



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

Dear Mr. King:

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, 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 480-90-257.

The results show a normalized overall rate of return of 7.46% and a return on actual common equity of 8.78%, 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
Gas

Restated Net Operating Income	\$	120,430,701	a
Restated Rate Base	\$	1,613,676,825	b
Normalized Overall Rate of Return		7.46%	c=a/b
Restated Net Operating Income	\$	120,430,701	d=a
Restated Interest Expense	\$	51,960,394	e
Restated NOI less Restated Interest Exp	\$	68,470,307	f=d-e
Restated Rate Base	\$	1,613,676,825	g=b
Actual Equity Percent		48.30%	h
Equity Rate Base	\$	779,405,907	i=g*h
Restated Return on Actual Equity		8.78%	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)
12					
13	Common Stock	<u>\$3,613,954,006</u>	<u>48.30%</u>	9.80%	<u>4.73%</u>
14					
16	Total	<u>\$7,481,847,395</u>	<u>100.00%</u>		<u>7.95%</u>
18					
19					
21	(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	136,039,886	29,480,878
***Restricted Cash		
***Total Restricted Cash	-	-
***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	469,843,346	373,355,517
***Allowance for Doubtful Accounts		
144 Accm.Prov.for Uncollectble Accts-Credit	(9,932,461)	(8,221,558)
***Less: Allowance for Doubtful Accounts	(9,932,461)	(8,221,558)
***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	167,899,613	161,927,811
***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)	6,868,929	7,616,317
***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	13,394,434	21,153,286

**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
Gas Rate Base
As of December 31, 2012

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	4-Factor Allocation
Electric	67.11%
Gas	32.89%

Line No.	Description	AMA 12/31/12
1	Gas Utility Plant in Service	2,853,866,608
2	Common Plant-Allocation to Gas	133,402,009
3	Gas Stored Underground - Non current	8,599,111
4	Total Plant in Service and Other Assets	<u>2,995,867,728</u>
5	Accumulated Provision for Depreciation	(998,251,113)
7	Common Accumulated Depreciation-Allocation to Gas	(63,000,577)
8	Customer Advances for Construction	(32,388,001)
9	Contributions in Aid of Construction - Accum. Def. FIT.	(6,000)
10	Liberalized Depreciation Total Accum. Def. FIT - Liberalized	(391,806,278)
11	NOL Carryforward	51,286,200
12	Customer Deposits	<u>(9,513,906)</u>
12	Accumulated Depreciation and Other Liabilities	(1,443,679,675)
13	Net Operating Investment	<u>1,552,188,053</u>
14	Allowance for Working Capital	<u>61,488,772</u>
15	Total Gas Rate Base	<u><u>1,613,676,825</u></u>

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%

**PUGET SOUND ENERGY-GAS
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	\$ 1,025,609,280	\$ (8,912,831)	\$ 1,016,696,449
3	47,404,128	(47,495,230)	(91,102)
4	13,081,634	1,338,108	14,419,742
5	<u>\$ 1,086,095,042</u>	<u>\$ (55,069,953)</u>	<u>\$ 1,031,025,089</u>
6			
7			
8	OPERATING REVENUE DEDUCTIONS:		
9			
10	GAS COSTS:		
11			
12	\$ 538,611,726	\$ 22,202,143	\$ 560,813,869
13			
14	<u>\$ 538,611,726</u>	<u>\$ 22,202,143</u>	<u>\$ 560,813,869</u>
15			
16	\$ 1,880,545	\$ (187,712)	\$ 1,692,834
17	15,005	-	15,005
18	51,578,669	-	51,578,669
19	31,656,774	(864,471)	30,792,302
20	5,083,991	(3,866,995)	1,216,995
21	29,151,769	(29,151,769)	-
22	46,295,558	(387,938)	45,907,620
23	106,110,895	0	106,110,895
24	11,340,567	-	11,340,567
25	-	-	-
26	(84,402)	39,032	(45,370)
27	110,283,062	(47,958,528)	62,324,534
28	(3,749)	9,883,483	9,879,734
29	43,443,293	(14,476,559)	28,966,734
30	<u>\$ 436,751,977</u>	<u>\$ (86,971,458)</u>	<u>\$ 349,780,519</u>
31			
32	\$ 110,731,339	\$ 9,699,361	\$ 120,430,701
33			
34	\$ 1,613,676,825	\$ 0	\$ 1,613,676,825
35			
36	6.86%		7.46%
37			
38	RATE BASE:		
39	\$ 2,987,268,617	\$ -	\$ 2,987,268,617
40	(1,061,251,690)	-	(1,061,251,690)
41	(340,520,078)	-	(340,520,078)
42	(33,308,796)	-	(33,308,796)
43	<u>\$ 1,552,188,053</u>	<u>\$ -</u>	<u>\$ 1,552,188,053</u>
44	61,488,772	-	61,488,772
45	<u>\$ 1,613,676,825</u>	<u>\$ -</u>	<u>\$ 1,613,676,825</u>

