



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

March 4, 2015

Mr. Steven V. King  
Executive Director and Secretary  
Washington Utilities and Transportation Commission  
1300 S. Evergreen Park Drive SW  
P.O. Box 47250  
Olympia, WA 98504-7250

Dear Mr. King,

In accordance with the rules and regulations governing accounting for public service companies as set forth in Chapters 480-90-275 and 480-100-275 WAC, the Company is submitting herewith its non-confidential Quarterly Reports for the period ending December 31, 2014. The preliminary confidential reports were sent to your office on February 13, 2015.

Please contact me should you have any questions at (425) 462-3716.

Sincerely,

A handwritten signature in black ink that reads 'Katherine J. Barnard'. The signature is fluid and cursive, with the first name being the most prominent.

Katherine J. Barnard  
Director, Revenue Requirement and Regulatory Compliance

Enclosure

Cc: Thomas Schooley      Assistant Director, Energy Regulation

**Puget Sound Energy  
Balance Sheet**

| FERC Account and Description                        | Oct-14                 | Nov 2014               | Dec 2014               |
|---|------------------------|------------------------|------------------------|
| <b>*ASSETS</b>                                      |                        |                        |                        |
| <b>**UTILITY PLANT</b>                              |                        |                        |                        |
| <b>***Electric Plant</b>                            |                        |                        |                        |
| 101 Electric Plant in Service                       | 8,933,749,292          | 8,872,128,382          | 8,897,593,086          |
| 102 Electric Plant Purchased or Sold                | -                      | -                      | -                      |
| 105 Electric Plant Held for Future Use              | 49,511,672             | 49,512,600             | 49,527,245             |
| 106 Comp. Construction Not Classfd.-Electric        | 17,810,747             | 14,155,614             | 29,753,961             |
| 107 Construction Work in Prog. - Electric           | 201,278,716            | 202,908,811            | 176,992,359            |
| 114 Electric Plant Acquisition Adjustments          | 282,791,675            | 282,791,675            | 282,791,675            |
| <b>Total Electric Plant</b>                         | <b>9,485,142,103</b>   | <b>9,421,497,082</b>   | <b>9,436,658,327</b>   |
| <b>***Gas Plant</b>                                 |                        |                        |                        |
| 101 Gas Plant in Service                            | 3,158,661,271          | 3,160,770,302          | 3,176,765,514          |
| 105 Gas Plant Held for Future Use                   | 5,314,165              | 5,314,165              | 5,621,110              |
| 106 Comp. Construction Not Classfd. - Gas           | 45,264,228             | 47,455,906             | 43,849,698             |
| 107 Construction Work in Progress - Gas             | 49,130,489             | 49,638,679             | 47,926,656             |
| 117.3 Gas Strd.in Resvr.& Pipln.-Noncurr.           | 8,654,564              | 8,654,564              | 8,654,564              |
| <b>Total Gas Plant</b>                              | <b>3,267,024,718</b>   | <b>3,271,833,617</b>   | <b>3,282,817,542</b>   |
| <b>***Common Plant</b>                              |                        |                        |                        |
| 101 Plant in Service - Common                       | 458,475,351            | 458,151,669            | 470,683,608            |
| 101.1 Property Under Capital Leases                 | 10,735,624             | 10,104,116             | 9,472,609              |
| 106 Comp Construction Not Classfd. - Common         | 910,631                | 1,021,069              | 4,080,243              |
| 107 Construction Work in Progress - Common          | 26,426,855             | 32,621,848             | 28,605,826             |
| <b>Total Common Plant</b>                           | <b>496,548,460</b>     | <b>501,898,703</b>     | <b>512,842,286</b>     |
| <b>***Accumulated Depreciation and Amortization</b> |                        |                        |                        |
| 108 Accumulated Provision for Depreciation          | (4,556,000,785)        | (4,527,933,321)        | (4,541,243,301)        |
| 111 Accumulated Provision for Amortization          | (117,451,471)          | (120,553,605)          | (120,641,076)          |
| 115 Accm.Prv.for Amort.of Plant Acquis.Adj.         | (99,096,090)           | (99,989,848)           | (100,883,606)          |
| <b>Less: Accumulated Depr and Amortizat</b>         | <b>(4,772,548,346)</b> | <b>(4,748,476,773)</b> | <b>(4,762,767,983)</b> |
| <b>**NET UTILITY PLANT</b>                          | <b>8,476,166,935</b>   | <b>8,446,752,629</b>   | <b>8,469,550,173</b>   |
| <b>**OTHER PROPERTY AND INVESTMENTS</b>             |                        |                        |                        |
| <b>***Other Investments</b>                         |                        |                        |                        |
| 121 Nonutility Property                             | 5,204,082              | 4,910,536              | 5,141,276              |
| 122 Accm.Prov.for Depr.& Amort.Non-utility P        | (404,716)              | (397,119)              | (397,105)              |
| 123.1 Investment in Subsidiary Companies            | 36,155,852             | 36,155,852             | 29,865,407             |
| 124 Other Investments                               | 52,755,839             | 52,753,160             | 53,230,149             |
| <b>***Total Other Investments</b>                   | <b>93,711,057</b>      | <b>93,422,428</b>      | <b>87,839,727</b>      |
| <b>**TOTAL OTHER PROPERTY AND INVESTMENT</b>        | <b>93,711,057</b>      | <b>93,422,428</b>      | <b>87,839,727</b>      |
| <b>**CURRENT ASSETS</b>                             |                        |                        |                        |
| <b>***Cash</b>                                      |                        |                        |                        |
| 131 Cash  | 9,365,124              | 11,425,550             | 31,703,689             |
| 134 Other Special Deposits                          | 49,393,970             | 38,617,265             | 32,775,117             |
| 135 Working Funds                                   | 3,585,713              | 3,696,191              | 3,826,953              |
| 136 Temporary Cash Investments                      | -                      | -                      | -                      |
| <b>***Total Cash</b>                                | <b>62,344,807</b>      | <b>53,739,006</b>      | <b>68,305,760</b>      |
| <b>***Restricted Cash</b>                           |                        |                        |                        |
| <b>***Total Restricted Cash</b>                     |                        |                        |                        |
| <b>***Accounts Receivable</b>                       |                        |                        |                        |
| 141 Notes Receivable                                | 835,576                | 835,576                | 835,576                |
| 142 Customer Accounts Receivable                    | 114,651,800            | 174,306,934            | 191,448,383            |
| 143 Other Accounts Receivable                       | 78,294,003             | 79,571,131             | 85,075,078             |
| 146 Accounts Receiv.from Assoc. Companies           | 701,805                | 568,695                | 440,712                |
| 171 Interest and Dividends Receivable               | -                      | -                      | -                      |
| 173 Accrued Utility Revenues                        | 137,694,072            | 197,185,877            | 168,038,918            |

**Puget Sound Energy  
Balance Sheet**

| FERC Account and Description                        | Oct-14                | Nov 2014              | Dec 2014              |
|---|-----------------------|-----------------------|-----------------------|
| 185 Temporary Facilities                            | (10,584)              | 19,799                | 19,301                |
| 191 Unrecovered Purchased Gas Costs                 | 36,265,474            | 29,808,745            | 21,073,055            |
| ***Total Accounts Receivable                        | 368,432,148           | 482,296,756           | 466,931,024           |
| ***Allowance for Doubtful Accounts                  |                       |                       |                       |
| 144 - Accumulated provision for uncollectible accoi | (8,666,317)           | (8,355,069)           | (7,471,996)           |
| ***Less: Allowance for Doubtful Accounts            | (8,666,317)           | (8,355,069)           | (7,471,996)           |
| ***Materials and Supplies                           |                       |                       |                       |
| 151 Fuel Stock                                      | 19,427,681            | 18,203,660            | 19,977,277            |
| 154 Plant Materials and Operating Supplies          | 78,011,497            | 78,191,338            | 78,056,744            |
| 156 Other Materials and Supplies                    | 86,484                | 33,889                | 34,476                |
| 158.1 Carbon Allowances                             | -                     | -                     | 34,267                |
| 163 Stores Expense Undistributed                    | 5,134,727             | 5,196,821             | 5,098,269             |
| 164.1 Gas Stored - Current                          | 55,438,535            | 49,742,349            | 46,008,944            |
| 164.2 Liquefied Natural Gas Stored                  | 620,598               | 620,598               | 635,209               |
| ***Total Materials and Supplies                     | 158,719,523           | 151,988,655           | 149,845,186           |
| ***Unrealized Gain-Derivative Instrumnts (ST)       |                       |                       |                       |
| 175 Invest in Derivative Instrumnts -Opt ST         | 13,685,568            | 12,451,281            | 21,178,262            |
| 176 Invest in Derivative Instrumnts-Gain ST         | -                     | -                     | -                     |
| ***Unrealized Gain on Derivatives (ST)              | 13,685,568            | 12,451,281            | 21,178,262            |
| ***Prepayments and Other Current Assets             |                       |                       |                       |
| 165 Prepayments                                     | 15,941,155            | 13,743,288            | 20,889,009            |
| 174 Misc. Current and Accrued Assets                | 16,294,436            | 11,702,552            | -                     |
| 186 Miscellaneous Deferred Debits                   | 5,323                 | 2,047                 | (4,339)               |
| ***Total Prepayments & Othr.Curr.Assets             | 32,240,915            | 25,447,887            | 20,884,670            |
| Current Deferred Taxes                              |                       |                       |                       |
| Total Current Deferred Taxes                        | 533,063,970           | 500,890,069           | 654,528,779           |
| **TOTAL CURRENT ASSETS                              | 1,159,820,613         | 1,218,458,585         | 1,374,201,685         |
| **LONG-TERM ASSETS                                  |                       |                       |                       |
| 128 Qualified Pension Plan Funded Status            | 67,835,936            | 67,650,645            | 20,163,080            |
| 165 Long-Term Prepaid                               | 4,375,252             | 4,563,574             | 4,681,598             |
| 175 Invest in Derivative Instrumnts -Opt LT         | 2,994,664             | 2,946,415             | 3,170,484             |
| 176 Invest in Derivative Instrumnts-Gain LT         | -                     | -                     | -                     |
| 181 Unamortized Debt Expense                        | 29,211,560            | 28,949,779            | 28,687,998            |
| 182.1 Extraordinary Property Losses                 | 105,413,360           | 112,792,118           | 118,823,666           |
| 182.2 Unrecovered Plant & Reg Study Costs           | 1,815,809             | 16,102,371            | 15,534,174            |
| Subtotal WUTC AFUDC                                 | 53,884,028            | 53,742,636            | 53,708,794            |
| 182.3 Other Regulatory Assets                       | 588,736,949           | 583,245,004           | 554,564,175           |
| 183 Prelm. Survey and Investigation Charges         | 148,231               | 148,847               | 200,491               |
| 184 Clearing Accounts                               | (1,572,860)           | (1,565,781)           | -                     |
| 186 Miscellaneous Deferred Debits LT                | 188,563,636           | 193,344,375           | 247,078,535           |
| 187 Def.Losses from Dispos.of Utility Plant         | 537,590               | 525,163               | 514,431               |
| 189 Unamortized Loss on Reacquired Debt             | 36,065,946            | 35,866,679            | 35,667,413            |
| **TOTAL LONG-TERM ASSETS                            | 1,078,010,101         | 1,098,311,824         | 1,082,794,839         |
| <b>*TOTAL ASSETS</b>                                | <b>10,807,708,706</b> | <b>10,856,945,467</b> | <b>11,014,386,423</b> |

**Puget Sound Energy  
Balance Sheet**

| FERC Account and Description                       | Oct-14                 | Nov 2014               | Dec 2014               |
|--|------------------------|------------------------|------------------------|
| <b>*CAPITALIZATION AND LIABILITIES</b>             |                        |                        |                        |
| <b>**CURRENT LIABILITIES</b>                       |                        |                        |                        |
| 230 Asset Retirement Obligations                   | (2,340,302)            | (2,340,302)            | (2,185,752)            |
| 244 FAS 133 Opt Unrealized Loss ST                 | (61,362,397)           | (52,264,174)           | (134,917,899)          |
| 245 FAS 133 Unrealized Loss ST                     | (2,014,419)            | (1,164,111)            | (1,055,163)            |
| 231 Notes Payable                                  | (22,000,000)           | (35,000,000)           | (85,000,000)           |
| 232 Accounts Payable                               | (255,023,279)          | (272,677,344)          | (309,921,826)          |
| 233 Notes Payable to Associated Companies          | (28,932,785)           | (28,932,785)           | (28,932,785)           |
| 234 Accounts Payable to Asscted Companies          | -                      | -                      | -                      |
| 235 Customer Deposits                              | (24,984,617)           | (24,926,405)           | (24,677,803)           |
| 236 Taxes Accrued                                  | (82,736,554)           | (93,991,406)           | (107,481,198)          |
| 237 Interest Accrued                               | (49,616,060)           | (61,900,992)           | (55,345,644)           |
| 238 Dividends Declared                             | -                      | -                      | -                      |
| 241 Tax Collections Payable                        | (1,841,810)            | (1,791,770)            | (1,602,518)            |
| 242 Misc. Current and Accrued Liabilities          | (21,107,713)           | (20,210,864)           | (19,310,897)           |
| 243 Obligations Under Cap.Leases - Current         | (7,578,088)            | (7,578,088)            | (7,578,088)            |
| <b>**TOTAL CURRENT LIABILITIES</b>                 | <b>(559,538,025)</b>   | <b>(602,778,241)</b>   | <b>(778,009,572)</b>   |
| <b>**DEFERRED TAXES</b>                            |                        |                        |                        |
| <b>***Reg. Liability for Def.Income Tax</b>        |                        |                        |                        |
| 283 Accum.Deferred Income Taxes - Other            | (145,616,212)          | (136,994,536)          | (94,351,521)           |
| <b>***Total Reg.Liab.for Def.Income Tax</b>        | <b>(145,616,212)</b>   | <b>(136,994,536)</b>   | <b>(94,351,521)</b>    |
| <b>***Deferred Income Tax</b>                      |                        |                        |                        |
| 255 Accum.Deferred Investment Tax Credits          | -                      | -                      | -                      |
| 282 Accum. Def. Income Taxes - Other Prop.         | (1,675,261,001)        | (1,657,476,864)        | (1,729,060,789)        |
| 283 Accum.Deferred Income Taxes - Oth              | (235,294,760)          | (238,817,737)          | (274,085,231)          |
| <b>***Total Deferred Income Tax</b>                | <b>(1,910,555,761)</b> | <b>(1,896,294,601)</b> | <b>(2,003,146,020)</b> |
| <b>**TOTAL DEFERRED TAXES</b>                      | <b>(2,056,171,972)</b> | <b>(2,033,289,137)</b> | <b>(2,097,497,541)</b> |
| <b>**OTHER DEFERRED CREDITS</b>                    |                        |                        |                        |
| Subtotal 227 Oblig Under Cap Lease - Noncurr       | (3,157,536)            | (2,526,029)            | (1,894,521)            |
| Total Unrealized Loss on Derivatives -LT           | (32,009,387)           | (35,399,286)           | (60,062,562)           |
| 228.2 Accum. Prov.for Injuries and Damages         | (1,060,000)            | (1,060,000)            | (1,080,000)            |
| 228.3 Pension & Post Retirement Liabilities        | (56,688,185)           | (57,290,448)           | (130,222,246)          |
| 228.4 Accum. Misc.Operating Provisions             | (328,163,971)          | (327,887,512)          | (331,913,968)          |
| 229 Accum Provision for Rate Refunds               | -                      | -                      | -                      |
| 230 Asset Retirement Obligations (FAS 143)         | (46,473,070)           | (46,582,955)           | (46,723,420)           |
| 252 Customer Advances for Construction             | (68,834,553)           | (58,610,948)           | (59,178,236)           |
| 253 Other Deferred Credits                         | (334,891,744)          | (330,951,218)          | (330,906,907)          |
| 254 Other Regulatory Liabilities                   | (191,197,393)          | (189,222,248)          | (136,458,810)          |
| 256 Def. Gains from Dispos.of Utility Plt          | (736,736)              | (678,832)              | (863,174)              |
| 257 Unamortized Gain on Reacquired Debt            | -                      | -                      | -                      |
| <b>**TOTAL OTHER DEFERRED CREDITS</b>              | <b>(1,063,212,576)</b> | <b>(1,050,209,475)</b> | <b>(1,099,303,843)</b> |
| <b>**CAPITALIZATION</b>                            |                        |                        |                        |
| <b>***SHAREHOLDER'S EQUITY</b>                     |                        |                        |                        |
| <b>****Common Equity</b>                           |                        |                        |                        |
| 201 Common Stock Issued                            | (859,038)              | (859,038)              | (859,038)              |
| 207 Premium on Capital Stock                       | (478,145,250)          | (478,145,250)          | (478,145,250)          |
| 211 Miscellaneous Paid-in Capital                  | (2,775,196,691)        | (2,775,196,691)        | (2,775,196,691)        |
| 214 Capital Stock Expense                          | 7,133,879              | 7,133,879              | 7,133,879              |
| 215 Appropriated Retained Earnings                 | (11,888,577)           | (11,888,577)           | (11,888,577)           |
| 216 Unappropriated Retained Earnings               | (291,729,606)          | (291,729,606)          | (298,020,051)          |
| 216.1 Unappr.Undistrib.Subsidiary Earnings         | 8,341,592              | 8,341,592              | 14,632,037             |
| 219 Other Comprehensive Income                     | 88,778,638             | 87,526,385             | 170,956,349            |
| 433 Balance Transferred from Income                | (182,585,424)          | (224,132,609)          | (236,613,919)          |
| 438 Dividends Declared - Common Stock              | 262,362,510            | 263,279,510            | 323,424,044            |
| 439 Adjustments to Retained Earnings               | 5,848,610              | 5,848,610              | 5,848,610              |
| <b>****Total Common Equity</b>                     | <b>(3,367,939,357)</b> | <b>(3,409,821,795)</b> | <b>(3,278,728,607)</b> |
| <b>***TOTAL SHAREHOLDER'S EQUITY</b>               | <b>(3,367,939,357)</b> | <b>(3,409,821,795)</b> | <b>(3,278,728,607)</b> |
| <b>***REDEEMABLE SECURITIES AND LONG-TERM DEBT</b> |                        |                        |                        |

**Puget Sound Energy  
Balance Sheet**

| <b>FERC Account and Description</b>                                   | <b>Oct-14</b>           | <b>Nov 2014</b>         | <b>Dec 2014</b>         |
|---|-------------------------|-------------------------|-------------------------|
| ****Preferred Stock - Manditorily Redeemable Capi                     | -                       | -                       | -                       |
| ****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)           | (250,000,000)           |
| 221 Bonds   | (3,510,860,000)         | (3,510,860,000)         | (3,510,860,000)         |
| 226 Unamort.Disct. on Long-term Debt-Debit                            | 13,223                  | 13,181                  | 13,140                  |
| Long-term Debt  | (3,760,846,777)         | (3,760,846,819)         | (3,760,846,860)         |
| ****Long-term Debt Total  | (3,760,846,777)         | (3,760,846,819)         | (3,760,846,860)         |
| ***REDEEMABLE SECURITIES AND LTD                                      | (3,760,846,777)         | (3,760,846,819)         | (3,760,846,860)         |
| **TOTAL CAPITALIZATION  | (7,128,786,134)         | (7,170,668,614)         | (7,039,575,468)         |
| <b>*TOTAL CAPITALIZATION AND LIABILITIES</b>                          | <b>(10,807,708,706)</b> | <b>(10,856,945,467)</b> | <b>(11,014,386,423)</b> |

**PUGET SOUND ENERGY**  
**PERIODIC ALLOCATED RESULTS OF OPERATIONS**  
**FOR THE MONTH ENDED OCTOBER 31, 2014**

(Based on allocation factors developed for the 12 ME 12/31/2013)

|                                    | Electric            | Gas                 | Total Amount         |
|------------------------------------|---------------------|---------------------|----------------------|
| 1 - OPERATING REVENUES:            |                     |                     |                      |
| 2 - SALES TO CUSTOMERS             | \$ 158,103,295      | \$ 55,288,437       | \$ 213,391,732       |
| 3 - SALES FOR RESALE-FIRM          | 16,217              | -                   | 16,217               |
| 4 - SALES TO OTHER UTILITIES       | 5,889,186           | -                   | 5,889,186            |
| 5 - OTHER OPERATING REVENUES       | 7,283,523           | 8,377,140           | 15,660,663           |
| 6 - TOTAL OPERATING REVENUES       | \$ 171,292,222      | \$ 63,665,577       | \$ 234,957,798       |
| 7                                  |                     |                     |                      |
| 8 - OPERATING REVENUE DEDUCTIONS:  |                     |                     |                      |
| 9                                  |                     |                     |                      |
| 10 - POWER COSTS:                  |                     |                     |                      |
| 11 - FUEL                          | \$ 23,314,708       | \$ -                | \$ 23,314,708        |
| 12 - PURCHASED AND INTERCHANGED    | 25,621,573          | 24,478,612          | 50,100,185           |
| 13 - WHEELING                      | 9,751,838           | -                   | 9,751,838            |
| 14 - RESIDENTIAL EXCHANGE          | (11,226,280)        | -                   | (11,226,280)         |
| 15 - TOTAL PRODUCTION EXPENSES     | \$ 47,461,839       | \$ 24,478,612       | \$ 71,940,451        |
| 16                                 |                     |                     |                      |
| 17 - OTHER ENERGY SUPPLY EXPENSES  | \$ 10,456,594       | \$ 146,444          | \$ 10,603,038        |
| 18 - TRANSMISSION EXPENSE          | 1,735,349           | -                   | 1,735,349            |
| 19 - DISTRIBUTION EXPENSE          | 8,813,219           | 4,314,946           | 13,128,165           |
| 20 - CUSTOMER ACCTS EXPENSES       | 4,792,439           | 2,705,278           | 7,497,717            |
| 21 - CUSTOMER SERVICE EXPENSES     | 1,625,495           | 430,650             | 2,056,145            |
| 22 - CONSERVATION AMORTIZATION     | 7,545,620           | 545,886             | 8,091,507            |
| 23 - ADMIN & GENERAL EXPENSE       | 8,842,274           | 4,195,413           | 13,037,687           |
| 24 - DEPRECIATION                  | 21,849,484          | 9,514,531           | 31,364,014           |
| 25 - AMORTIZATION                  | 3,860,917           | 1,015,262           | 4,876,179            |
| 26 - AMORTIZ OF PROPERTY LOSS      | 1,434,447           | -                   | 1,434,447            |
| 27 - OTHER OPERATING EXPENSES      | 611,094             | (3,781)             | 607,314              |
| 28 - ASC 815                       | 25,181,083          | -                   | 25,181,083           |
| 29 - TAXES OTHER THAN INCOME TAXES | 16,149,924          | 5,490,691           | 21,640,614           |
| 30 - INCOME TAXES                  | (430)               | (15)                | (446)                |
| 31 - DEFERRED INCOME TAXES         | 2,555,091           | 3,921,538           | 6,476,628            |
| 32 - TOTAL OPERATING REV. DEDUCT.  | \$ 162,914,438      | \$ 56,755,454       | \$ 219,669,891       |
| <b>NET OPERATING INCOME</b>        | <b>\$ 8,377,784</b> | <b>\$ 6,910,123</b> | <b>\$ 15,287,907</b> |

**PUGET SOUND ENERGY**  
**ACTUAL RESULTS OF OPERATIONS**  
**FOR THE MONTH ENDED OCTOBER 31, 2014**

|                                    | Electric       | Gas           | Common          | Energy N/A      | Total Amount   |
|------------------------------------|----------------|---------------|-----------------|-----------------|----------------|
| <b>OPERATING INCOME</b>            |                |               |                 |                 |                |
| 1 - OPERATING REVENUES:            |                |               |                 |                 |                |
| 2 - SALES TO CUSTOMERS             | \$ 158,103,295 | \$ 55,288,437 | \$ -            | \$ -            | \$ 213,391,732 |
| 3 - SALES FOR RESALE-FIRM          | 16,217         | -             | -               | -               | 16,217         |
| 4 - SALES TO OTHER UTILITIES       | 5,889,186      | -             | -               | -               | 5,889,186      |
| 5 - OTHER OPERATING REVENUES       | 7,283,523      | 8,377,140     | -               | -               | 15,660,663     |
| 6 - TOTAL OPERATING REVENUES       | \$ 171,292,222 | \$ 63,665,577 | \$ -            | \$ -            | \$ 234,957,798 |
| 7                                  |                |               |                 |                 |                |
| 8 - OPERATING REVENUE DEDUCTIONS:  |                |               |                 |                 |                |
| 9                                  |                |               |                 |                 |                |
| 10 - POWER COSTS:                  |                |               |                 |                 |                |
| 11 - FUEL                          | \$ 23,314,708  | \$ -          | \$ -            | \$ -            | \$ 23,314,708  |
| 12 - PURCHASED AND INTERCHANGED    | 25,621,573     | 24,478,612    | -               | -               | 50,100,185     |
| 13 - WHEELING                      | 9,751,838      | -             | -               | -               | 9,751,838      |
| 14 - RESIDENTIAL EXCHANGE          | (11,226,280)   | -             | -               | -               | (11,226,280)   |
| 15 - TOTAL PRODUCTION EXPENSES     | \$ 47,461,839  | \$ 24,478,612 | \$ -            | \$ -            | \$ 71,940,451  |
| 16                                 |                |               |                 |                 |                |
| 17 - OTHER ENERGY SUPPLY EXPENSES  | \$ 10,456,594  | \$ 146,444    | \$ -            | \$ -            | \$ 10,603,038  |
| 18 - TRANSMISSION EXPENSE          | 1,735,349      | -             | -               | -               | 1,735,349      |
| 19 - DISTRIBUTION EXPENSE          | 8,813,219      | 4,314,946     | -               | -               | 13,128,165     |
| 20 - CUSTOMER ACCTS EXPENSES       | 3,257,097      | 1,615,904     | 2,624,716       | -               | 7,497,717      |
| 21 - CUSTOMER SERVICE EXPENSES     | 1,467,213      | 317,855       | 271,076         | -               | 2,056,145      |
| 22 - CONSERVATION AMORTIZATION     | 7,545,620      | 545,886       | -               | -               | 8,091,507      |
| 23 - ADMIN & GENERAL EXPENSE       | 3,581,767      | 1,657,458     | 7,798,462       | -               | 13,037,687     |
| 24 - DEPRECIATION                  | 20,609,436     | 8,930,442     | 1,824,136       | -               | 31,364,014     |
| 25 - AMORTIZATION                  | 2,126,583      | 198,354       | 2,551,241       | -               | 4,876,179      |
| 26 - AMORTIZ OF PROPERTY LOSS      | 1,434,447      | -             | -               | -               | 1,434,447      |
| 27 - OTHER OPERATING EXPENSES      | 611,094        | (3,781)       | -               | -               | 607,314        |
| 28 - ASC 815                       | 25,181,083     | -             | -               | -               | 25,181,083     |
| 29 - TAXES OTHER THAN INCOME TAXES | 16,052,685     | 5,444,889     | 143,040         | -               | 21,640,614     |
| 30 - INCOME TAXES                  | (430)          | (15)          | -               | -               | (446)          |
| 31 - DEFERRED INCOME TAXES         | 2,555,091      | 3,921,538     | -               | -               | 6,476,628      |
| 32 - TOTAL OPERATING REV. DEDUCT.  | \$ 152,888,687 | \$ 51,568,533 | \$ 15,212,672   | \$ -            | \$ 219,669,891 |
| <b>NET OPERATING INCOME</b>        | \$ 18,403,535  | \$ 12,097,044 | \$ (15,212,672) | \$ -            | \$ 15,287,907  |
| <b>NON-OPERATING INCOME</b>        |                |               |                 |                 |                |
| 99 - OTHER INCOME                  | \$ -           | \$ -          | \$ -            | \$ (7,184,499)  | \$ (7,184,499) |
| 999 - INTEREST                     | -              | -             | -               | 21,860,130      | 21,860,130     |
| 9999 - EXTRAORDINARY ITEMS         | -              | -             | -               | -               | -              |
| <b>TOTAL NON-OPERATING INCOME</b>  | \$ -           | \$ -          | \$ -            | \$ 14,675,631   | \$ 14,675,631  |
| <b>NET INCOME</b>                  | \$ 18,403,535  | \$ 12,097,044 | \$ (15,212,672) | \$ (14,675,631) | \$ 612,276     |

**PUGET SOUND ENERGY  
INCOME STATEMENT DETAIL  
FOR THE MONTH ENDED OCTOBER 31, 2014**

| Account Description                                | Electric           | Gas               | Common   | Total              |
|--|--------------------|-------------------|----------|--------------------|
| <b>1 - OPERATING REVENUES</b>                      |                    |                   |          |                    |
| <b>2 - SALES TO CUSTOMERS</b>                      |                    |                   |          |                    |
| (2) 440 - Electric Residential Sales               | 64,000,011         | -                 | -        | 64,000,011         |
| (2) 442 - Electric Commercial & Industrial Sales   | 76,364,436         | -                 | -        | 76,364,436         |
| (2) 444 - Public Street & Highway Lighting         | 2,965,664          | -                 | -        | 2,965,664          |
| (2) 456 - Other Electric Revenues - Conservation   | -                  | -                 | -        | -                  |
| (2) 456 - Other Electric Revenues - Unbilled       | 14,259,847         | -                 | -        | 14,259,847         |
| (2) 456 - Other Electric Revenues                  | 513,337            | -                 | -        | 513,337            |
| (2) 480 - Gas Residential Sales                    | -                  | 35,365,424        | -        | 35,365,424         |
| (2) 481 - Gas Commercial & Industrial Sales        | -                  | 18,512,376        | -        | 18,512,376         |
| (2) 489 - Rev From Transportation Of Gas To Others | -                  | 1,410,637         | -        | 1,410,637          |
| (2) SUBTOTAL                                       | 158,103,295        | 55,288,437        | -        | 213,391,732        |
| <b>3 - SALES FOR RESALE-FIRM</b>                   |                    |                   |          |                    |
| (3) 447 - Electric Sales For Resale                | 16,217             | -                 | -        | 16,217             |
| (3) SUBTOTAL                                       | 16,217             | -                 | -        | 16,217             |
| <b>4 - SALES TO OTHER UTILITIES</b>                |                    |                   |          |                    |
| (4) 447 - Electric Sales For Resale - Sales        | 2,914,577          | -                 | -        | 2,914,577          |
| (4) 447 - Electric Sales For Resale - Purchases    | 2,974,609          | -                 | -        | 2,974,609          |
| (4) SUBTOTAL                                       | 5,889,186          | -                 | -        | 5,889,186          |
| <b>5 - OTHER OPERATING REVENUES</b>                |                    |                   |          |                    |
| (5) 412 - Lease Inc Everett Delta to NWP - Gas     | -                  | -                 | -        | -                  |
| (5) 450 - Forfeited Discounts                      | 266,799            | -                 | -        | 266,799            |
| (5) 451 - Electric Misc Service Revenue            | 970,019            | -                 | -        | 970,019            |
| (5) 454 - Rent For Electric Property               | 1,291,922          | -                 | -        | 1,291,922          |
| (5) 456 - Other Electric Revenues                  | 4,754,784          | -                 | -        | 4,754,784          |
| (5) 487 - Forfeited Discounts                      | -                  | 105,031           | -        | 105,031            |
| (5) 488 - Gas Misc Service Revenues                | -                  | 252,885           | -        | 252,885            |
| (5) 4894 - Gas Revenues from Storing Gas of Others | -                  | 81,682            | -        | 81,682             |
| (5) 493 - Rent From Gas Property                   | -                  | 607,238           | -        | 607,238            |
| (5) 495 - Other Gas Revenues                       | -                  | 7,330,304         | -        | 7,330,304          |
| (5) SUBTOTAL                                       | 7,283,523          | 8,377,140         | -        | 15,660,663         |
| <b>(1) TOTAL OPERATING REVENUES</b>                | <b>171,292,222</b> | <b>63,665,577</b> | <b>-</b> | <b>234,957,798</b> |
| <b>10 - ENERGY COST</b>                            |                    |                   |          |                    |
| <b>11 - FUEL</b>                                   |                    |                   |          |                    |
| (11) 501 - Steam Operations Fuel                   | 7,634,723          | -                 | -        | 7,634,723          |
| (11) 547 - Other Power Generation Oper Fuel        | 15,679,985         | -                 | -        | 15,679,985         |
| (11) SUBTOTAL                                      | 23,314,708         | -                 | -        | 23,314,708         |
| <b>12 - PURCHASED AND INTERCHANGED</b>             |                    |                   |          |                    |
| (12) 555 - Purchased Power                         | 27,695,834         | -                 | -        | 27,695,834         |
| (12) 557 - Other Power Supply Expense              | (2,074,261)        | -                 | -        | (2,074,261)        |
| (12) 804 - Natural Gas City Gate Purchases         | -                  | 30,164,646        | -        | 30,164,646         |
| (12) 805 - Other Gas Purchases                     | -                  | 15,363            | -        | 15,363             |
| (12) 8051 - Purchased Gas Cost Adjustments         | -                  | (3,776,572)       | -        | (3,776,572)        |
| (12) 8081 - Gas Withdrawn From Storage             | -                  | 1,040,604         | -        | 1,040,604          |
| (12) 8082 - Gas Delivered To Storage               | -                  | (2,965,430)       | -        | (2,965,430)        |
| (12) SUBTOTAL                                      | 25,621,573         | 24,478,612        | -        | 50,100,185         |
| <b>13 - WHEELING</b>                               |                    |                   |          |                    |
| (13) 565 - Transmission Of Electricity By Others   | 9,751,838          | -                 | -        | 9,751,838          |
| (13) SUBTOTAL                                      | 9,751,838          | -                 | -        | 9,751,838          |
| <b>14 - RESIDENTIAL EXCHANGE</b>                   |                    |                   |          |                    |
| (14) 555 - Purchased Power                         | (11,226,280)       | -                 | -        | (11,226,280)       |
| (14) SUBTOTAL                                      | (11,226,280)       | -                 | -        | (11,226,280)       |
| <b>(10) TOTAL ENERGY COST</b>                      | <b>47,461,839</b>  | <b>24,478,612</b> | <b>-</b> | <b>71,940,451</b>  |
| <b>GROSS MARGIN</b>                                | <b>123,830,383</b> | <b>39,186,965</b> | <b>-</b> | <b>163,017,348</b> |



