Electric Commission Basis Report Cover Letter
December 31, 2015

Page 1.01

		Adjusted Results of Operations	Earnings Sharing	After Earnings Sharing
Restated Net Operating Income	a	$ 420,761,238	$ (7,398,943)	$ 413,362,295
Restated Rate Base	b	$ 5,224,753,571	$ -	$ 5,224,753,571
Normalized Overall Rate of Return	c=a/b	**8.05%**	**-0.14%**	**7.91%**
Restated Net Operating Income	d=a	$ 420,761,238	$ (7,398,943)	$ 413,362,295
Restated Interest Expense	e	$ 163,012,311		$ 163,012,311
Restated NOI less Restated Interest Exp	f=d-e	$ 257,748,926	$ (7,398,943)	$ 250,349,984
Restated Rate Base	g=b	$ 5,224,753,571	$ -	$ 5,224,753,571
Actual Equity Percent	h	48.15%		48.15%
Equity Rate Base	i=g*h	$ 2,515,718,844	$ -	$ 2,515,718,844
Restated Return on Actual Equity	j=f/i	**10.25%**	**-0.30%**	**9.95%**

Page 1.02

PUGET SOUND ENERGY, INC.

Utility Capital Structure
Cost of Capital and Rate of Return
For The 12 Months Ending December 31, 2015

(A)	(B)	(C)	(D)	(E)	
Description	**Amount (i)**	**Ratio**	**Cost**	**Weighted Cost of Capital**	
Short Term Debt	$53,886,027	0.72%	5.81%	0.04%	(A)
Long Term Debt	$3,805,121,532	51.13%	6.03%	3.08%	(A)
Common Stock	$3,583,713,207	48.15%	9.80%	4.72%	
Total	**$7,442,720,766**	**100.00%**		**7.84%**	

(i) - Average of Month-End Balances

			Total (A)	3.12%	

Page 1.03

Puget Sound Energy
Electric Earnings Sharing

Line No.	Description	Calculation	Source
	(a)	(b)	(c)
1	Restated Rate Base	$ 5,224,753,571	Electric Commission Basis Report pg 14 line 36
2	Threshold	7.77%	(Source: UE130137/UG130138)
3	Maximum Net Operating Income	$ 405,963,352	line 1 x line 2
4	Restated Net Operating Income	$ 420,761,238	Electric Commission Basis Report pg 14 line 34
5	Difference	$ 14,797,886	line 4 - line 3
6	Excess Earnings	$ 14,797,886	Greater of zero or line 5
7	Earnings Sharing Percentage	50%	UE-121697
8	After-Tax Earnings Sharing	$ 7,398,943	line 6 x line 7
9	Net to Gross Conversion Factor	0.620346	As Approved in ERF
10	Earnings Sharing for CY 2015	$ 11,927,123	line 8 / line 9

PUGET SOUND ENERGY

PERIODIC ALLOCATED RESULTS OF OPERATIONS

FOR THE 12 MONTHS ENDED DECEMBER 31, 2015

(Common cost is spread based on allocation factors developed for the 12 ME12/31/2015)

	Electric	Gas	Total Amount
1 - OPERATING REVENUES:			
2 - SALES TO CUSTOMERS	$ 2,066,412,206	$ 906,702,132	$ 2,973,114,337
3 - SALES FOR RESALE-FIRM	$ 325,565	$ -	325,565
4 - SALES TO OTHER UTILITIES	193,328,153	-	193,328,153
5 - OTHER OPERATING REVENUES	45,018,172	40,846,432	85,864,604
6 - TOTAL OPERATING REVENUES	$ 2,305,084,096	$ 947,548,564	$ 3,252,632,659
7			
8 - OPERATING REVENUE DEDUCTIONS:			
9			
10 - POWER COSTS:			
11 - FUEL	$ 249,907,364	$ -	$ 249,907,364
12 - PURCHASED AND INTERCHANGED	534,089,569	403,309,816	937,399,385
13 - WHEELING	110,658,354	-	110,658,354
14 - RESIDENTIAL EXCHANGE	(112,472,707)	-	(112,472,707)
15 - TOTAL PRODUCTION EXPENSES	$ 782,182,580	$ 403,309,816	$ 1,185,492,396
16			
17 - OTHER ENERGY SUPPLY EXPENSES	$ 117,539,552	$ 2,134,042	$ 119,673,595
18 - TRANSMISSION EXPENSE	19,801,305	-	19,801,305
19 - DISTRIBUTION EXPENSE	82,427,091	49,550,744	131,977,836
20 - CUSTOMER ACCTS EXPENSES	49,083,589	28,977,998	78,061,587
21 - CUSTOMER SERVICE EXPENSES	18,482,385	6,465,250	24,947,635
22 - CONSERVATION AMORTIZATION	100,343,072	10,522,856	110,865,928
23 - ADMIN & GENERAL EXPENSE	110,317,114	47,377,201	157,694,316
24 - DEPRECIATION	261,194,264	117,082,009	378,276,273
25 - AMORTIZATION	44,770,372	11,211,689	55,982,061
26 - AMORTIZ OF PROPERTY LOSS	20,604,866	-	20,604,866
27 - OTHER OPERATING EXPENSES	(4,059,001)	(45,370)	(4,104,371)
28 - FAS 133	(12,688,452)	-	(12,688,452)
29 - TAXES OTHER THAN INCOME TAXES	220,330,534	99,607,852	319,938,386
30 - INCOME TAXES	800	-	800
31 - DEFERRED INCOME TAXES	150,752,249	59,998,023	210,750,272
32 - TOTAL OPERATING REV. DEDUCT.	$ 1,961,082,322	$ 836,192,110	$ 2,797,274,432
NET OPERATING INCOME	**$ 344,001,774**	**$ 111,356,454**	**$ 455,358,227**

PUGET SOUND ENERGY
BALANCE SHEET
COMMISSION BASIS REPORT
As of December 31, 2015

FERC Account and Description	Dec-15	Dec 15 AMA
**UTILITY PLANT		
***Electric Plant		
101 Electric Plant in Service	9,088,280,487	8,999,197,449
102 Electric Plant Purchased or Sold	-	-
105 Electric Plant Held for Future Use	49,903,527	49,951,700
106 Comp.Construction Not Classfd.-Electric	35,067,732	26,971,201
107 Construction Work in Prog. - Electric	247,426,745	200,159,325
114 Electric Plant Acquisition Adjustments	282,791,675	282,791,675
Total Electric Plant	9,703,470,165	9,559,071,351
***Gas Plant		
101 Gas Plant in Service	3,315,161,396	3,241,857,015
105 Gas Plant Held for Future Use	6,138,775	6,116,654
106 Comp. Construction Not Classfd.- Gas	30,778,732	36,118,911
107 Construction Work in Progress - Gas	84,010,942	65,790,691
117.3 Gas Strd.in Resvr.& Pipln.-Noncurr.	8,654,564	8,654,564
Total Gas Plant	3,444,744,410	3,358,537,835
***Common Plant		
101 Plant in Service - Common	470,875,206	464,616,714
101.1 - Property under capital leases	378,231	3,977,738
106 Comp Construction Not Classfd. - Common	45,878	951,297
107 Construction Work in Progress - Common	77,357,379	44,357,639
Total Common Plant	548,656,694	513,903,389
***Accumulated Depreciation and Amortization		
108 Accumulated Provision for Depreciation	(4,793,383,292)	(4,659,196,008)
111 Accumulated Provision for Amortization	(124,309,224)	(121,592,792)
115 Accm.Prv.for Amort.of Plant Acquis.Adj.	(111,608,704)	(106,246,155)
Less: Accumulated Depr and Amortizat	(5,029,301,219)	(4,887,034,955)
**NET UTILITY PLANT	8,667,570,050	8,544,477,620
**OTHER PROPERTY AND INVESTMENTS		
***Other Investments		
121 Nonutility Property	3,759,918	4,366,687
122 Accm.Prov.for Depr.& Amort.Non-utilty P	398,836	(174,989)
123.1 Investment in Subsidiary Companies	29,897,623	29,735,809
124 Other Investments	50,595,598	50,744,389
***Total Other Investments	84,651,974	84,671,895
**TOTAL OTHER PROPERTY AND INVESTMENT	84,651,974	84,671,895
**CURRENT ASSETS		
***Cash		
131 Cash	39,443,112	18,078,849
134 Other Special Deposits	3,659,935	11,285,380
135 Working Funds	4,207,857	3,810,483
136 Temporary Cash Investments	-	39,083,333
***Total Cash	47,310,904	72,258,046