PUGET SOUND ENERGY-GAS
STATEMENT OF OPERATING INCOME AND ADJUSTMENTS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2012
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		\$ -	\$ -	\$ -	-			\$ (8,912,831)	\$ 1,016,696,449
3 MUNICIPAL ADDITIONS								(47,495,230)	(91,102)
4 OTHER OPERATING REVENUES								1,338,108	14,419,742
5 TOTAL OPERATING REVENUES	\$ -	\$ -	\$ -	\$ -	-		\$ -	\$ (55,069,953)	\$ 1,031,025,089
6									
7									
8 OPERATING REVENUE DEDUCTIONS:									
9									
10 GAS COSTS:									
11									
12 PURCHASED GAS		\$ -	\$ -	\$ -	-			22,202,143	\$ 560,813,869
13									
14 TOTAL PRODUCTION EXPENSES	\$ -	\$ -	\$ -	\$ -	-		\$ -	22,202,143	\$ 560,813,869
15									
16 OTHER ENERGY SUPPLY EXPENSES	\$ -	\$ -	\$ -	\$ -	-			\$ (187,712)	\$ 1,692,834
17 TRANSMISSION EXPENSE								-	15,005
18 DISTRIBUTION EXPENSE								-	51,578,669
19 CUSTOMER ACCTS EXPENSES			12,476					(864,471)	30,792,302
20 CUSTOMER SERVICE EXPENSES								(3,866,995)	1,216,995
21 CONSERVATION AMORTIZATION								(29,151,769)	-
22 ADMIN & GENERAL EXPENSE	(0)		(50,822)	(6,051)	474,996		(957,692)	(387,938)	45,907,620
23 DEPRECIATION								-	106,110,895
24 AMORTIZATION								-	11,340,567
25 AMORTIZATION OF PROPERTY LOSS								-	-
26 OTHER OPERATING EXPENSES						39,032		39,032	(45,370)
27 TAXES OTHER THAN F.I.T.	(4,163)						(76,845)	(47,958,528)	62,324,534
28 FEDERAL INCOME TAXES	1,457		17,788	2,118	(166,249)	(13,661)	362,088	9,883,483	9,879,734
29 DEFERRED INCOME TAXES								(14,476,559)	28,966,734
30 TOTAL OPERATING REV. DEDUCT.	\$ (2,706)	\$ 12,476	\$ (33,034)	\$ (3,933)	\$ 308,747	\$ 25,371	\$ (672,450)	\$ (86,971,458)	\$ 349,780,519
31									
32 NET OPERATING INCOME	\$ 2,706	\$ (12,476)	\$ 33,034	\$ 3,933	\$ (308,747)	\$ (25,371)	\$ 672,450	\$ 9,699,361	\$ 120,430,701
33									
34 RATE BASE								\$ -	\$ 1,613,676,825
35									
36 RATE OF RETURN									7.46%
37									
38 RATE BASE:									
39 UTILITY PLANT IN SERVICE AND OTHER ASSETS	\$ -	\$ -	\$ -	\$ -	-		\$ -	-	\$ 2,987,268,617
40 ACCUMULATED DEPRECIATION								-	(1,061,251,690)
41 ACCUMULATED DEFERRED FIT - LIBERALIZED								-	(340,520,078)
42 DEPRECIATION AND OTHER LIABILITIES								-	(33,308,796)
43 TOTAL NET INVESTMENT	\$ -	\$ -	\$ -	\$ -	-		\$ -	-	\$ 1,552,188,053
44 ALLOWANCE FOR WORKING CAPITAL								-	61,488,772
45 TOTAL RATE BASE	\$ -	\$ -	\$ -	\$ -	-		\$ -	-	\$ 1,613,676,825