**PUGET SOUND ENERGY**  
**INCOME STATEMENT DETAIL**  
**FOR THE MONTH ENDED OCTOBER 31, 2014**

| Account Description                                    | Electric  | Gas     | Common | Total     |
|--|-----------|---------|--------|-----------|
| <b>OPERATING EXPENSES</b>                              |           |         |        |           |
| <b>OPERATING AND MAINTENANCE</b>                       |           |         |        |           |
| <b>17 - OTHER ENERGY SUPPLY EXPENSES</b>               |           |         |        |           |
| (17) 500 - Steam Oper Supv & Engineering               | 150,372   | -       | -      | 150,372   |
| (17) 502 - Steam Oper Steam Expenses                   | 801,250   | -       | -      | 801,250   |
| (17) 505 - Steam Oper Electric Expense                 | 252,743   | -       | -      | 252,743   |
| (17) 506 - Steam Oper Misc Steam Power                 | 855,310   | -       | -      | 855,310   |
| (17) 507 - Steam Operations Rents                      | 26,641    | -       | -      | 26,641    |
| (17) 510 - Steam Maint Supv & Engineering              | 168,481   | -       | -      | 168,481   |
| (17) 511 - Steam Maint Structures                      | 350,533   | -       | -      | 350,533   |
| (17) 512 - Steam Maint Boiler Plant                    | 1,481,688 | -       | -      | 1,481,688 |
| (17) 513 - Steam Maint Electric Plant                  | 276,939   | -       | -      | 276,939   |
| (17) 514 - Steam Maint Misc Steam Plant                | 253,322   | -       | -      | 253,322   |
| (17) 535 - Hydro Oper Supv & Engineering               | 129,293   | -       | -      | 129,293   |
| (17) 536 - Hydro Oper Water For Power                  | -         | -       | -      | -         |
| (17) 537 - Hydro Oper Hydraulic Expenses               | 477,107   | -       | -      | 477,107   |
| (17) 538 - Hydro Oper Electric Expenses                | 39,959    | -       | -      | 39,959    |
| (17) 539 - Hydro Oper Misc Hydraulic Exp               | 352,742   | -       | -      | 352,742   |
| (17) 540 - Hydro Office Rents                          | -         | -       | -      | -         |
| (17) 541 - Hydro Maint Supv & Engineering              | -         | -       | -      | -         |
| (17) 542 - Hydro Maint Structures                      | 66,815    | -       | -      | 66,815    |
| (17) 543 - Hydro Maint Res. Dams & Waterways           | 59,999    | -       | -      | 59,999    |
| (17) 544 - Hydro Maint Electric Plant                  | 70,271    | -       | -      | 70,271    |
| (17) 545 - Hydro Maint Misc Hydraulic Plant            | 561,487   | -       | -      | 561,487   |
| (17) 546 - Other Pwr Gen Oper Supv & Eng               | 205,725   | -       | -      | 205,725   |
| (17) 548 - Other Power Gen Oper Gen Exp                | 785,237   | -       | -      | 785,237   |
| (17) 549 - Other Power Gen Oper Misc                   | 355,900   | -       | -      | 355,900   |
| (17) 550 - Other Power Gen Oper Rents                  | 606,236   | -       | -      | 606,236   |
| (17) 551 - Other Power Gen Maint Supv & Eng            | 53,030    | -       | -      | 53,030    |
| (17) 552 - Other Power Gen Maint Structures            | 8,498     | -       | -      | 8,498     |
| (17) 553 - Other Power Gen Maint Gen & Elec            | 1,948,059 | -       | -      | 1,948,059 |
| (17) 554 - Other Power Gen Maint Misc                  | 73,519    | -       | -      | 73,519    |
| (17) 556 - System Control & Load Dispatch              | 45,439    | -       | -      | 45,439    |
| (17) 710 - Production Operations Supv & Engineering    | -         | -       | -      | -         |
| (17) 717 - Liquefied Petroleum Gas Expenses            | -         | 13,406  | -      | 13,406    |
| (17) 735 - Misc Gas Production Exp                     | -         | -       | -      | -         |
| (17) 741 - Production Plant Maint Structures           | -         | -       | -      | -         |
| (17) 742 - Production Plant Maint Prod Equip           | -         | -       | -      | -         |
| (17) 8072 - Purchased Gas Expenses                     | -         | 25,152  | -      | 25,152    |
| (17) 8074 - Purchased Gas Calculation Exp              | -         | 4,730   | -      | 4,730     |
| (17) 812 - Gas Used For Other Utility Operations       | -         | (2,363) | -      | (2,363)   |
| (17) 813 - Other Gas Supply Expenses                   | -         | -       | -      | -         |
| (17) 814 - Undergrnd Strge - Operation Supv & Eng      | -         | 18,104  | -      | 18,104    |
| (17) 815 - Undergrnd Strge - Oper Map & Records        | -         | -       | -      | -         |
| (17) 816 - Undergrnd Strge - Oper Wells Expense        | -         | -       | -      | -         |
| (17) 817 - Undergrnd Strge - Oper Lines Expense        | -         | 7       | -      | 7         |
| (17) 818 - Undergrnd Strge - Oper Compressor Sta Exp   | -         | 11,123  | -      | 11,123    |
| (17) 819 - Undergrnd Strge - Oper Compressor Sta Fuel  | -         | 825     | -      | 825       |
| (17) 820 - Undergrnd Strge - Oper Meas & Reg Sta Exp   | -         | 6,090   | -      | 6,090     |
| (17) 821 - Undergrnd Strge - Oper Purification Exp     | -         | -       | -      | -         |
| (17) 823 - Storage Gas Losses                          | -         | -       | -      | -         |
| (17) 824 - Undergrnd Strge - Oper Other Expenses       | -         | 3,884   | -      | 3,884     |
| (17) 825 - Undergrnd Strge - Oper Storage Well Royalty | -         | -       | -      | -         |
| (17) 826 - Undergrnd Strge - Oper Other Storage Rents  | -         | (342)   | -      | (342)     |
| (17) 830 - Undergrnd Strge - Maint Supv & Engineering  | -         | 17,422  | -      | 17,422    |
| (17) 831 - Undergrnd Strge - Maint Structures          | -         | 46      | -      | 46        |
| (17) 832 - Undergrnd Strge - Maint Reservoirs & Wells  | -         | 12      | -      | 12        |

**PUGET SOUND ENERGY**  
**INCOME STATEMENT DETAIL**  
**FOR THE MONTH ENDED OCTOBER 31, 2014**

| Account Description                                     | Electric   | Gas     | Common | Total      |
|---|------------|---------|--------|------------|
| (17) 833 - Undergrnd Strge - Maint Of Lines             | -          | -       | -      | -          |
| (17) 834 - Undergrnd Strge - Maint Compres Sta Equip    | -          | 17,611  | -      | 17,611     |
| (17) 835 - Undergrnd Strge - Maint Meas & Reg Sta E     | -          | -       | -      | -          |
| (17) 836 - Undergrnd Strge - Maint Purification Equip   | -          | -       | -      | -          |
| (17) 837 - Undergrnd Strge-Maint Other Equipment        | -          | 98      | -      | 98         |
| (17) 841 - Operating Labor & Expenses                   | -          | 30,639  | -      | 30,639     |
| (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                      | -          | -       | -      | -          |
| (17) SUBTOTAL   | 10,456,594 | 146,444 | -      | 10,603,038 |
| <b>18 - TRANSMISSION EXPENSE</b>                        |            |         |        |            |
| (18) 560 - Transmission Oper Supv & Engineering         | 125,210    | -       | -      | 125,210    |
| (18) 561 - Transmission Oper Load Dispatching           | -          | -       | -      | -          |
| (18) 5611 - Transmission Oper Load Dispatching          | 8,537      | -       | -      | 8,537      |
| (18) 5612 - Load Dispatch - Montr & Oper Trans System   | 226,743    | -       | -      | 226,743    |
| (18) 5613 - Load Dispatch - Service and Scheduling      | 102,826    | -       | -      | 102,826    |
| (18) 5615 - Reliability Planning & Standards            | 23,234     | -       | -      | 23,234     |
| (18) 5616 - Transmission Svc Studies                    | 7,541      | -       | -      | 7,541      |
| (18) 5617 Gen Intercnct Studies                         | 4,961      | -       | -      | 4,961      |
| (18) 5618 - Reliability Planning                        | -          | -       | -      | -          |
| (18) 562 - Transmission Oper Station Expense            | 73,980     | -       | -      | 73,980     |
| (18) 563 - Transmission Oper Overhead Line Exp          | 23,079     | -       | -      | 23,079     |
| (18) 566 - Transmission Oper Misc                       | 93,578     | -       | -      | 93,578     |
| (18) 567 - Transmission Oper Rents                      | 5,884      | -       | -      | 5,884      |
| (18) 568 - Transmission Maint Supv & Eng                | 6,754      | -       | -      | 6,754      |
| (18) 569 - Transmission Maint Structures                | 129        | -       | -      | 129        |
| (18) 5691 - Transmission Computer Hardware Maint        | 230        | -       | -      | 230        |
| (18) 5692 - Maintenance of Computer Software            | 105,885    | -       | -      | 105,885    |
| (18) 570 - Transmission Maint Station Equipment         | 226,330    | -       | -      | 226,330    |
| (18) 571 - Transmission Maint Overhead Lines            | 700,176    | -       | -      | 700,176    |
| (18) 572 - Transmission Maint Underground Lines         | 271        | -       | -      | 271        |
| (18) 850 - Transmission Oper Supv & Engineering         | -          | -       | -      | -          |
| (18) 856 - Transmission Oper Mains Expenses             | -          | -       | -      | -          |
| (18) 857 - Transmission Oper Meas & Reg Sta Exp         | -          | -       | -      | -          |
| (18) 862 - Transmission Maint Struct & Improvements     | -          | -       | -      | -          |
| (18) 863 - Transmission Maint Supv & Eng                | -          | -       | -      | -          |
| (18) 865 - Transm Maint of measur & regul station equip | -          | -       | -      | -          |
| (18) 867 - Transmission Maint Other Equipment           | -          | -       | -      | -          |
| (18) SUBTOTAL   | 1,735,349  | -       | -      | 1,735,349  |
| <b>19 - DISTRIBUTION EXPENSE</b>                        |            |         |        |            |
| (19) 580 - Distribution Oper Supv & Engineering         | (13,753)   | -       | -      | (13,753)   |
| (19) 581 - Distribution Oper Load Dispatching           | 258,052    | -       | -      | 258,052    |
| (19) 582 - Distribution Oper Station Expenses           | 136,561    | -       | -      | 136,561    |
| (19) 583 - Distribution Oper Overhead Line Exp          | 234,432    | -       | -      | 234,432    |
| (19) 584 - Distribution Oper Underground Line Exp       | 199,129    | -       | -      | 199,129    |
| (19) 585 - Distribution Oper St Lighting & Signal       | -          | -       | -      | -          |
| (19) 586 - Distribution Oper Meter Expense              | 332,413    | -       | -      | 332,413    |
| (19) 587 - Distribution Oper Cust Installation          | 366,201    | -       | -      | 366,201    |
| (19) 588 - Distribution Oper Misc Dist Exp              | 297,458    | -       | -      | 297,458    |
| (19) 589 - Distribution Oper Rents                      | 57,239     | -       | -      | 57,239     |
| (19) 590 - Distribution Maint Superv & Engineering      | -          | -       | -      | -          |
| (19) 591 - Distribution Maint Structures                | 7,246      | -       | -      | 7,246      |
| (19) 592 - Distribution Maint Station Equipment         | 403,993    | -       | -      | 403,993    |
| (19) 593 - Distribution Maint Overhead Lines            | 4,807,694  | -       | -      | 4,807,694  |

**PUGET SOUND ENERGY**  
**INCOME STATEMENT DETAIL**  
**FOR THE MONTH ENDED OCTOBER 31, 2014**

| Account Description                               | Electric          | Gas              | Common            | Total             |
|---|-------------------|------------------|-------------------|-------------------|
| (19) 594 - Distribution Maint Underground Lines   | 1,440,315         | -                | -                 | 1,440,315         |
| (19) 595 - Distribution Maint Line Transformers   | 11,442            | -                | -                 | 11,442            |
| (19) 596 - Distribution Maint St Lighting/Signal  | 242,680           | -                | -                 | 242,680           |
| (19) 597 - Distribution Maint Meters              | 32,119            | -                | -                 | 32,119            |
| (19) 598 - Distribution Maint Misc Dist Plant     | -                 | -                | -                 | -                 |
| (19) 870 - Distribution Oper Supv & Engineering   | -                 | 178,605          | -                 | 178,605           |
| (19) 871 - Distribution Oper Load Dispatching     | -                 | 117,396          | -                 | 117,396           |
| (19) 874 - Distribution Oper Mains & Services Exp | -                 | 1,314,718        | -                 | 1,314,718         |
| (19) 875 - Distribution Oper Meas & Reg Sta Gen   | -                 | 252,582          | -                 | 252,582           |
| (19) 876 - Distribution Oper Meas & Reg Sta Indus | -                 | 5,932            | -                 | 5,932             |
| (19) 878 - Distribution Oper Meter & House Reg    | -                 | 590,063          | -                 | 590,063           |
| (19) 879 - Distribution Oper Customer Install Exp | -                 | 483,368          | -                 | 483,368           |
| (19) 880 - Distribution Oper Other Expense        | -                 | 321,276          | -                 | 321,276           |
| (19) 881 - Distribution Oper Rents Expense        | -                 | 3,008            | -                 | 3,008             |
| (19) 886 - Maint of Facilities and Structures     | -                 | 6,244            | -                 | 6,244             |
| (19) 887 - Distribution Maint Mains               | -                 | 539,238          | -                 | 539,238           |
| (19) 889 - Distribution Maint Meas & Reg Sta Gen  | -                 | 36,309           | -                 | 36,309            |
| (19) 890 - Distribution Maint Meas & Reg Sta Ind  | -                 | 59,972           | -                 | 59,972            |
| (19) 892 - Distribution Maint Services            | -                 | 275,859          | -                 | 275,859           |
| (19) 893 - Distribution Maint Meters & House Reg  | -                 | 45,334           | -                 | 45,334            |
| (19) 894 - Distribution Maint Other Equipment     | -                 | 85,040           | -                 | 85,040            |
| (19) SUBTOTAL                                     | 8,813,219         | 4,314,946        | -                 | 13,128,165        |
| <b>20 - CUSTOMER ACCTS EXPENSES</b>               |                   |                  |                   |                   |
| (20) 901 - Customer Accounts Supervision          | -                 | -                | 28,995            | 28,995            |
| (20) 902 - Meter Reading Expense                  | 1,503,144         | 1,094,532        | 67,743            | 2,665,419         |
| (20) 903 - Customer Records & Collection Expense  | 270,889           | 121,419          | 2,527,978         | 2,920,287         |
| (20) 904 - Uncollectible Accounts                 | 1,483,063         | 399,953          | -                 | 1,883,016         |
| (20) 905 - Misc. Customer Accounts Expense        | -                 | -                | -                 | -                 |
| (20) SUBTOTAL                                     | 3,257,097         | 1,615,904        | 2,624,716         | 7,497,717         |
| <b>21 - CUSTOMER SERVICE EXPENSES</b>             |                   |                  |                   |                   |
| (21) 908 - Customer Assistance Expense            | 1,217,502         | 277,716          | 153,537           | 1,648,756         |
| (21) 909 - Info & Instructional Advertising       | 190,667           | 39,367           | 91,809            | 321,843           |
| (21) 910 - Misc Cust Svc & Info Expense           | -                 | -                | 25,730            | 25,730            |
| (21) 911 - Sales Supervision Exp                  | -                 | -                | -                 | -                 |
| (21) 912 - Demonstration & Selling Expense        | 59,044            | 772              | -                 | 59,816            |
| (21) 913 - Advertising Expenses                   | -                 | -                | -                 | -                 |
| (21) 916 - Misc. Sales Expense                    | -                 | -                | -                 | -                 |
| (21) SUBTOTAL                                     | 1,467,213         | 317,855          | 271,076           | 2,056,145         |
| <b>22 - CONSERVATION AMORTIZATION</b>             |                   |                  |                   |                   |
| (22) 908 - Customer Assistance Expense            | 7,545,620         | 545,886          | -                 | 8,091,507         |
| (22) SUBTOTAL                                     | 7,545,620         | 545,886          | -                 | 8,091,507         |
| <b>23 - ADMIN &amp; GENERAL EXPENSE</b>           |                   |                  |                   |                   |
| (23) 920 - A & G Salaries                         | 329,304           | 164,363          | 3,394,645         | 3,888,312         |
| (23) 921 - Office Supplies and Expenses           | 57,644            | 208,570          | 103,449           | 369,663           |
| (23) 922 - Admin Expenses Transferred             | -                 | -                | (26,979)          | (26,979)          |
| (23) 923 - Outside Services Employed              | 55,965            | 76,513           | 938,067           | 1,070,544         |
| (23) 924 - Property Insurance                     | 431,581           | 33,252           | 37,463            | 502,296           |
| (23) 925 - Injuries & Damages                     | 33,278            | 40,573           | 415,355           | 489,206           |
| (23) 926 - Emp Pension & Benefits                 | 1,685,985         | 881,632          | 457,029           | 3,024,646         |
| (23) 928 - Regulatory Commission Expense          | 553,865           | 130,773          | 115,373           | 800,011           |
| (23) 9301 - Gen Advertising Exp                   | -                 | -                | 139               | 139               |
| (23) 9302 - Misc. General Expenses                | 390,774           | 42,523           | 110,612           | 543,909           |
| (23) 931 - Rents                                  | 17,095            | -                | 882,074           | 899,169           |
| (23) 932 - Maint Of General Plant- Gas            | -                 | 79,259           | -                 | 79,259            |
| (23) 935 - Maint General Plant - Electric         | 26,276            | -                | 1,371,235         | 1,397,511         |
| (23) SUBTOTAL                                     | 3,581,767         | 1,657,458        | 7,798,462         | 13,037,687        |
| <b>TOTAL OPERATING AND MAINTENANCE</b>            | <b>36,856,858</b> | <b>8,598,494</b> | <b>10,694,254</b> | <b>56,149,606</b> |

**PUGET SOUND ENERGY  
INCOME STATEMENT DETAIL  
FOR THE MONTH ENDED OCTOBER 31, 2014**

| Account Description  | Electric          | Gas               | Common              | Total             |
|--|-------------------|-------------------|---------------------|-------------------|
| <b>DEPRECIATION, DEPLETION AND AMORTIZATION</b>                |                   |                   |                     |                   |
| <i>24 - DEPRECIATION</i>                                       |                   |                   |                     |                   |
| (24) 403 - Depreciation Expense                                | 20,530,567        | 8,889,523         | 1,818,705           | 31,238,794        |
| (24) 4031 - Depreciation Expense - FAS143                      | 78,869            | 40,919            | 5,431               | 125,220           |
| (24) SUBTOTAL  | 20,609,436        | 8,930,442         | 1,824,136           | 31,364,014        |
| <i>25 - AMORTIZATION</i>                                       |                   |                   |                     |                   |
| (25) 404 - Amort Ltd-Term Plant                                | 865,250           | 195,994           | 2,550,599           | 3,611,843         |
| (25) 406 - Amortization Of Plant Acquisition Adj               | 1,154,919         | -                 | -                   | 1,154,919         |
| (25) 4111 - Accretion Exp - FAS143                             | 106,415           | 2,360             | 642                 | 109,417           |
| (25) SUBTOTAL  | 2,126,583         | 198,354           | 2,551,241           | 4,876,179         |
| <i>26 - AMORTIZ OF PROPERTY LOSS</i>                           |                   |                   |                     |                   |
| (26) 407 - Amortization Of Prop. Losses                        | 1,434,447         | -                 | -                   | 1,434,447         |
| (26) SUBTOTAL  | 1,434,447         | -                 | -                   | 1,434,447         |
| <i>27 - OTHER OPERATING EXPENSES</i>                           |                   |                   |                     |                   |
| (27) 4073 - Regulatory Debits                                  | 3,909,407         | -                 | -                   | 3,909,407         |
| (27) 4074 - Regulatory Credits                                 | (3,252,880)       | -                 | -                   | (3,252,880)       |
| (27) 4116 - Gains From Disposition Of Utility Plant            | (52,751)          | (5,154)           | -                   | (57,905)          |
| (27) 4117 - Losses From Disposition Of Utility Plant           | 11,054            | 1,373             | -                   | 12,427            |
| (27) 4118 - Gains From Disposition Of Allowances               | (3,736)           | -                 | -                   | (3,736)           |
| (27) 414 - Other Utility Operating Income                      | -                 | -                 | -                   | -                 |
| (27) SUBTOTAL  | 611,094           | (3,781)           | -                   | 607,314           |
| <i>28 - ASC 815</i>  |                   |                   |                     |                   |
| (28) 421 - FAS 133 Gain  | 3,787,051         | -                 | -                   | 3,787,051         |
| (28) 4265 - FAS 133 Loss                                       | 21,394,032        | -                 | -                   | 21,394,032        |
| (28) SUBTOTAL  | 25,181,083        | -                 | -                   | 25,181,083        |
| <b>TOTAL DEPRECIATION, DEPLETION AND AMORTIZATION</b>          | <b>49,962,644</b> | <b>9,125,016</b>  | <b>4,375,377</b>    | <b>63,463,037</b> |
| <i>29 - TAXES OTHER THAN INCOME TAXES</i>                      |                   |                   |                     |                   |
| (29) 4081 - Taxes Other-Util Income                            | 16,052,685        | 5,444,889         | 143,040             | 21,640,614        |
| (29) SUBTOTAL  | 16,052,685        | 5,444,889         | 143,040             | 21,640,614        |
| <i>30 - INCOME TAXES</i>                                       |                   |                   |                     |                   |
| (30) 4081 - Montana Corp. License Taxes                        | -                 | -                 | -                   | -                 |
| (30) 4091 - Montana Corp license Tax                           | (224)             | -                 | -                   | (224)             |
| (30) 4091 - Fit-Util Oper Income                               | (206)             | (15)              | -                   | (221)             |
| (30) SUBTOTAL  | (430)             | (15)              | -                   | (446)             |
| <i>31 - DEFERRED INCOME TAXES</i>                              |                   |                   |                     |                   |
| (31) 4101 - Def Fit-Util Oper Income                           | 1,293,172,973     | 487,515,036       | -                   | 1,780,688,009     |
| (31) 4111 - Def Fit-Cr - Util Oper Income                      | (1,290,617,882)   | (483,593,498)     | -                   | (1,774,211,380)   |
| (31) 4114 - Inv Tax Cr Adj-Util Operations                     | -                 | -                 | -                   | -                 |
| (31) SUBTOTAL  | 2,555,091         | 3,921,538         | -                   | 6,476,628         |
| <b>NET OPERATING INCOME</b>                                    | <b>18,403,535</b> | <b>12,097,044</b> | <b>(15,212,672)</b> | <b>15,287,907</b> |
| <b>NON-OPERATING INCOME</b>                                    |                   |                   |                     |                   |
| <i>99 - OTHER INCOME</i>                                       |                   |                   |                     |                   |
| (99) 4082 - Taxes Other - Other Income                         | 26,582            | -                 | -                   | 26,582            |
| (99) 4092 - Fit - Other Income                                 | -                 | -                 | 300                 | 300               |
| (99) 4102 - Def Fit - Other Income                             | -                 | -                 | (7,353,553)         | (7,353,553)       |
| (99) 4112 - Provision for Deferred FIT - Credit & Other Income | -                 | -                 | -                   | -                 |
| (99) 415 - Revenues From Merchandising And Jobbing             | -                 | -                 | (122,415)           | (122,415)         |
| (99) 416 - Expenses Of Merchandising And Jobbing               | -                 | -                 | 104,661             | 104,661           |
| (99) 417 - Revenues From Non-Utility Operations                | -                 | -                 | (904,284)           | (904,284)         |
| (99) 4171 - Merger Related Costs                               | -                 | -                 | -                   | -                 |
| (99) 4171 - Expenses of Non-Utility Operations                 | -                 | -                 | 1,146,104           | 1,146,104         |
| (99) 418 - Nonoperating Rental Income                          | -                 | -                 | -                   | -                 |
| (99) 4181 - Equity in Earnings of Subsidiaries                 | -                 | -                 | -                   | -                 |
| (99) 419 - Interest And Dividend Income                        | -                 | -                 | (486,611)           | (486,611)         |
| (99) 4191 - Allowance For Other Funds Used During Constructor  | (449,882)         | (106,476)         | (58,268)            | (614,626)         |

**PUGET SOUND ENERGY**  
**INCOME STATEMENT DETAIL**  
**FOR THE MONTH ENDED OCTOBER 31, 2014**

| Account Description                                   | Electric          | Gas               | Common              | Total             |
|---|-------------------|-------------------|---------------------|-------------------|
| (99) 421 - Misc. Non-Operating Income                 | -                 | -                 | (195)               | (195)             |
| (99) 4211 - Gain On Disposition Of Property           | -                 | -                 | -                   | -                 |
| (99) 4212 - Loss On Disposition Of Property           | -                 | -                 | -                   | -                 |
| (99) 4213 - Misc. Non-Op Income - AFUDC(WUTC)         | (40,570)          | -                 | -                   | (40,570)          |
| (99) 4214 - Misc. Non-Op Income - AFUCE               | -                 | -                 | -                   | -                 |
| (99) 425 - Miscellaneous Amortization                 | 66                | -                 | -                   | 66                |
| (99) 4261 - Donations                                 | -                 | -                 | 1,250               | 1,250             |
| (99) 4262 - Life Insurance                            | -                 | -                 | -                   | -                 |
| (99) 4263 - Penalties                                 | -                 | -                 | -                   | -                 |
| (99) 4264 - Expenses For Civic & Political Activities | -                 | -                 | 468,320             | 468,320           |
| (99) 4265 - Other Deductions                          | -                 | -                 | 590,473             | 590,473           |
| (99) SUBTOTAL   | (463,805)         | (106,476)         | (6,614,218)         | (7,184,499)       |
| <i>999 - INTEREST</i>                                 |                   |                   |                     |                   |
| (999) 427 - Interest On Long Term Debt                | -                 | -                 | 18,784,545          | 18,784,545        |
| (999) 4271 - Interest on Preferred Stock              | -                 | -                 | -                   | -                 |
| (999) 428 - Amortization Of Debt Discount & Expenses  | -                 | -                 | 261,823             | 261,823           |
| (999) 4281 - Amortization Of Loss On Required Debt    | 775               | 475               | 198,016             | 199,266           |
| (999) 429 - Amortization Of Premium On Debt-Cr        | -                 | -                 | -                   | -                 |
| (999) 4291 - Amortization Gain On Reacquired Debt     | -                 | -                 | -                   | -                 |
| (999) 430 - Int on Debt to Assoc. Companies           | -                 | -                 | 7,689               | 7,689             |
| (999) 431 - Other Interest Expense                    | 2,970,581         | 22,441            | 111,045             | 3,104,067         |
| (999) 432 - Allowances For Borrowed Funds             | (382,496)         | (69,245)          | (45,518)            | (497,259)         |
| (999) SUBTOTAL  | 2,588,860         | (46,329)          | 19,317,599          | 21,860,130        |
| <i>9999 - EXTRAORDINARY ITEMS</i>                     |                   |                   |                     |                   |
| (9999) 4111 - Def Fit-Cr - Util Oper Income           |                   |                   |                     |                   |
| (9999) 435 - Extraordinary Deductions                 |                   |                   |                     |                   |
| (9999) SUBTOTAL                                       |                   |                   |                     |                   |
| <b>TOTAL NON-OPERATING INCOME</b>                     | <b>2,125,055</b>  | <b>(152,805)</b>  | <b>12,703,381</b>   | <b>14,675,631</b> |
| <b>NET INCOME</b>                                     | <b>16,278,480</b> | <b>12,249,848</b> | <b>(27,916,053)</b> | <b>612,276</b>    |