Page 2.02

PUGET SOUND ENERGY
BALANCE SHEET
COMMISSION BASIS REPORT
As of December 31, 2015

FERC Account and Description	Dec-15	Dec 15 AMA
***Restricted Cash	-	-
***Total Restricted Cash	-	-
***Accounts Receivable		
141 Notes Receivable	3,312,955	2,810,793
142 Customer Accounts Receivable	247,661,911	179,674,344
143 Other Accounts Receivable	70,009,510	84,049,415
146 Accounts Receiv.from Assoc. Companies	459,716	703,598
171 Interest and Dividends Receivable	-	-
173 Accrued Utility Revenues	217,273,664	151,729,025
185 Temporary Facilities	-	2,893
191 Unrecovered Purchased Gas Costs	(12,589,440)	(7,405,438)
***Total Accounts Receivable	526,128,317	411,564,630
***Allowance for Doubtful Accounts		
144 - Accumulated provision for uncollectible account cre	(9,755,943)	(9,626,179)
***Less: Allowance for Doubtful Accounts	(9,755,943)	(9,626,179)
***Materials and Supplies		
151 Fuel Stock	18,852,704	19,609,479
154 Plant Materials and Operating Supplies	74,041,849	78,896,779
156 Other Materials and Supplies	289,557	162,110
158.1 Carbon Allowances	4,083	33,010
163 Stores Expense Undistributed	4,198,466	5,115,349
164.1 Gas Stored - Current	38,129,091	36,485,293
164.2 Liquefied Natural Gas Stored	52,337	549,117
***Total Materials and Supplies	135,568,088	140,851,137
***Unrealized Gain-Derivative Instrumnts (ST)		
175 Invest in Derivative Instrumnts -Opt ST	24,418,315	15,813,387
176 Invest in Derivative Instrumnts-Gain ST	-	-
***Unrealized Gain on Derivatives (ST)	24,418,315	15,813,387
***Prepayments and Other Current Assets		
165 Prepayments	16,774,526	18,896,301
174 Misc.Current and Accrued Assets	-	7,232,655
186 Miscellaneous Deferred Debits	4,200	5,878
***Total Prepayments & Othr.Currt.Assets	16,778,725	26,134,834
Current Deferred Taxes		
Total Current Deferred Taxes	609,193,138	609,705,271
**TOTAL CURRENT ASSETS	1,349,641,544	1,266,701,125
**LONG-TERM ASSETS		
128 Qualified Pension Plan Funded Status	20,161,969	20,161,786
165 Long-Term Prepaid	9,700,672	4,490,952
165.8 Long-Term Prepaid Contra	(9,700,672)	(404,195)
165.9 Long-Term Prepaid	9,700,672	404,195
175 Invest in Derivative Instrumnts -Opt LT	5,225,474	3,472,977
176 Invest in Derivative Instrumnts-Gain LT	-	-
181 Unamortized Debt Expense	30,022,060	29,787,426
182.1 Extraordinary Property Losses	125,776,621	114,533,082

Page 2.02

PUGET SOUND ENERGY
BALANCE SHEET
COMMISSION BASIS REPORT
As of December 31, 2015

FERC Account and Description	Dec-15	Dec 15 AMA
182.2 Unrecovered Plant & Reg Study Costs	10,358,135	12,995,707
Subtotal WUTC AFUDC	52,197,238	52,795,463
182.3 Other Regulatory Assets	551,203,016	563,948,214
183 Prelm. Survey and Investigation Charges	-	8,354
184 Clearing Accounts	-	(316,074)
186 Miscellaneous Deferred Debits	244,822,111	247,012,417
187 Def.Losses from Dispos.of Utility Plant	543,918	528,399
189 Unamortized Loss on Reacquired Debt	44,984,231	40,871,672
**TOTAL LONG-TERM ASSETS	1,094,995,444	1,090,290,376
*TOTAL ASSETS	**$ 11,196,859,012**	**$ 10,986,141,015**
*CAPITALIZATION AND LIABILITIES		
**CURRENT LIABILITIES		
230 Asset Retirement Obligations	(352,791)	(2,109,379)
244 FAS 133 Opt Unrealized Loss ST	(131,420,314)	(130,498,641)
245 FAS 133 Unrealized Loss ST	-	(97,839)
231 Notes Payable	(159,004,000)	(40,625,167)
232 Accounts Payable	(284,129,757)	(242,269,037)
233 Notes Payable to Associated Companies	-	(13,260,860)
234 Accounts Payable to Asscted Companies	-	-
235 Customer Deposits	(30,018,551)	(26,799,653)
236 Taxes Accrued	(114,561,816)	(102,419,153)
237 Interest Accrued	(47,771,880)	(58,382,122)
238 Dividends Declared	-	-
241 Tax Collections Payable	(876,546)	(1,618,110)
242 Misc. Current and Accrued Liabilities	(20,571,463)	(27,568,698)
243 Obligations Under Cap.Leases - Current	(378,231)	(3,899,408)
**TOTAL CURRENT LIABILITIES	(789,085,348)	(649,548,066)
**DEFERRED TAXES		
***Reg. Liability for Def.Income Tax		
283 Accum.Deferred Income Taxes - Other	(71,485,315)	(77,444,185)
***Total Reg.Liab.for Def.Income Tax	(71,485,315)	(77,444,185)
***Deferred Income Tax		
255 Accum.Deferred Investment Tax Credits	-	-
282 Accum. Def. Income Taxes - Other Prop.	(1,797,521,701)	(1,740,848,737)
283 Accum.Deferred Income Taxes - Other	(298,343,340)	(289,005,868)
***Total Deferred Income Tax	(2,095,865,040)	(2,029,854,605)
**TOTAL DEFERRED TAXES	(2,167,350,355)	(2,107,298,789)
**OTHER DEFERRED CREDITS		
Subtotal 227 Oblig Under Cap Lease - Noncurr	-	(78,938)
Total Unrealized Loss on Derivatives -LT	(47,775,659)	(53,183,751)
228.2 Accum. Prov.for Injuries and Damages	(175,000)	(521,500)
228.3 Pension & Post Retirement Liabilities	(105,662,084)	(123,202,817)
228.4 Accum. Misc.Operating Provisions	(302,749,690)	(306,472,814)
229 Accum Provision for Rate Refunds	-	-
230 Asset Retirement Obligations (FAS 143)	(84,674,717)	(65,060,673)
252 Customer Advances for Construction	(70,204,450)	(69,614,747)