**PUGET SOUND ENERGY-GAS
TEMPERATURE NORMALIZATION
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2012
COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION	ACTUAL	RESTATED	ADJUSTMENT
1	TEMPERATURE NORMALIZATION ADJUSTMENT:			
2		ACTUAL	TEMP ADJ	THERMS
3		<u>THERMS</u>	<u>THERMS</u>	<u>CHANGE</u>
4	Jan-12	154,373,490	146,129,603	(8,243,887)
5	Feb-12	134,243,364	136,307,992	2,064,628
6	Mar-12	134,979,798	122,135,297	(12,844,501)
7	Apr-12	90,524,549	93,936,284	3,411,735
8	May-12	69,101,622	68,684,541	(417,081)
9	Jun-12	54,058,580	51,117,468	(2,941,112)
10	Jul-12	44,483,064	44,490,612	7,548
11	Aug-12	44,098,072	44,574,733	476,661
12	Sep-12	49,776,243	52,050,902	2,274,659
13	Oct-12	80,690,849	85,623,752	4,932,903
14	Nov-12	113,986,193	121,261,581	7,275,388
15	Dec-12	150,424,053	155,547,444	5,123,391
16		1,120,739,879	1,121,860,211	1,120,332
17	REVENUE ADJUSTMENT:			
18	Residential (23)			\$ 422,121
19	Residential (16)			0
20	Commercial & industrial (31)			(1,580)
21	Large volume (41)			(114,060)
22	Compressed natural gas (50)			0
23	Interruptible (85)			(15,344)
24	Limited interruptible (86)			(32,379)
25	Non exclusive interruptible (87)			(32,610)
26	Transportation (87T)			540
27	Contracts (99,199,299)			3,442
28	INCREASE (DECREASE) SALES TO CUSTOMERS			\$ 230,130
29				
30	OPERATING EXPENSES:			(288,324)
31	PURCHASED GAS COSTS			\$ (288,324)
32				
33	UNCOLLECTIBLES @		0.43080%	\$ 991
34	ANNUAL FILING FEE @		0.20000%	460
35	INCREASE (DECREASE) EXPENSE			1,451
36				
37	STATE UTILITY TAX @		3.83540%	\$ 8,826
38	INCREASE (DECREASE) TAXES OTHER			8,826
39				
40	INCREASE (DECREASE) OPERATING INCOME			508,176
41				
42	INCREASE (DECREASE) FIT @		35%	177,862
43	INCREASE (DECREASE) NOI			\$ 330,314