**PUGET SOUND ENERGY**  
**ALLOCATION OF COMMON CHARGES**  
**FOR THE MONTH ENDED OCTOBER 31, 2014**  
(Based on allocation factors developed for the 12 ME 12/31/2013)

| FERC Account and Description                     | Allocated Electric   | Allocated Gas       | Allocation Method [1] | Share (Allocated Electric / Common) | Share (Allocated Gas / Common) | Common               |
|--|----------------------|---------------------|-----------------------|-------------------------------------|--------------------------------|----------------------|
| <b>20 - CUSTOMER ACCTS EXPENSES</b>              |                      |                     |                       |                                     |                                |                      |
| (20) 901 - Customer Accounts Supervision         | \$ 16,930            | \$ 12,065           | 1                     | 58.39%                              | 41.61%                         | \$ 28,995            |
| (20) 902 - Meter Reading Expense                 | 42,326               | 25,417              | 2                     | 62.48%                              | 37.52%                         | \$ 67,743            |
| (20) 903 - Customer Records & Collection Expense | 1,476,087            | 1,051,892           | 1                     | 58.39%                              | 41.61%                         | \$ 2,527,978         |
| (20) 905 - Misc. Customer Accounts Expense       | 0                    | 0                   | 1                     | 58.39%                              | 41.61%                         | \$ -                 |
| <b>SUBTOTAL</b>                                  | <b>\$ 1,535,342</b>  | <b>\$ 1,089,374</b> |                       |                                     |                                | <b>\$ 2,624,716</b>  |
| <b>21 - CUSTOMER SERVICE EXPENSES</b>            |                      |                     |                       |                                     |                                |                      |
| (21) 908 - Customer Assistance Expense           | \$ 89,650            | \$ 63,887           | 1                     | 58.39%                              | 41.61%                         | \$ 153,537           |
| (21) 909 - Info & Instructional Advertising      | 53,607               | 38,202              | 1                     | 58.39%                              | 41.61%                         | \$ 91,809            |
| (21) 910 - Misc Cust Svc & Info Expense          | 15,024               | 10,706              | 1                     | 58.39%                              | 41.61%                         | \$ 25,730            |
| (21) 911 - Sales Supervision Exp                 | -                    | -                   | 1                     | 58.39%                              | 41.61%                         | \$ -                 |
| (21) 912 - Demonstration & Selling Expense       | -                    | -                   | 1                     | 58.39%                              | 41.61%                         | \$ -                 |
| (21) 913 - Advertising Expense                   | -                    | -                   | 1                     | 58.39%                              | 41.61%                         | \$ -                 |
| (21) 916 - Misc. Sales Expense                   | -                    | -                   | 1                     | 58.39%                              | 41.61%                         | \$ -                 |
| <b>SUBTOTAL</b>                                  | <b>\$ 158,281</b>    | <b>\$ 112,795</b>   |                       |                                     |                                | <b>\$ 271,076</b>    |
| <b>23 - ADMIN &amp; GENERAL EXPENSE</b>          |                      |                     |                       |                                     |                                |                      |
| (23) 920 - A & G Salaries                        | \$ 2,307,680         | \$ 1,086,965        | 4                     | 67.98%                              | 32.02%                         | \$ 3,394,645         |
| (23) 921 - Office Supplies and Expenses          | 70,325               | 33,124              | 4                     | 67.98%                              | 32.02%                         | \$ 103,449           |
| (23) 922 - Admin Expenses Transferred            | (18,340)             | (8,639)             | 4                     | 67.98%                              | 32.02%                         | \$ (26,979)          |
| (23) 923 - Outside Services Employed             | 637,698              | 300,369             | 4                     | 67.98%                              | 32.02%                         | \$ 938,067           |
| (23) 924 - Property Insurance                    | 22,950               | 14,513              | 3                     | 61.26%                              | 38.74%                         | \$ 37,463            |
| (23) 925 - Injuries & Damages                    | 242,526              | 172,829             | 1                     | 58.39%                              | 41.61%                         | \$ 415,355           |
| (23) 926 - Emp Pension & Benefits                | 312,151              | 144,878             | 5                     | 68.30%                              | 31.70%                         | \$ 457,029           |
| (23) 928 - Regulatory Commission Expense         | 78,431               | 36,943              | 4                     | 67.98%                              | 32.02%                         | \$ 115,373           |
| (23) 9301 - Gen Advertising Exp                  | 94                   | 45                  | 4                     | 67.98%                              | 32.02%                         | \$ 139               |
| (23) 9302 - Misc. General Expenses               | 75,194               | 35,418              | 4                     | 67.98%                              | 32.02%                         | \$ 110,612           |
| (23) 931 - Rents                                 | 599,634              | 282,440             | 4                     | 67.98%                              | 32.02%                         | \$ 882,074           |
| (23) 932 - Maint Of General Plant- Gas           | -                    | -                   | 4                     | 67.98%                              | 32.02%                         | \$ -                 |
| (23) 935 - Maint General Plant - Electric        | 932,165              | 439,069             | 4                     | 67.98%                              | 32.02%                         | \$ 1,371,235         |
| <b>SUBTOTAL</b>                                  | <b>\$ 5,260,507</b>  | <b>\$ 2,537,955</b> |                       |                                     |                                | <b>\$ 7,798,462</b>  |
| <b>24 - DEPRECIATION/AMORTIZATION</b>            |                      |                     |                       |                                     |                                |                      |
| (24) 403 - Depreciation Expense                  | 1,236,355            | 582,349             | 4                     | 67.98%                              | 32.02%                         | \$ 1,818,705         |
| (24) 4031 - Depreciation Expense - FAS143        | 3,692                | 1,739               | 4                     | 67.98%                              | 32.02%                         | \$ 5,431             |
| <b>SUBTOTAL</b>                                  | <b>\$ 1,240,048</b>  | <b>\$ 584,088</b>   |                       |                                     |                                | <b>\$ 1,824,136</b>  |
| <b>25 - AMORTIZATION</b>                         |                      |                     |                       |                                     |                                |                      |
| (25) 404 - Amort Ltd-Term Plant                  | 1,733,897            | 816,702             | 4                     | 67.98%                              | 32.02%                         | \$ 2,550,599         |
| (25) 406 - Amortization Of Plant Acquisition Adj | -                    | -                   | 4                     | 67.98%                              | 32.02%                         | \$ -                 |
| (25) 4111 - Accretion Exp - FAS143               | 437                  | 206                 | 4                     | 67.98%                              | 32.02%                         | \$ 642               |
| <b>SUBTOTAL</b>                                  | <b>\$ 1,734,334</b>  | <b>\$ 816,907</b>   |                       |                                     |                                | <b>\$ 2,551,241</b>  |
| <b>29 - TAXES OTHER THAN INCOME TAXES</b>        |                      |                     |                       |                                     |                                |                      |
| (29) 4081 - Taxes Other-Util Income              | \$ 97,239            | \$ 45,802           | 4                     | 67.98%                              | 32.02%                         | \$ 143,040           |
| <b>SUBTOTAL</b>                                  | <b>\$ 97,239</b>     | <b>\$ 45,802</b>    |                       |                                     |                                | <b>\$ 143,040</b>    |
| <b>30 - INCOME TAXES</b>                         |                      |                     |                       |                                     |                                |                      |
| (30) 4091 - Fit-Util Oper Income                 | \$ -                 | \$ -                | 4                     | 67.98%                              | 32.02%                         | \$ -                 |
| <b>SUBTOTAL</b>                                  | <b>\$ -</b>          | <b>\$ -</b>         |                       |                                     |                                | <b>\$ -</b>          |
| <b>31 - DEFERRED INCOME TAXES</b>                |                      |                     |                       |                                     |                                |                      |
| (31) 4101 - Def Fit-Util Oper Income             | \$ -                 | \$ -                | 4                     | 67.98%                              | 32.02%                         | \$ -                 |
| (31) 4111 - Def Fit-Cr - Util Oper Income        | -                    | -                   | 4                     | 67.98%                              | 32.02%                         | \$ -                 |
| <b>SUBTOTAL</b>                                  | <b>\$ -</b>          | <b>\$ -</b>         |                       |                                     |                                | <b>\$ -</b>          |
| <b>GRAND TOTAL</b>                               | <b>\$ 10,025,751</b> | <b>\$ 5,186,921</b> |                       |                                     |                                | <b>\$ 15,212,672</b> |

| Allocation Method | Electric                             | Gas    |        |
|-------------------|--------------------------------------|--------|--------|
| 1                 | 12 Month Average number of Customers | 58.39% | 41.61% |
| 2                 | Joint Meter Reading Customers        | 62.48% | 37.52% |
| 3                 | Non-Production Plant                 | 61.26% | 38.74% |
| 4                 | 4-Factor Allocator                   | 67.98% | 32.02% |
| 5                 | Direct Labor                         | 68.30% | 31.70% |

**PUGET SOUND ENERGY, INC.**  
**AVERAGE NUMBER OF CUSTOMERS**  
**October 31, 2014**

**ELECTRIC**

| <b>Customers</b>                 | <b>Month Ended</b> |                  |                             |               | <b>Variance from Prior Year</b> |                                 |             |
|----------------------------------|--------------------|------------------|-----------------------------|---------------|---------------------------------|---------------------------------|-------------|
|                                  | <b>Actual</b>      | <b>Budget</b>    | <b>Variance from Budget</b> |               | <b>Prior Year</b>               | <b>Variance from Prior Year</b> |             |
|                                  |                    |                  | <b>Amount</b>               | <b>%</b>      |                                 | <b>Amount</b>                   | <b>%</b>    |
| Residential                      | 962,710            | 974,927          | (12,217)                    | (1.3%)        | 954,920                         | 7,790                           | 0.8%        |
| Commercial - Firm                | 121,627            | 121,499          | 128                         | 0.1%          | 119,469                         | 2,158                           | 1.8%        |
| Commercial Interruptible         | 161                | 162              | (1)                         | (0.6%)        | 162                             | (1)                             | (0.6%)      |
| Industrial - Firm                | 3,437              | 3,421            | 16                          | 0.5%          | 3,449                           | (12)                            | (0.3%)      |
| Industrial Interruptible         | 4                  | 4                | -                           | 0.0%          | 4                               | -                               | 0.0%        |
| Outdoor Lighting                 | 6,082              | 6,430            | (348)                       | (5.4%)        | 5,866                           | 216                             | 3.7%        |
| Electric Sales for Resale - Firm | 8                  | 8                | -                           | 0.0%          | 8                               | -                               | 0.0%        |
| Transportation - Electric        | 16                 | 17               | (1)                         | (5.9%)        | 18                              | (2)                             | (11.1%)     |
| <b>Total Number of Customers</b> | <b>1,094,045</b>   | <b>1,106,468</b> | <b>(12,423)</b>             | <b>(1.1%)</b> | <b>1,083,896</b>                | <b>10,149</b>                   | <b>0.9%</b> |

| <b>Customers</b>                 | <b>Year-To-Date</b> |                  |                             |               | <b>Variance from Prior Year</b> |                                 |             |
|----------------------------------|---------------------|------------------|-----------------------------|---------------|---------------------------------|---------------------------------|-------------|
|                                  | <b>Actual</b>       | <b>Budget</b>    | <b>Variance from Budget</b> |               | <b>Prior Year</b>               | <b>Variance from Prior Year</b> |             |
|                                  |                     |                  | <b>Amount</b>               | <b>%</b>      |                                 | <b>Amount</b>                   | <b>%</b>    |
| Residential                      | 959,757             | 968,023          | (8,266)                     | (0.9%)        | 956,696                         | 3,061                           | 0.3%        |
| Commercial - Firm                | 121,081             | 120,594          | 487                         | 0.4%          | 119,699                         | 1,382                           | 1.2%        |
| Commercial Interruptible         | 161                 | 162              | (1)                         | (0.6%)        | 165                             | (4)                             | (2.4%)      |
| Industrial - Firm                | 3,430               | 3,426            | 4                           | 0.1%          | 3,477                           | (47)                            | (1.4%)      |
| Industrial Interruptible         | 4                   | 4                | -                           | 0.0%          | 4                               | -                               | 0.0%        |
| Outdoor Lighting                 | 5,996               | 6,262            | (266)                       | (4.2%)        | 5,141                           | 855                             | 16.6%       |
| Electric Sales for Resale - Firm | 8                   | 8                | -                           | 0.0%          | 8                               | -                               | 0.0%        |
| Transportation - Electric        | 17                  | 17               | -                           | 0.0%          | 17                              | -                               | 0.0%        |
| <b>Total Number of Customers</b> | <b>1,090,454</b>    | <b>1,098,496</b> | <b>(8,042)</b>              | <b>(0.7%)</b> | <b>1,085,207</b>                | <b>5,247</b>                    | <b>0.5%</b> |

| <b>Customers</b>                 | <b>Twelve Months Ended</b> |                  |                             |               | <b>Variance from Prior Year</b> |                                 |             |
|----------------------------------|----------------------------|------------------|-----------------------------|---------------|---------------------------------|---------------------------------|-------------|
|                                  | <b>Actual</b>              | <b>Budget</b>    | <b>Variance from Budget</b> |               | <b>Prior Year</b>               | <b>Variance from Prior Year</b> |             |
|                                  |                            |                  | <b>Amount</b>               | <b>%</b>      |                                 | <b>Amount</b>                   | <b>%</b>    |
| Residential                      | 959,334                    | 967,420          | (8,086)                     | (0.8%)        | 957,942                         | 1,392                           | 0.1%        |
| Commercial - Firm                | 120,821                    | 120,352          | 469                         | 0.4%          | 119,818                         | 1,003                           | 0.8%        |
| Commercial Interruptible         | 161                        | 163              | (2)                         | (1.2%)        | 165                             | (4)                             | (2.4%)      |
| Industrial - Firm                | 3,431                      | 3,442            | (11)                        | (0.3%)        | 3,490                           | (59)                            | (1.7%)      |
| Industrial Interruptible         | 4                          | 4                | -                           | 0.0%          | 4                               | -                               | 0.0%        |
| Outdoor Lighting                 | 5,978                      | 5,813            | 165                         | 2.8%          | 4,870                           | 1,108                           | 22.8%       |
| Electric Sales for Resale - Firm | 8                          | 8                | -                           | 0.0%          | 8                               | -                               | 0.0%        |
| Transportation - Electric        | 17                         | 17               | -                           | 0.0%          | 17                              | -                               | 0.0%        |
| <b>Total Number of Customers</b> | <b>1,089,754</b>           | <b>1,097,219</b> | <b>(7,465)</b>              | <b>(0.7%)</b> | <b>1,086,314</b>                | <b>3,440</b>                    | <b>0.3%</b> |

**PUGET SOUND ENERGY, INC.**  
**AVERAGE NUMBER OF CUSTOMERS**  
**October 31, 2014**

**GAS**

| <b>Customers</b>                 | <b>Month Ended</b> |                |                             |               |                   | <b>Variance from Prior Year</b> |             |
|----------------------------------|--------------------|----------------|-----------------------------|---------------|-------------------|---------------------------------|-------------|
|                                  | <b>Actual</b>      | <b>Budget</b>  | <b>Variance from Budget</b> |               | <b>Prior Year</b> | <b>Variance from Prior Year</b> |             |
|                                  |                    |                | <b>Amount</b>               | <b>%</b>      |                   | <b>Amount</b>                   | <b>%</b>    |
| Residential                      | 728,928            | 734,564        | (5,636)                     | (0.8%)        | 718,146           | 10,782                          | 1.5%        |
| Commercial - Firm                | 54,245             | 55,090         | (845)                       | (1.5%)        | 53,724            | 521                             | 1.0%        |
| Commercial Interruptible         | 433                | 310            | 123                         | 39.7%         | 444               | (11)                            | (2.5%)      |
| Industrial - Firm                | 2,358              | 2,346          | 12                          | 0.5%          | 2,385             | (27)                            | (1.1%)      |
| Industrial Interruptible         | 12                 | 14             | (2)                         | (14.3%)       | 14                | (2)                             | (14.3%)     |
| Gas Transportation               | 207                | 203            | 4                           | 2.0%          | 206               | 1                               | 0.5%        |
| <b>Total Number of Customers</b> | <b>786,183</b>     | <b>792,527</b> | <b>(6,344)</b>              | <b>(0.8%)</b> | <b>774,919</b>    | <b>11,264</b>                   | <b>1.5%</b> |

| <b>Customers</b>                 | <b>Year-To-Date</b> |                |                             |               |                   | <b>Variance from Prior Year</b> |             |
|----------------------------------|---------------------|----------------|-----------------------------|---------------|-------------------|---------------------------------|-------------|
|                                  | <b>Actual</b>       | <b>Budget</b>  | <b>Variance from Budget</b> |               | <b>Prior Year</b> | <b>Variance from Prior Year</b> |             |
|                                  |                     |                | <b>Amount</b>               | <b>%</b>      |                   | <b>Amount</b>                   | <b>%</b>    |
| Residential                      | 726,282             | 729,066        | (2,784)                     | (0.4%)        | 715,502           | 10,780                          | 1.5%        |
| Commercial - Firm                | 54,289              | 54,916         | (627)                       | (1.1%)        | 53,810            | 479                             | 0.9%        |
| Commercial Interruptible         | 438                 | 316            | 122                         | 38.6%         | 409               | 29                              | 7.1%        |
| Industrial - Firm                | 2,385               | 2,360          | 25                          | 1.1%          | 2,394             | (9)                             | (0.4%)      |
| Industrial Interruptible         | 13                  | 14             | (1)                         | (7.1%)        | 14                | (1)                             | (7.1%)      |
| Gas Transportation               | 208                 | 203            | 5                           | 2.5%          | 203               | 5                               | 2.5%        |
| <b>Total Number of Customers</b> | <b>783,615</b>      | <b>786,875</b> | <b>(3,260)</b>              | <b>(0.4%)</b> | <b>772,332</b>    | <b>11,283</b>                   | <b>1.5%</b> |

| <b>Customers</b>                 | <b>Twelve Months Ended</b> |                |                             |               |                   | <b>Variance from Prior Year</b> |             |
|----------------------------------|----------------------------|----------------|-----------------------------|---------------|-------------------|---------------------------------|-------------|
|                                  | <b>Actual</b>              | <b>Budget</b>  | <b>Variance from Budget</b> |               | <b>Prior Year</b> | <b>Variance from Prior Year</b> |             |
|                                  |                            |                | <b>Amount</b>               | <b>%</b>      |                   | <b>Amount</b>                   | <b>%</b>    |
| Residential                      | 725,502                    | 727,705        | (2,203)                     | (0.3%)        | 714,602           | 10,900                          | 1.5%        |
| Commercial - Firm                | 54,240                     | 54,937         | (697)                       | (1.3%)        | 53,788            | 452                             | 0.8%        |
| Commercial Interruptible         | 439                        | 317            | 122                         | 38.5%         | 394               | 45                              | 11.4%       |
| Industrial - Firm                | 2,386                      | 2,364          | 22                          | 0.9%          | 2,397             | (11)                            | (0.5%)      |
| Industrial Interruptible         | 13                         | 14             | (1)                         | (7.1%)        | 14                | (1)                             | (7.1%)      |
| Gas Transportation               | 208                        | 203            | 5                           | 2.5%          | 203               | 5                               | 2.5%        |
| <b>Total Number of Customers</b> | <b>782,788</b>             | <b>785,540</b> | <b>(2,752)</b>              | <b>(0.4%)</b> | <b>771,398</b>    | <b>11,390</b>                   | <b>1.5%</b> |



**PUGET SOUND ENERGY**  
**PERIODIC ALLOCATED RESULTS OF OPERATIONS**  
**FOR THE MONTH ENDED NOVEMBER 30, 2014**

(Based on allocation factors developed for the 12 ME 12/31/2013)

|                                    | Electric             | Gas                  | Total Amount         |
|------------------------------------|----------------------|----------------------|----------------------|
| 1 - OPERATING REVENUES:            |                      |                      |                      |
| 2 - SALES TO CUSTOMERS             | \$ 183,131,655       | \$ 115,584,216       | \$ 298,715,871       |
| 3 - SALES FOR RESALE-FIRM          | 24,236               | -                    | 24,236               |
| 4 - SALES TO OTHER UTILITIES       | 12,340,531           | -                    | 12,340,531           |
| 5 - OTHER OPERATING REVENUES       | 6,121,854            | 2,792,301            | 8,914,155            |
| 6 - TOTAL OPERATING REVENUES       | \$ 201,618,276       | \$ 118,376,517       | \$ 319,994,794       |
| 7                                  |                      |                      |                      |
| 8 - OPERATING REVENUE DEDUCTIONS:  |                      |                      |                      |
| 9                                  |                      |                      |                      |
| 10 - POWER COSTS:                  |                      |                      |                      |
| 11 - FUEL                          | \$ 20,035,850        | \$ -                 | \$ 20,035,850        |
| 12 - PURCHASED AND INTERCHANGED    | 51,370,942           | 58,511,833           | 109,882,775          |
| 13 - WHEELING                      | 9,432,990            | -                    | 9,432,990            |
| 14 - RESIDENTIAL EXCHANGE          | (15,740,880)         | -                    | (15,740,880)         |
| 15 - TOTAL PRODUCTION EXPENSES     | \$ 65,098,902        | \$ 58,511,833        | \$ 123,610,735       |
| 16                                 |                      |                      |                      |
| 17 - OTHER ENERGY SUPPLY EXPENSES  | \$ 7,044,030         | \$ 253,516           | \$ 7,297,546         |
| 18 - TRANSMISSION EXPENSE          | 1,936,509            | 335                  | 1,936,844            |
| 19 - DISTRIBUTION EXPENSE          | 5,845,418            | 4,141,792            | 9,987,210            |
| 20 - CUSTOMER ACCTS EXPENSES       | 4,342,562            | 2,647,920            | 6,990,482            |
| 21 - CUSTOMER SERVICE EXPENSES     | 1,741,100            | 702,501              | 2,443,601            |
| 22 - CONSERVATION AMORTIZATION     | 8,972,528            | 1,260,646            | 10,233,174           |
| 23 - ADMIN & GENERAL EXPENSE       | 8,949,953            | 4,085,451            | 13,035,404           |
| 24 - DEPRECIATION                  | 21,770,804           | 9,559,608            | 31,330,412           |
| 25 - AMORTIZATION                  | 3,803,768            | 988,499              | 4,792,267            |
| 26 - AMORTIZ OF PROPERTY LOSS      | 1,434,447            | -                    | 1,434,447            |
| 27 - OTHER OPERATING EXPENSES      | 1,013,527            | (3,781)              | 1,009,746            |
| 28 - ASC 815                       | (2,783,219)          | -                    | (2,783,219)          |
| 29 - TAXES OTHER THAN INCOME TAXES | 18,309,530           | 10,911,374           | 29,220,904           |
| 30 - INCOME TAXES                  | 2,239                | (573)                | 1,666                |
| 31 - DEFERRED INCOME TAXES         | 16,594,469           | 8,191,776            | 24,786,244           |
| 32 - TOTAL OPERATING REV. DEDUCT.  | \$ 164,076,567       | \$ 101,250,898       | \$ 265,327,465       |
| <b>NET OPERATING INCOME</b>        | <b>\$ 37,541,710</b> | <b>\$ 17,125,619</b> | <b>\$ 54,667,329</b> |

**PUGET SOUND ENERGY**  
**ACTUAL RESULTS OF OPERATIONS**  
**FOR THE MONTH ENDED NOVEMBER 30, 2014**

|                                    | Electric             | Gas                  | Common                 | Energy N/A             | Total Amount         |
|------------------------------------|----------------------|----------------------|------------------------|------------------------|----------------------|
| <b>OPERATING INCOME</b>            |                      |                      |                        |                        |                      |
| 1 - OPERATING REVENUES:            |                      |                      |                        |                        |                      |
| 2 - SALES TO CUSTOMERS             | \$ 183,131,655       | \$ 115,584,216       | \$ -                   | \$ -                   | \$ 298,715,871       |
| 3 - SALES FOR RESALE-FIRM          | 24,236               | -                    | -                      | -                      | 24,236               |
| 4 - SALES TO OTHER UTILITIES       | 12,340,531           | -                    | -                      | -                      | 12,340,531           |
| 5 - OTHER OPERATING REVENUES       | 6,121,854            | 2,792,301            | -                      | -                      | 8,914,155            |
| 6 - TOTAL OPERATING REVENUES       | \$ 201,618,276       | \$ 118,376,517       | \$ -                   | \$ -                   | \$ 319,994,794       |
| 7                                  |                      |                      |                        |                        |                      |
| 8 - OPERATING REVENUE DEDUCTIONS:  |                      |                      |                        |                        |                      |
| 9                                  |                      |                      |                        |                        |                      |
| 10 - POWER COSTS:                  |                      |                      |                        |                        |                      |
| 11 - FUEL                          | \$ 20,035,850        | \$ -                 | \$ -                   | \$ -                   | \$ 20,035,850        |
| 12 - PURCHASED AND INTERCHANGED    | 51,370,942           | 58,511,833           | -                      | -                      | 109,882,775          |
| 13 - WHEELING                      | 9,432,990            | -                    | -                      | -                      | 9,432,990            |
| 14 - RESIDENTIAL EXCHANGE          | (15,740,880)         | -                    | -                      | -                      | (15,740,880)         |
| 15 - TOTAL PRODUCTION EXPENSES     | \$ 65,098,902        | \$ 58,511,833        | \$ -                   | \$ -                   | \$ 123,610,735       |
| 16                                 |                      |                      |                        |                        |                      |
| 17 - OTHER ENERGY SUPPLY EXPENSES  | \$ 7,044,030         | \$ 253,516           | \$ -                   | \$ -                   | \$ 7,297,546         |
| 18 - TRANSMISSION EXPENSE          | 1,936,509            | 335                  | -                      | -                      | 1,936,844            |
| 19 - DISTRIBUTION EXPENSE          | 5,845,418            | 4,141,792            | -                      | -                      | 9,987,210            |
| 20 - CUSTOMER ACCTS EXPENSES       | 2,843,806            | 1,584,575            | 2,562,101              | -                      | 6,990,482            |
| 21 - CUSTOMER SERVICE EXPENSES     | 1,613,258            | 611,398              | 218,945                | -                      | 2,443,601            |
| 22 - CONSERVATION AMORTIZATION     | 8,972,528            | 1,260,646            | -                      | -                      | 10,233,174           |
| 23 - ADMIN & GENERAL EXPENSE       | 3,416,857            | 1,422,249            | 8,196,297              | -                      | 13,035,404           |
| 24 - DEPRECIATION                  | 20,528,536           | 8,974,474            | 1,827,401              | -                      | 31,330,412           |
| 25 - AMORTIZATION                  | 2,121,408            | 196,073              | 2,474,786              | -                      | 4,792,267            |
| 26 - AMORTIZ OF PROPERTY LOSS      | 1,434,447            | -                    | -                      | -                      | 1,434,447            |
| 27 - OTHER OPERATING EXPENSES      | 1,013,527            | (3,781)              | -                      | -                      | 1,009,746            |
| 28 - ASC 815                       | (2,783,219)          | -                    | -                      | -                      | (2,783,219)          |
| 29 - TAXES OTHER THAN INCOME TAXES | 18,188,026           | 10,854,143           | 178,735                | -                      | 29,220,904           |
| 30 - INCOME TAXES                  | 2,239                | (573)                | -                      | -                      | 1,666                |
| 31 - DEFERRED INCOME TAXES         | 16,594,469           | 8,191,776            | -                      | -                      | 24,786,244           |
| 32 - TOTAL OPERATING REV. DEDUCT.  | \$ 153,870,741       | \$ 95,998,457        | \$ 15,458,267          | \$ -                   | \$ 265,327,465       |
| <b>NET OPERATING INCOME</b>        | <b>\$ 47,747,535</b> | <b>\$ 22,378,061</b> | <b>\$ (15,458,267)</b> | <b>\$ -</b>            | <b>\$ 54,667,329</b> |
| <b>NON-OPERATING INCOME</b>        |                      |                      |                        |                        |                      |
| 99 - OTHER INCOME                  | \$ -                 | \$ -                 | \$ -                   | \$ (8,734,841)         | \$ (8,734,841)       |
| 999 - INTEREST                     | -                    | -                    | -                      | 21,854,984             | 21,854,984           |
| 9999 - EXTRAORDINARY ITEMS         | -                    | -                    | -                      | -                      | -                    |
| <b>TOTAL NON-OPERATING INCOME</b>  | <b>\$ -</b>          | <b>\$ -</b>          | <b>\$ -</b>            | <b>\$ 13,120,144</b>   | <b>\$ 13,120,144</b> |
| <b>NET INCOME</b>                  | <b>\$ 47,747,535</b> | <b>\$ 22,378,061</b> | <b>\$ (15,458,267)</b> | <b>\$ (13,120,144)</b> | <b>\$ 41,547,185</b> |

**PUGET SOUND ENERGY  
INCOME STATEMENT DETAIL  
FOR THE MONTH ENDED NOVEMBER 30, 2014**

| Account Description                                | Electric           | Gas                | Common   | Total              |
|--|--------------------|--------------------|----------|--------------------|
| <b>1 - OPERATING REVENUES</b>                      |                    |                    |          |                    |
| <b>2 - SALES TO CUSTOMERS</b>                      |                    |                    |          |                    |
| (2) 440 - Electric Residential Sales               | 79,259,839         | -                  | -        | 79,259,839         |
| (2) 442 - Electric Commercial & Industrial Sales   | 76,990,920         | -                  | -        | 76,990,920         |
| (2) 444 - Public Street & Highway Lighting         | 1,238,705          | -                  | -        | 1,238,705          |
| (2) 456 - Other Electric Revenues - Conservation   | -                  | -                  | -        | -                  |
| (2) 456 - Other Electric Revenues - Unbilled       | 25,121,605         | -                  | -        | 25,121,605         |
| (2) 456 - Other Electric Revenues                  | 520,586            | -                  | -        | 520,586            |
| (2) 480 - Gas Residential Sales                    | -                  | 79,231,437         | -        | 79,231,437         |
| (2) 481 - Gas Commercial & Industrial Sales        | -                  | 34,790,603         | -        | 34,790,603         |
| (2) 489 - Rev From Transportation Of Gas To Others | -                  | 1,562,176          | -        | 1,562,176          |
| (2) SUBTOTAL                                       | 183,131,655        | 115,584,216        | -        | 298,715,871        |
| <b>3 - SALES FOR RESALE-FIRM</b>                   |                    |                    |          |                    |
| (3) 447 - Electric Sales For Resale                | 24,236             | -                  | -        | 24,236             |
| (3) SUBTOTAL                                       | 24,236             | -                  | -        | 24,236             |
| <b>4 - SALES TO OTHER UTILITIES</b>                |                    |                    |          |                    |
| (4) 447 - Electric Sales For Resale - Sales        | 3,969,466          | -                  | -        | 3,969,466          |
| (4) 447 - Electric Sales For Resale - Purchases    | 8,371,065          | -                  | -        | 8,371,065          |
| (4) SUBTOTAL                                       | 12,340,531         | -                  | -        | 12,340,531         |
| <b>5 - OTHER OPERATING REVENUES</b>                |                    |                    |          |                    |
| (5) 412 - Lease Inc Everett Delta to NWP - Gas     | -                  | -                  | -        | -                  |
| (5) 450 - Forfeited Discounts                      | 202,545            | -                  | -        | 202,545            |
| (5) 451 - Electric Misc Service Revenue            | 666,693            | -                  | -        | 666,693            |
| (5) 454 - Rent For Electric Property               | 1,460,570          | -                  | -        | 1,460,570          |
| (5) 456 - Other Electric Revenues                  | 3,792,047          | -                  | -        | 3,792,047          |
| (5) 487 - Forfeited Discounts                      | -                  | 88,286             | -        | 88,286             |
| (5) 488 - Gas Misc Service Revenues                | -                  | 168,222            | -        | 168,222            |
| (5) 4894 - Gas Revenues from Storing Gas of Others | -                  | 81,682             | -        | 81,682             |
| (5) 493 - Rent From Gas Property                   | -                  | 601,592            | -        | 601,592            |
| (5) 495 - Other Gas Revenues                       | -                  | 1,852,520          | -        | 1,852,520          |
| (5) SUBTOTAL                                       | 6,121,854          | 2,792,301          | -        | 8,914,155          |
| <b>(1) TOTAL OPERATING REVENUES</b>                | <b>201,618,276</b> | <b>118,376,517</b> | <b>-</b> | <b>319,994,794</b> |
| <b>10 - ENERGY COST</b>                            |                    |                    |          |                    |
| <b>11 - FUEL</b>                                   |                    |                    |          |                    |
| (11) 501 - Steam Operations Fuel                   | 6,467,443          | -                  | -        | 6,467,443          |
| (11) 547 - Other Power Generation Oper Fuel        | 13,568,407         | -                  | -        | 13,568,407         |
| (11) SUBTOTAL                                      | 20,035,850         | -                  | -        | 20,035,850         |
| <b>12 - PURCHASED AND INTERCHANGED</b>             |                    |                    |          |                    |
| (12) 555 - Purchased Power                         | 53,147,584         | -                  | -        | 53,147,584         |
| (12) 557 - Other Power Supply Expense              | (1,776,642)        | -                  | -        | (1,776,642)        |
| (12) 804 - Natural Gas City Gate Purchases         | -                  | 46,259,413         | -        | 46,259,413         |
| (12) 805 - Other Gas Purchases                     | -                  | -                  | -        | -                  |
| (12) 8051 - Purchased Gas Cost Adjustments         | -                  | 6,556,233          | -        | 6,556,233          |
| (12) 8081 - Gas Withdrawn From Storage             | -                  | 10,871,579         | -        | 10,871,579         |
| (12) 8082 - Gas Delivered To Storage               | -                  | (5,175,392)        | -        | (5,175,392)        |
| (12) SUBTOTAL                                      | 51,370,942         | 58,511,833         | -        | 109,882,775        |
| <b>13 - WHEELING</b>                               |                    |                    |          |                    |
| (13) 565 - Transmission Of Electricity By Others   | 9,432,990          | -                  | -        | 9,432,990          |
| (13) SUBTOTAL                                      | 9,432,990          | -                  | -        | 9,432,990          |
| <b>14 - RESIDENTIAL EXCHANGE</b>                   |                    |                    |          |                    |
| (14) 555 - Purchased Power                         | (15,740,880)       | -                  | -        | (15,740,880)       |
| (14) SUBTOTAL                                      | (15,740,880)       | -                  | -        | (15,740,880)       |
| <b>(10) TOTAL ENERGY COST</b>                      | <b>65,098,902</b>  | <b>58,511,833</b>  | <b>-</b> | <b>123,610,735</b> |
| <b>GROSS MARGIN</b>                                | <b>136,519,374</b> | <b>59,864,684</b>  | <b>-</b> | <b>196,384,059</b> |

