEDERAL INCOME TAX @ 35%	\$ 15,357,478
4	DEFERRED FIT - DEBIT	204,160,008
5	DEFERRED FIT - CREDIT	(20,012,459)
6	DEFERRED FIT - INV TAX CREDIT, NET OF AMORT.	-
7	TOTAL RESTATED FIT	\$ 199,505,028
8		
9	FIT PER BOOKS:	
10	CURRENTLY PAYABLE	4,271,535
11	DEFERRED FIT - DEBIT	\$672,193,122
12	DEFERRED FIT - CREDIT	(\$515,934,862)
13	DEFERRED FIT - INV TAX CREDIT, NET OF AMORT.	-
14	TOTAL CHARGED TO EXPENSE	\$ 160,529,795
15		
16	INCREASE(DECREASE) FIT (LINE 3 - LINE 10)	11,085,944
17	INCREASE(DECREASE) DEFERRED FIT (LINES 4 + 5 + 6 - 11 - 12 - 13)	27,889,289
18	INCREASE(DECREASE) NOI	<u>\$ (38,975,233)</u>

ADJ 3.06

**PUGET SOUND ENERGY-ELECTRIC
TAX BENEFIT OF RESTATED INTEREST
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2012
COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION	AMOUNT
1	RATE BASE	\$4,883,767,763
2		
3	WEIGHTED COST OF DEBT	<u>3.22%</u>
4	RESTATED INTEREST	<u>\$ 157,257,322</u>
5		
6		
7		
8		
9	INCREASE (DECREASE) INCOME	<u><u>\$ (157,257,322)</u></u>
10		
11	INCREASE (DECREASE) FIT @	35% \$ (55,040,063)
12		
13	INCREASE (DECREASE) NOI	<u><u>\$ 55,040,063</u></u>

ADJ 3.07

**PUGET SOUND ENERGY-ELECTRIC
PASS-THROUGH REVENUE & EXPENSE
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2012
COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION	AMOUNT	ADJUSTMENT
1	<u>REMOVE REVENUES ASSOCIATED WITH RIDERS:</u>		
2	REMOVE CONSERVATION RIDER - SCHEDULE 120		\$ 88,931,895
3	REMOVE MUNICIPAL TAXES - SCHEDULE 81		79,030,882
4	REMOVE LOW INCOME RIDER - SCHEDULE 129		12,288,933
5	REMOVE RESIDENTIAL EXCHANGE - SCH 194		(76,957,340)
6	GREEN POWER - SCH 135/136		3,884,804
7	GREEN POWER - SCH 135/136 ELIMINATE UNDER EXPENSED		130,683
8	REMOVE REC PROCEEDS - SCH 137		(6,635,893)
9	REMOVE AMORT ON INTEREST ON REC PROCEEDS		824,549
10	REMOVE EXPENSES ASSOCIATED WITH SCH 137 REC PROCEEDS		5,518,429
11			
12	TOTAL (INCREASE) DECREASE REVENUES		\$ 107,016,940
13			
14	<u>DECREASE REVENUE SENSITIVE ITEMS FOR DECREASE IN REVENUES:</u>		
15	BAD DEBTS	0.0054380	(547,465)
16	ANNUAL FILING FEE	0.0020000	(201,348)
17	STATE UTILITY TAX	0.0385230	(3,878,263)
18	TOTAL		(4,627,076)
19			
20	<u>REMOVE EXPENSES ASSOCIATED WITH RIDERS</u>		
21	REMOVE CONSERVATION AMORTIZATON - SCHEDULE 120		\$ (85,025,496)
22	REMOVE MUNICIPAL TAXES - SCHEDULE 81		(75,228,733)
23	REMOVE LOW INCOME AMORTIZATION - SCHEDULE 129		(11,758,873)
24	REMOVE RESIDENTIAL EXCHANGE - SCH 194		73,554,903
25	GREEN POWER - SCH 135/136 TAGS		(2,590,701)
26	GREEN POWER - SCH 135/136 ADMIN		(1,275,692)
27	GREEN POWER - SCH 135/136 BENEFITS PORTION OF ADMIN		(55,311)
28	GREEN POWER - SCH 135/136 TAXES PORTION OF ADMIN		(16,175)
29	TOTAL INCREASE (DECREASE) EXPENSE		\$ (102,396,078)
30			
31	INCREASE (DECREASE) OPERATING INCOME BEFORE FIT		\$ 6,214
32	INCREASE (DECREASE) FIT		2,175
33	INCREASE (DECREASE) NOI		\$ 4,039