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

LINE NO.	DESCRIPTION	ADJUSTMENT
1	SALES TO CUSTOMERS:	
2	TRUE UP CHANGE IN UNBILLED	\$ (3,647,592)
3	TRANSFER NEW CUSTOMER REVENUE	\$ (1,291,517)
4	REMOVE NON-RECURRING CUSTOMER REVENUE	\$ (315,296)
5	REMOVE MERGER RATE CREDIT SCH 132	\$ 3,229,539
6		
7	TOTAL INCREASE (DECREASE) SALES TO CUSTOMERS	\$ (2,024,866)
8		
9	OTHER OPERATING REVENUES:	
10	TRUE UP CHANGE IN UNBILLED	\$ 46,591
11	TRANSFER NEW CUSTOMER REVENUE	\$ 1,291,517
12		
13	TOTAL INCREASE (DECREASE) OPERATING REVENUES	\$ 1,338,108
14		
15	TOTAL INCREASE (DECREASE) REVENUES	(686,758)
16		
17	OPERATING EXPENSES:	
18		
19	OPERATING EXPENSES:	
20	CHANGE TO GAS COST FOR TRUE UP TO CHANGE IN UNBILLED REVENUE	\$ (3,353,689)
21	REMOVE NON-RECURRING CUSTOMER GAS COSTS	\$ (39,882)
22		
23	TOTAL PURCHASE GAS COSTS	(3,393,571)
24		
25	UNCOLLECTIBLES @ 0.43080%	(2,959)
26	ANNUAL FILING FEE @ 0.20000%	(1,374)
27	INCREASE (DECREASE) EXPENSE	(3,397,903)
28		
29	STATE UTILITY TAX @ 3.83540%	\$ (26,340)
30		
31	INCREASE (DECREASE) TAXES OTHER	(26,340)
32		
33	INCREASE (DECREASE) OPERATING INCOME	2,737,485
34	INCREASE (DECREASE) FIT @ 35%	958,120
35	INCREASE (DECREASE) NOI	\$ 1,779,365

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

LINE NO.	DESCRIPTION	AMOUNT
1	TAXABLE INCOME	\$ 75,069,444
2		
3	FEDERAL INCOME TAX	
4	CURRENT FIT @ 35%	26,274,305
5	DEFERRED FIT - DEBIT	30,911,170
6	DEFERRED FIT - CREDIT	(1,922,497)
7	DEFERRED FIT - INV TAX CREDIT, NET OF AMORTIZATION	(21,939)
8	TOTAL RESTATED FIT	<u>\$ 55,241,039</u>
9		
10	FIT PER BOOKS:	
11	CURRENT FIT	(3,749)
12	DEFERRED FIT - DEBIT	\$223,010,433
13	DEFERRED FIT - CREDIT	(\$179,545,201)
14	DEFERRED FIT - INV TAX CREDIT, NET OF AMORTIZATION	(21,939)
15	TOTAL CHARGED TO EXPENSE	<u>\$ 43,439,544</u>
16		
17	INCREASE(DECREASE) FIT (LINE 4 - LINE 11)	\$ 26,278,054
18	INCREASE(DECREASE) DEFERRED FIT (LINES 5 + 6 + 7 - 12 - 13 - 14)	(14,476,559)
19	INCREASE(DECREASE) ITC	-
20	INCREASE(DECREASE) NOI	<u><u>\$ (11,801,495)</u></u>

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

LINE NO.	DESCRIPTION	AMOUNT
1	RATE BASE	\$ 1,613,676,825
2		
3	NET RATE BASE	<u>\$ 1,613,676,825</u>
4		
5	WEIGHTED COST OF DEBT	<u>3.22%</u>
6	RESTATED INTEREST	\$ 51,960,394
7		
8		
9		
10	INCREASE (DECREASE) INCOME	\$ (51,960,394)
11	INCREASE (DECREASE) FIT @	35% (18,186,138)
	INCREASE (DECREASE) NOI	<u><u>\$ 18,186,138</u></u>