Page 2.02

PUGET SOUND ENERGY
BALANCE SHEET
COMMISSION BASIS REPORT
As of December 31, 2015

FERC Account and Description	Dec-15	Dec 15 AMA
253 Other Deferred Credits	(352,032,420)	(335,193,032)
254 Other Regulatory Liabilities	(138,764,099)	(129,228,450)
256 Def. Gains from Dispos.of Utility Plt	(3,420,721)	(1,693,256)
257 Unamortized Gain on Reacquired Debt	-	-
**TOTAL OTHER DEFERRED CREDITS	(1,105,458,840)	(1,084,249,978)
**CAPITALIZATION		
***SHAREHOLDER'S EQUITY		
****Common Equity		
201 Common Stock Issued	(859,038)	(859,038)
207 Premium on Capital Stock	(478,145,250)	(478,145,250)
211 Miscellaneous Paid-in Capital	(2,804,096,691)	(2,790,850,858)
214 Capital Stock Expense	7,133,879	7,133,879
215 Appropriated Retained Earnings	(14,048,059)	(12,518,426)
216 Unappropriated Retained Earnings	(209,018,228)	(214,326,764)
216.1 Unappr.Undistrib.Subsidiary Earnings	14,599,821	14,761,635
219 Other Comprehensive Income	149,548,979	162,774,839
433 Balance Transferred from Income	(304,188,836)	(168,132,338)
438 Dividends Declared - Common Stock	270,233,279	134,391,060
439 Adjustments to Retained Earnings	5,848,610	5,848,610
****Total Common Equity	(3,362,991,534)	(3,339,922,650)
***TOTAL SHAREHOLDER'S EQUITY	(3,362,991,534)	(3,339,922,650)
***REDEEMABLE SECURITIES AND LONG-TERM DEBT		
****Preferred Stock - Manditorily Redeemable Capital	-	-
****Total Preferred Stock - Mand Redeem	-	-
****Corporation Obligated, Mand Redeemable Preferred Stock Subscribed	-	-
****Corporation Obligated, Mand Redeem	-	-
****Long-term Debt		
221 Junior Subordinated Debt	(250,000,000)	(250,000,000)
221 Bonds	(3,523,860,000)	(3,556,318,333)
226 Unamort.Disct. on Long-term Debt-Debit	1,887,064	1,196,801
Long-term Debt	(3,771,972,936)	(3,805,121,532)
****Long-term Debt Total	(3,771,972,936)	(3,805,121,532)
***REDEEMABLE SECURITIES AND LTD	(3,771,972,936)	(3,805,121,532)
**TOTAL CAPITALIZATION	(7,134,964,469)	(7,145,044,182)
*TOTAL CAPITALIZATION AND LIABILITIES	**$ (11,196,859,012)**	**$ (10,986,141,015)**

Puget Sound Energy
Commission Basis Report
Electric Rate Base
December 31, 2015

Page 2.03

1	Account	Description	AMA 12/31/2015
3		**Rate Base**	
4	101 / 102 / 230XXXX1	Electric Plant in Service	$ 8,947,070,316
5	101 / 253XXXX3	Common Plant-Allocation to Electric	310,047,382
6	114XXXX1	Electric Plant Aquisition Adjustment	282,791,675
6a	18600001 / 451/ 461	Snoqualmie Deferral -UE-130559	8,813,742
6b	18600801 / 811/ 821	Baker Deferral - UE-131387	2,244,503
6c	1822XXX1	White River Deferred Plant Costs	30,506,661
6d	1823XXX1	White River Deferred Relicensing & CWIP	(5,071,528)
6e	16599011 &18232321	Prepaid Colstrip 1&2 WECo Coal Resrv Ded.	2,250,000
6f	18600531 / 671/ 691/791	Ferndale Deferral - UE-12843	19,588,498
6g	25300831	Hopkins II Wake Effect Settlement	-
6h	18230381/18230391	Goldendale Deferral -UE-070533	-
6i	18235521	Mint Farm Deferral	27,963,017
6j	1340xxxx	BPA Deposits	650,056
6k	18606XX	WHE Deferred Costs-UE-090704	-
6l	18231041	Prepaid Major Maint Sumas	-
6m	18230351	Chelan PUD Contract Initiation	134,271,739
6n	18220091	Upper Baker - Unrecovered Plant & Reg. Study Costs	361,902
6o	18232301 & 311 & 331	LSR Deposit Carry Charge & Deferral UE-100882	90,244,997
	18600531 &671 & 25301151	Ferndale Deferral Accounts	12,338,824
7	18230041	Colstrip Common FERC Adj - Reg Asset	21,589,277
8	18230051	Accum Amortization Colstrip-Common FERC	(16,429,792)
9	18230061	Colstrip Def Depr FERC Adj - Reg	1,247,047
10	18230071	BPA Power Exch Invstmt - Reg Asset	113,632,921
11	18230081	BPA Power Exch Inv Amortization - Reg Asset	(106,579,773)
12	18230031	Electric - Def AFUDC - Regulatory Asset	52,528,599
13	1861051	Capitalized OH	-
14	10500001	Electric - Plant Held for Future Use	49,951,700
15	10500003	Common Plant Held for Fut Use-Alloc to Electric	-
16	10600501	Electric - Const Completed Non Classified	20,170,869
16a	10600503	Common - Const Completed Non Classified	541,141
17	108XXXX1	Elec-Accum Depreciation	(3,335,377,763)
18	108XXXX3	Common Accum Depr-Allocation to Electric	(63,378,775)
19	111XXXX1	Elec-Accum Amortization	(28,121,006)
20	11100003	Common Accum Amort-Allocation to Electric	(59,262,578)
21	115XXXX1	Accum Amort Acq Adj - Electric	(106,246,155)
22	18230221	Accum Unamort Consrv Costs	(108,652,206)
23	19000041	CIAC after 10/8/76 - Accum Def Income Tax	-
24	19000051	CIAC - 1986 Changes - Accum Def Income Tax	-
25	19000061	CIAC - 7/1/87 - Accum Def Income Tax	-
26	19000093	Vacation Pay - Accum Def Inc Taxes	-
26a	19000121	Cabot Gas Contract - Accum Def Inc Taxe	-
26b	19000151	DFIT - Westcoast Capacity Assignment - Electric	457,531
26c	19000711	DFIT- BNP Electric	627,231
27	19000191	RB-Consv Pre91 Tax Settlmt - Accum Def Inc Tax	-
27.1	19000701	DFFIT SSCM INT - ELEC	-
28	235XXXX1	Customer Deposits - Electric	(4,590,716)
28a	23500003	Customer Deposits - Common	(15,193,119)
29	25400081	Residential Exchange	-
29.1	25400191& 25400201	Westcoast Pipeline Capacity Regulatory Liabilities	(3,099,320)
30	252XXXX1	Cust Advances for Construction	(48,944,983)
31	28200101	Major Projects - Property Tax Expense	-
32	28200111	Def Inc Tax - Pre 1981 Additions	-
33	28200121, 161/28300341	Def Inc Tax - Post 1980 Additions	(1,218,917,842)
34	28200131	Colstrip 3 & 4 Deferred Inc Tax	-
35	28200141	Excess Def Taxes - Centralia Sale	-
35-1	28200151	Def FIT Indirect Cost Adj - Electric	-
35a	283XXXXX	Electric Portion of Common Deferred Taxes	(26,340,572)
35a2	19000433	NOL Carryforward	101,129,433
36	28300161	Def Inc Tax - Energy Conservation & FAS 133	-
37	28300261	Def FIT Bond Redemption Costs	-
37a	28300091	Accum Def Inc Tax - Snoqualmie	(3,084,810)

Puget Sound Energy
Commission Basis Report
Electric Rate Base
December 31, 2015

Page 2.03

1	Account	Description	AMA 12/31/2015
37b	28300741	Accum Def Inc Tax - Baker	(785,576)
37c	28300011	Def FIT - White River Water Right	(8,902,297)
37d	28300731	Accum Def Inc Tax - Ferndale	(6,855,974)
37e	28300431	Deferred Taxes WNP#3	(2,276,092)
37f	19000441	Deferred FIT FAS 143 Whitehorn 2 &3	5,006,466
37g	19000553	Common DFIT Summit Purchase Opt Buyout - Elec	179,522
37h	19000561	Def FIT - Wind Loss Settlement Agreemen	-
37i	28300541 \ 28300551	DFIT Goldendale Deferral -UE-070533	(4,318,589)
37j	28300601\28300611\2830066	DFIT Mint Fam Costs-UE-090704	(9,787,056)
37k	28300631\28300641\2830067	DFIT Wild Horse Costs-UE-090704	-
37l	28300561	DFIT - Interest Chelan PUD Reg Asset	(15,080,750)
37m	28300081 & 28300721	DFIT BPA Prepayment & LSR	(6,593,174)
38	124001X1	Conservation Rate Base	-
39	18230181	1995 Conservation Trust Rate Base	-
40			-
41	Working Capital- Rate Base		$ 194,511,983
42	Rate Base		$ 5,226,826,587
43			
44			
45			
46	Gross Utility Plant in Service		9,610,573,083
47	Less Accum Dep and Amort		(3,592,386,276)
48	Deferred Debits and Credits		278,399,164
49	Deferred Taxes		(1,195,542,548)
50	Allowance for Working Capital		194,511,983
51	Customer Deposits/Advances		(68,728,818)
52	Total Rate Base		5,226,826,587

Puget Sound Energy
Commission Basis Report
Combined Working Capital
December 31, 2015