ADJ 3.08

**PUGET SOUND ENERGY-ELECTRIC
RATE CASE EXPENSES
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2012
COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION	AMOUNT	
1	EXPENSES TO BE NORMALIZED - BASED ON AMOUNTS FROM 2011 GRC		
2	APPROVED IN RATES DURING PERIOD:		
3			
4	2011 and 2009 GRC EXPENSES TO BE NORMALIZED	\$ 1,040,000	
5			
6	ANNUAL NORMALIZATION (LINE 4 ÷ 2 YEARS)	520,000	
7	LESS TEST YEAR EXPENSE	505,528	
8	INCREASE (DECREASE) EXPENSE	\$ 14,472	\$ 14,472
9			
10	2005 AND 2007 PCORC EXPENSES TO BE NORMALIZED	\$ 329,000	
11			
12	ANNUAL NORMALIZATION (LINE 10 ÷ 4 YEARS)	82,250	
13	LESS TEST YEAR EXPENSE	-	
14	INCREASE (DECREASE) EXPENSE	\$ 82,250	\$ 82,250
15			
16			
17	TOTAL INCREASE (DECREASE) EXPENSE		\$ 96,722
18			
19	INCREASE(DECREASE) FIT @	35%	(33,853)
20	INCREASE(DECREASE) NOI		\$ (62,869)

ADJ 3.09

**PUGET SOUND ENERGY-ELECTRIC
BAD DEBTS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2012
COMMISSION BASIS REPORT**

LINE NO.	YEAR	NET WRITEOFF'S	NET REVENUES	PERCENT WRITEOFFS TO REVENUE
		December	August	
1	12 ME 12/31/2009	\$ 10,727,813	\$ 2,021,537,277	0.5306760%
2	12 ME 12/31/2010	\$ 11,257,841	\$ 2,019,018,952	0.5575897%
3	12 ME 12/31/2011	\$ 11,518,088	\$ 2,120,332,206	<u>0.5432209%</u>
4				
5	3-YR AVERAGE OF NET WRITE OFF RATE			0.5438000%
6				
7	REPORTING PERIOD REVENUES		\$ 2,109,858,520	
8				
9	RESTATED BAD DEBT RATE		0.5438000%	
10	RESTATED BAD DEBTS		<u>\$ 11,473,411</u>	
11				
12	UNCOLLECTIBLES CHARGED TO EXPENSE IN TEST YEAR		<u>14,248,136</u>	
13	INCREASE (DECREASE) EXPENSE			\$ (2,774,725)
14				
15	INCREASE (DECREASE) NOI			\$ 2,774,725
16	INCREASE (DECREASE) FIT		35%	971,154
17	INCREASE (DECREASE) NOI			<u>\$ 1,803,571</u>

ADJ 3.10

**PUGET SOUND ENERGY-ELECTRIC
INCENTIVE PLAN
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2012
COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION	ACTUAL	RESTATED	ADJUSTMENT
1	INCREASE(DECREASE) IN EXPENSE	\$ 7,826,651	\$ 5,898,286	\$ (1,928,365)
2				
3	PAYROLL TAXES ASSOCI WITH MERIT PAY	644,592	485,775	\$ (158,817)
4	INCREASE(DECREASE) IN EXPENSE	\$ 8,471,243	\$ 6,384,060	\$ (2,087,183)
5				
6	INCREASE (DECREASE) INCOME			2,087,183
7	INCREASE (DECREASE) FIT @		35%	730,514
8				
9	INCREASE (DECREASE) NOI			<u><u>\$ 1,356,669</u></u>

