



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

March 27, 2018

***Filed Via Web Portal***

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:

Attached is Puget Sound Energy's ("PSE") Electric Commission Basis Reports ("CBR") showing Restated Results of Operations for the twelve-month period ended December 31, 2017. Electronic workpapers supporting this report will be submitted separately to Commission Staff and once filed will be available upon request. Although not required, as a courtesy and for ease of navigation, PSE is also submitting a PDF version of the CBR. This report was prepared following the requirements of WAC 480-100-257 and therefore this report does not necessarily reflect all adjustments that PSE would submit in a rate filing. Additionally, there are no pro-forma adjustments made in this report in accordance with WAC 480-100-257.

The results show a normalized overall rate of return of 8.17% and a return on actual common equity of 10.42%, compared with PSE's blended rate of return of 7.76% overall and 9.79% on common equity after incorporating thirteen days of the 2017 GRC authorized rates which went into effect on December 19, 2017. Pursuant to Paragraph 308 and 309 of Order 08 in UE-170033 and UG-170034, the earnings sharing test, which provides for equal sharing between PSE and its customers of any earnings that exceed the Company's overall blended rate of return of 7.76 percent will continue but has been modified to remove normalizing adjustments from the calculation. The fifteen basis points that PSE earned above its authorized blended return equates to \$12,417,431 in earnings sharing. An earnings rebate in this amount has been included in the Schedule 142 filing made concurrent with this filing. Consequently, PSE's normalized overall rate of return and return on actual common equity after consideration of earnings sharing is 8.02% and 10.12%.

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COMMISSION

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

Regards,

*/s/ Susan Free*

Susan E. Free  
Manager of Revenue Requirement  
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Attachments:

PSE-Electric-December-2017-CBR-(3-27-18).pdf

PSE-Electric-December-2017-CBR-(3-27-18).xlsx