OPERATING EXPENSES

OPERATING AND MAINTENANCE

17 - OTHER ENERGY SUPPLY EXPENSES

|  |           |         |   |           |
|--|-----------|---------|---|-----------|
| (17) 500 - Steam Oper Supv & Engineering               | 144,912   | -       | - | 144,912   |
| (17) 502 - Steam Oper Steam Expenses                   | 662,456   | -       | - | 662,456   |
| (17) 505 - Steam Oper Electric Expense                 | 173,986   | -       | - | 173,986   |
| (17) 506 - Steam Oper Misc Steam Power                 | 649,558   | -       | - | 649,558   |
| (17) 507 - Steam Operations Rents                      | 29,300    | -       | - | 29,300    |
| (17) 510 - Steam Maint Supv & Engineering              | 80,850    | -       | - | 80,850    |
| (17) 511 - Steam Maint Structures                      | 316,111   | -       | - | 316,111   |
| (17) 512 - Steam Maint Boiler Plant                    | (991,307) | -       | - | (991,307) |
| (17) 513 - Steam Maint Electric Plant                  | (118,562) | -       | - | (118,562) |
| (17) 514 - Steam Maint Misc Steam Plant                | (129,183) | -       | - | (129,183) |
| (17) 535 - Hydro Oper Supv & Engineering               | 92,978    | -       | - | 92,978    |
| (17) 536 - Hydro Oper Water For Power                  | -         | -       | - | -         |
| (17) 537 - Hydro Oper Hydraulic Expenses               | 217,450   | -       | - | 217,450   |
| (17) 538 - Hydro Oper Electric Expenses                | 32,949    | -       | - | 32,949    |
| (17) 539 - Hydro Oper Misc Hydraulic Exp               | (95,163)  | -       | - | (95,163)  |
| (17) 540 - Hydro Office Rents                          | -         | -       | - | -         |
| (17) 541 - Hydro Maint Supv & Engineering              | -         | -       | - | -         |
| (17) 542 - Hydro Maint Structures                      | 24,981    | -       | - | 24,981    |
| (17) 543 - Hydro Maint Res. Dams & Waterways           | 12,647    | -       | - | 12,647    |
| (17) 544 - Hydro Maint Electric Plant                  | 51,397    | -       | - | 51,397    |
| (17) 545 - Hydro Maint Misc Hydraulic Plant            | 839,851   | -       | - | 839,851   |
| (17) 546 - Other Pwr Gen Oper Supv & Eng               | 422,199   | -       | - | 422,199   |
| (17) 548 - Other Power Gen Oper Gen Exp                | 798,168   | -       | - | 798,168   |
| (17) 549 - Other Power Gen Oper Misc                   | 474,885   | -       | - | 474,885   |
| (17) 550 - Other Power Gen Oper Rents                  | 780,753   | -       | - | 780,753   |
| (17) 551 - Other Power Gen Maint Supv & Eng            | 75,822    | -       | - | 75,822    |
| (17) 552 - Other Power Gen Maint Structures            | 28,227    | -       | - | 28,227    |
| (17) 553 - Other Power Gen Maint Gen & Elec            | 2,342,252 | -       | - | 2,342,252 |
| (17) 554 - Other Power Gen Maint Misc                  | 79,191    | -       | - | 79,191    |
| (17) 556 - System Control & Load Dispatch              | 47,320    | -       | - | 47,320    |
| (17) 710 - Production Operations Supv & Engineering    | -         | -       | - | -         |
| (17) 717 - Liquefied Petroleum Gas Expenses            | -         | 9,918   | - | 9,918     |
| (17) 735 - Misc Gas Production Exp                     | -         | -       | - | -         |
| (17) 741 - Production Plant Maint Structures           | -         | -       | - | -         |
| (17) 742 - Production Plant Maint Prod Equip           | -         | -       | - | -         |
| (17) 8072 - Purchased Gas Expenses                     | -         | 135,761 | - | 135,761   |
| (17) 8074 - Purchased Gas Calculation Exp              | -         | 4,381   | - | 4,381     |
| (17) 812 - Gas Used For Other Utility Operations       | -         | (7,239) | - | (7,239)   |
| (17) 813 - Other Gas Supply Expenses                   | -         | -       | - | -         |
| (17) 814 - Undergrnd Strge - Operation Supv & Eng      | -         | 19,072  | - | 19,072    |
| (17) 815 - Undergrnd Strge - Oper Map & Records        | -         | -       | - | -         |
| (17) 816 - Undergrnd Strge - Oper Wells Expense        | -         | 3,787   | - | 3,787     |
| (17) 817 - Undergrnd Strge - Oper Lines Expense        | -         | 391     | - | 391       |
| (17) 818 - Undergrnd Strge - Oper Compressor Sta Exp   | -         | 15,465  | - | 15,465    |
| (17) 819 - Undergrnd Strge - Oper Compressor Sta Fuel  | -         | 3,785   | - | 3,785     |
| (17) 820 - Undergrnd Strge - Oper Meas & Reg Sta Exp   | -         | -       | - | -         |
| (17) 821 - Undergrnd Strge - Oper Purification Exp     | -         | -       | - | -         |
| (17) 823 - Storage Gas Losses                          | -         | -       | - | -         |
| (17) 824 - Undergrnd Strge - Oper Other Expenses       | -         | 7,437   | - | 7,437     |
| (17) 825 - Undergrnd Strge - Oper Storage Well Royalty | -         | -       | - | -         |
| (17) 826 - Undergrnd Strge - Oper Other Storage Rents  | -         | (525)   | - | (525)     |
| (17) 830 - Undergrnd Strge - Maint Supv & Engineering  | -         | 14,014  | - | 14,014    |
| (17) 831 - Undergrnd Strge - Maint Structures          | -         | -       | - | -         |
| (17) 832 - Undergrnd Strge - Maint Reservoirs & Wells  | -         | 249     | - | 249       |
| (17) 833 - Undergrnd Strge - Maint Of Lines            | -         | 841     | - | 841       |
| (17) 834 - Undergrnd Strge - Maint Compres Sta Equip   | -         | 15,253  | - | 15,253    |
| (17) 835 - Undergrnd Strge - Maint Meas & Reg Sta E    | -         | -       | - | -         |
| (17) 836 - Undergrnd Strge - Maint Purification Equip  | -         | 549     | - | 549       |

|   |           |           |   |           |
|---|-----------|-----------|---|-----------|
| (17) 837 - Undergrnd Strge-Maint Other Equipment        | -         | 512       | - | 512       |
| (17) 841 - Operating Labor & Expenses                   | -         | 29,865    | - | 29,865    |
| (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                      | -         | -         | - | -         |
| (17) SUBTOTAL   | 7,044,030 | 253,516   | - | 7,297,546 |
| <b>18 - TRANSMISSION EXPENSE</b>                        |           |           |   |           |
| (18) 560 - Transmission Oper Supv & Engineering         | 198,001   | -         | - | 198,001   |
| (18) 561 - Transmission Oper Load Dispatching           | -         | -         | - | -         |
| (18) 5611 - Transmission Oper Load Dispatching          | 7,358     | -         | - | 7,358     |
| (18) 5612 - Load Dispatch - Montr & Oper Trans System   | 199,061   | -         | - | 199,061   |
| (18) 5613 - Load Dispatch - Service and Scheduling      | 85,335    | -         | - | 85,335    |
| (18) 5615 - Reliability Planning & Standards            | 19,302    | -         | - | 19,302    |
| (18) 5616 - Transmission Svc Studies                    | 2,111     | -         | - | 2,111     |
| (18) 5617 Gen Intercnct Studies                         | 4,122     | -         | - | 4,122     |
| (18) 5618 - Reliability Planning                        | -         | -         | - | -         |
| (18) 562 - Transmission Oper Station Expense            | 64,340    | -         | - | 64,340    |
| (18) 563 - Transmission Oper Overhead Line Exp          | 26,505    | -         | - | 26,505    |
| (18) 566 - Transmission Oper Misc                       | 81,578    | -         | - | 81,578    |
| (18) 567 - Transmission Oper Rents                      | 814       | -         | - | 814       |
| (18) 568 - Transmission Maint Supv & Eng                | 13,162    | -         | - | 13,162    |
| (18) 569 - Transmission Maint Structures                | 5         | -         | - | 5         |
| (18) 5691 - Transmission Computer Hardware Maint        | -         | -         | - | -         |
| (18) 5692 - Maintenance of Computer Software            | 74,837    | -         | - | 74,837    |
| (18) 570 - Transmission Maint Station Equipment         | 177,325   | -         | - | 177,325   |
| (18) 571 - Transmission Maint Overhead Lines            | 982,296   | -         | - | 982,296   |
| (18) 572 - Transmission Maint Underground Lines         | 356       | -         | - | 356       |
| (18) 850 - Transmission Oper Supv & Engineering         | -         | -         | - | -         |
| (18) 856 - Transmission Oper Mains Expenses             | -         | 335       | - | 335       |
| (18) 857 - Transmission Oper Meas & Reg Sta Exp         | -         | -         | - | -         |
| (18) 862 - Transmission Maint Struct & Improvements     | -         | -         | - | -         |
| (18) 863 - Transmission Maint Supv & Eng                | -         | -         | - | -         |
| (18) 865 - Transm Maint of measur & regul station equip | -         | -         | - | -         |
| (18) 867 - Transmission Maint Other Equipment           | -         | -         | - | -         |
| (18) SUBTOTAL   | 1,936,509 | 335       | - | 1,936,844 |
| <b>19 - DISTRIBUTION EXPENSE</b>                        |           |           |   |           |
| (19) 580 - Distribution Oper Supv & Engineering         | 255,507   | -         | - | 255,507   |
| (19) 581 - Distribution Oper Load Dispatching           | 223,632   | -         | - | 223,632   |
| (19) 582 - Distribution Oper Station Expenses           | 103,230   | -         | - | 103,230   |
| (19) 583 - Distribution Oper Overhead Line Exp          | 274,509   | -         | - | 274,509   |
| (19) 584 - Distribution Oper Underground Line Exp       | 197,014   | -         | - | 197,014   |
| (19) 585 - Distribution Oper St Lighting & Signal       | -         | -         | - | -         |
| (19) 586 - Distribution Oper Meter Expense              | 50,763    | -         | - | 50,763    |
| (19) 587 - Distribution Oper Cust Installation          | 361,243   | -         | - | 361,243   |
| (19) 588 - Distribution Oper Misc Dist Exp              | 302,979   | -         | - | 302,979   |
| (19) 589 - Distribution Oper Rents                      | 73,388    | -         | - | 73,388    |
| (19) 590 - Distribution Maint Superv & Engineering      | -         | -         | - | -         |
| (19) 591 - Distribution Maint Structures                | -         | -         | - | -         |
| (19) 592 - Distribution Maint Station Equipment         | 181,915   | -         | - | 181,915   |
| (19) 593 - Distribution Maint Overhead Lines            | 2,446,555 | -         | - | 2,446,555 |
| (19) 594 - Distribution Maint Underground Lines         | 1,071,370 | -         | - | 1,071,370 |
| (19) 595 - Distribution Maint Line Transformers         | 7,325     | -         | - | 7,325     |
| (19) 596 - Distribution Maint St Lighting/Signal        | 257,346   | -         | - | 257,346   |
| (19) 597 - Distribution Maint Meters                    | 38,642    | -         | - | 38,642    |
| (19) 598 - Distribution Maint Misc Dist Plant           | -         | -         | - | -         |
| (19) 870 - Distribution Oper Supv & Engineering         | -         | 144,374   | - | 144,374   |
| (19) 871 - Distribution Oper Load Dispatching           | -         | 106,667   | - | 106,667   |
| (19) 874 - Distribution Oper Mains & Services Exp       | -         | 1,220,870 | - | 1,220,870 |

|   |                   |                  |                   |                   |
|---|-------------------|------------------|-------------------|-------------------|
| (19) 875 - Distribution Oper Meas & Reg Sta Gen   | -                 | 259,853          | -                 | 259,853           |
| (19) 876 - Distribution Oper Meas & Reg Sta Indus | -                 | 10,672           | -                 | 10,672            |
| (19) 878 - Distribution Oper Meter & House Reg    | -                 | 427,931          | -                 | 427,931           |
| (19) 879 - Distribution Oper Customer Install Exp | -                 | 561,872          | -                 | 561,872           |
| (19) 880 - Distribution Oper Other Expense        | -                 | 359,783          | -                 | 359,783           |
| (19) 881 - Distribution Oper Rents Expense        | -                 | 14,897           | -                 | 14,897            |
| (19) 886 - Maint of Facilities and Structures     | -                 | 5,772            | -                 | 5,772             |
| (19) 887 - Distribution Maint Mains               | -                 | 578,186          | -                 | 578,186           |
| (19) 889 - Distribution Maint Meas & Reg Sta Gen  | -                 | 54,315           | -                 | 54,315            |
| (19) 890 - Distribution Maint Meas & Reg Sta Ind  | -                 | 51,427           | -                 | 51,427            |
| (19) 892 - Distribution Maint Services            | -                 | 193,490          | -                 | 193,490           |
| (19) 893 - Distribution Maint Meters & House Reg  | -                 | 52,960           | -                 | 52,960            |
| (19) 894 - Distribution Maint Other Equipment     | -                 | 98,723           | -                 | 98,723            |
| (19) SUBTOTAL                                     | 5,845,418         | 4,141,792        | -                 | 9,987,210         |
| <b>20 - CUSTOMER ACCTS EXPENSES</b>               |                   |                  |                   |                   |
| (20) 901 - Customer Accounts Supervision          | -                 | -                | 22,836            | 22,836            |
| (20) 902 - Meter Reading Expense                  | 1,504,637         | 1,091,850        | 67,117            | 2,663,603         |
| (20) 903 - Customer Records & Collection Expense  | 185,508           | 71,521           | 2,472,149         | 2,729,178         |
| (20) 904 - Uncollectible Accounts                 | 1,153,661         | 421,204          | -                 | 1,574,865         |
| (20) 905 - Misc. Customer Accounts Expense        | -                 | -                | -                 | -                 |
| (20) SUBTOTAL                                     | 2,843,806         | 1,584,575        | 2,562,101         | 6,990,482         |
| <b>21 - CUSTOMER SERVICE EXPENSES</b>             |                   |                  |                   |                   |
| (21) 908 - Customer Assistance Expense            | 1,434,426         | 610,787          | 118,121           | 2,163,334         |
| (21) 909 - Info & Instructional Advertising       | 90,440            | 58               | 80,641            | 171,139           |
| (21) 910 - Misc Cust Svc & Info Expense           | -                 | -                | 20,184            | 20,184            |
| (21) 911 - Sales Supervision Exp                  | -                 | -                | -                 | -                 |
| (21) 912 - Demonstration & Selling Expense        | 88,392            | 553              | -                 | 88,945            |
| (21) 913 - Advertising Expenses                   | -                 | -                | -                 | -                 |
| (21) 916 - Misc. Sales Expense                    | -                 | -                | -                 | -                 |
| (21) SUBTOTAL                                     | 1,613,258         | 611,398          | 218,945           | 2,443,601         |
| <b>22 - CONSERVATION AMORTIZATION</b>             |                   |                  |                   |                   |
| (22) 908 - Customer Assistance Expense            | 8,972,528         | 1,260,646        | -                 | 10,233,174        |
| (22) SUBTOTAL                                     | 8,972,528         | 1,260,646        | -                 | 10,233,174        |
| <b>23 - ADMIN &amp; GENERAL EXPENSE</b>           |                   |                  |                   |                   |
| (23) 920 - A & G Salaries                         | 264,667           | 121,107          | 2,651,214         | 3,036,988         |
| (23) 921 - Office Supplies and Expenses           | 112,506           | 28,072           | 882,177           | 1,022,756         |
| (23) 922 - Admin Expenses Transferred             | -                 | -                | (25,634)          | (25,634)          |
| (23) 923 - Outside Services Employed              | 190,266           | 125,468          | 802,783           | 1,118,517         |
| (23) 924 - Property Insurance                     | 383,629           | 26,381           | 49,886            | 459,896           |
| (23) 925 - Injuries & Damages                     | 27,537            | 35,493           | 401,182           | 464,212           |
| (23) 926 - Emp Pension & Benefits                 | 1,621,435         | 747,645          | 962,103           | 3,331,184         |
| (23) 928 - Regulatory Commission Expense          | 587,162           | 239,563          | 83,408            | 910,133           |
| (23) 9301 - Gen Advertising Exp                   | -                 | -                | 11,539            | 11,539            |
| (23) 9302 - Misc. General Expenses                | 186,406           | 42,523           | 72,246            | 301,176           |
| (23) 931 - Rents                                  | 17,095            | -                | 893,437           | 910,532           |
| (23) 932 - Maint Of General Plant- Gas            | -                 | 55,997           | -                 | 55,997            |
| (23) 935 - Maint General Plant - Electric         | 26,153            | -                | 1,411,956         | 1,438,109         |
| (23) SUBTOTAL                                     | 3,416,857         | 1,422,249        | 8,196,297         | 13,035,404        |
| <b>TOTAL OPERATING AND MAINTENANCE</b>            | <b>31,672,406</b> | <b>9,274,511</b> | <b>10,977,344</b> | <b>51,924,261</b> |
| <b>DEPRECIATION, DEPLETION AND AMORTIZATION</b>   |                   |                  |                   |                   |
| <b>24 - DEPRECIATION</b>                          |                   |                  |                   |                   |
| (24) 403 - Depreciation Expense                   | 20,449,667        | 8,933,555        | 1,821,970         | 31,205,192        |
| (24) 4031 - Depreciation Expense - FAS143         | 78,869            | 40,919           | 5,431             | 125,220           |
| (24) SUBTOTAL                                     | 20,528,536        | 8,974,474        | 1,827,401         | 31,330,412        |
| <b>25 - AMORTIZATION</b>                          |                   |                  |                   |                   |
| (25) 404 - Amort Ltd-Term Plant                   | 859,608           | 193,712          | 2,474,143         | 3,527,463         |
| (25) 406 - Amortization Of Plant Acquisition Adj  | 1,154,919         | -                | -                 | 1,154,919         |
| (25) 4111 - Accretion Exp - FAS143                | 106,881           | 2,361            | 643               | 109,885           |
| (25) SUBTOTAL                                     | 2,121,408         | 196,073          | 2,474,786         | 4,792,267         |
| <b>26 - AMORTIZ OF PROPERTY LOSS</b>              |                   |                  |                   |                   |

|   |                   |                  |                  |                   |
|---|-------------------|------------------|------------------|-------------------|
| (26) 407 - Amortization Of Prop. Losses               | 1,434,447         | -                | -                | 1,434,447         |
| (26) SUBTOTAL   | 1,434,447         | -                | -                | 1,434,447         |
| <b>27 - OTHER OPERATING EXPENSES</b>                  |                   |                  |                  |                   |
| (27) 4073 - Regulatory Debits                         | 4,928,379         | -                | -                | 4,928,379         |
| (27) 4074 - Regulatory Credits                        | (3,869,420)       | -                | -                | (3,869,420)       |
| (27) 4116 - Gains From Disposition Of Utility Plant   | (52,751)          | (5,154)          | -                | (57,905)          |
| (27) 4117 - Losses From Disposition Of Utility Plant  | 11,054            | 1,373            | -                | 12,427            |
| (27) 4118 - Gains From Disposition Of Allowances      | (3,736)           | -                | -                | (3,736)           |
| (27) 414 - Other Utility Operating Income             | -                 | -                | -                | -                 |
| (27) SUBTOTAL   | 1,013,527         | (3,781)          | -                | 1,009,746         |
| <b>28 - ASC 815</b>                                   |                   |                  |                  |                   |
| (28) 421 - FAS 133 Gain                               | (244,755)         | -                | -                | (244,755)         |
| (28) 4265 - FAS 133 Loss                              | (2,538,464)       | -                | -                | (2,538,464)       |
| (28) SUBTOTAL   | (2,783,219)       | -                | -                | (2,783,219)       |
| <b>TOTAL DEPRECIATION, DEPLETION AND AMORTIZATION</b> | <b>22,314,700</b> | <b>9,166,766</b> | <b>4,302,188</b> | <b>35,783,654</b> |

|  |                   |                   |                     |                   |
|--|-------------------|-------------------|---------------------|-------------------|
| <b>29 - TAXES OTHER THAN INCOME TAXES</b>  |                   |                   |                     |                   |
| (29) 4081 - Taxes Other-Util Income        | 18,188,026        | 10,854,143        | 178,735             | 29,220,904        |
| (29) SUBTOTAL                              | 18,188,026        | 10,854,143        | 178,735             | 29,220,904        |
| <b>30 - INCOME TAXES</b>                   |                   |                   |                     |                   |
| (30) 4081 - Montana Corp. License Taxes    | -                 | -                 | -                   | -                 |
| (30) 4091 - Montana Corp license Tax       | 3,026             | -                 | -                   | 3,026             |
| (30) 4091 - Fit-Util Oper Income           | (787)             | (573)             | -                   | (1,360)           |
| (30) SUBTOTAL                              | 2,239             | (573)             | -                   | 1,666             |
| <b>31 - DEFERRED INCOME TAXES</b>          |                   |                   |                     |                   |
| (31) 4101 - Def Fit-Util Oper Income       | 34,265,405        | 17,872,815        | -                   | 52,138,219        |
| (31) 4111 - Def Fit-Cr - Util Oper Income  | (17,670,936)      | (9,681,039)       | -                   | (27,351,975)      |
| (31) 4114 - Inv Tax Cr Adj-Util Operations | -                 | -                 | -                   | -                 |
| (31) SUBTOTAL                              | 16,594,469        | 8,191,776         | -                   | 24,786,244        |
| <b>NET OPERATING INCOME</b>                | <b>47,747,535</b> | <b>22,378,061</b> | <b>(15,458,267)</b> | <b>54,667,329</b> |

**NON-OPERATING INCOME**

**99 - OTHER INCOME**

|  |           |           |             |             |
|--|-----------|-----------|-------------|-------------|
| (99) 4082 - Taxes Other - Other Income                         | 29,961    | -         | -           | 29,961      |
| (99) 4092 - Fit - Other Income                                 | -         | -         | 301         | 301         |
| (99) 4102 - Def Fit - Other Income                             | -         | -         | (8,917,417) | (8,917,417) |
| (99) 4112 - Provision for Deferred FIT - Credit & Other Income | -         | -         | -           | -           |
| (99) 415 - Revenues From Merchandising And Jobbing             | -         | -         | (162,484)   | (162,484)   |
| (99) 416 - Expenses Of Merchandising And Jobbing               | -         | -         | 139,006     | 139,006     |
| (99) 417 - Revenues From Non-Utility Operations                | -         | -         | (955,313)   | (955,313)   |
| (99) 4171 - Merger Related Costs                               | -         | -         | -           | -           |
| (99) 4171 - Expenses of Non-Utility Operations                 | -         | -         | 1,212,473   | 1,212,473   |
| (99) 418 - Nonoperating Rental Income                          | -         | -         | -           | -           |
| (99) 4181 - Equity in Earnings of Subsidiaries                 | -         | -         | -           | -           |
| (99) 419 - Interest And Dividend Income                        | -         | -         | (576,049)   | (576,049)   |
| (99) 4191 - Allowance For Other Funds Used During Construction | (446,861) | (107,081) | (70,494)    | (624,436)   |
| (99) 421 - Misc. Non-Operating Income                          | -         | -         | (257)       | (257)       |
| (99) 4211 - Gain On Disposition Of Property                    | -         | -         | -           | -           |
| (99) 4212 - Loss On Disposition Of Property                    | -         | -         | -           | -           |
| (99) 4213 - Misc. Non-Op Income - AFUDC(WUTC)                  | (60,228)  | -         | -           | (60,228)    |
| (99) 4214 - Misc. Non-Op Income - AFUCE                        | -         | -         | -           | -           |
| (99) 425 - Miscellaneous Amortization                          | 66        | -         | -           | 66          |
| (99) 4261 - Donations  | -         | -         | 1,310       | 1,310       |
| (99) 4262 - Life Insurance                                     | -         | -         | -           | -           |
| (99) 4263 - Penalties  | -         | -         | -           | -           |
| (99) 4264 - Expenses For Civic & Political Activities          | -         | -         | 575,974     | 575,974     |
| (99) 4265 - Other Deductions                                   | -         | -         | 602,251     | 602,251     |
| (99) SUBTOTAL  | (477,061) | (107,081) | (8,150,698) | (8,734,841) |
| <b>999 - INTEREST</b>  |           |           |             |             |
| (999) 427 - Interest On Long Term Debt                         | -         | -         | 18,784,545  | 18,784,545  |

|  |                   |                   |                     |                   |
|--|-------------------|-------------------|---------------------|-------------------|
| (999) 4271 - Interest on Preferred Stock             | -                 | -                 | -                   | -                 |
| (999) 428 - Amortization Of Debt Discount & Expenses | -                 | -                 | 261,823             | 261,823           |
| (999) 4281 - Amortization Of Loss On Required Debt   | 775               | 475               | 198,016             | 199,266           |
| (999) 429 - Amortization Of Premium On Debt-Cr       | -                 | -                 | -                   | -                 |
| (999) 4291 - Amortization Gain On Reacquired Debt    | -                 | -                 | -                   | -                 |
| (999) 430 - Int on Debt to Assoc. Companies          | -                 | -                 | 8,540               | 8,540             |
| (999) 431 - Other Interest Expense                   | 2,977,345         | 20,922            | 105,367             | 3,103,635         |
| (999) 432 - Allowances For Borrowed Funds            | (378,267)         | (69,659)          | (54,899)            | (502,825)         |
| (999) SUBTOTAL                                       | 2,599,854         | (48,262)          | 19,303,393          | 21,854,984        |
| <i>9999 - EXTRAORDINARY ITEMS</i>                    |                   |                   |                     |                   |
| (9999) 4111 - Def Fit-Cr - Util Oper Income          |                   |                   |                     |                   |
| (9999) 435 - Extraordinary Deductions                |                   |                   |                     |                   |
| (9999) SUBTOTAL                                      |                   |                   |                     |                   |
| <b>TOTAL NON-OPERATING INCOME</b>                    | <b>2,122,792</b>  | <b>(155,343)</b>  | <b>11,152,694</b>   | <b>13,120,144</b> |
| <b>NET INCOME</b>                                    | <b>45,624,743</b> | <b>22,533,404</b> | <b>(26,610,961)</b> | <b>41,547,185</b> |



**PUGET SOUND ENERGY**  
**ALLOCATION OF COMMON CHARGES**  
**FOR THE MONTH ENDED NOVEMBER 30, 2014**  
(Based on allocation factors developed for the 12 ME 12/31/2013)

| FERC Account and Description                     | Allocated Electric   | Allocated Gas       | Allocation Method [1] | Share (Allocated Electric / Common) | Share (Allocated Gas / Common) | Common               |
|--|----------------------|---------------------|-----------------------|-------------------------------------|--------------------------------|----------------------|
| <b>20 - CUSTOMER ACCTS EXPENSES</b>              |                      |                     |                       |                                     |                                |                      |
| (20) 901 - Customer Accounts Supervision         | \$ 13,334            | \$ 9,502            | 1                     | 58.39%                              | 41.61%                         | \$ 22,836            |
| (20) 902 - Meter Reading Expense                 | 41,934               | 25,182              | 2                     | 62.48%                              | 37.52%                         | \$ 67,117            |
| (20) 903 - Customer Records & Collection Expense | 1,443,488            | 1,028,661           | 1                     | 58.39%                              | 41.61%                         | \$ 2,472,149         |
| (20) 905 - Misc. Customer Accounts Expense       | 0                    | 0                   | 1                     | 58.39%                              | 41.61%                         | \$ -                 |
| <b>SUBTOTAL</b>                                  | <b>\$ 1,498,756</b>  | <b>\$ 1,063,345</b> |                       |                                     |                                | <b>\$ 2,562,101</b>  |
| <b>21 - CUSTOMER SERVICE EXPENSES</b>            |                      |                     |                       |                                     |                                |                      |
| (21) 908 - Customer Assistance Expense           | \$ 68,971            | \$ 49,150           | 1                     | 58.39%                              | 41.61%                         | \$ 118,121           |
| (21) 909 - Info & Instructional Advertising      | 47,086               | 33,555              | 1                     | 58.39%                              | 41.61%                         | \$ 80,641            |
| (21) 910 - Misc Cust Svc & Info Expense          | 11,785               | 8,399               | 1                     | 58.39%                              | 41.61%                         | \$ 20,184            |
| (21) 911 - Sales Supervision Exp                 | -                    | -                   | 1                     | 58.39%                              | 41.61%                         | \$ -                 |
| (21) 912 - Demonstration & Selling Expense       | -                    | -                   | 1                     | 58.39%                              | 41.61%                         | \$ -                 |
| (21) 913 - Advertising Expense                   | -                    | -                   | 1                     | 58.39%                              | 41.61%                         | \$ -                 |
| (21) 916 - Misc. Sales Expense                   | -                    | -                   | 1                     | 58.39%                              | 41.61%                         | \$ -                 |
| <b>SUBTOTAL</b>                                  | <b>\$ 127,842</b>    | <b>\$ 91,103</b>    |                       |                                     |                                | <b>\$ 218,945</b>    |
| <b>23 - ADMIN &amp; GENERAL EXPENSE</b>          |                      |                     |                       |                                     |                                |                      |
| (23) 920 - A & G Salaries                        | \$ 1,802,295         | \$ 848,919          | 4                     | 67.98%                              | 32.02%                         | \$ 2,651,214         |
| (23) 921 - Office Supplies and Expenses          | 599,704              | 282,473             | 4                     | 67.98%                              | 32.02%                         | \$ 882,177           |
| (23) 922 - Admin Expenses Transferred            | (17,426)             | (8,208)             | 4                     | 67.98%                              | 32.02%                         | \$ (25,634)          |
| (23) 923 - Outside Services Employed             | 545,732              | 257,051             | 4                     | 67.98%                              | 32.02%                         | \$ 802,783           |
| (23) 924 - Property Insurance                    | 30,560               | 19,326              | 3                     | 61.26%                              | 38.74%                         | \$ 49,886            |
| (23) 925 - Injuries & Damages                    | 234,250              | 166,932             | 1                     | 58.39%                              | 41.61%                         | \$ 401,182           |
| (23) 926 - Emp Pension & Benefits                | 657,116              | 304,987             | 5                     | 68.30%                              | 31.70%                         | \$ 962,103           |
| (23) 928 - Regulatory Commission Expense         | 56,701               | 26,707              | 4                     | 67.98%                              | 32.02%                         | \$ 83,408            |
| (23) 9301 - Gen Advertising Exp                  | 7,844                | 3,695               | 4                     | 67.98%                              | 32.02%                         | \$ 11,539            |
| (23) 9302 - Misc. General Expenses               | 49,113               | 23,133              | 4                     | 67.98%                              | 32.02%                         | \$ 72,246            |
| (23) 931 - Rents                                 | 607,359              | 286,079             | 4                     | 67.98%                              | 32.02%                         | \$ 893,437           |
| (23) 932 - Maint Of General Plant- Gas           | -                    | -                   | 4                     | 67.98%                              | 32.02%                         | \$ -                 |
| (23) 935 - Maint General Plant - Electric        | 959,848              | 452,108             | 4                     | 67.98%                              | 32.02%                         | \$ 1,411,956         |
| <b>SUBTOTAL</b>                                  | <b>\$ 5,533,096</b>  | <b>\$ 2,663,201</b> |                       |                                     |                                | <b>\$ 8,196,297</b>  |
| <b>24 - DEPRECIATION/AMORTIZATION</b>            |                      |                     |                       |                                     |                                |                      |
| (24) 403 - Depreciation Expense                  | 1,238,575            | 583,395             | 4                     | 67.98%                              | 32.02%                         | \$ 1,821,970         |
| (24) 4031 - Depreciation Expense - FAS143        | 3,692                | 1,739               | 4                     | 67.98%                              | 32.02%                         | \$ 5,431             |
| <b>SUBTOTAL</b>                                  | <b>\$ 1,242,267</b>  | <b>\$ 585,134</b>   |                       |                                     |                                | <b>\$ 1,827,401</b>  |
| <b>25 - AMORTIZATION</b>                         |                      |                     |                       |                                     |                                |                      |
| (25) 404 - Amort Ltd-Term Plant                  | 1,681,922            | 792,221             | 4                     | 67.98%                              | 32.02%                         | \$ 2,474,143         |
| (25) 406 - Amortization Of Plant Acquisition Adj | -                    | -                   | 4                     | 67.98%                              | 32.02%                         | \$ -                 |
| (25) 4111 - Accretion Exp - FAS143               | 437                  | 206                 | 4                     | 67.98%                              | 32.02%                         | \$ 643               |
| <b>SUBTOTAL</b>                                  | <b>\$ 1,682,360</b>  | <b>\$ 792,427</b>   |                       |                                     |                                | <b>\$ 2,474,786</b>  |
| <b>29 - TAXES OTHER THAN INCOME TAXES</b>        |                      |                     |                       |                                     |                                |                      |
| (29) 4081 - Taxes Other-Util Income              | \$ 121,504           | \$ 57,231           | 4                     | 67.98%                              | 32.02%                         | \$ 178,735           |
| <b>SUBTOTAL</b>                                  | <b>\$ 121,504</b>    | <b>\$ 57,231</b>    |                       |                                     |                                | <b>\$ 178,735</b>    |
| <b>30 - INCOME TAXES</b>                         |                      |                     |                       |                                     |                                |                      |
| (30) 4091 - Fit-Util Oper Income                 | \$ -                 | \$ -                | 4                     | 67.98%                              | 32.02%                         | \$ -                 |
| <b>SUBTOTAL</b>                                  | <b>\$ -</b>          | <b>\$ -</b>         |                       |                                     |                                | <b>\$ -</b>          |
| <b>31 - DEFERRED INCOME TAXES</b>                |                      |                     |                       |                                     |                                |                      |
| (31) 4101 - Def Fit-Util Oper Income             | \$ -                 | \$ -                | 4                     | 67.98%                              | 32.02%                         | \$ -                 |
| (31) 4111 - Def Fit-Cr - Util Oper Income        | -                    | -                   | 4                     | 67.98%                              | 32.02%                         | \$ -                 |
| <b>SUBTOTAL</b>                                  | <b>\$ -</b>          | <b>\$ -</b>         |                       |                                     |                                | <b>\$ -</b>          |
| <b>GRAND TOTAL</b>                               | <b>\$ 10,205,826</b> | <b>\$ 5,252,441</b> |                       |                                     |                                | <b>\$ 15,458,267</b> |

| Allocation Method | Electric                             | Gas    |        |
|-------------------|--------------------------------------|--------|--------|
| 1                 | 12 Month Average number of Customers | 58.39% | 41.61% |
| 2                 | Joint Meter Reading Customers        | 62.48% | 37.52% |
| 3                 | Non-Production Plant                 | 61.26% | 38.74% |
| 4                 | 4-Factor Allocator                   | 67.98% | 32.02% |
| 5                 | Direct Labor                         | 68.30% | 31.70% |