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

LINE NO.	DESCRIPTION	ADJUSTMENT
1	<u>REMOVE REVENUES ASSOCIATED WITH RIDERS:</u>	
2	REMOVE LOW INCOME RIDER - SCHEDULE 129	\$ 4,042,807
3	REMOVE CONSERVATION TRACKER - SCHEDULE 120	20,337,292
4	REMOVE 2012 CONSERVATION TRACKER - SCHEDULE 120	9,708,421
5	REMOVE REVENUE ASSOC WITH PGA AMORTIZATION - SCHEDULE 106	(27,071,417)
6	REMOVE CARBON OFFSET - SCHEDULE 137	100,992
7	REMOVE OTHER ASSOC WITH CARBON OFFSET - SCHEDULE 137	91,102
8	REMOVE MUNICIPAL TAXES ASSOC WITH SALES TO CUSTOMERS	47,025,323
9	REMOVE MUNICIPAL TAXES ASSOC WITH OTHER OPRTG REV	378,804
10	TOTAL (INCREASE) DECREASE REVENUES	<u>\$ 54,613,325</u>
11		
12	<u>DECREASE REVENUE SENSITIVE ITEMS FOR DECREASE IN REVENUES:</u>	
13	UNCOLLECTIBLES @ 0.0043080	\$ (235,274)
14	ANNUAL FILING FEE 0.0020000	(109,227)
15	STATE UTILITY TAX 0.0383540	(2,094,639)
16	TOTAL	<u>\$ (2,439,140)</u>
17		
18	<u>REMOVE EXPENSES ASSOCIATED WITH RIDERS</u>	
19	REMOVE LOW INCOME AMORTIZATION - SCHEDULE 129	\$ (3,866,995)
20	REMOVE CONSERVATION AMORTIZATION - SCHEDULE 120	(19,443,348)
21	REMOVE 2012 CONSERVATION AMORTIZATION - SCHEDULE 120	(9,708,421)
22	REMOVE PGA DEFERRAL AMORTIZATION EXP - SCHEDULE 106	25,884,038
23	REMOVE CARBON OFFSET AMORTIZATION EXP - SCHEDULE 137	(187,712)
24	REMOVE MUNICIPAL TAXES	(45,765,367)
25	TOTAL INCREASE (DECREASE) EXPENSE	<u>\$ (53,087,805)</u>
26		
27	INCREASE (DECREASE) OPERATING INCOME BEFORE FIT	\$ 913,620
28	INCREASE (DECREASE) FIT (LINE 23 * 35%)	319,767
29	INCREASE (DECREASE) NOI	<u>\$ 593,853</u>

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

LINE NO.	DESCRIPTION	AMOUNT	
1	EXPENSES TO BE NORMALIZED:		
2			
3	2011 and 2009 GRC EXPENSES TO BE NORMALIZED	\$ 1,040,000	
4			
5	ANNUAL NORMALIZATION (LINE 3 / 2)	520,000	
6	LESS TEST YEAR EXPENSE: GRC DIRECT CHARGES TO O&M	258,228	
7	INCREASE (DECREASE) EXPENSE	<u>\$ 261,772</u>	<u>\$ 261,772</u>
8			
9			
10	TOTAL INCREASE (DECREASE) EXPENSE		\$ 261,772
11			
12	INCREASE(DECREASE) FIT @	35%	<u>(91,620)</u>
13	INCREASE(DECREASE) NOI		<u><u>\$ (170,152)</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		<u>5,518,429</u>
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		<u>(4,627,076)</u>
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		<u>(16,175)</u>
29	TOTAL INCREASE (DECREASE) EXPENSE		<u>\$ (102,396,078)</u>
30			
31	INCREASE (DECREASE) OPERATING INCOME BEFORE FIT		\$ 6,214
32	INCREASE (DECREASE) FIT		<u>2,175</u>
33	INCREASE (DECREASE) NOI		<u><u>\$ 4,039</u></u>

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

LINE NO.	DESCRIPTION	AMOUNT
1	RESTATED EXCISE TAXES	\$ 41,313,594
2	CHARGED TO EXPENSE FOR TEST YEAR	41,317,756
3	INCREASE(DECREASE) EXCISE TAX	\$ (4,163)
4		
5	RESTATED WUTC FILING FEE	\$ 2,158,045
6	CHARGED TO EXPENSE FOR TEST YEAR	2,158,045
7	INCREASE(DECREASE) WUTC FILING FEE	\$ (0)
8		
9	INCREASE(DECREASE) EXPENSE	\$ (4,163)
10		
11	INCREASE(DECREASE) OPERATING INCOME	\$ 4,163
12		
13	INCREASE(DECREASE) FIT 35%	\$ 1,457
14		
15	INCREASE(DECREASE) NOI	\$ 2,706