Page 2.04

Line No.	Description	AMA 12/31/2015
1	**Average Invested Capital**	
2	Common Stock	$ 859,038
3	Preferred Stock	-
4	Additional Paid in Capital	3,261,370,654
5	Unamortized Debt Expense	(24,621,463)
6	Unappropriated Retained Earnings	303,506,300
7	Notes Payable - Misc	-
8	Long Term Debt	3,805,121,532
9	Short Term Debt	53,886,027
10	Accumulated Deferred ITC	-
11	Treasury Grants	172,070,436
12	Deferred Debits-Other	(69)
13	Unamortized Gain/Loss on Debt	(40,871,672)
14	Total Average Invested Capital	7,531,320,783
15		
16	**Average Operating Investments - Electric**	
17		
18	Plant in Service (includes acquisition adj)	9,250,032,860
19	Electric Future Use Property	49,951,700
20	Customer Advances for Construction	(48,944,983)
21	Customer Deposits	(19,783,835)
22	Deferred Taxes	(1,035,426,186)
23	Deferred Debits/Credits - Other	214,464,509
24	Less: Accumulated Depreciation	(3,469,744,923)
25	Conservation Investment	(108,652,206)
26	Common Plant-Allocation to Electric	310,588,523
27	Common Accum Depr-Allocation to Electric	(122,641,352)
28	Common Deferred Taxes-Allocation to Electric	(26,161,050)
29	NOL Carryforward	101,129,433
30	Total Average Operating Investment - Electric	5,094,812,490
31		
32	**Average Operating Investments - Gas**	
33		
34	Gas Utility Plant in Service	3,276,648,418
35	Deferred Items - Other	79,966,168
36	Gas Stored Underground, Non-Current	8,654,564
37	Gas Accumulated Depreciation	(1,238,016,018)
38	Gas Customer Advances for Construction	(20,669,764)
39	Gas Customer Deposits	(7,015,797)
40	DFIT 17	(502,100,019)
41	PGA	(7,405,438)
42	Common Plant-Allocation to Gas	143,421,889
43	Common Accumulated Depreciation-Allocation to Gas	(56,632,661)
44	Common Deferred Tax	(12,080,508)
45	NOL Carryforward	24,995,234
46	Total Average Operating Investment - Gas	1,689,766,068
47		
48	Total Electric & Gas Operating Investment	6,784,578,559
49		
50	**Construction Work in Progress**	
51		
52	Elec Construction Work in Process	230,504,386
53	Gas Construction Work in Process	79,803,269
54	Other Work in Process	1,078,809
55	Electric Preliminary Surveys	8,354

Puget Sound Energy
Commission Basis Report
Combined Working Capital
December 31, 2015

Line No.	Description	AMA 12/31/2015
56	Total Construction Work in Progress	311,394,818
57		
58	**Nonoperating**	
59		
60	Non-Utility Property	4,191,697
61	Investment in Associated Companies	30,360,469
62	Other Investments & FAS 133	(48,058,778)
63	Deferred Items-Other	195,272,485
64	Deferred Federal Income Tax	(14,972,837)
65	Investment Tracking Funds	2,978,048
66	Environmental Receivables	-
67	Current Accounts - Gas Allocation only	-
68	Merchandising Inventory - Gas Only	67,537
69	Total Non Operatting Investment	169,838,621
70		
71	Total CWIP & Nonoperating Investment	481,233,439
72		
73	Total Average Investments	7,265,811,998
74	Rounding	
75	Total Investor Supplied Capital	**$ 265,508,785**
Allocation of Working Capital		
	Electric Working Captial	
	Total Investment	$ 7,265,811,998
	Less: Electric CWIP	$ (230,504,386)
	Less: Gas	$ (79,803,269)
	Interest Bearing Regulatory Assets	
	Other Work in Progress	(1,078,809)
	Preliminary Surveys	(8,354)
	Total	6,954,417,180
	Electric Working Capital Ratio	3.8178%
	Electric Working Capital	$ 194,511,983
	Gas Working Capital	
	Total Investment	7,265,811,998
	Less: Electric CWIP	(230,504,386)
	Less: Gas CWIP	(79,803,269)
	Interest Bearing Regulatory Assets	
	Other Work in Progress	(1,078,809)
	Preliminary Surveys	(8,354)
	Total	6,954,417,180
	Gas Working Capital Ratio	3.8178%
	Gas Working Capital	$ 64,512,629
	Non Operating Working Capital	$ 6,484,173

Page 2.05

PUGET SOUND ENERGY-ELECTRIC & GAS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2015
ALLOCATION METHODS

Method		Description		Electric	Gas	Total
1	*	**12 Month Average Number of Customers**	12/31/2015	1,103,635	795,013	1,898,648
		Percent		**58.13%**	**41.87%**	100.00%
2	*	**Joint Meter Reading Customers**	12/31/2015	744,988	443,615	1,188,603
		Percent		**62.68%**	**37.32%**	100.00%
3	*	**Non-Production Plant**				
		Distribution	12/31/2015	3,427,911,734	3,170,129,548	6,598,041,282
		Transmission	12/31/2015	1,353,650,227	-	1,353,650,227
		Direct General Plant	12/31/2015	215,105,516	32,505,652	247,611,168
		Total		$ 4,996,667,477	$ 3,202,635,200	$ 8,199,302,677
		Percent		**60.94%**	**39.06%**	100.00%
4	*	**4-Factor Allocator**				
		Number of Customers	12/31/2015	1,103,635	795,013	1,898,648
		Percent		58.13%	41.87%	100.00%
		Labor - Direct Charge to O&M	12/31/2015	53,594,846	22,414,610	76,009,456
		Percent		70.51%	29.49%	100.00%
		T&D O&M Expense (Less Labor)	12/31/2015	70,238,565	28,233,694	98,472,260
		Percent		71.33%	28.67%	100.00%
		Net Classified Plant (Excluding General (Common) Plant)	12/31/2015	5,583,571,547	1,996,524,045	7,580,095,592
		Percent		73.66%	26.34%	100.00%
		Total Percentages		273.63%	126.37%	400.00%
		Percent		**68.41%**	**31.59%**	100.00%
5	*	**Employee Benefits**				
		Direct Labor Accts 500-935	12/31/2015	59,153,762	25,364,270	84,518,032
		Total		$ 59,153,762	$ 25,364,270	$ 84,518,032
		Percent		**69.99%**	**30.01%**	100.00%

Page 1 Summary

PUGET SOUND ENERGY-ELECTRIC
RESULTS OF OPERATIONS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2015
COMMISSION BASIS REPORT