ADJ 3.11

**PUGET SOUND ENERGY-ELECTRIC
EXCISE TAX & FILING FEE
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2012
COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION	AMOUNT
1	RESTATED EXCISE TAXES	\$ 82,726,125
2	CHARGED TO EXPENSE FOR TEST YEAR	82,708,211
3	INCREASE(DECREASE) EXCISE TAX	\$ 17,914
4		
5	RESTATED WUTC FILING FEE	\$ 4,264,226
6	CHARGED TO EXPENSE FOR TEST YEAR	4,264,231
7	INCREASE(DECREASE) WUTC FILING FEE	\$ (5)
8		
9	INCREASE(DECREASE) EXPENSE	\$ 17,909
10		
11	INCREASE(DECREASE) OPERATING INCOME	\$ (17,909)
12		
13	INCREASE(DECREASE) FIT	35% \$ (6,268)
14		
15	INCREASE(DECREASE) NOI	<u><u>\$ (11,641)</u></u>

ADJ 3.12

**PUGET SOUND ENERGY-ELECTRIC
D&O INSURANCE
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2012
COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION	TEST YEAR	RESTATED	ADJUSTMENT
1	D & O INS. CHG EXPENSE	\$ 118,255	\$ 109,622	\$ (8,633)
2				
3	INCREASE (DECREASE) IN EXPENSE	\$ 118,255	\$ 109,622	\$ (8,633)
4				
5	INCREASE (DECREASE) OPERATING INCOME			8,633
6				
7	INCREASE (DECREASE) FIT @		35%	3,021
8				
9	INCREASE (DECREASE) NOI			<u><u>\$ 5,611</u></u>

ADJ 3.13

**PUGET SOUND ENERGY-ELECTRIC
MONTANA ENERGY TAX
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2012
COMMISSION BASIS REPORT**

LINE			AMOUNT
NO.	DESCRIPTION		
1	RESTATED KWH	3,809,524,012	
2	TAX RATE	<u>\$ 0.00035</u>	
3			
4	RESTATED ENERGY TAX		1,333,333
5	CHARGED TO EXPENSE		<u>825,671</u>
6	INCREASE (DECREASE) INCOME		\$ (507,662)
7			
8	INCREASE (DECREASE) FIT @ 35%		<u>(177,682)</u>
9	INCREASE (DECREASE) NOI		<u><u>\$ (329,980)</u></u>

ADJ 3.14

**PUGET SOUND ENERGY-ELECTRIC
INTEREST ON CUSTOMER DEPOSITS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2012
COMMISSION BASIS REPORT**

LINE			
NO.	DESCRIPTION		AMOUNT
1	INTEREST EXPENSE FOR TEST YEAR	\$	28,318
2			
3			
4	INCREASE (DECREASE) NOI	<u>\$</u>	<u>(28,318)</u>

ADJ 3.15

PUGET SOUND ENERGY-ELECTRIC
ASC 815
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2012
COMMISSION BASIS REPORT

LINE NO.		ACTUAL	RESTATED	ADJUSTMENT
1	ASC 815 OPERATING EXPENSE	\$ (119,120,362)	\$ -	\$ 119,120,362
2				
3	INCREASE (DECREASE) IN EXPENSE	\$ (119,120,362)	\$ -	\$ 119,120,362
4				
5	INCREASE (DECREASE) OPERATING INCOME			(119,120,362)
6				
7	INCREASE (DECREASE) DEFERRED FIT @	35%		(41,692,127)
8				
9	INCREASE (DECREASE) NOI			<u><u>\$ (77,428,235)</u></u>

ADJ 3.16

**PUGET SOUND ENERGY-ELECTRIC
PENSION PLAN
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2012
COMMISSION BASIS REPORT**