**PUGET SOUND ENERGY, INC.**  
**AVERAGE NUMBER OF CUSTOMERS**  
**November 30, 2014**

**ELECTRIC**

| <b>Customers</b>                 | <b>Month Ended</b> |                  |                             |               |                   |                                 |             |  |
|----------------------------------|--------------------|------------------|-----------------------------|---------------|-------------------|---------------------------------|-------------|--|
|                                  | <b>Actual</b>      | <b>Budget</b>    | <b>Variance from Budget</b> |               | <b>Prior Year</b> | <b>Variance from Prior Year</b> |             |  |
|                                  |                    |                  | <b>Amount</b>               | <b>%</b>      |                   | <b>Amount</b>                   | <b>%</b>    |  |
| Residential                      | 964,779            | 977,045          | (12,266)                    | (1.3%)        | 956,541           | 8,238                           | 0.9%        |  |
| Commercial - Firm                | 121,592            | 121,603          | (11)                        | (0.0%)        | 119,495           | 2,097                           | 1.8%        |  |
| Commercial Interruptible         | 161                | 162              | (1)                         | (0.6%)        | 162               | (1)                             | (0.6%)      |  |
| Industrial - Firm                | 3,442              | 3,420            | 22                          | 0.6%          | 3,429             | 13                              | 0.4%        |  |
| Industrial Interruptible         | 4                  | 4                | -                           | 0.0%          | 4                 | -                               | 0.0%        |  |
| Outdoor Lighting                 | 6,105              | 6,468            | (363)                       | (5.6%)        | 5,870             | 235                             | 4.0%        |  |
| Electric Sales for Resale - Firm | 8                  | 8                | -                           | 0.0%          | 8                 | -                               | 0.0%        |  |
| Transportation - Electric        | 16                 | 17               | (1)                         | (5.9%)        | 18                | (2)                             | (11.1%)     |  |
| <b>Total Number of Customers</b> | <b>1,096,107</b>   | <b>1,108,727</b> | <b>(12,620)</b>             | <b>(1.1%)</b> | <b>1,085,527</b>  | <b>10,580</b>                   | <b>1.0%</b> |  |

| <b>Customers</b>                 | <b>Year-To-Date</b> |                  |                             |               |                   |                                 |             |  |
|----------------------------------|---------------------|------------------|-----------------------------|---------------|-------------------|---------------------------------|-------------|--|
|                                  | <b>Actual</b>       | <b>Budget</b>    | <b>Variance from Budget</b> |               | <b>Prior Year</b> | <b>Variance from Prior Year</b> |             |  |
|                                  |                     |                  | <b>Amount</b>               | <b>%</b>      |                   | <b>Amount</b>                   | <b>%</b>    |  |
| Residential                      | 960,214             | 968,843          | (8,629)                     | (0.9%)        | 956,682           | 3,532                           | 0.4%        |  |
| Commercial - Firm                | 121,127             | 120,686          | 441                         | 0.4%          | 119,680           | 1,447                           | 1.2%        |  |
| Commercial Interruptible         | 161                 | 162              | (1)                         | (0.6%)        | 164               | (3)                             | (1.8%)      |  |
| Industrial - Firm                | 3,431               | 3,426            | 5                           | 0.1%          | 3,473             | (42)                            | (1.2%)      |  |
| Industrial Interruptible         | 4                   | 4                | -                           | 0.0%          | 4                 | -                               | 0.0%        |  |
| Outdoor Lighting                 | 6,005               | 6,281            | (276)                       | (4.4%)        | 5,207             | 798                             | 15.3%       |  |
| Electric Sales for Resale - Firm | 8                   | 8                | -                           | 0.0%          | 8                 | -                               | 0.0%        |  |
| Transportation - Electric        | 17                  | 17               | -                           | 0.0%          | 17                | -                               | 0.0%        |  |
| <b>Total Number of Customers</b> | <b>1,090,967</b>    | <b>1,099,427</b> | <b>(8,460)</b>              | <b>(0.8%)</b> | <b>1,085,235</b>  | <b>5,732</b>                    | <b>0.5%</b> |  |

| <b>Customers</b>                 | <b>Twelve Months Ended</b> |                  |                             |               |                   |                                 |             |  |
|----------------------------------|----------------------------|------------------|-----------------------------|---------------|-------------------|---------------------------------|-------------|--|
|                                  | <b>Actual</b>              | <b>Budget</b>    | <b>Variance from Budget</b> |               | <b>Prior Year</b> | <b>Variance from Prior Year</b> |             |  |
|                                  |                            |                  | <b>Amount</b>               | <b>%</b>      |                   | <b>Amount</b>                   | <b>%</b>    |  |
| Residential                      | 960,021                    | 968,536          | (8,515)                     | (0.9%)        | 957,342           | 2,679                           | 0.3%        |  |
| Commercial - Firm                | 120,996                    | 120,560          | 436                         | 0.4%          | 119,745           | 1,251                           | 1.0%        |  |
| Commercial Interruptible         | 161                        | 163              | (2)                         | (1.2%)        | 165               | (4)                             | (2.4%)      |  |
| Industrial - Firm                | 3,432                      | 3,434            | (2)                         | (0.1%)        | 3,478             | (46)                            | (1.3%)      |  |
| Industrial Interruptible         | 4                          | 4                | -                           | 0.0%          | 4                 | -                               | 0.0%        |  |
| Outdoor Lighting                 | 5,998                      | 6,055            | (57)                        | (0.9%)        | 5,066             | 932                             | 18.4%       |  |
| Electric Sales for Resale - Firm | 8                          | 8                | -                           | 0.0%          | 8                 | -                               | 0.0%        |  |
| Transportation - Electric        | 17                         | 17               | -                           | 0.0%          | 17                | -                               | 0.0%        |  |
| <b>Total Number of Customers</b> | <b>1,090,637</b>           | <b>1,098,777</b> | <b>(8,140)</b>              | <b>(0.7%)</b> | <b>1,085,825</b>  | <b>4,812</b>                    | <b>0.4%</b> |  |

**PUGET SOUND ENERGY, INC.**  
**AVERAGE NUMBER OF CUSTOMERS**  
**November 30, 2014**

**GAS**

| <b><u>Customers</u></b>          | <b>Month Ended</b>   |                      |                                    |                 |                          | <b>Variance from Prior Year</b>        |                 |
|----------------------------------|----------------------|----------------------|------------------------------------|-----------------|--------------------------|--|-----------------|
|                                  | <b><u>Actual</u></b> | <b><u>Budget</u></b> | <b><u>Variance from Budget</u></b> |                 | <b><u>Prior Year</u></b> | <b><u>Variance from Prior Year</u></b> |                 |
|                                  |                      |                      | <b><u>Amount</u></b>               | <b><u>%</u></b> |                          | <b><u>Amount</u></b>                   | <b><u>%</u></b> |
| Residential                      | 730,969              | 737,164              | (6,195)                            | (0.8%)          | 720,524                  | 10,445                                 | 1.4%            |
| Commercial - Firm                | 54,452               | 55,295               | (843)                              | (1.5%)          | 53,863                   | 589                                    | 1.1%            |
| Commercial Interruptible         | 433                  | 309                  | 124                                | 40.1%           | 444                      | (11)                                   | (2.5%)          |
| Industrial - Firm                | 2,362                | 2,345                | 17                                 | 0.7%            | 2,385                    | (23)                                   | (1.0%)          |
| Industrial Interruptible         | 12                   | 14                   | (2)                                | (14.3%)         | 13                       | (1)                                    | (7.7%)          |
| Gas Transportation               | 210                  | 203                  | 7                                  | 3.4%            | 208                      | 2                                      | 1.0%            |
| <b>Total Number of Customers</b> | <b>788,438</b>       | <b>795,330</b>       | <b>(6,892)</b>                     | <b>(0.9%)</b>   | <b>777,437</b>           | <b>11,001</b>                          | <b>1.4%</b>     |

| <b><u>Customers</u></b>          | <b>Year-To-Date</b>  |                      |                                    |                 |                          | <b>Variance from Prior Year</b>        |                 |
|----------------------------------|----------------------|----------------------|------------------------------------|-----------------|--------------------------|--|-----------------|
|                                  | <b><u>Actual</u></b> | <b><u>Budget</u></b> | <b><u>Variance from Budget</u></b> |                 | <b><u>Prior Year</u></b> | <b><u>Variance from Prior Year</u></b> |                 |
|                                  |                      |                      | <b><u>Amount</u></b>               | <b><u>%</u></b> |                          | <b><u>Amount</u></b>                   | <b><u>%</u></b> |
| Residential                      | 726,708              | 729,802              | (3,094)                            | (0.4%)          | 715,958                  | 10,750                                 | 1.5%            |
| Commercial - Firm                | 54,304               | 54,951               | (647)                              | (1.2%)          | 53,814                   | 490                                    | 0.9%            |
| Commercial Interruptible         | 438                  | 315                  | 123                                | 39.0%           | 412                      | 26                                     | 6.3%            |
| Industrial - Firm                | 2,383                | 2,358                | 25                                 | 1.1%            | 2,393                    | (10)                                   | (0.4%)          |
| Industrial Interruptible         | 12                   | 14                   | (2)                                | (14.3%)         | 14                       | (2)                                    | (14.3%)         |
| Gas Transportation               | 208                  | 203                  | 5                                  | 2.5%            | 203                      | 5                                      | 2.5%            |
| <b>Total Number of Customers</b> | <b>784,053</b>       | <b>787,643</b>       | <b>(3,590)</b>                     | <b>(0.5%)</b>   | <b>772,794</b>           | <b>11,259</b>                          | <b>1.5%</b>     |

| <b><u>Customers</u></b>          | <b>Twelve Months Ended</b> |                      |                                    |                 |                          | <b>Variance from Prior Year</b>        |                 |
|----------------------------------|----------------------------|----------------------|------------------------------------|-----------------|--------------------------|--|-----------------|
|                                  | <b><u>Actual</u></b>       | <b><u>Budget</u></b> | <b><u>Variance from Budget</u></b> |                 | <b><u>Prior Year</u></b> | <b><u>Variance from Prior Year</u></b> |                 |
|                                  |                            |                      | <b><u>Amount</u></b>               | <b><u>%</u></b> |                          | <b><u>Amount</u></b>                   | <b><u>%</u></b> |
| Residential                      | 726,373                    | 729,125              | (2,752)                            | (0.4%)          | 715,539                  | 10,834                                 | 1.5%            |
| Commercial - Firm                | 54,289                     | 54,965               | (676)                              | (1.2%)          | 53,807                   | 482                                    | 0.9%            |
| Commercial Interruptible         | 438                        | 316                  | 122                                | 38.6%           | 405                      | 33                                     | 8.1%            |
| Industrial - Firm                | 2,384                      | 2,361                | 23                                 | 1.0%            | 2,395                    | (11)                                   | (0.5%)          |
| Industrial Interruptible         | 13                         | 14                   | (1)                                | (7.1%)          | 14                       | (1)                                    | (7.1%)          |
| Gas Transportation               | 208                        | 203                  | 5                                  | 2.5%            | 203                      | 5                                      | 2.5%            |
| <b>Total Number of Customers</b> | <b>783,705</b>             | <b>786,984</b>       | <b>(3,279)</b>                     | <b>(0.4%)</b>   | <b>772,363</b>           | <b>11,342</b>                          | <b>1.5%</b>     |

**PUGET SOUND ENERGY**  
**PERIODIC ALLOCATED RESULTS OF OPERATIONS**  
**FOR THE MONTH ENDED DECEMBER 31, 2014**

(Based on allocation factors developed for the 12 ME 12/31/2013)

|                                    | Electric            | Gas                  | Total Amount         |
|------------------------------------|---------------------|----------------------|----------------------|
| 1 - OPERATING REVENUES:            |                     |                      |                      |
| 2 - SALES TO CUSTOMERS             | \$ 143,052,363      | \$ 129,813,902       | \$ 272,866,265       |
| 3 - SALES FOR RESALE-FIRM          | 32,812              | -                    | 32,812               |
| 4 - SALES TO OTHER UTILITIES       | 12,769,020          | -                    | 12,769,020           |
| 5 - OTHER OPERATING REVENUES       | 6,600,914           | 8,223,225            | 14,824,139           |
| 6 - TOTAL OPERATING REVENUES       | \$ 162,455,108      | \$ 138,037,127       | \$ 300,492,235       |
| 7                                  |                     |                      |                      |
| 8 - OPERATING REVENUE DEDUCTIONS:  |                     |                      |                      |
| 9                                  |                     |                      |                      |
| 10 - POWER COSTS:                  |                     |                      |                      |
| 11 - FUEL                          | \$ 17,401,636       | \$ -                 | \$ 17,401,636        |
| 12 - PURCHASED AND INTERCHANGED    | 64,925,677          | 65,572,703           | 130,498,379          |
| 13 - WHEELING                      | 9,235,814           | -                    | 9,235,814            |
| 14 - RESIDENTIAL EXCHANGE          | (17,481,961)        | -                    | (17,481,961)         |
| 15 - TOTAL PRODUCTION EXPENSES     | \$ 74,081,166       | \$ 65,572,703        | \$ 139,653,868       |
| 16                                 |                     |                      |                      |
| 17 - OTHER ENERGY SUPPLY EXPENSES  | \$ 10,864,767       | \$ 206,054           | \$ 11,070,821        |
| 18 - TRANSMISSION EXPENSE          | 1,722,758           | -                    | 1,722,758            |
| 19 - DISTRIBUTION EXPENSE          | 7,577,495           | 4,387,322            | 11,964,817           |
| 20 - CUSTOMER ACCTS EXPENSES       | 4,375,786           | 2,659,301            | 7,035,086            |
| 21 - CUSTOMER SERVICE EXPENSES     | 2,208,727           | 868,802              | 3,077,530            |
| 22 - CONSERVATION AMORTIZATION     | 9,812,319           | 1,404,281            | 11,216,601           |
| 23 - ADMIN & GENERAL EXPENSE       | 10,290,033          | 4,513,632            | 14,803,665           |
| 24 - DEPRECIATION                  | 21,506,255          | 9,616,331            | 31,122,586           |
| 25 - AMORTIZATION                  | 3,745,711           | 965,114              | 4,710,825            |
| 26 - AMORTIZ OF PROPERTY LOSS      | 1,717,072           | -                    | 1,717,072            |
| 27 - OTHER OPERATING EXPENSES      | (52,746,406)        | (3,781)              | (52,750,187)         |
| 28 - ASC 815                       | 54,954,846          | -                    | 54,954,846           |
| 29 - TAXES OTHER THAN INCOME TAXES | 17,658,238          | 13,793,990           | 31,452,227           |
| 30 - INCOME TAXES                  | (598)               | 1,086                | 488                  |
| 31 - DEFERRED INCOME TAXES         | (7,953,868)         | 12,104,983           | 4,151,114            |
| 32 - TOTAL OPERATING REV. DEDUCT.  | \$ 159,814,300      | \$ 116,089,817       | \$ 275,904,117       |
| <b>NET OPERATING INCOME</b>        | <b>\$ 2,640,808</b> | <b>\$ 21,947,310</b> | <b>\$ 24,588,118</b> |

**PUGET SOUND ENERGY**  
**ACTUAL RESULTS OF OPERATIONS**  
**FOR THE MONTH ENDED DECEMBER 31, 2014**

|                                    | Electric             | Gas                  | Common                 | Energy N/A             | Total Amount         |
|------------------------------------|----------------------|----------------------|------------------------|------------------------|----------------------|
| <b>OPERATING INCOME</b>            |                      |                      |                        |                        |                      |
| 1 - OPERATING REVENUES:            |                      |                      |                        |                        |                      |
| 2 - SALES TO CUSTOMERS             | \$ 143,052,363       | \$ 129,813,902       | \$ -                   | \$ -                   | \$ 272,866,265       |
| 3 - SALES FOR RESALE-FIRM          | 32,812               | -                    | -                      | -                      | 32,812               |
| 4 - SALES TO OTHER UTILITIES       | 12,769,020           | -                    | -                      | -                      | 12,769,020           |
| 5 - OTHER OPERATING REVENUES       | 6,600,914            | 8,223,225            | -                      | -                      | 14,824,139           |
| 6 - TOTAL OPERATING REVENUES       | \$ 162,455,108       | \$ 138,037,127       | \$ -                   | \$ -                   | \$ 300,492,235       |
| 7                                  |                      |                      |                        |                        |                      |
| 8 - OPERATING REVENUE DEDUCTIONS:  |                      |                      |                        |                        |                      |
| 9                                  |                      |                      |                        |                        |                      |
| 10 - POWER COSTS:                  |                      |                      |                        |                        |                      |
| 11 - FUEL                          | \$ 17,401,636        | \$ -                 | \$ -                   | \$ -                   | \$ 17,401,636        |
| 12 - PURCHASED AND INTERCHANGED    | 64,925,677           | 65,572,703           | -                      | -                      | 130,498,379          |
| 13 - WHEELING                      | 9,235,814            | -                    | -                      | -                      | 9,235,814            |
| 14 - RESIDENTIAL EXCHANGE          | (17,481,961)         | -                    | -                      | -                      | (17,481,961)         |
| 15 - TOTAL PRODUCTION EXPENSES     | \$ 74,081,166        | \$ 65,572,703        | \$ -                   | \$ -                   | \$ 139,653,868       |
| 16                                 |                      |                      |                        |                        |                      |
| 17 - OTHER ENERGY SUPPLY EXPENSES  | \$ 10,864,767        | \$ 206,054           | \$ -                   | \$ -                   | \$ 11,070,821        |
| 18 - TRANSMISSION EXPENSE          | 1,722,758            | -                    | -                      | -                      | 1,722,758            |
| 19 - DISTRIBUTION EXPENSE          | 7,577,495            | 4,387,322            | -                      | -                      | 11,964,817           |
| 20 - CUSTOMER ACCTS EXPENSES       | 2,907,055            | 1,616,557            | 2,511,474              | -                      | 7,035,086            |
| 21 - CUSTOMER SERVICE EXPENSES     | 2,031,870            | 742,770              | 302,889                | -                      | 3,077,530            |
| 22 - CONSERVATION AMORTIZATION     | 9,812,319            | 1,404,281            | -                      | -                      | 11,216,601           |
| 23 - ADMIN & GENERAL EXPENSE       | 3,980,424            | 1,496,448            | 9,326,793              | -                      | 14,803,665           |
| 24 - DEPRECIATION                  | 20,220,081           | 9,010,517            | 1,891,988              | -                      | 31,122,586           |
| 25 - AMORTIZATION                  | 2,113,017            | 196,081              | 2,401,727              | -                      | 4,710,825            |
| 26 - AMORTIZ OF PROPERTY LOSS      | 1,717,072            | -                    | -                      | -                      | 1,717,072            |
| 27 - OTHER OPERATING EXPENSES      | (52,746,406)         | (3,781)              | -                      | -                      | (52,750,187)         |
| 28 - ASC 815                       | 54,954,846           | -                    | -                      | -                      | 54,954,846           |
| 29 - TAXES OTHER THAN INCOME TAXES | 17,553,412           | 13,744,614           | 154,201                | -                      | 31,452,227           |
| 30 - INCOME TAXES                  | (598)                | 1,086                | -                      | -                      | 488                  |
| 31 - DEFERRED INCOME TAXES         | (7,977,661)          | 12,093,776           | 35,000                 | -                      | 4,151,114            |
| 32 - TOTAL OPERATING REV. DEDUCT.  | \$ 148,811,616       | \$ 110,468,428       | \$ 16,624,073          | \$ -                   | \$ 275,904,117       |
| <b>NET OPERATING INCOME</b>        | \$ 13,643,491        | \$ 27,568,699        | \$ (16,624,073)        | \$ -                   | \$ 24,588,118        |
| <b>NON-OPERATING INCOME</b>        |                      |                      |                        |                        |                      |
| 99 - OTHER INCOME                  | \$ -                 | \$ -                 | \$ -                   | \$ (8,930,879)         | \$ (8,930,879)       |
| 999 - INTEREST                     | -                    | -                    | -                      | 21,037,687             | 21,037,687           |
| 9999 - EXTRAORDINARY ITEMS         | -                    | -                    | -                      | -                      | -                    |
| <b>TOTAL NON-OPERATING INCOME</b>  | \$ -                 | \$ -                 | \$ -                   | \$ 12,106,808          | \$ 12,106,808        |
| <b>NET INCOME</b>                  | \$ <u>13,643,491</u> | \$ <u>27,568,699</u> | \$ <u>(16,624,073)</u> | \$ <u>(12,106,808)</u> | \$ <u>12,481,310</u> |

**PUGET SOUND ENERGY**  
**INCOME STATEMENT DETAIL**  
**FOR THE MONTH ENDED DECEMBER 31, 2014**

| Account Description                                | Electric           | Gas                | Common   | Total              |
|--|--------------------|--------------------|----------|--------------------|
| <b>1 - OPERATING REVENUES</b>                      |                    |                    |          |                    |
| <i>2 - SALES TO CUSTOMERS</i>                      |                    |                    |          |                    |
| (2) 440 - Electric Residential Sales               | 95,280,271         | -                  | -        | 95,280,271         |
| (2) 442 - Electric Commercial & Industrial Sales   | 75,912,049         | -                  | -        | 75,912,049         |
| (2) 444 - Public Street & Highway Lighting         | 1,637,402          | -                  | -        | 1,637,402          |
| (2) 456 - Other Electric Revenues - Conservation   | -                  | -                  | -        | -                  |
| (2) 456 - Other Electric Revenues - Unbilled       | (30,266,168)       | -                  | -        | (30,266,168)       |
| (2) 456 - Other Electric Revenues                  | 488,810            | -                  | -        | 488,810            |
| (2) 480 - Gas Residential Sales                    | -                  | 90,039,574         | -        | 90,039,574         |
| (2) 481 - Gas Commercial & Industrial Sales        | -                  | 38,273,328         | -        | 38,273,328         |
| (2) 489 - Rev From Transportation Of Gas To Others | -                  | 1,501,001          | -        | 1,501,001          |
| (2) SUBTOTAL                                       | 143,052,363        | 129,813,902        | -        | 272,866,265        |
| <i>3 - SALES FOR RESALE-FIRM</i>                   |                    |                    |          |                    |
| (3) 447 - Electric Sales For Resale                | 32,812             | -                  | -        | 32,812             |
| (3) SUBTOTAL                                       | 32,812             | -                  | -        | 32,812             |
| <i>4 - SALES TO OTHER UTILITIES</i>                |                    |                    |          |                    |
| (4) 447 - Electric Sales For Resale - Sales        | 3,746,882          | -                  | -        | 3,746,882          |
| (4) 447 - Electric Sales For Resale - Purchases    | 9,022,138          | -                  | -        | 9,022,138          |
| (4) SUBTOTAL                                       | 12,769,020         | -                  | -        | 12,769,020         |
| <b>5 - OTHER OPERATING REVENUES</b>                |                    |                    |          |                    |
| (5) 412 - Lease Inc Everett Delta to NWP - Gas     | -                  | -                  | -        | -                  |
| (5) 450 - Forfeited Discounts                      | 214,357            | -                  | -        | 214,357            |
| (5) 451 - Electric Misc Service Revenue            | 644,303            | -                  | -        | 644,303            |
| (5) 454 - Rent For Electric Property               | 1,374,144          | -                  | -        | 1,374,144          |
| (5) 456 - Other Electric Revenues                  | 4,368,110          | -                  | -        | 4,368,110          |
| (5) 487 - Forfeited Discounts                      | -                  | 114,540            | -        | 114,540            |
| (5) 488 - Gas Misc Service Revenues                | -                  | 200,380            | -        | 200,380            |
| (5) 4894 - Gas Revenues from Storing Gas of Others | -                  | 81,682             | -        | 81,682             |
| (5) 493 - Rent From Gas Property                   | -                  | 602,351            | -        | 602,351            |
| (5) 495 - Other Gas Revenues                       | -                  | 7,224,273          | -        | 7,224,273          |
| (5) SUBTOTAL                                       | 6,600,914          | 8,223,225          | -        | 14,824,139         |
| <b>(1) TOTAL OPERATING REVENUES</b>                | <b>162,455,108</b> | <b>138,037,127</b> | <b>-</b> | <b>300,492,235</b> |
| <b>10 - ENERGY COST</b>                            |                    |                    |          |                    |
| <i>11 - FUEL</i>                                   |                    |                    |          |                    |
| (11) 501 - Steam Operations Fuel                   | 6,677,908          | -                  | -        | 6,677,908          |
| (11) 547 - Other Power Generation Oper Fuel        | 10,723,729         | -                  | -        | 10,723,729         |
| (11) SUBTOTAL                                      | 17,401,636         | -                  | -        | 17,401,636         |
| <i>12 - PURCHASED AND INTERCHANGED</i>             |                    |                    |          |                    |
| (12) 555 - Purchased Power                         | 64,706,540         | -                  | -        | 64,706,540         |
| (12) 557 - Other Power Supply Expense              | 219,137            | -                  | -        | 219,137            |
| (12) 804 - Natural Gas City Gate Purchases         | -                  | 53,033,517         | -        | 53,033,517         |
| (12) 805 - Other Gas Purchases                     | -                  | -                  | -        | -                  |
| (12) 8051 - Purchased Gas Cost Adjustments         | -                  | 8,820,392          | -        | 8,820,392          |
| (12) 8081 - Gas Withdrawn From Storage             | -                  | 6,988,599          | -        | 6,988,599          |
| (12) 8082 - Gas Delivered To Storage               | -                  | (3,269,805)        | -        | (3,269,805)        |
| (12) SUBTOTAL                                      | 64,925,677         | 65,572,703         | -        | 130,498,379        |
| <i>13 - WHEELING</i>                               |                    |                    |          |                    |
| (13) 565 - Transmission Of Electricity By Others   | 9,235,814          | -                  | -        | 9,235,814          |
| (13) SUBTOTAL                                      | 9,235,814          | -                  | -        | 9,235,814          |
| <i>14 - RESIDENTIAL EXCHANGE</i>                   |                    |                    |          |                    |
| (14) 555 - Purchased Power                         | (17,481,961)       | -                  | -        | (17,481,961)       |
| (14) SUBTOTAL                                      | (17,481,961)       | -                  | -        | (17,481,961)       |
| <b>(10) TOTAL ENERGY COST</b>                      | <b>74,081,166</b>  | <b>65,572,703</b>  | <b>-</b> | <b>139,653,868</b> |
| <b>GROSS MARGIN</b>                                | <b>88,373,942</b>  | <b>72,464,425</b>  | <b>-</b> | <b>160,838,367</b> |