LINE NO.		ACTUAL RESULTS OF OPERATIONS	TOTAL ADJUSTMENTS	RESTATED RESULTS OF OPERATIONS
1	OPERATING REVENUES:			
2	SALES TO CUSTOMERS	$ 2,066,412,206	$ (59,358,843)	$ 2,007,053,362
3	SALES FROM RESALE-FIRM	325,565	5,744	331,309
4	SALES TO OTHER UTILITIES	193,328,153	-	193,328,153
5	OTHER OPERATING REVENUES	45,018,172	24,445,120	69,463,292
6	TOTAL OPERATING REVENUES	2,305,084,096	(34,907,980)	2,270,176,116
7				
8	OPERATING REVENUE DEDUCTIONS:			
9				
10	POWER COSTS:			
11	FUEL	$ 249,907,364	$ 85,895	$ 249,993,259
12	PURCHASED AND INTERCHANGED	534,089,569	2,417,086	536,506,655
13	WHEELING	110,658,354	-	110,658,354
14	RESIDENTIAL EXCHANGE	(112,472,707)	112,472,707	-
15	TOTAL PRODUCTION EXPENSES	782,182,580	114,975,688	897,158,269
16				
17	OTHER POWER SUPPLY EXPENSES	$ 117,539,552	$ -	$ 117,539,552
18	TRANSMISSION EXPENSE	19,801,305	-	19,801,305
19	DISTRIBUTION EXPENSE	82,427,091	-	82,427,091
20	CUSTOMER ACCOUNT EXPENSES	49,083,589	(1,028,508)	48,055,081
21	CUSTOMER SERVICE EXPENSES	18,482,385	(16,336,954)	2,145,431
22	CONSERVATION AMORTIZATION	100,343,072	(100,300,523)	42,549
23	ADMIN & GENERAL EXPENSE	110,317,114	(627,092)	109,690,022
24	DEPRECIATION	261,194,264	(188,181)	261,006,083
25	AMORTIZATION	44,770,372	-	44,770,372
26	AMORTIZ OF PROPERTY GAIN/LOSS	20,604,866	-	20,604,866
27	OTHER OPERATING EXPENSES	(4,059,001)	14,013,283	9,954,282
28	ASC 815	(12,688,452)	12,688,452	-
29	TAXES OTHER THAN F.I.T.	220,330,534	(130,111,668)	90,218,866
30	FEDERAL INCOME TAXES	800	124,305,766	124,306,566
31	DEFERRED INCOME TAXES	150,752,249	(129,057,706)	21,694,542
32	TOTAL OPERATING REV. DEDUCT.	$ 1,961,082,322	$ (111,667,444)	$ 1,849,414,878
33				
34	NET OPERATING INCOME	$ 344,001,774	$ 76,759,464	$ 420,761,238
35				
36	RATE BASE	$ 5,226,826,587	$ (2,073,017)	$ 5,224,753,571
37				
38	RATE OF RETURN	6.58%		8.05%
39				
40	RATE BASE:			
41	GROSS UTILITY PLANT IN SERVICE	$ 9,610,573,083	$ (4,539,303)	$ 9,606,033,780
42	ACCUMULATED DEPRECIATION	(3,592,386,276)	1,436,902	(3,590,949,374)
43	DEFERRED DEBITS	278,399,164	-	278,399,164
44	DEFERRED TAXES	(1,195,542,548)	1,029,384	(1,194,513,164)
45	ALLOWANCE FOR WORKING CAPITAL	194,511,983	-	194,511,983
46	OTHER	(68,728,818)	-	(68,728,818)
47	TOTAL RATE BASE	$ 5,226,826,587	$ (2,073,017)	$ 5,224,753,571

Summary 2

PUGET SOUND ENERGY-ELECTRIC
STATEMENT OF OPERATING INCOME AND ADJUSTMENTS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2015
COMMISSION BASIS REPORT

LINE NO.		ACTUAL RESULTS OF OPERATIONS 12 ME DEC 31, 2015	TEMPERATURE NORMALIZATION 3.01	REVENUE & EXPENSE 3.02	POWER COSTS 3.03	FEDERAL INCOME TAX 3.04	TAX BENEFIT OF RESTATED INTEREST 3.05	PASS-THROUGH REV & EXP 3.06	RATE CASE EXPENSES 3.07	BAD DEBTS 3.08
1	OPERATING REVENUES									
2	SALES TO CUSTOMERS	$ 2,066,412,206	$ 19,348,587	$ 58,772,538	$ -	$ -	$ -	$ (137,479,968)		$ -
3	SALES FROM RESALE-FIRM	325,565	5,744							
4	SALES TO OTHER UTILITIES	193,328,153			-					
5	OTHER OPERATING REVENUES	45,018,172		21,834,938	-			2,610,181		
6	TOTAL OPERATING REVENUES	$ 2,305,084,096	$ 19,354,331	$ 80,607,476	$ -	$ -	$ -	$ (134,869,787)		$ -
7										
8	OPERATING REVENUE DEDUCTIONS:									
9										
10	POWER COSTS:									
11	FUEL	$ 249,907,364	$ -	$ -	$ 85,895	$ -	$ -	$ -		$ -
12	PURCHASED AND INTERCHANGED	534,089,569			4,638,404			(2,221,318)		
13	WHEELING	110,658,354			-					
14	RESIDENTIAL EXCHANGE	(112,472,707)						112,472,707		
15	TOTAL PRODUCTION EXPENSES	$ 782,182,580	$ -	$ -	$ 4,724,299	$ -	$ -	$ 110,251,390		$ -
16										
17	OTHER POWER SUPPLY EXPENSES	$ 117,539,552	$ -	$ -		$ -	$ -			$ -
18	TRANSMISSION EXPENSE	19,801,305								-
19	DISTRIBUTION EXPENSE	82,427,091								-
20	CUSTOMER ACCTS EXPENSES	49,083,589	123,500	514,356				(843,284)		(848,725)
21	CUSTOMER SERVICE EXPENSES	18,482,385						(16,336,954)		
22	CONSERVATION AMORTIZATION	100,343,072						(100,300,523)		
23	ADMIN & GENERAL EXPENSE	110,317,114	38,709	161,215				(330,032)	507,476	
24	DEPRECIATION	261,194,264								
25	AMORTIZATION	44,770,372								
26	AMORTIZ OF PROPERTY GAIN/LOSS	20,604,866								
27	OTHER OPERATING EXPENSES	(4,059,001)		8,223,236				5,790,046		
28	FAS 133	(12,688,452)								
29	TAXES OTHER THAN F.I.T.	220,330,534	744,890	3,102,340				(133,928,188)		
30	FEDERAL INCOME TAXES	800	6,456,531	24,012,215	(1,653,505)	151,707,507	(57,054,309)	289,716	(177,617)	297,054
31	DEFERRED INCOME TAXES	150,752,249				(124,616,748)				
32	TOTAL OPERATING REV. DEDUCT.	$ 1,961,082,322	$ 7,363,630	$ 36,013,363	$ 3,070,794	$ 27,090,759	$ (57,054,309)	$ (135,407,830)	$ 329,859	$ (551,671)
33										
34	NET OPERATING INCOME	$ 344,001,774	$ 11,990,701	$ 44,594,114	$ (3,070,794)	$ (27,090,759)	$ 57,054,309	$ 538,043	$ (329,859)	$ 551,671
35										
36	RATE BASE	$ 5,226,826,587	$ -	$ -	$ -	$ -	$ -			$ -
37										
38	RATE OF RETURN	6.58%								
39										
40	RATE BASE:									
41	GROSS UTILITY PLANT IN SERVICE	$ 9,610,573,083	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
42	ACCUMULATED DEPRECIATION	$ (3,592,386,276)								
43	DEFERRED DEBITS	278,399,164								
44	DEFERRED TAXES	(1,195,542,548)								
45	ALLOWANCE FOR WORKING CAPITAL	194,511,983								
46	OTHER	(68,728,818)								
47	TOTAL RATE BASE	$ 5,226,826,587	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

Summary 3

PUGET SOUND ENERGY-ELECTRIC
STATEMENT OF OPERATING INCOME AND ADJUSTMENTS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2015
COMMISSION BASIS REPORT

LINE NO.		INCENTIVE PAY 3.09	EXCISE TAX & FILING FEE 3.10	D&O INSURANCE 3.11	MONTANA ENERGY TAX 3.12	INTEREST ON CUST DEPOSITS 3.13	ASC 815 3.14	PENSION PLAN 3.15	INJURIES & DAMAGES 3.16	WILD HORSE SOLAR 3.17	TOTAL ADJUSTMENTS
1	OPERATING REVENUES										
2	SALES TO CUSTOMERS		$ -	$ -	$ -	$ -	$ -	$ -			$ (59,358,843)
3	SALES FROM RESALE-FIRM										5,744
4	SALES TO OTHER UTILITIES										-
5	OTHER OPERATING REVENUES										24,445,120
6	TOTAL OPERATING REVENUES		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (34,907,980)
7											
8	OPERATING REVENUE DEDUCTIONS:										
9											
10	POWER COSTS:										
11	FUEL		$ -	$ -	$ -	$ -	$ -	$ -			$ 85,895
12	PURCHASED AND INTERCHANGED										2,417,086
13	WHEELING										-
14	RESIDENTIAL EXCHANGE										112,472,707
15	TOTAL PRODUCTION EXPENSES	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 114,975,688
16											
17	OTHER POWER SUPPLY EXPENSES		$ -	$ -	$ -	$ -	$ -	$ -			$ -
18	TRANSMISSION EXPENSE										-
19	DISTRIBUTION EXPENSE										-
20	CUSTOMER ACCTS EXPENSES					25,645					(1,028,508)
21	CUSTOMER SERVICE EXPENSES										(16,336,954)
22	CONSERVATION AMORTIZATION										(100,300,523)
23	ADMIN & GENERAL EXPENSE	377,217	(100,011)	(17,546)				(1,256,099)	(8,022)		(627,092)
24	DEPRECIATION									(188,181)	(188,181)
25	AMORTIZATION										-
26	AMORTIZ OF PROPERTY GAIN/LOSS										-
27	OTHER OPERATING EXPENSES										14,013,283
28	ASC 815						12,688,452				12,688,452
29	TAXES OTHER THAN F.I.T.	30,219	-		(60,929)						(130,111,668)
30	FEDERAL INCOME TAXES	(142,603)	35,004	6,141	21,325			439,635	2,808	65,863	124,305,766
31	DEFERRED INCOME TAXES						(4,440,958)				(129,057,706)
32	TOTAL OPERATING REV. DEDUCT.	$ 264,833	$ (65,007)	$ (11,405)	$ (39,604)	$ 25,645	$ 8,247,494	$ (816,464)	$ (5,214)	$ (122,317)	$ (111,667,444)
33											
34	NET OPERATING INCOME	$ (264,833)	$ 65,007	$ 11,405	$ 39,604	$ (25,645)	$ (8,247,494)	$ 816,464	$ 5,214	$ 122,317	$ 76,759,464
35											
36	RATE BASE	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (2,073,017)	$ (2,073,017)
37											
38	RATE OF RETURN										
39											
40	RATE BASE:										
41	GROSS UTILITY PLANT IN SERVICE	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (4,539,303)	$ (4,539,303)
42	ACCUMULATED DEPRECIATION									$ 1,436,902	1,436,902
43	DEFERRED DEBITS										-
44	DEFERRED TAXES									1,029,384	1,029,384
45	ALLOWANCE FOR WORKING CAPITAL										-
46	OTHER										-
47	TOTAL RATE BASE	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (2,073,017)	$ (2,073,017)