LINE				
NO.	DESCRIPTION	ACTUAL	RESTATED	ADJUSTMENT
1	QUALIFIED RETIREMENT FUND	\$ 5,619,444	\$ 5,516,817	\$ (102,626)
2				
3				
4	INCREASE (DECREASE) IN EXPENSE	\$ 5,619,444	\$ 5,516,817	\$ (102,626)
5				
6	INCREASE (DECREASE) INCOME			102,626
7	INCREASE (DECREASE) FIT @		35%	35,919
8				
9	INCREASE (DECREASE) NOI			<u><u>\$ 66,707</u></u>

ADJ 3.17

**PUGET SOUND ENERGY-ELECTRIC
INJURIES AND DAMAGES
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2012
COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION	ACTUAL	RESTATED	ADJUSTMENT
1	INJURIES & DAMAGES ACCRUALS	\$ 70,000	\$ 133,590	\$ 63,590
2	INJURIES & DAMAGES PAYMENTS IN EXCESS OF ACCRUALS	\$ 357,750	\$ 386,778	29,028
3	INCREASE/(DECREASE) IN EXPENSE	427,750	520,368	92,618
4				
5	INCREASE/(DECREASE) IN OPERATING EXPENSE (LINE 3)			\$ 92,618
6	INCREASE (DECREASE) FIT @		35%	(32,416)
7				
8	INCREASE (DECREASE) NOI			\$ (60,202)

ADJ 3.18

**PUGET SOUND ENERGY-ELECTRIC
DEFERRED GAINS AND LOSSES ON PROPERTY SALES
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2012
COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION	ACTUAL	RESTATED	ADJUSTMENT
1	AMORTIZATION OF DEFERRED GAIN	\$ (1,138,715)	\$ (633,008)	\$ 505,707
2	AMORTIZATION OF DEFERRED LOSS	\$ 127,890	\$ 132,649	4,759
3	TOTAL GAIN/LOSS AMORTIZATION	(1,010,825)	(500,359)	510,465
4				
5	INCREASE (DECREASE) EXPENSE (Line 15 - Line 17)			\$ 510,465
6				
7	INCREASE (DECREASE) FIT @ 35%			(178,663)
8				
9	INCREASE (DECREASE) NOI			\$ (331,803)

ADJ 3.19

**PUGET SOUND ENERGY-ELECTRIC
WILD HORSE SOLAR
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2012
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	\$ 4,530,703	\$ -	\$ (4,530,703)
4	ACCUM DEPRECIATION	(872,931)	0	872,931
5	DEFERRED INCOME TAX LIABILITY	(928,943)	0	928,943
6	NET WH SOLAR PLANT RATEBASE	2,728,829	0	(2,728,829)
7				
8	<u>WILD HORSE SOLAR OPERATING EXPENSE</u>			
9	DEPRECIATION EXPENSE	187,935	0	(187,935)
10				
11	INCREASE (DECREASE) EXPENSE	<u>\$ 187,935</u>	<u>\$ -</u>	<u>\$ (187,935)</u>
12				
13	INCREASE (DECREASE) FIT @		35%	65,777
14	INCREASE (DECREASE) NOI			<u>\$ 122,158</u>

ADJ 4.01

**PUGET SOUND ENERGY-ELECTRIC
CONVERSION FACTOR
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2012
COMMISSION BASIS REPORT**

LINE			RATE
NO. DESCRIPTION			RATE
1	BAD DEBTS		0.005438
2	ANNUAL FILING FEE		0.002000
3	STATE UTILITY TAX ((1 - LINE 1) * 3.8734%)	3.8734%	<u>0.038523</u>
4			
5	SUM OF TAXES OTHER		0.045961
6			
7	CONVERSION FACTOR EXCLUDING FEDERAL INCOME TAX (1 - LINE 5)		0.954039
8	FEDERAL INCOME TAX ((1 - LINE 5) * 35%)	35%	<u>0.333914</u>
9	CONVERSION FACTOR (1 - LINE 8)		<u><u>0.620125</u></u>