**OPERATING EXPENSES**

**OPERATING AND MAINTENANCE**

**17 - OTHER ENERGY SUPPLY EXPENSES**

|  |           |          |   |           |
|--|-----------|----------|---|-----------|
| (17) 500 - Steam Oper Supv & Engineering               | 191,288   | -        | - | 191,288   |
| (17) 502 - Steam Oper Steam Expenses                   | 737,371   | -        | - | 737,371   |
| (17) 505 - Steam Oper Electric Expense                 | 185,987   | -        | - | 185,987   |
| (17) 506 - Steam Oper Misc Steam Power                 | 628,239   | -        | - | 628,239   |
| (17) 507 - Steam Operations Rents                      | 18,789    | -        | - | 18,789    |
| (17) 510 - Steam Maint Supv & Engineering              | 214,773   | -        | - | 214,773   |
| (17) 511 - Steam Maint Structures                      | 460,423   | -        | - | 460,423   |
| (17) 512 - Steam Maint Boiler Plant                    | 1,270,885 | -        | - | 1,270,885 |
| (17) 513 - Steam Maint Electric Plant                  | 468,750   | -        | - | 468,750   |
| (17) 514 - Steam Maint Misc Steam Plant                | 217,862   | -        | - | 217,862   |
| (17) 535 - Hydro Oper Supv & Engineering               | 127,681   | -        | - | 127,681   |
| (17) 536 - Hydro Oper Water For Power                  | -         | -        | - | -         |
| (17) 537 - Hydro Oper Hydraulic Expenses               | 318,860   | -        | - | 318,860   |
| (17) 538 - Hydro Oper Electric Expenses                | 23,754    | -        | - | 23,754    |
| (17) 539 - Hydro Oper Misc Hydraulic Exp               | 195,441   | -        | - | 195,441   |
| (17) 540 - Hydro Office Rents                          | -         | -        | - | -         |
| (17) 541 - Hydro Maint Supv & Engineering              | -         | -        | - | -         |
| (17) 542 - Hydro Maint Structures                      | 78,778    | -        | - | 78,778    |
| (17) 543 - Hydro Maint Res. Dams & Waterways           | 22,804    | -        | - | 22,804    |
| (17) 544 - Hydro Maint Electric Plant                  | 70,875    | -        | - | 70,875    |
| (17) 545 - Hydro Maint Misc Hydraulic Plant            | 570,274   | -        | - | 570,274   |
| (17) 546 - Other Pwr Gen Oper Supv & Eng               | 406,126   | -        | - | 406,126   |
| (17) 548 - Other Power Gen Oper Gen Exp                | 937,012   | -        | - | 937,012   |
| (17) 549 - Other Power Gen Oper Misc                   | 620,202   | -        | - | 620,202   |
| (17) 550 - Other Power Gen Oper Rents                  | 534,177   | -        | - | 534,177   |
| (17) 551 - Other Power Gen Maint Supv & Eng            | 119,477   | -        | - | 119,477   |
| (17) 552 - Other Power Gen Maint Structures            | 107,846   | -        | - | 107,846   |
| (17) 553 - Other Power Gen Maint Gen & Elec            | 2,228,614 | -        | - | 2,228,614 |
| (17) 554 - Other Power Gen Maint Misc                  | 80,409    | -        | - | 80,409    |
| (17) 556 - System Control & Load Dispatch              | 28,070    | -        | - | 28,070    |
| (17) 710 - Production Operations Supv & Engineering    | -         | -        | - | -         |
| (17) 717 - Liquefied Petroleum Gas Expenses            | -         | 19,686   | - | 19,686    |
| (17) 735 - Misc Gas Production Exp                     | -         | -        | - | -         |
| (17) 741 - Production Plant Maint Structures           | -         | -        | - | -         |
| (17) 742 - Production Plant Maint Prod Equip           | -         | -        | - | -         |
| (17) 8072 - Purchased Gas Expenses                     | -         | 21,602   | - | 21,602    |
| (17) 8074 - Purchased Gas Calculation Exp              | -         | 4,850    | - | 4,850     |
| (17) 812 - Gas Used For Other Utility Operations       | -         | (19,902) | - | (19,902)  |
| (17) 813 - Other Gas Supply Expenses                   | -         | -        | - | -         |
| (17) 814 - Undergrnd Strge - Operation Supv & Eng      | -         | 18,984   | - | 18,984    |
| (17) 815 - Undergrnd Strge - Oper Map & Records        | -         | -        | - | -         |
| (17) 816 - Undergrnd Strge - Oper Wells Expense        | -         | 7,892    | - | 7,892     |
| (17) 817 - Undergrnd Strge - Oper Lines Expense        | -         | 8        | - | 8         |
| (17) 818 - Undergrnd Strge - Oper Compressor Sta Exp   | -         | 17,348   | - | 17,348    |
| (17) 819 - Undergrnd Strge - Oper Compressor Sta Fuel  | -         | 3,590    | - | 3,590     |
| (17) 820 - Undergrnd Strge - Oper Meas & Reg Sta Exp   | -         | -        | - | -         |
| (17) 821 - Undergrnd Strge - Oper Purification Exp     | -         | -        | - | -         |
| (17) 823 - Storage Gas Losses                          | -         | -        | - | -         |
| (17) 824 - Undergrnd Strge - Oper Other Expenses       | -         | 16,298   | - | 16,298    |
| (17) 825 - Undergrnd Strge - Oper Storage Well Royalty | -         | 28,064   | - | 28,064    |
| (17) 826 - Undergrnd Strge - Oper Other Storage Rents  | -         | (525)    | - | (525)     |
| (17) 830 - Undergrnd Strge - Maint Supv & Engineering  | -         | 14,183   | - | 14,183    |
| (17) 831 - Undergrnd Strge - Maint Structures          | -         | 30       | - | 30        |
| (17) 832 - Undergrnd Strge - Maint Reservoirs & Wells  | -         | 4,891    | - | 4,891     |
| (17) 833 - Undergrnd Strge - Maint Of Lines            | -         | 705      | - | 705       |
| (17) 834 - Undergrnd Strge - Maint Compres Sta Equip   | -         | 22,711   | - | 22,711    |
| (17) 835 - Undergrnd Strge - Maint Meas & Reg Sta E    | -         | -        | - | -         |
| (17) 836 - Undergrnd Strge - Maint Purification Equip  | -         | 43       | - | 43        |

|   |            |           |   |            |
|---|------------|-----------|---|------------|
| (17) 837 - Undergrnd Strge-Maint Other Equipment        | -          | 486       | - | 486        |
| (17) 841 - Operating Labor & Expenses                   | -          | 45,111    | - | 45,111     |
| (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                      | -          | -         | - | -          |
| (17) SUBTOTAL   | 10,864,767 | 206,054   | - | 11,070,821 |
| <b>18 - TRANSMISSION EXPENSE</b>                        |            |           |   |            |
| (18) 560 - Transmission Oper Supv & Engineering         | 200,571    | -         | - | 200,571    |
| (18) 561 - Transmission Oper Load Dispatching           | -          | -         | - | -          |
| (18) 5611 - Transmission Oper Load Dispatching          | 7,630      | -         | - | 7,630      |
| (18) 5612 - Load Dispatch - Montr & Oper Trans System   | 210,172    | -         | - | 210,172    |
| (18) 5613 - Load Dispatch - Service and Scheduling      | 88,484     | -         | - | 88,484     |
| (18) 5615 - Reliability Planning & Standards            | 21,056     | -         | - | 21,056     |
| (18) 5616 - Transmission Svc Studies                    | 2,303      | -         | - | 2,303      |
| (18) 5617 Gen Interconct Studies                        | 4,496      | -         | - | 4,496      |
| (18) 5618 - Reliability Planning                        | -          | -         | - | -          |
| (18) 562 - Transmission Oper Station Expense            | 109,786    | -         | - | 109,786    |
| (18) 563 - Transmission Oper Overhead Line Exp          | 27,938     | -         | - | 27,938     |
| (18) 566 - Transmission Oper Misc                       | 145,389    | -         | - | 145,389    |
| (18) 567 - Transmission Oper Rents                      | 814        | -         | - | 814        |
| (18) 568 - Transmission Maint Supv & Eng                | 8,468      | -         | - | 8,468      |
| (18) 569 - Transmission Maint Structures                | -          | -         | - | -          |
| (18) 5691 - Transmission Computer Hardware Maint        | -          | -         | - | -          |
| (18) 5692 - Maintenance of Computer Software            | 192,710    | -         | - | 192,710    |
| (18) 570 - Transmission Maint Station Equipment         | 236,258    | -         | - | 236,258    |
| (18) 571 - Transmission Maint Overhead Lines            | 424,834    | -         | - | 424,834    |
| (18) 572 - Transmission Maint Underground Lines         | 41,849     | -         | - | 41,849     |
| (18) 850 - Transmission Oper Supv & Engineering         | -          | -         | - | -          |
| (18) 856 - Transmission Oper Mains Expenses             | -          | -         | - | -          |
| (18) 857 - Transmission Oper Meas & Reg Sta Exp         | -          | -         | - | -          |
| (18) 862 - Transmission Maint Struct & Improvements     | -          | -         | - | -          |
| (18) 863 - Transmission Maint Supv & Eng                | -          | -         | - | -          |
| (18) 865 - Transm Maint of measur & regul station equip | -          | -         | - | -          |
| (18) 867 - Transmission Maint Other Equipment           | -          | -         | - | -          |
| (18) SUBTOTAL   | 1,722,758  | -         | - | 1,722,758  |
| <b>19 - DISTRIBUTION EXPENSE</b>                        |            |           |   |            |
| (19) 580 - Distribution Oper Supv & Engineering         | 204,219    | -         | - | 204,219    |
| (19) 581 - Distribution Oper Load Dispatching           | 246,129    | -         | - | 246,129    |
| (19) 582 - Distribution Oper Station Expenses           | 194,761    | -         | - | 194,761    |
| (19) 583 - Distribution Oper Overhead Line Exp          | 304,830    | -         | - | 304,830    |
| (19) 584 - Distribution Oper Underground Line Exp       | 168,166    | -         | - | 168,166    |
| (19) 585 - Distribution Oper St Lighting & Signal       | -          | -         | - | -          |
| (19) 586 - Distribution Oper Meter Expense              | 66,156     | -         | - | 66,156     |
| (19) 587 - Distribution Oper Cust Installation          | 318,732    | -         | - | 318,732    |
| (19) 588 - Distribution Oper Misc Dist Exp              | 536,565    | -         | - | 536,565    |
| (19) 589 - Distribution Oper Rents                      | 69,719     | -         | - | 69,719     |
| (19) 590 - Distribution Maint Superv & Engineering      | -          | -         | - | -          |
| (19) 591 - Distribution Maint Structures                | -          | -         | - | -          |
| (19) 592 - Distribution Maint Station Equipment         | 321,523    | -         | - | 321,523    |
| (19) 593 - Distribution Maint Overhead Lines            | 3,665,879  | -         | - | 3,665,879  |
| (19) 594 - Distribution Maint Underground Lines         | 1,163,567  | -         | - | 1,163,567  |
| (19) 595 - Distribution Maint Line Transformers         | 12,303     | -         | - | 12,303     |
| (19) 596 - Distribution Maint St Lighting/Signal        | 262,934    | -         | - | 262,934    |
| (19) 597 - Distribution Maint Meters                    | 42,011     | -         | - | 42,011     |
| (19) 598 - Distribution Maint Misc Dist Plant           | -          | -         | - | -          |
| (19) 870 - Distribution Oper Supv & Engineering         | -          | 181,021   | - | 181,021    |
| (19) 871 - Distribution Oper Load Dispatching           | -          | 109,583   | - | 109,583    |
| (19) 874 - Distribution Oper Mains & Services Exp       | -          | 1,833,748 | - | 1,833,748  |



|   |                   |                  |                   |                   |
|---|-------------------|------------------|-------------------|-------------------|
| (19) 875 - Distribution Oper Meas & Reg Sta Gen   | -                 | 194,703          | -                 | 194,703           |
| (19) 876 - Distribution Oper Meas & Reg Sta Indus | -                 | 11,064           | -                 | 11,064            |
| (19) 878 - Distribution Oper Meter & House Reg    | -                 | 258,425          | -                 | 258,425           |
| (19) 879 - Distribution Oper Customer Install Exp | -                 | 525,358          | -                 | 525,358           |
| (19) 880 - Distribution Oper Other Expense        | -                 | 403,264          | -                 | 403,264           |
| (19) 881 - Distribution Oper Rents Expense        | -                 | 22,999           | -                 | 22,999            |
| (19) 886 - Maint of Facilities and Structures     | -                 | 20,717           | -                 | 20,717            |
| (19) 887 - Distribution Maint Mains               | -                 | 391,362          | -                 | 391,362           |
| (19) 889 - Distribution Maint Meas & Reg Sta Gen  | -                 | 47,773           | -                 | 47,773            |
| (19) 890 - Distribution Maint Meas & Reg Sta Ind  | -                 | 57,592           | -                 | 57,592            |
| (19) 892 - Distribution Maint Services            | -                 | 159,921          | -                 | 159,921           |
| (19) 893 - Distribution Maint Meters & House Reg  | -                 | 59,076           | -                 | 59,076            |
| (19) 894 - Distribution Maint Other Equipment     | -                 | 110,717          | -                 | 110,717           |
| (19) SUBTOTAL                                     | 7,577,495         | 4,387,322        | -                 | 11,964,817        |
| <b>20 - CUSTOMER ACCTS EXPENSES</b>               |                   |                  |                   |                   |
| (20) 901 - Customer Accounts Supervision          | -                 | -                | 25,361            | 25,361            |
| (20) 902 - Meter Reading Expense                  | 1,512,079         | 1,100,188        | 55,773            | 2,668,039         |
| (20) 903 - Customer Records & Collection Expense  | 239,943           | 88,825           | 2,430,340         | 2,759,109         |
| (20) 904 - Uncollectible Accounts                 | 1,155,033         | 427,544          | -                 | 1,582,577         |
| (20) 905 - Misc. Customer Accounts Expense        | -                 | -                | -                 | -                 |
| (20) SUBTOTAL                                     | 2,907,055         | 1,616,557        | 2,511,474         | 7,035,086         |
| <b>21 - CUSTOMER SERVICE EXPENSES</b>             |                   |                  |                   |                   |
| (21) 908 - Customer Assistance Expense            | 1,640,110         | 680,252          | 137,264           | 2,457,627         |
| (21) 909 - Info & Instructional Advertising       | 320,001           | 61,601           | 141,742           | 523,345           |
| (21) 910 - Misc Cust Svc & Info Expense           | -                 | -                | 23,883            | 23,883            |
| (21) 911 - Sales Supervision Exp                  | -                 | -                | -                 | -                 |
| (21) 912 - Demonstration & Selling Expense        | 71,759            | 916              | -                 | 72,675            |
| (21) 913 - Advertising Expenses                   | -                 | -                | -                 | -                 |
| (21) 916 - Misc. Sales Expense                    | -                 | -                | -                 | -                 |
| (21) SUBTOTAL                                     | 2,031,870         | 742,770          | 302,889           | 3,077,530         |
| <b>22 - CONSERVATION AMORTIZATION</b>             |                   |                  |                   |                   |
| (22) 908 - Customer Assistance Expense            | 9,812,319         | 1,404,281        | -                 | 11,216,601        |
| (22) SUBTOTAL                                     | 9,812,319         | 1,404,281        | -                 | 11,216,601        |
| <b>23 - ADMIN &amp; GENERAL EXPENSE</b>           |                   |                  |                   |                   |
| (23) 920 - A & G Salaries                         | 329,546           | 138,637          | 3,283,055         | 3,751,238         |
| (23) 921 - Office Supplies and Expenses           | 68,901            | 31,845           | 1,175,051         | 1,275,797         |
| (23) 922 - Admin Expenses Transferred             | -                 | -                | (23,978)          | (23,978)          |
| (23) 923 - Outside Services Employed              | 172,010           | 36,282           | 615,957           | 824,249           |
| (23) 924 - Property Insurance                     | 382,381           | 29,853           | (86,915)          | 325,320           |
| (23) 925 - Injuries & Damages                     | 42,908            | 49,292           | 402,183           | 494,382           |
| (23) 926 - Emp Pension & Benefits                 | 1,964,462         | 800,059          | 619,997           | 3,384,519         |
| (23) 928 - Regulatory Commission Expense          | 523,585           | 283,336          | 439,101           | 1,246,022         |
| (23) 9301 - Gen Advertising Exp                   | -                 | -                | 153               | 153               |
| (23) 9302 - Misc. General Expenses                | 200,239           | 42,523           | 338,490           | 581,252           |
| (23) 931 - Rents                                  | 18,386            | -                | 858,286           | 876,672           |
| (23) 932 - Maint Of General Plant- Gas            | -                 | 84,620           | -                 | 84,620            |
| (23) 935 - Maint General Plant - Electric         | 278,006           | -                | 1,705,413         | 1,983,419         |
| (23) SUBTOTAL                                     | 3,980,424         | 1,496,448        | 9,326,793         | 14,803,665        |
| <b>TOTAL OPERATING AND MAINTENANCE</b>            | <b>38,896,688</b> | <b>9,853,432</b> | <b>12,141,157</b> | <b>60,891,277</b> |

**DEPRECIATION, DEPLETION AND AMORTIZATION**

**24 - DEPRECIATION**

|   |            |           |           |            |
|---|------------|-----------|-----------|------------|
| (24) 403 - Depreciation Expense           | 20,138,988 | 8,995,808 | 1,886,557 | 31,021,353 |
| (24) 4031 - Depreciation Expense - FAS143 | 81,093     | 14,709    | 5,431     | 101,233    |
| (24) SUBTOTAL                             | 20,220,081 | 9,010,517 | 1,891,988 | 31,122,586 |

**25 - AMORTIZATION**

|  |           |         |           |           |
|--|-----------|---------|-----------|-----------|
| (25) 404 - Amort Ltd-Term Plant                  | 850,748   | 193,720 | 2,401,082 | 3,445,551 |
| (25) 406 - Amortization Of Plant Acquisition Adj | 1,154,919 | -       | -         | 1,154,919 |
| (25) 4111 - Accretion Exp - FAS143               | 107,350   | 2,361   | 644       | 110,355   |
| (25) SUBTOTAL                                    | 2,113,017 | 196,081 | 2,401,727 | 4,710,825 |

**26 - AMORTIZ OF PROPERTY LOSS**

|   |                   |                   |                     |                   |
|---|-------------------|-------------------|---------------------|-------------------|
| (26) 407 - Amortization Of Prop. Losses               | 1,717,072         | -                 | -                   | 1,717,072         |
| (26) SUBTOTAL   | 1,717,072         | -                 | -                   | 1,717,072         |
| <b>27 - OTHER OPERATING EXPENSES</b>                  |                   |                   |                     |                   |
| (27) 4073 - Regulatory Debits                         | 3,795,384         | -                 | -                   | 3,795,384         |
| (27) 4074 - Regulatory Credits                        | (56,496,357)      | -                 | -                   | (56,496,357)      |
| (27) 4116 - Gains From Disposition Of Utility Plant   | (52,751)          | (5,154)           | -                   | (57,905)          |
| (27) 4117 - Losses From Disposition Of Utility Plant  | 11,054            | 1,373             | -                   | 12,427            |
| (27) 4118 - Gains From Disposition Of Allowances      | (3,736)           | -                 | -                   | (3,736)           |
| (27) 414 - Other Utility Operating Income             | -                 | -                 | -                   | -                 |
| (27) SUBTOTAL   | (52,746,406)      | (3,781)           | -                   | (52,750,187)      |
| <b>28 - ASC 815</b>                                   |                   |                   |                     |                   |
| (28) 421 - FAS 133 Gain                               | (33,454)          | -                 | -                   | (33,454)          |
| (28) 4265 - FAS 133 Loss                              | 54,988,300        | -                 | -                   | 54,988,300        |
| (28) SUBTOTAL   | 54,954,846        | -                 | -                   | 54,954,846        |
| <b>TOTAL DEPRECIATION, DEPLETION AND AMORTIZATION</b> | <b>26,258,610</b> | <b>9,202,817</b>  | <b>4,293,715</b>    | <b>39,755,142</b> |
| <b>29 - TAXES OTHER THAN INCOME TAXES</b>             |                   |                   |                     |                   |
| (29) 4081 - Taxes Other-Util Income                   | 17,553,412        | 13,744,614        | 154,201             | 31,452,227        |
| (29) SUBTOTAL   | 17,553,412        | 13,744,614        | 154,201             | 31,452,227        |
| <b>30 - INCOME TAXES</b>                              |                   |                   |                     |                   |
| (30) 4081 - Montana Corp. License Taxes               | -                 | -                 | -                   | -                 |
| (30) 4091 - Montana Corp license Tax                  | (4,146)           | -                 | -                   | (4,146)           |
| (30) 4091 - Fit-Util Oper Income                      | 3,548             | 1,086             | -                   | 4,635             |
| (30) SUBTOTAL   | (598)             | 1,086             | -                   | 488               |
| <b>31 - DEFERRED INCOME TAXES</b>                     |                   |                   |                     |                   |
| (31) 4101 - Def Fit-Util Oper Income                  | 69,706,602        | 48,822,233        | 35,000              | 118,563,834       |
| (31) 4111 - Def Fit-Cr - Util Oper Income             | (77,684,263)      | (36,728,457)      | -                   | (114,412,720)     |
| (31) 4114 - Inv Tax Cr Adj-Util Operations            | -                 | -                 | -                   | -                 |
| (31) SUBTOTAL   | (7,977,661)       | 12,093,776        | 35,000              | 4,151,114         |
| <b>NET OPERATING INCOME</b>                           | <b>13,643,491</b> | <b>27,568,699</b> | <b>(16,624,073)</b> | <b>24,588,118</b> |

#### NON-OPERATING INCOME

##### 99 - OTHER INCOME

|  |           |           |             |             |
|--|-----------|-----------|-------------|-------------|
| (99) 4082 - Taxes Other - Other Income                         | 11,251    | -         | -           | 11,251      |
| (99) 4092 - Fit - Other Income                                 | -         | -         | (3,183)     | (3,183)     |
| (99) 4102 - Def Fit - Other Income                             | -         | -         | (6,715,931) | (6,715,931) |
| (99) 4112 - Provision for Deferred FIT - Credit & Other Income | -         | -         | -           | -           |
| (99) 415 - Revenues From Merchandising And Jobbing             | -         | -         | (160,745)   | (160,745)   |
| (99) 416 - Expenses Of Merchandising And Jobbing               | -         | -         | 138,669     | 138,669     |
| (99) 417 - Revenues From Non-Utility Operations                | -         | -         | (1,581,477) | (1,581,477) |
| (99) 4171 - Merger Related Costs                               | -         | -         | -           | -           |
| (99) 4171 - Expenses of Non-Utility Operations                 | -         | -         | 1,980,658   | 1,980,658   |
| (99) 418 - Nonoperating Rental Income                          | -         | -         | -           | -           |
| (99) 4181 - Equity in Earnings of Subsidiaries                 | -         | -         | (2,209,555) | (2,209,555) |
| (99) 419 - Interest And Dividend Income                        | -         | -         | (590,124)   | (590,124)   |
| (99) 4191 - Allowance For Other Funds Used During Construction | (320,207) | (123,017) | (62,492)    | (505,716)   |
| (99) 421 - Misc. Non-Operating Income                          | -         | -         | (205)       | (205)       |
| (99) 4211 - Gain On Disposition Of Property                    | (1,802)   | -         | -           | (1,802)     |
| (99) 4212 - Loss On Disposition Of Property                    | -         | -         | -           | -           |
| (99) 4213 - Misc. Non-Op Income - AFUDC(WUTC)                  | (167,778) | -         | -           | (167,778)   |
| (99) 4214 - Misc. Non-Op Income - AFUCE                        | -         | -         | -           | -           |
| (99) 425 - Miscellaneous Amortization                          | 66        | -         | -           | 66          |
| (99) 4261 - Donations  | -         | -         | 2,541       | 2,541       |
| (99) 4262 - Life Insurance                                     | -         | -         | (462,467)   | (462,467)   |
| (99) 4263 - Penalties  | -         | -         | 173,488     | 173,488     |
| (99) 4264 - Expenses For Civic & Political Activities          | -         | -         | 563,253     | 563,253     |
| (99) 4265 - Other Deductions                                   | -         | -         | 598,178     | 598,178     |
| (99) SUBTOTAL  | (478,470) | (123,017) | (8,329,392) | (8,930,879) |
| <b>999 - INTEREST</b>  |           |           |             |             |
| (999) 427 - Interest On Long Term Debt                         | -         | -         | 18,784,545  | 18,784,545  |

|  |                   |                   |                     |                   |
|--|-------------------|-------------------|---------------------|-------------------|
| (999) 4271 - Interest on Preferred Stock             | -                 | -                 | -                   | -                 |
| (999) 428 - Amortization Of Debt Discount & Expenses | -                 | -                 | 261,823             | 261,823           |
| (999) 4281 - Amortization Of Loss On Required Debt   | 775               | 475               | 198,016             | 199,266           |
| (999) 429 - Amortization Of Premium On Debt-Cr       | -                 | -                 | -                   | -                 |
| (999) 4291 - Amortization Gain On Reacquired Debt    | -                 | -                 | -                   | -                 |
| (999) 430 - Int on Debt to Assoc. Companies          | -                 | -                 | 9,743               | 9,743             |
| (999) 431 - Other Interest Expense                   | 1,832,585         | 22,604            | 349,186             | 2,204,375         |
| (999) 432 - Allowances For Borrowed Funds            | (290,688)         | (80,371)          | (51,006)            | (422,065)         |
| (999) SUBTOTAL                                       | 1,542,672         | (57,292)          | 19,552,307          | 21,037,687        |
| <i>9999 - EXTRAORDINARY ITEMS</i>                    |                   |                   |                     |                   |
| (9999) 4111 - Def Fit-Cr - Util Oper Income          |                   |                   |                     |                   |
| (9999) 435 - Extraordinary Deductions                |                   |                   |                     |                   |
| (9999) SUBTOTAL                                      |                   |                   |                     |                   |
| <b>TOTAL NON-OPERATING INCOME</b>                    | <b>1,064,202</b>  | <b>(180,309)</b>  | <b>11,222,915</b>   | <b>12,106,808</b> |
| <b>NET INCOME</b>                                    | <b>12,579,289</b> | <b>27,749,009</b> | <b>(27,846,988)</b> | <b>12,481,310</b> |

**PUGET SOUND ENERGY**  
**ALLOCATION OF COMMON CHARGES**  
**FOR THE MONTH ENDED DECEMBER 31, 2014**  
(Based on allocation factors developed for the 12 ME 12/31/2013)

| FERC Account and Description                     | Allocated Electric   | Allocated Gas       | Allocation Method [1] | Share (Allocated Electric / Common) | Share (Allocated Gas / Common) | Common               |
|--|----------------------|---------------------|-----------------------|-------------------------------------|--------------------------------|----------------------|
| <b>20 - CUSTOMER ACCTS EXPENSES</b>              |                      |                     |                       |                                     |                                |                      |
| (20) 901 - Customer Accounts Supervision         | \$ 14,809            | \$ 10,553           | 1                     | 58.39%                              | 41.61%                         | \$ 25,361            |
| (20) 902 - Meter Reading Expense                 | 34,847               | 20,926              | 2                     | 62.48%                              | 37.52%                         | \$ 55,773            |
| (20) 903 - Customer Records & Collection Expense | 1,419,076            | 1,011,265           | 1                     | 58.39%                              | 41.61%                         | \$ 2,430,340         |
| (20) 905 - Misc. Customer Accounts Expense       | 0                    | 0                   | 1                     | 58.39%                              | 41.61%                         | \$ -                 |
| <b>SUBTOTAL</b>                                  | <b>\$ 1,468,731</b>  | <b>\$ 1,042,743</b> |                       |                                     |                                | <b>\$ 2,511,474</b>  |
| <b>21 - CUSTOMER SERVICE EXPENSES</b>            |                      |                     |                       |                                     |                                |                      |
| (21) 908 - Customer Assistance Expense           | \$ 80,149            | \$ 57,116           | 1                     | 58.39%                              | 41.61%                         | \$ 137,264           |
| (21) 909 - Info & Instructional Advertising      | 82,763               | 58,979              | 1                     | 58.39%                              | 41.61%                         | \$ 141,742           |
| (21) 910 - Misc Cust Svc & Info Expense          | 13,945               | 9,938               | 1                     | 58.39%                              | 41.61%                         | \$ 23,883            |
| (21) 911 - Sales Supervision Exp                 | -                    | -                   | 1                     | 58.39%                              | 41.61%                         | \$ -                 |
| (21) 912 - Demonstration & Selling Expense       | -                    | -                   | 1                     | 58.39%                              | 41.61%                         | \$ -                 |
| (21) 913 - Advertising Expense                   | -                    | -                   | 1                     | 58.39%                              | 41.61%                         | \$ -                 |
| (21) 916 - Misc. Sales Expense                   | -                    | -                   | 1                     | 58.39%                              | 41.61%                         | \$ -                 |
| <b>SUBTOTAL</b>                                  | <b>\$ 176,857</b>    | <b>\$ 126,032</b>   |                       |                                     |                                | <b>\$ 302,889</b>    |
| <b>23 - ADMIN &amp; GENERAL EXPENSE</b>          |                      |                     |                       |                                     |                                |                      |
| (23) 920 - A & G Salaries                        | \$ 2,231,821         | \$ 1,051,234        | 4                     | 67.98%                              | 32.02%                         | \$ 3,283,055         |
| (23) 921 - Office Supplies and Expenses          | 798,800              | 376,251             | 4                     | 67.98%                              | 32.02%                         | \$ 1,175,051         |
| (23) 922 - Admin Expenses Transferred            | (16,300)             | (7,678)             | 4                     | 67.98%                              | 32.02%                         | \$ (23,978)          |
| (23) 923 - Outside Services Employed             | 418,727              | 197,229             | 4                     | 67.98%                              | 32.02%                         | \$ 615,957           |
| (23) 924 - Property Insurance                    | (53,244)             | (33,671)            | 3                     | 61.26%                              | 38.74%                         | \$ (86,915)          |
| (23) 925 - Injuries & Damages                    | 234,834              | 167,348             | 1                     | 58.39%                              | 41.61%                         | \$ 402,183           |
| (23) 926 - Emp Pension & Benefits                | 423,458              | 196,539             | 5                     | 68.30%                              | 31.70%                         | \$ 619,997           |
| (23) 928 - Regulatory Commission Expense         | 298,501              | 140,600             | 4                     | 67.98%                              | 32.02%                         | \$ 439,101           |
| (23) 9301 - Gen Advertising Exp                  | 104                  | 49                  | 4                     | 67.98%                              | 32.02%                         | \$ 153               |
| (23) 9302 - Misc. General Expenses               | 230,105              | 108,384             | 4                     | 67.98%                              | 32.02%                         | \$ 338,490           |
| (23) 931 - Rents                                 | 583,463              | 274,823             | 4                     | 67.98%                              | 32.02%                         | \$ 858,286           |
| (23) 932 - Maint Of General Plant- Gas           | -                    | -                   | 4                     | 67.98%                              | 32.02%                         | \$ -                 |
| (23) 935 - Maint General Plant - Electric        | 1,159,340            | 546,073             | 4                     | 67.98%                              | 32.02%                         | \$ 1,705,413         |
| <b>SUBTOTAL</b>                                  | <b>\$ 6,309,609</b>  | <b>\$ 3,017,184</b> |                       |                                     |                                | <b>\$ 9,326,793</b>  |
| <b>24 - DEPRECIATION/AMORTIZATION</b>            |                      |                     |                       |                                     |                                |                      |
| (24) 403 - Depreciation Expense                  | 1,282,481            | 604,076             | 4                     | 67.98%                              | 32.02%                         | \$ 1,886,557         |
| (24) 4031 - Depreciation Expense - FAS143        | 3,692                | 1,739               | 4                     | 67.98%                              | 32.02%                         | \$ 5,431             |
| <b>SUBTOTAL</b>                                  | <b>\$ 1,286,174</b>  | <b>\$ 605,815</b>   |                       |                                     |                                | <b>\$ 1,891,988</b>  |
| <b>25 - AMORTIZATION</b>                         |                      |                     |                       |                                     |                                |                      |
| (25) 404 - Amort Ltd-Term Plant                  | 1,632,256            | 768,827             | 4                     | 67.98%                              | 32.02%                         | \$ 2,401,082         |
| (25) 406 - Amortization Of Plant Acquisition Adj | -                    | -                   | 4                     | 67.98%                              | 32.02%                         | \$ -                 |
| (25) 4111 - Accretion Exp - FAS143               | 438                  | 206                 | 4                     | 67.98%                              | 32.02%                         | \$ 644               |
| <b>SUBTOTAL</b>                                  | <b>\$ 1,632,694</b>  | <b>\$ 769,033</b>   |                       |                                     |                                | <b>\$ 2,401,727</b>  |
| <b>29 - TAXES OTHER THAN INCOME TAXES</b>        |                      |                     |                       |                                     |                                |                      |
| (29) 4081 - Taxes Other-Util Income              | \$ 104,826           | \$ 49,375           | 4                     | 67.98%                              | 32.02%                         | \$ 154,201           |
| <b>SUBTOTAL</b>                                  | <b>\$ 104,826</b>    | <b>\$ 49,375</b>    |                       |                                     |                                | <b>\$ 154,201</b>    |
| <b>30 - INCOME TAXES</b>                         |                      |                     |                       |                                     |                                |                      |
| (30) 4091 - Fit-Util Oper Income                 | \$ -                 | \$ -                | 4                     | 67.98%                              | 32.02%                         | \$ -                 |
| <b>SUBTOTAL</b>                                  | <b>\$ -</b>          | <b>\$ -</b>         |                       |                                     |                                | <b>\$ -</b>          |
| <b>31 - DEFERRED INCOME TAXES</b>                |                      |                     |                       |                                     |                                |                      |
| (31) 4101 - Def Fit-Util Oper Income             | \$ 23,793            | \$ 11,207           | 4                     | 67.98%                              | 32.02%                         | \$ 35,000            |
| (31) 4111 - Def Fit-Cr - Util Oper Income        | -                    | -                   | 4                     | 67.98%                              | 32.02%                         | \$ -                 |
| <b>SUBTOTAL</b>                                  | <b>\$ 23,793</b>     | <b>\$ 11,207</b>    |                       |                                     |                                | <b>\$ 35,000</b>     |
| <b>GRAND TOTAL</b>                               | <b>\$ 11,002,684</b> | <b>\$ 5,621,389</b> |                       |                                     |                                | <b>\$ 16,624,073</b> |

| Allocation Method | Electric                             | Gas    | Common |         |
|-------------------|--------------------------------------|--------|--------|---------|
| 1                 | 12 Month Average number of Customers | 58.39% | 41.61% | 100.00% |
| 2                 | Joint Meter Reading Customers        | 62.48% | 37.52% | 100.00% |
| 3                 | Non-Production Plant                 | 61.26% | 38.74% | 100.00% |
| 4                 | 4-Factor Allocator                   | 67.98% | 32.02% | 100.00% |
| 5                 | Direct Labor                         | 68.30% | 31.70% | 100.00% |