PAGE 3.01

PUGET SOUND ENERGY-ELECTRIC
TEMPERATURE NORMALIZATION
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2015
COMMISSION BASIS REPORT

LINE NO.	DESCRIPTION							
1	TEMPERATURE NORMALIZATION ADJUSTMENT:							
2		ACTUAL	TEMP ADJ	KWH		ADJ FOR LOSSES		
3		GPI KWH	GPI KWH	CHANGE		6.9% or 7.3%		
4	Jan-15	2,169,780,309	2,253,424,687	83,644,378		77,872,916		
5	Feb-15	1,799,267,978	1,935,602,562	136,334,584		126,927,498		
6	Mar-15	1,896,815,980	1,983,337,869	86,521,889		80,551,879		
7	Apr-15	1,745,628,460	1,765,436,824	19,808,364		18,441,587		
8	May-15	1,632,475,882	1,655,419,544	22,943,662		21,360,550		
9	Jun-15	1,659,643,808	1,627,622,985	(32,020,823)		(29,811,387)		
10	Jul-15	1,771,296,918	1,715,012,774	(56,284,144)		(52,400,538)		
11	Aug-15	1,698,106,531	1,668,169,143	(29,937,388)		(27,871,708)		
12	Sep-15	1,583,486,214	1,587,038,301	3,552,087		3,292,785		
13	Oct-15	1,709,553,137	1,766,399,581	56,846,444		52,696,654		
14	Nov-15	2,071,074,561	2,035,463,340	(35,611,221)		(33,011,602)		
15	Dec-15	2,293,718,205	2,346,983,827	53,265,622		49,377,232		
16		22,030,847,983	22,339,911,438	309,063,455		287,425,865		
17								
18	REVENUE Schedule 7			267,287,851		18,127,462		
19	Schedule 24			13,564,036		848,444		
20	Schedule 25			5,243,777		326,720		
21	Schedule 26			(2,873,248)		(184,699)		
22	Schedule 29			(215,187)		(13,407)		
23	Schedule 31			(776,109)		(45,183)		
24	Schedule 43			4,772,905		272,591		
25	Schedule 40			258,383		16,659		
26	Firm Resale			163,457		5,744		
27	INCREASE (DECREASE) SALES TO CUSTOMERS			287,425,865	$	19,354,331	$	19,354,331
28				-				
29	UNCOLLECTIBLES @			0.0063810	$	123,500		
30	ANNUAL FILING FEE @			0.0020000		38,709		
31	INCREASE (DECREASE) EXPENSE							162,209
32								
33	STATE UTILITY TAX @			0.0384870	$	744,890		
34	INCREASE (DECREASE) TAXES OTHER							744,890
35								
36	INCREASE (DECREASE) OPERATING INCOME							18,447,232
37								
38	INCREASE (DECREASE) FIT @			35%				6,456,531
39	INCREASE (DECREASE) NOI						$	11,990,701

-

PAGE 3.02

PUGET SOUND ENERGY-ELECTRIC
REVENUE & EXPENSE RESTATING
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2015
COMMISSION BASIS REPORT

LINE NO.	DESCRIPTION		AMOUNT	ADJUSTMENT
1	SALES TO CUSTOMERS:			
2	REMOVED MERGER RATE CREDIT SCH 132		$ 6,127,575	
3	DECOUPLING DEFERRAL CORRECTION (1)		9,020,794	
4	REMOVE TEST YEAR EARNINGS SHARING ACCRUAL		12,814,144	
5	REMOVE SCHEDULE 95A TREASURY GRANTS		52,644,964	
6				
7	INCREASE (DECREASE) SALES TO CUSTOMERS		80,607,476	
8				
9	INCREASE (DECREASE) REVENUES			$ 80,607,476
10				
11	UNCOLLECTIBLES @	0.0063810	$ 514,356	
12	ANNUAL FILING FEE @	0.0020000	161,215	
13	INCREASE (DECREASE) EXPENSE			675,571
14				
15	STATE UTILITY TAX @	0.0384870	$ 3,102,340	
16	INCREASE (DECREASE) TAXES OTHER			3,102,340
17				
18				
19				
20	OTHER OPERATING EXPENSES:			
21	REMOVE SCHEDULE 95A TREASURY GRANTS			
22	AMORTIZATION OF INTEREST AND GRANTS		38,177,690	
23	REMOVE ACCRUAL FOR FUTURE PTC LIABILITY			
24	(ACTUAL PTC'S REMOVED IN FIT ADJUSTMENT NO. 3.04)		(29,954,454)	
25	INCREASE (DECREASE) OPERATING EXPENSES			8,223,236
26				
27	INCREASE (DECREASE) OPERATING INCOME BEFORE FIT			68,606,329
28				
29	INCREASE (DECREASE) FIT @	35%		24,012,215
30				
31	INCREASE (DECREASE) NOI			$ 44,594,114
32				
33	(1) Adjustment relates to a correction that was booked in the 1st quarter of 2015 following the requested treatment in PSE's Motion			
34	to Amend Order No. 07 in UE-121697 & UG-121705 and in PSE's Schedule 142 filing made March 31, 2015. The adjustment			
35	relates to 2014 activity. Therefore, under WAC 480-100-257 (2) (b), PSE is making this material out-of-period adjustment to 2015			
36	results to remove activity related to a prior period.			

PAGE 3.03

PUGET SOUND ENERGY-ELECTRIC
POWER COSTS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2015
COMMISSION BASIS REPORT

LINE NO.	DESCRIPTION	ACTUAL	RESTATED	INCREASE (DECREASE)
1	PRODUCTION EXPENSES:			
2	FUEL	$ 249,907,364	$ 249,993,259	$ 85,895
3	PURCHASED AND INTERCHANGED	534,089,569	538,727,973	4,638,404
4	WHEELING	110,658,354	110,658,354	-
5	SALES TO OTHER UTILITIES	(193,328,153)	(193,328,153)	-
6	PURCHASES/SALES OF NON-CORE GAS & OTHER REV	15,489,205	15,489,205	-
7	SUBTOTAL - POWER COSTS TO BE ADJUSTED	$ 716,816,340	$ 721,540,638	$ 4,724,299
8				
9	INCREASE(DECREASE) INCOME			$ (4,724,299)
10				
11	INCREASE(DECREASE) FIT @	35%		(1,653,505)
12	INCREASE(DECREASE) NOI			$ (3,070,794)

PAGE 3.04

PUGET SOUND ENERGY-ELECTRIC
FEDERAL INCOME TAX
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2015
COMMISSION BASIS REPORT