ADJ 3.09

**PUGET SOUND ENERGY-GAS
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	\$	12,476
2			
3			
4	INCREASE (DECREASE) NOI	<u>\$</u>	<u>(12,476)</u>

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

LINE NO.	DESCRIPTION	ACTUAL	RESTATED	ADJUSTMENT
1	QUALIFIED RETIREMENT FUND	\$ 2,782,835	\$ 2,732,012	\$ (50,822)
2				
3				
4	INCREASE (DECREASE) IN EXPENSE	\$ 2,782,835	\$ 2,732,012	\$ (50,822)
5				
6	INCREASE (DECREASE) INCOME			50,822
7	INCREASE (DECREASE) FIT @		35%	17,788
8				
9	INCREASE (DECREASE) NOI			<u><u>\$ 33,034</u></u>

**PUGET SOUND ENERGY-GAS
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	\$ 82,893	\$ 76,842	\$ (6,051)
2				
3	INCREASE (DECREASE) IN EXPENSE	\$ 82,893	\$ 76,842	\$ (6,051)
4				
5	INCREASE (DECREASE) OPERATING INCOME			6,051
6				
7	INCREASE (DECREASE) FIT @		35%	2,118
8				
9	INCREASE (DECREASE) NOI			<u><u>\$ 3,933</u></u>

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

LINE NO.	DESCRIPTION	ACTUAL	RESTATED	ADJUSTMENT
1	INJURIES & DAMAGES ACCRUALS	\$ 50,000	\$ 387,302	\$ 337,302
2	INJURIES & DAMAGES PAYMENTS IN EXCESS OF ACCRUALS	\$ 242,765	\$ 380,459	137,693
3	INCREASE/(DECREASE) IN EXPENSE	292,765	767,761	474,996
4				
5	INCREASE/(DECREASE) IN OPERATING EXPENSE (LINE 3)			\$ 474,996
6	INCREASE (DECREASE) FIT @		35%	(166,249)
7				
8	INCREASE (DECREASE) NOI			\$ (308,747)

**PUGET SOUND ENERGY-GAS
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	\$ (115,059)	\$ (61,849)	\$ 53,210
2	AMORTIZATION OF DEFERRED LOSS	\$ 30,656	\$ 16,479	(14,178)
3	TOTAL GAIN/LOSS AMORTIZATION	(84,402)	(45,370)	39,032
4				
5	INCREASE (DECREASE) EXPENSE			\$ 39,032
6				
7	INCREASE (DECREASE) FIT @ 35%			(13,661)
8				
9	INCREASE (DECREASE) NOI			\$ (25,371)

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

LINE NO.	DESCRIPTION	ACTUAL	RESTATED	ADJUSTMENT
1	INCENTIVE/MERIT PAY			
2	TOTAL INCENTIVE PAY	\$ 3,878,614	\$ 2,920,921	\$ (957,692)
3				
4	PAYROLL TAXES ASSOC WITH MERIT PAY	311,220	234,375	(76,845)
5	INCREASE(DECREASE) EXPENSE	4,189,834	3,155,296	(1,034,538)
6				
7	INCREASE (DECREASE) OPERATING EXPENSE			(1,034,538)
8				
9	INCREASE(DECREASE) FIT @		35%	362,088
10	INCREASE(DECREASE) NOI			\$ 672,450

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

LINE NO.	DESCRIPTION	BASE	RATE	AMOUNT
1	BAD DEBTS			0.004308
2	ANNUAL FILING FEE			0.002000
3	STATE UTILITY TAX (3.852% - (LINE 1 * 3.852%))		3.852%	0.038354
4				
5	SUM OF TAXES OTHER			0.044662
6				
7	FEDERAL INCOME TAX ((1 - LINE 5) * 35%)			0.955338
8	CONVERSION FACTOR (1 - (LINE 5 + LINE 7))		35%	0.334368
				0.620970