**PUGET SOUND ENERGY, INC.**  
**AVERAGE NUMBER OF CUSTOMERS**  
**December 31, 2014**

**ELECTRIC**

| <b>Customers</b>                 | <b>Month Ended</b> |                  |                             |               | <b>Variance from Prior Year</b> |                                 |             |
|----------------------------------|--------------------|------------------|-----------------------------|---------------|---------------------------------|---------------------------------|-------------|
|                                  | <b>Actual</b>      | <b>Budget</b>    | <b>Variance from Budget</b> |               | <b>Prior Year</b>               | <b>Variance from Prior Year</b> |             |
|                                  |                    |                  | <b>Amount</b>               | <b>%</b>      |                                 | <b>Amount</b>                   | <b>%</b>    |
| Residential                      | 966,144            | 978,985          | (12,841)                    | (1.3%)        | 957,897                         | 8,247                           | 0.9%        |
| Commercial - Firm                | 121,653            | 121,766          | (113)                       | (0.1%)        | 119,547                         | 2,106                           | 1.8%        |
| Commercial Interruptible         | 161                | 162              | (1)                         | (0.6%)        | 162                             | (1)                             | (0.6%)      |
| Industrial - Firm                | 3,453              | 3,419            | 34                          | 1.0%          | 3,438                           | 15                              | 0.4%        |
| Industrial Interruptible         | 4                  | 4                | -                           | 0.0%          | 4                               | -                               | 0.0%        |
| Outdoor Lighting                 | 6,120              | 6,508            | (388)                       | (6.0%)        | 5,911                           | 209                             | 3.5%        |
| Electric Sales for Resale - Firm | 8                  | 8                | -                           | 0.0%          | 8                               | -                               | 0.0%        |
| Transportation - Electric        | 16                 | 17               | (1)                         | (5.9%)        | 18                              | (2)                             | (11.1%)     |
| <b>Total Number of Customers</b> | <b>1,097,559</b>   | <b>1,110,869</b> | <b>(13,310)</b>             | <b>(1.2%)</b> | <b>1,086,985</b>                | <b>10,574</b>                   | <b>1.0%</b> |

| <b>Customers</b>                 | <b>Quarter-to-Date</b> |                  |                             |               | <b>Variance from Prior Year</b> |                                 |             |
|----------------------------------|------------------------|------------------|-----------------------------|---------------|---------------------------------|---------------------------------|-------------|
|                                  | <b>Actual</b>          | <b>Budget</b>    | <b>Variance from Budget</b> |               | <b>Prior Year</b>               | <b>Variance from Prior Year</b> |             |
|                                  |                        |                  | <b>Amount</b>               | <b>%</b>      |                                 | <b>Amount</b>                   | <b>%</b>    |
| Residential                      | 964,544                | 976,986          | (12,442)                    | (1.3%)        | 956,453                         | 8,091                           | 0.8%        |
| Commercial - Firm                | 121,624                | 121,623          | 1                           | 0.0%          | 119,504                         | 2,120                           | 1.8%        |
| Commercial Interruptible         | 161                    | 162              | (1)                         | (0.6%)        | 162                             | (1)                             | (0.6%)      |
| Industrial - Firm                | 3,444                  | 3,420            | 24                          | 0.7%          | 3,439                           | 5                               | 0.1%        |
| Industrial Interruptible         | 4                      | 4                | -                           | 0.0%          | 4                               | -                               | 0.0%        |
| Outdoor Lighting                 | 6,102                  | 6,469            | (367)                       | (5.7%)        | 5,882                           | 220                             | 3.7%        |
| Electric Sales for Resale - Firm | 8                      | 8                | -                           | 0.0%          | 8                               | -                               | 0.0%        |
| Transportation - Electric        | 16                     | 17               | (1)                         | (5.9%)        | 18                              | (2)                             | (11.1%)     |
| <b>Total Number of Customers</b> | <b>1,095,903</b>       | <b>1,108,689</b> | <b>(12,786)</b>             | <b>(1.2%)</b> | <b>1,085,470</b>                | <b>10,433</b>                   | <b>1.0%</b> |

| <b>Customers</b>                 | <b>Year-To-Date</b> |                  |                             |               | <b>Variance from Prior Year</b> |                                 |             |
|----------------------------------|---------------------|------------------|-----------------------------|---------------|---------------------------------|---------------------------------|-------------|
|                                  | <b>Actual</b>       | <b>Budget</b>    | <b>Variance from Budget</b> |               | <b>Prior Year</b>               | <b>Variance from Prior Year</b> |             |
|                                  |                     |                  | <b>Amount</b>               | <b>%</b>      |                                 | <b>Amount</b>                   | <b>%</b>    |
| Residential                      | 960,708             | 969,688          | (8,980)                     | (0.9%)        | 956,783                         | 3,925                           | 0.4%        |
| Commercial - Firm                | 121,171             | 120,776          | 395                         | 0.3%          | 119,669                         | 1,502                           | 1.3%        |
| Commercial Interruptible         | 161                 | 162              | (1)                         | (0.6%)        | 164                             | (3)                             | (1.8%)      |
| Industrial - Firm                | 3,433               | 3,425            | 8                           | 0.2%          | 3,470                           | (37)                            | (1.1%)      |
| Industrial Interruptible         | 4                   | 4                | -                           | 0.0%          | 4                               | -                               | 0.0%        |
| Outdoor Lighting                 | 6,015               | 6,300            | (285)                       | (4.5%)        | 5,266                           | 749                             | 14.2%       |
| Electric Sales for Resale - Firm | 8                   | 8                | -                           | 0.0%          | 8                               | -                               | 0.0%        |
| Transportation - Electric        | 17                  | 17               | -                           | 0.0%          | 17                              | -                               | 0.0%        |
| <b>Total Number of Customers</b> | <b>1,091,517</b>    | <b>1,100,380</b> | <b>(8,863)</b>              | <b>(0.8%)</b> | <b>1,085,381</b>                | <b>6,136</b>                    | <b>0.6%</b> |

| <b>Customers</b>                 | <b>Twelve Months Ended</b> |                  |                             |               | <b>Variance from Prior Year</b> |                                 |             |
|----------------------------------|----------------------------|------------------|-----------------------------|---------------|---------------------------------|---------------------------------|-------------|
|                                  | <b>Actual</b>              | <b>Budget</b>    | <b>Variance from Budget</b> |               | <b>Prior Year</b>               | <b>Variance from Prior Year</b> |             |
|                                  |                            |                  | <b>Amount</b>               | <b>%</b>      |                                 | <b>Amount</b>                   | <b>%</b>    |
| Residential                      | 960,708                    | 969,688          | (8,980)                     | (0.9%)        | 956,783                         | 3,925                           | 0.4%        |
| Commercial - Firm                | 121,171                    | 120,776          | 395                         | 0.3%          | 119,669                         | 1,502                           | 1.3%        |
| Commercial Interruptible         | 161                        | 162              | (1)                         | (0.6%)        | 164                             | (3)                             | (1.8%)      |
| Industrial - Firm                | 3,433                      | 3,425            | 8                           | 0.2%          | 3,470                           | (37)                            | (1.1%)      |
| Industrial Interruptible         | 4                          | 4                | -                           | 0.0%          | 4                               | -                               | 0.0%        |
| Outdoor Lighting                 | 6,015                      | 6,300            | (285)                       | (4.5%)        | 5,266                           | 749                             | 14.2%       |
| Electric Sales for Resale - Firm | 8                          | 8                | -                           | 0.0%          | 8                               | -                               | 0.0%        |
| Transportation - Electric        | 17                         | 17               | -                           | 0.0%          | 17                              | -                               | 0.0%        |
| <b>Total Number of Customers</b> | <b>1,091,517</b>           | <b>1,100,380</b> | <b>(8,863)</b>              | <b>(0.8%)</b> | <b>1,085,381</b>                | <b>6,136</b>                    | <b>0.6%</b> |

**PUGET SOUND ENERGY, INC.**  
**AVERAGE NUMBER OF CUSTOMERS**  
**December 31, 2014**

**GAS**

| <b>Customers</b>                 | <b>Month Ended</b> |                |                             |               | <b>Prior Year</b> | <b>Variance from Prior Year</b> |             |
|----------------------------------|--------------------|----------------|-----------------------------|---------------|-------------------|---------------------------------|-------------|
|                                  | <b>Actual</b>      | <b>Budget</b>  | <b>Variance from Budget</b> |               |                   | <b>Amount</b>                   | <b>%</b>    |
|                                  |                    |                | <b>Amount</b>               | <b>%</b>      |                   | <b>Amount</b>                   | <b>%</b>    |
| Residential                      | 733,135            | 739,507        | (6,372)                     | (0.9%)        | 722,680           | 10,455                          | 1.4%        |
| Commercial - Firm                | 54,593             | 55,448         | (855)                       | (1.5%)        | 54,125            | 468                             | 0.9%        |
| Commercial Interruptible         | 428                | 308            | 120                         | 39.0%         | 444               | (16)                            | (3.6%)      |
| Industrial - Firm                | 2,380              | 2,342          | 38                          | 1.6%          | 2,396             | (16)                            | (0.7%)      |
| Industrial Interruptible         | 12                 | 14             | (2)                         | (14.3%)       | 13                | (1)                             | (7.7%)      |
| Gas Transportation               | 209                | 203            | 6                           | 3.0%          | 208               | 1                               | 0.5%        |
| <b>Total Number of Customers</b> | <b>790,757</b>     | <b>797,822</b> | <b>(7,065)</b>              | <b>(0.9%)</b> | <b>779,866</b>    | <b>10,891</b>                   | <b>1.4%</b> |

| <b>Customers</b>                 | <b>Quarter-to-Date</b> |                |                             |               | <b>Prior Year</b> | <b>Variance from Prior Year</b> |             |
|----------------------------------|------------------------|----------------|-----------------------------|---------------|-------------------|---------------------------------|-------------|
|                                  | <b>Actual</b>          | <b>Budget</b>  | <b>Variance from Budget</b> |               |                   | <b>Amount</b>                   | <b>%</b>    |
|                                  |                        |                | <b>Amount</b>               | <b>%</b>      |                   | <b>Amount</b>                   | <b>%</b>    |
| Residential                      | 731,011                | 737,078        | (6,067)                     | (0.8%)        | 720,450           | 10,561                          | 1.5%        |
| Commercial - Firm                | 54,430                 | 55,278         | (848)                       | (1.5%)        | 53,904            | 526                             | 1.0%        |
| Commercial Interruptible         | 431                    | 309            | 122                         | 39.5%         | 444               | (13)                            | (2.9%)      |
| Industrial - Firm                | 2,367                  | 2,344          | 23                          | 1.0%          | 2,389             | (22)                            | (0.9%)      |
| Industrial Interruptible         | 12                     | 14             | (2)                         | (14.3%)       | 13                | (1)                             | (7.7%)      |
| Gas Transportation               | 209                    | 203            | 6                           | 3.0%          | 207               | 2                               | 1.0%        |
| <b>Total Number of Customers</b> | <b>788,460</b>         | <b>795,226</b> | <b>(6,766)</b>              | <b>(0.9%)</b> | <b>777,407</b>    | <b>11,053</b>                   | <b>1.4%</b> |

| <b>Customers</b>                 | <b>Year-To-Date</b> |                |                             |               | <b>Prior Year</b> | <b>Variance from Prior Year</b> |             |
|----------------------------------|---------------------|----------------|-----------------------------|---------------|-------------------|---------------------------------|-------------|
|                                  | <b>Actual</b>       | <b>Budget</b>  | <b>Variance from Budget</b> |               |                   | <b>Amount</b>                   | <b>%</b>    |
|                                  |                     |                | <b>Amount</b>               | <b>%</b>      |                   | <b>Amount</b>                   | <b>%</b>    |
| Residential                      | 727,244             | 730,611        | (3,367)                     | (0.5%)        | 716,518           | 10,726                          | 1.5%        |
| Commercial - Firm                | 54,328              | 54,992         | (664)                       | (1.2%)        | 53,840            | 488                             | 0.9%        |
| Commercial Interruptible         | 437                 | 314            | 123                         | 39.2%         | 415               | 22                              | 5.3%        |
| Industrial - Firm                | 2,383               | 2,357          | 26                          | 1.1%          | 2,394             | (11)                            | (0.5%)      |
| Industrial Interruptible         | 12                  | 14             | (2)                         | (14.3%)       | 14                | (2)                             | (14.3%)     |
| Gas Transportation               | 208                 | 203            | 5                           | 2.5%          | 204               | 4                               | 2.0%        |
| <b>Total Number of Customers</b> | <b>784,612</b>      | <b>788,491</b> | <b>(3,879)</b>              | <b>(0.5%)</b> | <b>773,385</b>    | <b>11,227</b>                   | <b>1.5%</b> |

| <b>Customers</b>                 | <b>Twelve Months Ended</b> |                |                             |               | <b>Prior Year</b> | <b>Variance from Prior Year</b> |             |
|----------------------------------|----------------------------|----------------|-----------------------------|---------------|-------------------|---------------------------------|-------------|
|                                  | <b>Actual</b>              | <b>Budget</b>  | <b>Variance from Budget</b> |               |                   | <b>Amount</b>                   | <b>%</b>    |
|                                  |                            |                | <b>Amount</b>               | <b>%</b>      |                   | <b>Amount</b>                   | <b>%</b>    |
| Residential                      | 727,244                    | 730,611        | (3,367)                     | (0.5%)        | 716,518           | 10,726                          | 1.5%        |
| Commercial - Firm                | 54,328                     | 54,992         | (664)                       | (1.2%)        | 53,840            | 488                             | 0.9%        |
| Commercial Interruptible         | 437                        | 314            | 123                         | 39.2%         | 415               | 22                              | 5.3%        |
| Industrial - Firm                | 2,383                      | 2,357          | 26                          | 1.1%          | 2,394             | (11)                            | (0.5%)      |
| Industrial Interruptible         | 12                         | 14             | (2)                         | (14.3%)       | 14                | (2)                             | (14.3%)     |
| Gas Transportation               | 208                        | 203            | 5                           | 2.5%          | 204               | 4                               | 2.0%        |
| <b>Total Number of Customers</b> | <b>784,612</b>             | <b>788,491</b> | <b>(3,879)</b>              | <b>(0.5%)</b> | <b>773,385</b>    | <b>11,227</b>                   | <b>1.5%</b> |

**PUGET SOUND ENERGY**  
**PERIODIC ALLOCATED RESULTS OF OPERATIONS**  
**FOR THE 12 MONTHS ENDED DECEMBER 31, 2014**

(Based on allocation factors developed for the 12 ME 12/31/2013)

|  | Electric                | Gas                     | Total Amount          |
|--|-------------------------|-------------------------|-----------------------|
| 1 - OPERATING REVENUES:                                      |                         |                         |                       |
| 2 - SALES TO CUSTOMERS                                       | \$ 1,964,602,691        | \$ 968,015,554          | \$ 2,932,618,244      |
| 3 - SALES FOR RESALE-FIRM                                    | 339,509                 | -                       | 339,509               |
| 4 - SALES TO OTHER UTILITIES                                 | 107,219,294             | -                       | 107,219,294           |
| 5 - OTHER OPERATING REVENUES                                 | 112,785,619             | 44,843,576              | 157,629,195           |
| 6 - TOTAL OPERATING REVENUES                                 | \$ 2,184,947,113        | \$ 1,012,859,129        | \$ 3,197,806,242      |
| 7  |                         |                         |                       |
| 8 - OPERATING REVENUE DEDUCTIONS:                            |                         |                         |                       |
| 9  |                         |                         |                       |
| 10 - POWER COSTS:  |                         |                         |                       |
| 11 - FUEL  | \$ 263,493,430          | \$ -                    | \$ 263,493,430        |
| 12 - PURCHASED AND INTERCHANGED                              | 469,874,111             | 458,690,776             | 928,564,887           |
| 13 - WHEELING  | 108,412,773             | -                       | 108,412,773           |
| 14 - RESIDENTIAL EXCHANGE                                    | (129,036,285)           | -                       | (129,036,285)         |
| 15 - TOTAL PRODUCTION EXPENSES                               | \$ 712,744,029          | \$ 458,690,776          | \$ 1,171,434,805      |
| 16   |                         |                         |                       |
| 17 - OTHER ENERGY SUPPLY EXPENSES                            | \$ 113,089,598          | \$ 1,981,080            | \$ 115,070,678        |
| 18 - TRANSMISSION EXPENSE                                    | 21,589,071              | 335                     | 21,589,406            |
| 19 - DISTRIBUTION EXPENSE                                    | 84,585,141              | 51,905,732              | 136,490,873           |
| 20 - CUSTOMER ACCTS EXPENSES                                 | 59,105,836              | 33,539,745              | 92,645,581            |
| 21 - CUSTOMER SERVICE EXPENSES                               | 19,638,257              | 7,969,908               | 27,608,164            |
| 22 - CONSERVATION AMORTIZATION                               | 94,119,768              | 9,975,772               | 104,095,540           |
| 23 - ADMIN & GENERAL EXPENSE                                 | 108,863,442             | 49,216,871              | 158,080,313           |
| 24 - DEPRECIATION  | 258,626,749             | 112,333,894             | 370,960,644           |
| 25 - AMORTIZATION  | 45,513,058              | 11,989,793              | 57,502,851            |
| 26 - AMORTIZ OF PROPERTY LOSS                                | 17,495,991              | -                       | 17,495,991            |
| 27 - OTHER OPERATING EXPENSES                                | (44,697,967)            | (45,370)                | (44,743,337)          |
| 28 - ASC 815   | 85,636,444              | -                       | 85,636,444            |
| 29 - TAXES OTHER THAN INCOME TAXES                           | 207,444,301             | 102,876,855             | 310,321,157           |
| 30 - INCOME TAXES  | 0                       | 0                       | 0                     |
| 31 - DEFERRED INCOME TAXES                                   | 114,494,948             | 61,510,849              | 176,005,797           |
| 32 - TOTAL OPERATING REV. DEDUCT.                            | \$ 1,898,248,666        | \$ 901,946,239          | \$ 2,800,194,905      |
| <b>NET OPERATING INCOME</b>                                  | <b>\$ 286,698,447</b>   | <b>\$ 110,912,890</b>   | <b>\$ 397,611,337</b> |
| <b>RATE BASE (AMA For 12 Months Ended December 31, 2014)</b> | <b>\$ 5,324,297,036</b> | <b>\$ 1,674,970,839</b> |                       |

**PUGET SOUND ENERGY**  
**ACTUAL RESULTS OF OPERATIONS**  
**FOR THE 12 MONTHS ENDED DECEMBER 31, 2014**

|                                    | Electric              | Gas                   | Common                  | Energy N/A              | Total Amount          |
|------------------------------------|-----------------------|-----------------------|-------------------------|-------------------------|-----------------------|
| <b>OPERATING INCOME</b>            |                       |                       |                         |                         |                       |
| 1 - OPERATING REVENUES:            |                       |                       |                         |                         |                       |
| 2 - SALES TO CUSTOMERS             | \$ 1,964,602,691      | \$ 968,015,554        | \$ -                    | \$ -                    | \$ 2,932,618,244      |
| 3 - SALES FOR RESALE-FIRM          | 339,509               | -                     | -                       | -                       | 339,509               |
| 4 - SALES TO OTHER UTILITIES       | 107,219,294           | -                     | -                       | -                       | 107,219,294           |
| 5 - OTHER OPERATING REVENUES       | 112,785,619           | 44,843,576            | -                       | -                       | 157,629,195           |
| 6 - TOTAL OPERATING REVENUES       | \$ 2,184,947,113      | \$ 1,012,859,129      | \$ -                    | \$ -                    | \$ 3,197,806,242      |
| 7                                  |                       |                       |                         |                         |                       |
| 8 - OPERATING REVENUE DEDUCTIONS:  |                       |                       |                         |                         |                       |
| 9                                  |                       |                       |                         |                         |                       |
| 10 - POWER COSTS:                  |                       |                       |                         |                         |                       |
| 11 - FUEL                          | \$ 263,493,430        | \$ -                  | \$ -                    | \$ -                    | \$ 263,493,430        |
| 12 - PURCHASED AND INTERCHANGED    | 469,874,111           | 458,690,776           | -                       | -                       | 928,564,887           |
| 13 - WHEELING                      | 108,412,773           | -                     | -                       | -                       | 108,412,773           |
| 14 - RESIDENTIAL EXCHANGE          | (129,036,285)         | -                     | -                       | -                       | (129,036,285)         |
| 15 - TOTAL PRODUCTION EXPENSES     | \$ 712,744,029        | \$ 458,690,776        | \$ -                    | \$ -                    | \$ 1,171,434,805      |
| 16                                 |                       |                       |                         |                         |                       |
| 17 - OTHER ENERGY SUPPLY EXPENSES  | \$ 113,089,598        | \$ 1,981,080          | \$ -                    | \$ -                    | \$ 115,070,678        |
| 18 - TRANSMISSION EXPENSE          | 21,589,071            | 335                   | -                       | -                       | 21,589,406            |
| 19 - DISTRIBUTION EXPENSE          | 84,585,141            | 51,905,732            | -                       | -                       | 136,490,873           |
| 20 - CUSTOMER ACCTS EXPENSES       | 41,036,706            | 20,709,757            | 30,899,118              | -                       | 92,645,581            |
| 21 - CUSTOMER SERVICE EXPENSES     | 17,841,238            | 6,689,313             | 3,077,613               | -                       | 27,608,164            |
| 22 - CONSERVATION AMORTIZATION     | 94,119,768            | 9,975,772             | -                       | -                       | 104,095,540           |
| 23 - ADMIN & GENERAL EXPENSE       | 41,495,468            | 16,799,862            | 99,784,983              | -                       | 158,080,313           |
| 24 - DEPRECIATION                  | 243,855,470           | 105,376,313           | 21,728,860              | -                       | 370,960,644           |
| 25 - AMORTIZATION                  | 25,055,284            | 2,353,754             | 30,093,812              | -                       | 57,502,851            |
| 26 - AMORTIZ OF PROPERTY LOSS      | 17,495,991            | -                     | -                       | -                       | 17,495,991            |
| 27 - OTHER OPERATING EXPENSES      | (44,697,967)          | (45,370)              | -                       | -                       | (44,743,337)          |
| 28 - ASC 815                       | 85,636,444            | -                     | -                       | -                       | 85,636,444            |
| 29 - TAXES OTHER THAN INCOME TAXES | 203,985,266           | 101,247,577           | 5,088,313               | -                       | 310,321,157           |
| 30 - INCOME TAXES                  | 0                     | 0                     | -                       | -                       | 0                     |
| 31 - DEFERRED INCOME TAXES         | 114,471,155           | 61,499,642            | 35,000                  | -                       | 176,005,797           |
| 32 - TOTAL OPERATING REV. DEDUCT.  | \$ 1,772,302,664      | \$ 837,184,543        | \$ 190,707,698          | \$ -                    | \$ 2,800,194,905      |
| <b>NET OPERATING INCOME</b>        | <b>\$ 412,644,449</b> | <b>\$ 175,674,586</b> | <b>\$ (190,707,698)</b> | <b>\$ -</b>             | <b>\$ 397,611,337</b> |
| <b>NON-OPERATING INCOME</b>        |                       |                       |                         |                         |                       |
| 99 - OTHER INCOME                  | \$ -                  | \$ -                  | \$ -                    | \$ (98,317,795)         | \$ (98,317,795)       |
| 999 - INTEREST                     | -                     | -                     | -                       | 259,315,212             | 259,315,212           |
| 9999 - EXTRAORDINARY ITEMS         | -                     | -                     | -                       | -                       | -                     |
| <b>TOTAL NON-OPERATING INCOME</b>  | <b>\$ -</b>           | <b>\$ -</b>           | <b>\$ -</b>             | <b>\$ 160,997,418</b>   | <b>\$ 160,997,418</b> |
| <b>NET INCOME</b>                  | <b>\$ 412,644,449</b> | <b>\$ 175,674,586</b> | <b>\$ (190,707,698)</b> | <b>\$ (160,997,418)</b> | <b>\$ 236,613,919</b> |



**PUGET SOUND ENERGY  
INCOME STATEMENT DETAIL**

**FOR THE 12 MONTHS ENDED DECEMBER 31, 2014**

| <b>Account Description</b>                         | <b>Electric</b>      | <b>Gas</b>           | <b>Common</b> | <b>Total</b>         |
|--|----------------------|----------------------|---------------|----------------------|
| <b>1 - OPERATING REVENUES</b>                      |                      |                      |               |                      |
| <b>2 - SALES TO CUSTOMERS</b>                      |                      |                      |               |                      |
| (2) 440 - Electric Residential Sales               | 1,035,523,408        | -                    | -             | 1,035,523,408        |
| (2) 442 - Electric Commercial & Industrial Sales   | 949,866,968          | -                    | -             | 949,866,968          |
| (2) 444 - Public Street & Highway Lighting         | 18,811,532           | -                    | -             | 18,811,532           |
| (2) 456 - Other Electric Revenues - Conservation   | -                    | -                    | -             | -                    |
| (2) 456 - Other Electric Revenues - Unbilled       | (45,955,056)         | -                    | -             | (45,955,056)         |
| (2) 456 - Other Electric Revenues                  | 6,355,837            | -                    | -             | 6,355,837            |
| (2) 480 - Gas Residential Sales                    | -                    | 644,054,556          | -             | 644,054,556          |
| (2) 481 - Gas Commercial & Industrial Sales        | -                    | 306,891,929          | -             | 306,891,929          |
| (2) 489 - Rev From Transportation Of Gas To Others | -                    | 17,069,069           | -             | 17,069,069           |
| (2) SUBTOTAL                                       | 1,964,602,691        | 968,015,554          | -             | 2,932,618,244        |
| <b>3 - SALES FOR RESALE-FIRM</b>                   |                      |                      |               |                      |
| (3) 447 - Electric Sales For Resale                | 339,509              | -                    | -             | 339,509              |
| (3) SUBTOTAL                                       | 339,509              | -                    | -             | 339,509              |
| <b>4 - SALES TO OTHER UTILITIES</b>                |                      |                      |               |                      |
| (4) 447 - Electric Sales For Resale - Sales        | 41,680,014           | -                    | -             | 41,680,014           |
| (4) 447 - Electric Sales For Resale - Purchases    | 65,539,281           | -                    | -             | 65,539,281           |
| (4) SUBTOTAL                                       | 107,219,294          | -                    | -             | 107,219,294          |
| <b>5 - OTHER OPERATING REVENUES</b>                |                      |                      |               |                      |
| (5) 412 - Lease Inc Everett Delta to NWP - Gas     | -                    | -                    | -             | -                    |
| (5) 450 - Forfeited Discounts                      | 3,646,521            | -                    | -             | 3,646,521            |
| (5) 451 - Electric Misc Service Revenue            | 10,798,722           | -                    | -             | 10,798,722           |
| (5) 454 - Rent For Electric Property               | 16,218,258           | -                    | -             | 16,218,258           |
| (5) 456 - Other Electric Revenues                  | 82,122,118           | -                    | -             | 82,122,118           |
| (5) 487 - Forfeited Discounts                      | -                    | 1,708,626            | -             | 1,708,626            |
| (5) 488 - Gas Misc Service Revenues                | -                    | 2,465,630            | -             | 2,465,630            |
| (5) 4894 - Gas Revenues from Storing Gas of Others | -                    | 980,178              | -             | 980,178              |
| (5) 493 - Rent From Gas Property                   | -                    | 7,372,334            | -             | 7,372,334            |
| (5) 495 - Other Gas Revenues                       | -                    | 32,316,808           | -             | 32,316,808           |
| (5) SUBTOTAL                                       | 112,785,619          | 44,843,576           | -             | 157,629,195          |
| <b>(1) TOTAL OPERATING REVENUES</b>                | <b>2,184,947,113</b> | <b>1,012,859,129</b> | <b>-</b>      | <b>3,197,806,242</b> |
| <b>10 - ENERGY COST</b>                            |                      |                      |               |                      |
| <b>11 - FUEL</b>                                   |                      |                      |               |                      |
| (11) 501 - Steam Operations Fuel                   | 81,919,012           | -                    | -             | 81,919,012           |
| (11) 547 - Other Power Generation Oper Fuel        | 181,574,417          | -                    | -             | 181,574,417          |
| (11) SUBTOTAL                                      | 263,493,430          | -                    | -             | 263,493,430          |
| <b>12 - PURCHASED AND INTERCHANGED</b>             |                      |                      |               |                      |
| (12) 555 - Purchased Power                         | 470,504,778          | -                    | -             | 470,504,778          |
| (12) 557 - Other Power Supply Expense              | (630,668)            | -                    | -             | (630,668)            |
| (12) 804 - Natural Gas City Gate Purchases         | -                    | 488,850,660          | -             | 488,850,660          |
| (12) 805 - Other Gas Purchases                     | -                    | 63,907               | -             | 63,907               |
| (12) 8051 - Purchased Gas Cost Adjustments         | -                    | (26,549,395)         | -             | (26,549,395)         |
| (12) 8081 - Gas Withdrawn From Storage             | -                    | 58,397,346           | -             | 58,397,346           |
| (12) 8082 - Gas Delivered To Storage               | -                    | (62,071,741)         | -             | (62,071,741)         |
| (12) SUBTOTAL                                      | 469,874,111          | 458,690,776          | -             | 928,564,887          |
| <b>13 - WHEELING</b>                               |                      |                      |               |                      |
| (13) 565 - Transmission Of Electricity By Others   | 108,412,773          | -                    | -             | 108,412,773          |
| (13) SUBTOTAL                                      | 108,412,773          | -                    | -             | 108,412,773          |
| <b>14 - RESIDENTIAL EXCHANGE</b>                   |                      |                      |               |                      |
| (14) 555 - Purchased Power                         | (129,036,285)        | -                    | -             | (129,036,285)        |
| (14) SUBTOTAL                                      | (129,036,285)        | -                    | -             | (129,036,285)        |
| <b>(10) TOTAL ENERGY COST</b>                      | <b>712,744,029</b>   | <b>458,690,776</b>   | <b>-</b>      | <b>1,171,434,805</b> |
| <b>GROSS MARGIN</b>                                | <b>1,472,203,084</b> | <b>554,168,353</b>   | <b>-</b>      | <b>2,026,371,438</b> |