LINE NO.	DESCRIPTION		AMOUNT
1	TAXABLE INCOME BEFORE INTEREST DEDUCTION		$ 433,452,307
2			
3	ADD BACK		
4	CURRENT FIT	35.00%	151,708,307
5	DEFERRED FIT		26,135,500
6			
7			
8	CURRENT FIT		$ 800
9	DEFERRED FIT-DEBIT		$503,244,595
10	DEFERRED FIT-CREDIT		($352,492,346)
11	SUB TOTAL		150,753,049
12			
13			
14	INCREASE(DECREASE) FIT		$ 151,707,507
15	INCREASE(DECREASE) DEFERRED FIT		(124,616,748)
16	INCREASE(DECREASE) NOI		$ (27,090,759)

PAGE 3.05

PUGET SOUND ENERGY-ELECTRIC

TAX BENEFIT OF RESTATED INTEREST

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2015

COMMISSION BASIS REPORT

LINE NO.	DESCRIPTION				AMOUNT
1	RATE BASE	$	5,224,753,571		
2					
3	WEIGHTED COST OF DEBT		3.12%		
4	RESTATED INTEREST			$	163,012,311
5					
6					
7					
8					
9	INCREASE (DECREASE) INCOME			$	(163,012,311)
10					
11	INCREASE (DECREASE) FIT @		35%	$	(57,054,309)
12					
13	INCREASE (DECREASE) NOI			$	57,054,309

PAGE 3.06

PUGET SOUND ENERGY-ELECTRIC
PASS-THROUGH REVENUE & EXPENSE
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2015
COMMISSION BASIS REPORT

LINE NO.	DESCRIPTION	AMOUNT	ADJUSTMENT
1	REMOVE REVENUES ASSOCIATED WITH RIDERS:		
2	CONSERVATION RIDER - SCHEDULE 120		$ 105,095,065
3	PROPERTY TAX TRACKER - SCHEDULE 140		53,776,476
4	MUNICIPAL TAXES - SCHEDULE 81		80,608,878
5	LOW INCOME RIDER - SCHEDULE 129		16,296,450
6	RESIDENTIAL EXCHANGE - SCH 194		(118,180,999)
7	REC PROCEEDS - SCH 137 REC AND BIOGAS PROCEEDS		(3,527,795)
8	EXPENSE OFFSET FOR SCH 137 REC AND BIOGAS PROCEEDS		2,526,440
9	DECOUPLING SCH 142 REVENUE		4,007,625
10	DECOUPLING SCH 142 SURCHARGE AMORT EXPENSE		(3,819,796)
11	GREEN POWER - SCH 135/136		4,600,045
12	GREEN POWER - SCH 135/136 ELIMINATE OVER EXPENSED		(1,316,825)
13	REMOVE JPUD GAIN ON SALE SCH 133		(5,195,775)
14	TOTAL (INCREASE) DECREASE REVENUES		$ 134,869,787
15			
16	DECREASE REVENUE SENSITIVE ITEMS FOR DECREASE IN REVENUES:		
17	BAD DEBTS	0.63810%	$ (843,284)
18	ANNUAL FILING FEE	0.20000%	(264,311)
19	STATE UTILITY TAX	3.84870%	(5,086,269)
20	TOTAL		$ (6,193,865)
21			
22	REMOVE EXPENSES ASSOCIATED WITH RIDERS		
23	CONSERVATION AMORTIZATON - SCHEDULE 120		$ (100,300,523)
24	PROPERTY TAX AMORTIZATION EXP - SCHEDULE 140		(51,323,139)
25	MUNICIPAL TAXES - SCHEDULE 81		(77,502,130)
26	LOW INCOME AMORTIZATION - SCHEDULE 129		(15,552,989)
27	RESIDENTIAL EXCHANGE - SCH 194		112,472,707
28	AMORT ON INTEREST ON REC PROCEEDS - SCH 137		840,414
29	GREEN POWER - SCH 135/136 TAGS CHARGED TO 557		(2,221,318)
30	GREEN POWER - SCH 135/136 CHARGED TO 908/909		(783,965)
31	GREEN POWER - SCH 135/136 BENEFITS PORTION OF ADMIN		(65,721)
32	GREEN POWER - SCH 135/136 TAXES PORTION OF ADMIN		(16,649)
33	REMOVE JPUD AMORT EXPENSE SCH 133		4,949,632
34	TOTAL INCREASE (DECREASE) EXPENSE		$ (129,503,681)
35			
36	INCREASE (DECREASE) OPERATING INCOME BEFORE FIT		$ 827,759
37	INCREASE (DECREASE) FIT		289,716
38	INCREASE (DECREASE) NOI		$ 538,043

PAGE 3.07

PUGET SOUND ENERGY-ELECTRIC
RATE CASE EXPENSES
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2015
COMMISSION BASIS REPORT

LINE NO.	DESCRIPTION		AMOUNT
1	EXPENSES TO BE NORMALIZED		
2			
3			
4	2011 AND 2009 GRC EXPENSES TO BE NORMALIZED	$ 1,040,000	
5			
6	ANNUAL NORMALIZATION (LINE 4 ÷ 2 YEARS)	520,000	
7	LESS TEST YEAR EXPENSE	80,774	
8	INCREASE (DECREASE) EXPENSE	$ 439,226	439,226
9			
10	2014 AND 2013 PCORC EXPENSES TO BE NORMALIZED	$ 273,000	
11			
12	ANNUAL NORMALIZATION (LINE 10 ÷ 4 YEARS)	68,250	
13	LESS TEST YEAR EXPENSE	-	
14	INCREASE (DECREASE) EXPENSE	$ 68,250	$ 68,250
15			
16			
17	TOTAL INCREASE (DECREASE) EXPENSE		$ 507,476
18			
19	INCREASE(DECREASE) FIT @	35%	(177,617)
20	INCREASE(DECREASE) NOI		$ (329,859)

PAGE 3.08

PUGET SOUND ENERGY-ELECTRIC
BAD DEBTS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2015
COMMISSION BASIS REPORT

LINE NO.	YEAR	NET WRITEOFF'S	GROSS REVENUES	SALES FOR RESALE OTHER	OTHER OPERATING REVENUE	SALES FOR RESALE FIRM	NET REVENUES	PERCENT WRITEOFFS TO REVENUE
		December	August	August	August	August	August	
1	12 ME 12/31/2012 and 8/31/2012	$ 13,005,728	$ 2,211,512,334	$ 34,744,212	$ 46,531,009	$ 360,579	$2,129,876,534	0.6106%
2	12 ME 12/31/2013 and 8/31/2013	$ 14,147,611	$ 2,136,090,988	$ 39,991,496	$ 7,882,218	$ 343,586	$2,087,873,688	0.6776%
3	12 ME 12/31/2015 and 8/31/2015	$ 12,194,538	$ 2,030,915,814	$ 38,417,261	$ 44,931,386	$ 318,610	$1,947,248,557	0.6262%
4								
5	3-YR AVERAGE OF NET WRITE OFF RATE							0.6381%
6								
7	REPORTING PERIOD REVENUES		2,305,084,096	193,328,153	45,018,172	325,565	$ 2,066,412,206	
8								
9	RESTATED BAD DEBT RATE						0.6381%	
10	RESTATED BAD DEBTS						$ 13,185,776	
11								
12	UNCOLLECTIBLES CHARGED TO EXPENSE IN TEST YEAR						14,034,501	
13	INCREASE (DECREASE) EXPENSE							$ (848,725)
14								
15	INCREASE (DECREASE) NOI							$ 848,725
16	INCREASE (DECREASE) FIT						35%	297,054
17	INCREASE (DECREASE) NOI							$ 551,671

PAGE 3.09

PUGET SOUND ENERGY-ELECTRIC

INCENTIVE PLAN

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2015

COMMISSION BASIS REPORT

LINE NO.	DESCRIPTION	ACTUAL	RESTATED	ADJUSTMENT
1	INCREASE(DECREASE) IN EXPENSE	$ 6,057,237	$ 6,434,454	$ 377,217
2				
3	PAYROLL TAXES ASSOCI WITH MERIT PAY	$ 485,245	$ 515,464	$ 30,219
4	INCREASE(DECREASE) IN EXPENSE	$ 6,542,483	$ 6,949,918	$ 407,436
5				
6	INCREASE (DECREASE) INCOME			(407,436)
7	INCREASE (DECREASE) FIT @		35%	(142,603)
8				
9	INCREASE (DECREASE) NOI			$ (264,833)