**OPERATING EXPENSES**

**OPERATING AND MAINTENANCE**

**17 - OTHER ENERGY SUPPLY EXPENSES**

|  |            |           |   |            |
|--|------------|-----------|---|------------|
| (17) 500 - Steam Oper Supv & Engineering               | 1,905,577  | -         | - | 1,905,577  |
| (17) 502 - Steam Oper Steam Expenses                   | 8,966,057  | -         | - | 8,966,057  |
| (17) 505 - Steam Oper Electric Expense                 | 2,197,201  | -         | - | 2,197,201  |
| (17) 506 - Steam Oper Misc Steam Power                 | 2,434,160  | -         | - | 2,434,160  |
| (17) 507 - Steam Operations Rents                      | 106,695    | -         | - | 106,695    |
| (17) 510 - Steam Maint Supv & Engineering              | 1,942,232  | -         | - | 1,942,232  |
| (17) 511 - Steam Maint Structures                      | 3,023,469  | -         | - | 3,023,469  |
| (17) 512 - Steam Maint Boiler Plant                    | 14,062,196 | -         | - | 14,062,196 |
| (17) 513 - Steam Maint Electric Plant                  | 4,750,466  | -         | - | 4,750,466  |
| (17) 514 - Steam Maint Misc Steam Plant                | 2,707,551  | -         | - | 2,707,551  |
| (17) 535 - Hydro Oper Supv & Engineering               | 1,551,439  | -         | - | 1,551,439  |
| (17) 536 - Hydro Oper Water For Power                  | -          | -         | - | -          |
| (17) 537 - Hydro Oper Hydraulic Expenses               | 4,017,897  | -         | - | 4,017,897  |
| (17) 538 - Hydro Oper Electric Expenses                | 474,029    | -         | - | 474,029    |
| (17) 539 - Hydro Oper Misc Hydraulic Exp               | 3,752,976  | -         | - | 3,752,976  |
| (17) 540 - Hydro Office Rents                          | -          | -         | - | -          |
| (17) 541 - Hydro Maint Supv & Engineering              | -          | -         | - | -          |
| (17) 542 - Hydro Maint Structures                      | 750,450    | -         | - | 750,450    |
| (17) 543 - Hydro Maint Res. Dams & Waterways           | 542,539    | -         | - | 542,539    |
| (17) 544 - Hydro Maint Electric Plant                  | 1,002,906  | -         | - | 1,002,906  |
| (17) 545 - Hydro Maint Misc Hydraulic Plant            | 4,629,390  | -         | - | 4,629,390  |
| (17) 546 - Other Pwr Gen Oper Supv & Eng               | 4,064,400  | -         | - | 4,064,400  |
| (17) 548 - Other Power Gen Oper Gen Exp                | 9,853,362  | -         | - | 9,853,362  |
| (17) 549 - Other Power Gen Oper Misc                   | 4,473,493  | -         | - | 4,473,493  |
| (17) 550 - Other Power Gen Oper Rents                  | 7,759,514  | -         | - | 7,759,514  |
| (17) 551 - Other Power Gen Maint Supv & Eng            | 807,699    | -         | - | 807,699    |
| (17) 552 - Other Power Gen Maint Structures            | 564,699    | -         | - | 564,699    |
| (17) 553 - Other Power Gen Maint Gen & Elec            | 25,368,172 | -         | - | 25,368,172 |
| (17) 554 - Other Power Gen Maint Misc                  | 1,125,270  | -         | - | 1,125,270  |
| (17) 556 - System Control & Load Dispatch              | 255,758    | -         | - | 255,758    |
| (17) 710 - Production Operations Supv & Engineering    | -          | -         | - | -          |
| (17) 717 - Liquefied Petroleum Gas Expenses            | -          | 180,002   | - | 180,002    |
| (17) 735 - Misc Gas Production Exp                     | -          | -         | - | -          |
| (17) 741 - Production Plant Maint Structures           | -          | -         | - | -          |
| (17) 742 - Production Plant Maint Prod Equip           | -          | -         | - | -          |
| (17) 8072 - Purchased Gas Expenses                     | -          | 416,792   | - | 416,792    |
| (17) 8074 - Purchased Gas Calculation Exp              | -          | 52,008    | - | 52,008     |
| (17) 812 - Gas Used For Other Utility Operations       | -          | (105,715) | - | (105,715)  |
| (17) 813 - Other Gas Supply Expenses                   | -          | -         | - | -          |
| (17) 814 - Undergrnd Strge - Operation Supv & Eng      | -          | 213,138   | - | 213,138    |
| (17) 815 - Undergrnd Strge - Oper Map & Records        | -          | -         | - | -          |
| (17) 816 - Undergrnd Strge - Oper Wells Expense        | -          | 32,446    | - | 32,446     |
| (17) 817 - Undergrnd Strge - Oper Lines Expense        | -          | 1,523     | - | 1,523      |
| (17) 818 - Undergrnd Strge - Oper Compressor Sta Exp   | -          | 171,735   | - | 171,735    |
| (17) 819 - Undergrnd Strge - Oper Compressor Sta Fuel  | -          | 35,753    | - | 35,753     |
| (17) 820 - Undergrnd Strge - Oper Meas & Reg Sta Exp   | -          | 20,335    | - | 20,335     |
| (17) 821 - Undergrnd Strge - Oper Purification Exp     | -          | -         | - | -          |
| (17) 823 - Storage Gas Losses                          | -          | -         | - | -          |
| (17) 824 - Undergrnd Strge - Oper Other Expenses       | -          | 86,027    | - | 86,027     |
| (17) 825 - Undergrnd Strge - Oper Storage Well Royalty | -          | 41,697    | - | 41,697     |
| (17) 826 - Undergrnd Strge - Oper Other Storage Rents  | -          | (5,768)   | - | (5,768)    |
| (17) 830 - Undergrnd Strge - Maint Supv & Engineering  | -          | 194,102   | - | 194,102    |
| (17) 831 - Undergrnd Strge - Maint Structures          | -          | 10,040    | - | 10,040     |
| (17) 832 - Undergrnd Strge - Maint Reservoirs & Wells  | -          | 27,947    | - | 27,947     |
| (17) 833 - Undergrnd Strge - Maint Of Lines            | -          | 4,080     | - | 4,080      |
| (17) 834 - Undergrnd Strge - Maint Compres Sta Equip   | -          | 250,705   | - | 250,705    |
| (17) 835 - Undergrnd Strge - Maint Meas & Reg Sta E    | -          | -         | - | -          |
| (17) 836 - Undergrnd Strge - Maint Purification Equip  | -          | 5,467     | - | 5,467      |

|   |             |            |   |             |
|---|-------------|------------|---|-------------|
| (17) 837 - Undergrnd Strge-Maint Other Equipment        | -           | 14,704     | - | 14,704      |
| (17) 841 - Operating Labor & Expenses                   | -           | 333,611    | - | 333,611     |
| (17) 8432 - Maint Struc & Impro                         | -           | 450        | - | 450         |
| (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                      | -           | -          | - | -           |
| (17) SUBTOTAL   | 113,089,598 | 1,981,080  | - | 115,070,678 |
| <b>18 - TRANSMISSION EXPENSE</b>                        |             |            |   |             |
| (18) 560 - Transmission Oper Supv & Engineering         | 1,964,232   | -          | - | 1,964,232   |
| (18) 561 - Transmission Oper Load Dispatching           | -           | -          | - | -           |
| (18) 5611 - Transmission Oper Load Dispatching          | 93,326      | -          | - | 93,326      |
| (18) 5612 - Load Dispatch - Montr & Oper Trans System   | 2,567,154   | -          | - | 2,567,154   |
| (18) 5613 - Load Dispatch - Service and Scheduling      | 1,092,695   | -          | - | 1,092,695   |
| (18) 5615 - Reliability Planning & Standards            | 262,354     | -          | - | 262,354     |
| (18) 5616 - Transmission Svc Studies                    | 33,366      | -          | - | 33,366      |
| (18) 5617 Gen Intercnct Studies                         | 55,479      | -          | - | 55,479      |
| (18) 5618 - Reliability Planning                        | -           | -          | - | -           |
| (18) 562 - Transmission Oper Station Expense            | 1,090,644   | -          | - | 1,090,644   |
| (18) 563 - Transmission Oper Overhead Line Exp          | 471,534     | -          | - | 471,534     |
| (18) 566 - Transmission Oper Misc                       | 1,090,896   | -          | - | 1,090,896   |
| (18) 567 - Transmission Oper Rents                      | 90,097      | -          | - | 90,097      |
| (18) 568 - Transmission Maint Supv & Eng                | 124,457     | -          | - | 124,457     |
| (18) 569 - Transmission Maint Structures                | 683         | -          | - | 683         |
| (18) 5691 - Transmission Computer Hardware Maint        | 311         | -          | - | 311         |
| (18) 5692 - Maintenance of Computer Software            | 1,039,803   | -          | - | 1,039,803   |
| (18) 570 - Transmission Maint Station Equipment         | 3,954,963   | -          | - | 3,954,963   |
| (18) 571 - Transmission Maint Overhead Lines            | 7,418,188   | -          | - | 7,418,188   |
| (18) 572 - Transmission Maint Underground Lines         | 238,889     | -          | - | 238,889     |
| (18) 850 - Transmission Oper Supv & Engineering         | -           | -          | - | -           |
| (18) 856 - Transmission Oper Mains Expenses             | -           | 335        | - | 335         |
| (18) 857 - Transmission Oper Meas & Reg Sta Exp         | -           | -          | - | -           |
| (18) 862 - Transmission Maint Struct & Improvements     | -           | -          | - | -           |
| (18) 863 - Transmission Maint Supv & Eng                | -           | -          | - | -           |
| (18) 865 - Transm Maint of measur & regul station equip | -           | -          | - | -           |
| (18) 867 - Transmission Maint Other Equipment           | -           | -          | - | -           |
| (18) SUBTOTAL   | 21,589,071  | 335        | - | 21,589,406  |
| <b>19 - DISTRIBUTION EXPENSE</b>                        |             |            |   |             |
| (19) 580 - Distribution Oper Supv & Engineering         | 1,501,440   | -          | - | 1,501,440   |
| (19) 581 - Distribution Oper Load Dispatching           | 2,853,035   | -          | - | 2,853,035   |
| (19) 582 - Distribution Oper Station Expenses           | 1,782,714   | -          | - | 1,782,714   |
| (19) 583 - Distribution Oper Overhead Line Exp          | 4,225,052   | -          | - | 4,225,052   |
| (19) 584 - Distribution Oper Underground Line Exp       | 2,530,156   | -          | - | 2,530,156   |
| (19) 585 - Distribution Oper St Lighting & Signal       | 579,534     | -          | - | 579,534     |
| (19) 586 - Distribution Oper Meter Expense              | 1,949,762   | -          | - | 1,949,762   |
| (19) 587 - Distribution Oper Cust Installation          | 4,357,523   | -          | - | 4,357,523   |
| (19) 588 - Distribution Oper Misc Dist Exp              | 3,947,726   | -          | - | 3,947,726   |
| (19) 589 - Distribution Oper Rents                      | 862,882     | -          | - | 862,882     |
| (19) 590 - Distribution Maint Superv & Engineering      | -           | -          | - | -           |
| (19) 591 - Distribution Maint Structures                | 7,246       | -          | - | 7,246       |
| (19) 592 - Distribution Maint Station Equipment         | 2,758,666   | -          | - | 2,758,666   |
| (19) 593 - Distribution Maint Overhead Lines            | 38,069,571  | -          | - | 38,069,571  |
| (19) 594 - Distribution Maint Underground Lines         | 16,182,168  | -          | - | 16,182,168  |
| (19) 595 - Distribution Maint Line Transformers         | 251,934     | -          | - | 251,934     |
| (19) 596 - Distribution Maint St Lighting/Signal        | 2,295,109   | -          | - | 2,295,109   |
| (19) 597 - Distribution Maint Meters                    | 430,624     | -          | - | 430,624     |
| (19) 598 - Distribution Maint Misc Dist Plant           | -           | -          | - | -           |
| (19) 870 - Distribution Oper Supv & Engineering         | -           | 1,881,387  | - | 1,881,387   |
| (19) 871 - Distribution Oper Load Dispatching           | -           | 1,263,824  | - | 1,263,824   |
| (19) 874 - Distribution Oper Mains & Services Exp       | -           | 18,193,627 | - | 18,193,627  |

|   |                    |                    |                    |                    |
|---|--------------------|--------------------|--------------------|--------------------|
| (19) 875 - Distribution Oper Meas & Reg Sta Gen   | -                  | 2,372,350          | -                  | 2,372,350          |
| (19) 876 - Distribution Oper Meas & Reg Sta Indus | -                  | 129,631            | -                  | 129,631            |
| (19) 878 - Distribution Oper Meter & House Reg    | -                  | 5,952,776          | -                  | 5,952,776          |
| (19) 879 - Distribution Oper Customer Install Exp | -                  | 4,965,144          | -                  | 4,965,144          |
| (19) 880 - Distribution Oper Other Expense        | -                  | 3,874,184          | -                  | 3,874,184          |
| (19) 881 - Distribution Oper Rents Expense        | -                  | 181,806            | -                  | 181,806            |
| (19) 886 - Maint of Facilities and Structures     | -                  | 157,756            | -                  | 157,756            |
| (19) 887 - Distribution Maint Mains               | -                  | 6,685,206          | -                  | 6,685,206          |
| (19) 889 - Distribution Maint Meas & Reg Sta Gen  | -                  | 649,356            | -                  | 649,356            |
| (19) 890 - Distribution Maint Meas & Reg Sta Ind  | -                  | 608,957            | -                  | 608,957            |
| (19) 892 - Distribution Maint Services            | -                  | 3,123,439          | -                  | 3,123,439          |
| (19) 893 - Distribution Maint Meters & House Reg  | -                  | 745,623            | -                  | 745,623            |
| (19) 894 - Distribution Maint Other Equipment     | -                  | 1,120,665          | -                  | 1,120,665          |
| (19) SUBTOTAL                                     | 84,585,141         | 51,905,732         | -                  | 136,490,873        |
| <b>20 - CUSTOMER ACCTS EXPENSES</b>               |                    |                    |                    |                    |
| (20) 901 - Customer Accounts Supervision          | -                  | -                  | 280,927            | 280,927            |
| (20) 902 - Meter Reading Expense                  | 17,853,728         | 13,053,925         | 663,445            | 31,571,098         |
| (20) 903 - Customer Records & Collection Expense  | 2,893,157          | 1,229,094          | 29,954,745         | 34,076,997         |
| (20) 904 - Uncollectible Accounts                 | 20,289,821         | 6,426,738          | -                  | 26,716,558         |
| (20) 905 - Misc. Customer Accounts Expense        | -                  | -                  | -                  | -                  |
| (20) SUBTOTAL                                     | 41,036,706         | 20,709,757         | 30,899,118         | 92,645,581         |
| <b>21 - CUSTOMER SERVICE EXPENSES</b>             |                    |                    |                    |                    |
| (21) 908 - Customer Assistance Expense            | 15,866,197         | 6,480,293          | 1,616,429          | 23,962,918         |
| (21) 909 - Info & Instructional Advertising       | 1,449,022          | 205,281            | 1,206,288          | 2,860,592          |
| (21) 910 - Misc Cust Svc & Info Expense           | -                  | -                  | 254,896            | 254,896            |
| (21) 911 - Sales Supervision Exp                  | -                  | -                  | -                  | -                  |
| (21) 912 - Demonstration & Selling Expense        | 526,019            | 3,739              | -                  | 529,758            |
| (21) 913 - Advertising Expenses                   | -                  | -                  | -                  | -                  |
| (21) 916 - Misc. Sales Expense                    | -                  | -                  | -                  | -                  |
| (21) SUBTOTAL                                     | 17,841,238         | 6,689,313          | 3,077,613          | 27,608,164         |
| <b>22 - CONSERVATION AMORTIZATION</b>             |                    |                    |                    |                    |
| (22) 908 - Customer Assistance Expense            | 94,119,768         | 9,975,772          | -                  | 104,095,540        |
| (22) SUBTOTAL                                     | 94,119,768         | 9,975,772          | -                  | 104,095,540        |
| <b>23 - ADMIN &amp; GENERAL EXPENSE</b>           |                    |                    |                    |                    |
| (23) 920 - A & G Salaries                         | 3,708,964          | 1,809,442          | 37,278,898         | 42,797,304         |
| (23) 921 - Office Supplies and Expenses           | 543,074            | 513,068            | 6,179,780          | 7,235,921          |
| (23) 922 - Admin Expenses Transferred             | -                  | -                  | (287,268)          | (287,268)          |
| (23) 923 - Outside Services Employed              | 1,163,009          | 540,921            | 9,323,419          | 11,027,348         |
| (23) 924 - Property Insurance                     | 4,791,411          | 356,723            | 437,057            | 5,585,192          |
| (23) 925 - Injuries & Damages                     | 558,382            | 657,722            | 4,928,246          | 6,144,350          |
| (23) 926 - Emp Pension & Benefits                 | 20,718,862         | 9,428,758          | 11,291,155         | 41,438,774         |
| (23) 928 - Regulatory Commission Expense          | 6,843,404          | 2,152,569          | 1,337,913          | 10,333,885         |
| (23) 9301 - Gen Advertising Exp                   | -                  | -                  | 13,636             | 13,636             |
| (23) 9302 - Misc. General Expenses                | 2,490,780          | 517,122            | 2,000,169          | 5,008,070          |
| (23) 931 - Rents                                  | 206,431            | -                  | 10,413,490         | 10,619,921         |
| (23) 932 - Maint Of General Plant- Gas            | -                  | 823,537            | -                  | 823,537            |
| (23) 935 - Maint General Plant - Electric         | 471,153            | -                  | 16,868,489         | 17,339,642         |
| (23) SUBTOTAL                                     | 41,495,468         | 16,799,862         | 99,784,983         | 158,080,313        |
| <b>TOTAL OPERATING AND MAINTENANCE</b>            | <b>413,756,991</b> | <b>108,061,851</b> | <b>133,761,713</b> | <b>655,580,555</b> |

**DEPRECIATION, DEPLETION AND AMORTIZATION**

**24 - DEPRECIATION**

|   |             |             |            |             |
|---|-------------|-------------|------------|-------------|
| (24) 403 - Depreciation Expense           | 242,906,816 | 104,921,620 | 21,663,684 | 369,492,120 |
| (24) 4031 - Depreciation Expense - FAS143 | 948,654     | 454,693     | 65,176     | 1,468,524   |
| (24) SUBTOTAL                             | 243,855,470 | 105,376,313 | 21,728,860 | 370,960,644 |

**25 - AMORTIZATION**

|  |            |           |            |            |
|--|------------|-----------|------------|------------|
| (25) 404 - Amort Ltd-Term Plant                  | 9,938,480  | 2,315,624 | 30,086,143 | 42,340,247 |
| (25) 406 - Amortization Of Plant Acquisition Adj | 13,859,026 | -         | -          | 13,859,026 |
| (25) 4111 - Accretion Exp - FAS143               | 1,257,779  | 38,130    | 7,669      | 1,303,578  |
| (25) SUBTOTAL                                    | 25,055,284 | 2,353,754 | 30,093,812 | 57,502,851 |

**26 - AMORTIZ OF PROPERTY LOSS**

|   |                    |                    |                   |                    |
|---|--------------------|--------------------|-------------------|--------------------|
| (26) 407 - Amortization Of Prop. Losses               | 17,495,991         | -                  | -                 | 17,495,991         |
| (26) SUBTOTAL   | 17,495,991         | -                  | -                 | 17,495,991         |
| <b>27 - OTHER OPERATING EXPENSES</b>                  |                    |                    |                   |                    |
| (27) 4073 - Regulatory Debits                         | 50,352,083         | -                  | -                 | 50,352,083         |
| (27) 4074 - Regulatory Credits                        | (94,502,619)       | -                  | -                 | (94,502,619)       |
| (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      | (47,072)           | -                  | -                 | (47,072)           |
| (27) 414 - Other Utility Operating Income             | -                  | -                  | -                 | -                  |
| (27) SUBTOTAL   | (44,697,967)       | (45,370)           | -                 | (44,743,337)       |
| <b>28 - ASC 815</b>                                   |                    |                    |                   |                    |
| (28) 421 - FAS 133 Gain                               | 17,407,010         | -                  | -                 | 17,407,010         |
| (28) 4265 - FAS 133 Loss                              | 68,229,433         | -                  | -                 | 68,229,433         |
| (28) SUBTOTAL   | 85,636,444         | -                  | -                 | 85,636,444         |
| <b>TOTAL DEPRECIATION, DEPLETION AND AMORTIZATION</b> | <b>327,345,222</b> | <b>107,684,697</b> | <b>51,822,672</b> | <b>486,852,592</b> |

|  |                    |                    |                      |                    |
|--|--------------------|--------------------|----------------------|--------------------|
| <b>29 - TAXES OTHER THAN INCOME TAXES</b>  |                    |                    |                      |                    |
| (29) 4081 - Taxes Other-Util Income        | 203,985,266        | 101,247,577        | 5,088,313            | 310,321,157        |
| (29) SUBTOTAL                              | 203,985,266        | 101,247,577        | 5,088,313            | 310,321,157        |
| <b>30 - INCOME TAXES</b>                   |                    |                    |                      |                    |
| (30) 4081 - Montana Corp. License Taxes    | -                  | -                  | -                    | -                  |
| (30) 4091 - Montana Corp license Tax       | -                  | -                  | -                    | -                  |
| (30) 4091 - Fit-Util Oper Income           | -                  | -                  | -                    | -                  |
| (30) SUBTOTAL                              | 0                  | 0                  | -                    | -                  |
| <b>31 - DEFERRED INCOME TAXES</b>          |                    |                    |                      |                    |
| (31) 4101 - Def Fit-Util Oper Income       | 1,632,209,505      | 662,751,954        | 35,000               | 2,294,996,460      |
| (31) 4111 - Def Fit-Cr - Util Oper Income  | (1,517,738,350)    | (601,252,310)      | -                    | (2,118,990,661)    |
| (31) 4114 - Inv Tax Cr Adj-Util Operations | -                  | (2)                | -                    | (2)                |
| (31) SUBTOTAL                              | 114,471,155        | 61,499,642         | 35,000               | 176,005,797        |
| <b>NET OPERATING INCOME</b>                | <b>412,644,449</b> | <b>175,674,586</b> | <b>(190,707,698)</b> | <b>397,611,337</b> |

#### NON-OPERATING INCOME

##### 99 - OTHER INCOME

|  |              |             |              |              |
|--|--------------|-------------|--------------|--------------|
| (99) 4082 - Taxes Other - Other Income                         | 294,473      | -           | -            | 294,473      |
| (99) 4092 - Fit - Other Income                                 | -            | -           | 0            | -            |
| (99) 4102 - Def Fit - Other Income                             | -            | -           | (87,659,631) | (87,659,631) |
| (99) 4112 - Provision for Deferred FIT - Credit & Other Income | -            | -           | (27,835)     | (27,835)     |
| (99) 415 - Revenues From Merchandising And Jobbing             | -            | -           | (1,143,766)  | (1,143,766)  |
| (99) 416 - Expenses Of Merchandising And Jobbing               | -            | -           | 1,074,754    | 1,074,754    |
| (99) 417 - Revenues From Non-Utility Operations                | -            | -           | (13,964,522) | (13,964,522) |
| (99) 4171 - Merger Related Costs                               | -            | -           | -            | -            |
| (99) 4171 - Expenses of Non-Utility Operations                 | -            | -           | 16,633,573   | 16,633,573   |
| (99) 418 - Nonoperating Rental Income                          | -            | -           | -            | -            |
| (99) 4181 - Equity in Earnings of Subsidiaries                 | -            | -           | (1,899,754)  | (1,899,754)  |
| (99) 419 - Interest And Dividend Income                        | -            | -           | (5,619,834)  | (5,619,834)  |
| (99) 4191 - Allowance For Other Funds Used During Constructor  | (5,137,213)  | (1,272,433) | (592,593)    | (7,002,239)  |
| (99) 421 - Misc. Non-Operating Income                          | -            | -           | (1,710)      | (1,710)      |
| (99) 4211 - Gain On Disposition Of Property                    | (7,483,196)  | -           | -            | (7,483,196)  |
| (99) 4212 - Loss On Disposition Of Property                    | -            | -           | -            | -            |
| (99) 4213 - Misc. Non-Op Income - AFUDC(WUTC)                  | (633,459)    | -           | -            | (633,459)    |
| (99) 4214 - Misc. Non-Op Income - AFUCE                        | -            | -           | -            | -            |
| (99) 425 - Miscellaneous Amortization                          | 795          | -           | -            | 795          |
| (99) 4261 - Donations  | -            | -           | 32,754       | 32,754       |
| (99) 4262 - Life Insurance                                     | -            | -           | (2,942,394)  | (2,942,394)  |
| (99) 4263 - Penalties  | -            | -           | 335,499      | 335,499      |
| (99) 4264 - Expenses For Civic & Political Activities          | -            | -           | 5,650,148    | 5,650,148    |
| (99) 4265 - Other Deductions                                   | -            | -           | 6,038,549    | 6,038,549    |
| (99) SUBTOTAL  | (12,958,600) | (1,272,433) | (84,086,762) | (98,317,795) |
| <b>999 - INTEREST</b>  |              |             |              |              |
| (999) 427 - Interest On Long Term Debt                         | -            | -           | 225,414,534  | 225,414,534  |

|  |                    |                    |                      |                    |
|--|--------------------|--------------------|----------------------|--------------------|
| (999) 4271 - Interest on Preferred Stock             | -                  | -                  | -                    | -                  |
| (999) 428 - Amortization Of Debt Discount & Expenses | -                  | -                  | 3,165,817            | 3,165,817          |
| (999) 4281 - Amortization Of Loss On Required Debt   | 6,738              | 4,130              | 2,368,643            | 2,379,511          |
| (999) 429 - Amortization Of Premium On Debt-Cr       | -                  | -                  | -                    | -                  |
| (999) 4291 - Amortization Gain On Recquired Debt     | -                  | -                  | -                    | -                  |
| (999) 430 - Int on Debt to Assoc. Companies          | -                  | -                  | 181,681              | 181,681            |
| (999) 431 - Other Interest Expense                   | 31,115,269         | 384,363            | 2,285,120            | 33,784,752         |
| (999) 432 - Allowances For Borrowed Funds            | (4,316,783)        | (829,872)          | (464,426)            | (5,611,082)        |
| (999) SUBTOTAL                                       | 26,805,224         | (441,380)          | 232,951,368          | 259,315,212        |
| <i>9999 - EXTRAORDINARY ITEMS</i>                    |                    |                    |                      |                    |
| (9999) 4111 - Def Fit-Cr - Util Oper Income          |                    |                    |                      |                    |
| (9999) 435 - Extraordinary Deductions                |                    |                    |                      |                    |
| (9999) SUBTOTAL                                      |                    |                    |                      |                    |
| <b>TOTAL NON-OPERATING INCOME</b>                    | <b>13,846,624</b>  | <b>(1,713,813)</b> | <b>148,864,607</b>   | <b>160,997,418</b> |
| <b>NET INCOME</b>                                    | <b>398,797,825</b> | <b>177,388,399</b> | <b>(339,572,305)</b> | <b>236,613,919</b> |

**PUGET SOUND ENERGY**  
**ALLOCATION OF COMMON CHARGES**  
**FOR THE 12 MONTHS ENDED DECEMBER 31, 2014**

(Based on allocation factors developed for the 12 ME 12/31/2013)

| FERC Account and Description                     | Allocated Electric    | Allocated Gas        | Allocation Method [1] | Share (Allocated Electric / Common) | Share (Allocated Gas / Common) | Common                |
|--|-----------------------|----------------------|-----------------------|-------------------------------------|--------------------------------|-----------------------|
| <b>20 - CUSTOMER ACCTS EXPENSES</b>              |                       |                      |                       |                                     |                                |                       |
| (20) 901 - Customer Accounts Supervision         | \$ 164,034            | \$ 116,894           | 1                     | 58.39%                              | 41.61%                         | \$ 280,927            |
| (20) 902 - Meter Reading Expense                 | 414,520               | 248,925              | 2                     | 62.48%                              | 37.52%                         | \$ 663,445            |
| (20) 903 - Customer Records & Collection Expense | 17,490,576            | 12,464,170           | 1                     | 58.39%                              | 41.61%                         | \$ 29,954,745         |
| (20) 905 - Misc. Customer Accounts Expense       | 0                     | 0                    | 1                     | 58.39%                              | 41.61%                         | \$ -                  |
| <b>SUBTOTAL</b>                                  | <b>\$ 18,069,130</b>  | <b>\$ 12,829,988</b> |                       |                                     |                                | <b>\$ 30,899,118</b>  |
| <b>21 - CUSTOMER SERVICE EXPENSES</b>            |                       |                      |                       |                                     |                                |                       |
| (21) 908 - Customer Assistance Expense           | \$ 943,833            | \$ 672,596           | 1                     | 58.39%                              | 41.61%                         | \$ 1,616,429          |
| (21) 909 - Info & Instructional Advertising      | 704,352               | 501,936              | 1                     | 58.39%                              | 41.61%                         | \$ 1,206,288          |
| (21) 910 - Misc Cust Svc & Info Expense          | 148,834               | 106,062              | 1                     | 58.39%                              | 41.61%                         | \$ 254,896            |
| (21) 911 - Sales Supervision Exp                 | -                     | -                    | 1                     | 58.39%                              | 41.61%                         | \$ -                  |
| (21) 912 - Demonstration & Selling Expense       | -                     | -                    | 1                     | 58.39%                              | 41.61%                         | \$ -                  |
| (21) 913 - Advertising Expense                   | -                     | -                    | 1                     | 58.39%                              | 41.61%                         | \$ -                  |
| (21) 916 - Misc. Sales Expense                   | -                     | -                    | 1                     | 58.39%                              | 41.61%                         | \$ -                  |
| <b>SUBTOTAL</b>                                  | <b>\$ 1,797,018</b>   | <b>\$ 1,280,595</b>  |                       |                                     |                                | <b>\$ 3,077,613</b>   |
| <b>23 - ADMIN &amp; GENERAL EXPENSE</b>          |                       |                      |                       |                                     |                                |                       |
| (23) 920 - A & G Salaries                        | \$ 25,342,195         | \$ 11,936,703        | 4                     | 67.98%                              | 32.02%                         | \$ 37,278,898         |
| (23) 921 - Office Supplies and Expenses          | 4,201,014             | 1,978,765            | 4                     | 67.98%                              | 32.02%                         | \$ 6,179,780          |
| (23) 922 - Admin Expenses Transferred            | (195,285)             | (91,983)             | 4                     | 67.98%                              | 32.02%                         | \$ (287,268)          |
| (23) 923 - Outside Services Employed             | 6,338,060             | 2,985,359            | 4                     | 67.98%                              | 32.02%                         | \$ 9,323,419          |
| (23) 924 - Property Insurance                    | 267,741               | 169,316              | 3                     | 61.26%                              | 38.74%                         | \$ 437,057            |
| (23) 925 - Injuries & Damages                    | 2,877,603             | 2,050,643            | 1                     | 58.39%                              | 41.61%                         | \$ 4,928,246          |
| (23) 926 - Emp Pension & Benefits                | 7,711,859             | 3,579,296            | 5                     | 68.30%                              | 31.70%                         | \$ 11,291,155         |
| (23) 928 - Regulatory Commission Expense         | 909,513               | 428,400              | 4                     | 67.98%                              | 32.02%                         | \$ 1,337,913          |
| (23) 9301 - Gen Advertising Exp                  | 9,269                 | 4,366                | 4                     | 67.98%                              | 32.02%                         | \$ 13,636             |
| (23) 9302 - Misc. General Expenses               | 1,359,715             | 640,454              | 4                     | 67.98%                              | 32.02%                         | \$ 2,000,169          |
| (23) 931 - Rents                                 | 7,079,090             | 3,334,399            | 4                     | 67.98%                              | 32.02%                         | \$ 10,413,490         |
| (23) 932 - Maint Of General Plant- Gas           | -                     | -                    | 4                     | 67.98%                              | 32.02%                         | \$ -                  |
| (23) 935 - Maint General Plant - Electric        | 11,467,199            | 5,401,290            | 4                     | 67.98%                              | 32.02%                         | \$ 16,868,489         |
| <b>SUBTOTAL</b>                                  | <b>\$ 67,367,974</b>  | <b>\$ 32,417,009</b> |                       |                                     |                                | <b>\$ 99,784,983</b>  |
| <b>24 - DEPRECIATION/AMORTIZATION</b>            |                       |                      |                       |                                     |                                |                       |
| (24) 403 - Depreciation Expense                  | 14,726,972            | 6,936,712            | 4                     | 67.98%                              | 32.02%                         | \$ 21,663,684         |
| (24) 4031 - Depreciation Expense - FAS143        | 44,307                | 20,869               | 4                     | 67.98%                              | 32.02%                         | \$ 65,176             |
| <b>SUBTOTAL</b>                                  | <b>\$ 14,771,279</b>  | <b>\$ 6,957,581</b>  |                       |                                     |                                | <b>\$ 21,728,860</b>  |
| <b>25 - AMORTIZATION</b>                         |                       |                      |                       |                                     |                                |                       |
| (25) 404 - Amort Ltd-Term Plant                  | 20,452,560            | 9,633,583            | 4                     | 67.98%                              | 32.02%                         | \$ 30,086,143         |
| (25) 406 - Amortization Of Plant Acquisition Adj | -                     | -                    | 4                     | 67.98%                              | 32.02%                         | \$ -                  |
| (25) 4111 - Accretion Exp - FAS143               | 5,213                 | 2,456                | 4                     | 67.98%                              | 32.02%                         | \$ 7,669              |
| <b>SUBTOTAL</b>                                  | <b>\$ 20,457,774</b>  | <b>\$ 9,636,039</b>  |                       |                                     |                                | <b>\$ 30,093,812</b>  |
| <b>29 - TAXES OTHER THAN INCOME TAXES</b>        |                       |                      |                       |                                     |                                |                       |
| (29) 4081 - Taxes Other-Util Income              | \$ 3,459,035          | \$ 1,629,278         | 4                     | 67.98%                              | 32.02%                         | \$ 5,088,313          |
| <b>SUBTOTAL</b>                                  | <b>\$ 3,459,035</b>   | <b>\$ 1,629,278</b>  |                       |                                     |                                | <b>\$ 5,088,313</b>   |
| <b>30 - INCOME TAXES</b>                         |                       |                      |                       |                                     |                                |                       |
| (30) 4091 - Fit-Util Oper Income                 | \$ -                  | \$ -                 | 4                     | 67.98%                              | 32.02%                         | \$ -                  |
| <b>SUBTOTAL</b>                                  | <b>\$ -</b>           | <b>\$ -</b>          |                       |                                     |                                | <b>\$ -</b>           |
| <b>31 - DEFERRED INCOME TAXES</b>                |                       |                      |                       |                                     |                                |                       |
| (31) 4101 - Def Fit-Util Oper Income             | \$ 23,793             | \$ 11,207            | 4                     | 67.98%                              | 32.02%                         | \$ 35,000             |
| (31) 4111 - Def Fit-Cr - Util Oper Income        | -                     | -                    | 4                     | 67.98%                              | 32.02%                         | \$ -                  |
| <b>SUBTOTAL</b>                                  | <b>\$ 23,793</b>      | <b>\$ 11,207</b>     |                       |                                     |                                | <b>\$ 35,000</b>      |
| <b>GRAND TOTAL</b>                               | <b>\$ 125,946,002</b> | <b>\$ 64,761,696</b> |                       |                                     |                                | <b>\$ 190,707,698</b> |

| Allocation Method | Electric                             | Gas    |        |
|-------------------|--------------------------------------|--------|--------|
| 1                 | 12 Month Average number of Customers | 58.39% | 41.61% |
| 2                 | Joint Meter Reading Customers        | 62.48% | 37.52% |
| 3                 | Non-Production Plant                 | 61.26% | 38.74% |
| 4                 | 4-Factor Allocator                   | 67.98% | 32.02% |
| 5                 | Direct Labor                         | 68.30% | 31.70% |