PAGE 3.10

PUGET SOUND ENERGY-ELECTRIC
EXCISE TAX & FILING FEE
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2015
COMMISSION BASIS REPORT

LINE NO.	DESCRIPTION			AMOUNT
1	RESTATED EXCISE TAXES		$	81,511,906
2	CHARGED TO EXPENSE FOR TEST YEAR		$	81,511,906
3	INCREASE(DECREASE) EXCISE TAX		$	-
4				
5	RESTATED WUTC FILING FEE		$	4,119,016
6	CHARGED TO EXPENSE FOR TEST YEAR			4,219,027
7	INCREASE(DECREASE) WUTC FILING FEE		$	(100,011)
8				
9	INCREASE(DECREASE) EXPENSE		$	(100,011)
10				
11	INCREASE(DECREASE) OPERATING INCOME		$	100,011
12				
13	INCREASE(DECREASE) FIT	35%	$	35,004
14				
15	INCREASE(DECREASE) NOI		$	65,007

PAGE 3.11

PUGET SOUND ENERGY-ELECTRIC
D&O INSURANCE
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2015
COMMISSION BASIS REPORT

LINE NO.	DESCRIPTION	TEST YEAR	RESTATED	ADJUSTMENT
1	D & O INS. CHG EXPENSE	$ 137,394	$ 119,848	$ (17,546)
2				
3	INCREASE (DECREASE) IN EXPENSE	$ 137,394	$ 119,848	$ (17,546)
4				
5	INCREASE (DECREASE) OPERATING INCOME			17,546
6				
7	INCREASE (DECREASE) FIT @		35%	6,141
8				
9	INCREASE (DECREASE) NOI			$ 11,405

PAGE 3.12

PUGET SOUND ENERGY-ELECTRIC
MONTANA ENERGY TAX
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2015
COMMISSION BASIS REPORT

LINE NO.	DESCRIPTION		AMOUNT
1	ACTUAL KWh		4,495,032,000
2	TRANSMISSION LINE LOSS % for WECC		0.05
3	WETT TAX RATE		0.00015
4	WETT TAX		$ 640,542
5			
6	EEELT TAX RATE		0.0002
7	EEELT TAX		$ 899,006
8			
9	RESTATED ENERGY TAX		1,539,548
10	CHARGED TO EXPENSE		1,600,477
11	INCREASE (DECREASE) INCOME		$ 60,929
12			
13	INCREASE (DECREASE) FIT @	35%	21,325
14	INCREASE (DECREASE) NOI		$ 39,604

PAGE 3.13

PUGET SOUND ENERGY-ELECTRIC
INTEREST ON CUSTOMER DEPOSITS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2015
COMMISSION BASIS REPORT

LINE NO.	DESCRIPTION		AMOUNT
1	INTEREST EXPENSE FOR TEST YEAR	$	25,645
2			
3			
4	INCREASE (DECREASE) NOI	$	(25,645)

PAGE 3.14

PUGET SOUND ENERGY-ELECTRIC
ASC 815
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2015
COMMISSION BASIS REPORT

LINE NO.		ACTUAL	RESTATED	ADJUSTMENT
1	ASC 815 OPERATING EXPENSE	$ (12,688,452)	$ -	$ 12,688,452
2				
3	INCREASE (DECREASE) IN EXPENSE	$ (12,688,452)	$ -	$ 12,688,452
4				
5	INCREASE (DECREASE) OPERATING INCOME			(12,688,452)
6				
7	INCREASE (DECREASE) DEFERRED FIT @	35%		(4,440,958)
8				
9	INCREASE (DECREASE) NOI			$ (8,247,494)

PAGE 3.15

PUGET SOUND ENERGY-ELECTRIC
PENSION PLAN
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2015
COMMISSION BASIS REPORT

LINE NO.	DESCRIPTION	ACTUAL	RESTATED	ADJUSTMENT
1	QUALIFIED RETIREMENT FUND	$ 9,283,700	$ 8,027,601	$ (1,256,099)
2				
3	INCREASE (DECREASE) IN EXPENSE	$ 9,283,700	$ 8,027,601	$ (1,256,099)
4				
5	INCREASE (DECREASE) INCOME			1,256,099
6	INCREASE (DECREASE) FIT @		35%	439,635
7				
8	INCREASE (DECREASE) NOI			$ 816,464

PAGE 3.16

PUGET SOUND ENERGY-ELECTRIC
INJURIES AND DAMAGES
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2015
COMMISSION BASIS REPORT

LINE NO.	DESCRIPTION	ACTUAL	RESTATED	ADJUSTMENT
1	INJURIES & DAMAGES ACCRUALS	$ 68,031	$ 39,851	$ (28,179)
2	INJURIES & DAMAGES PAYMENTS IN EXCESS OF ACCRUALS	$ 217,806	$ 237,964	20,158
3	INCREASE/(DECREASE) IN EXPENSE	285,837	277,815	(8,022)
4				
5	INCREASE/(DECREASE) IN OPERATING EXPENSE (LINE 3)			$ (8,022)
6	INCREASE (DECREASE) FIT @		35%	2,808
7				
8	INCREASE (DECREASE) NOI			$ 5,214

PAGE 3.17

PUGET SOUND ENERGY-ELECTRIC
WILD HORSE SOLAR
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2015
COMMISSION BASIS REPORT

LINE NO.	DESCRIPTION	ACTUAL	RESTATED	ADJUSTMENT
1	WILD HORSE SOLAR RATEBASE (AMA)			
2	UTILITY PLANT RATEBASE			
3	PLANT BALANCE	$ 4,539,303	$ -	$ (4,539,303)
4	ACCUM DEPRECIATION	(1,436,902)		1,436,902
5	DEFERRED INCOME TAX LIABILITY	(1,029,384)		1,029,384
6	NET WH SOLAR PLANT RATEBASE	2,073,017	$ -	(2,073,017)
7				
8	WILD HORSE SOLAR OPERATING EXPENSE			
9	DEPRECIATION EXPENSE	188,181		(188,181)
10				
11	INCREASE (DECREASE) EXPENSE	$ 188,181	$ -	$ (188,181)
12				
13	INCREASE (DECREASE) FIT @		35%	65,863
14	INCREASE (DECREASE) NOI			$ 122,317

PAGE 4.01

PUGET SOUND ENERGY-ELECTRIC
CONVERSION FACTOR
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2015
COMMISSION BASIS REPORT

LINE NO.	DESCRIPTION		RATE
1	BAD DEBTS		0.006381
2	ANNUAL FILING FEE		0.002000
3	STATE UTILITY TAX ((1 - LINE 1) * 3.8734%)	3.8734%	0.038487
4			
5	SUM OF TAXES OTHER		0.046868
6			
7	CONVERSION FACTOR EXCLUDING FEDERAL INCOME TAX (1 - LINE 5)		0.953132
8	FEDERAL INCOME TAX ((1 - LINE 5) * 35%)	35%	0.333596
9	CONVERSION FACTOR (1 - LINE 8)		0.619536

Puget Sound Energy ("PSE")
Additional Information Provided With
December 2015 Commission Basis Report

This additional information supplied with PSE's December 2015 Commission Basis Report ("CBR") includes cost per customer trend analysis similar to reports supplied with PSE's CBRs since December 2013. The attached information contains non-production O&M cost per customer for calendar years 2011 through 2015 using the same categories and methodology utilized in the development of the K-Factor (KJB-16).

As demonstrated on page two, the overall annual average increase in non-production O&M for 2015 is lower than the historical growth rate presented in the ERF/Decoupling proceedings at 0.7% versus 3.8%, and is lower than the benchmark of 1.9% used in developing the O&M component of the K-factor in the ERF/Decoupling proceeding.

Page three of the analysis demonstrates that the electric annual growth rate has declined to 2.2%, which is below the 4.7% electric historical growth rate presented in the ERF/Decoupling proceedings. Page four of the analysis, provides the natural gas annual growth rate, which is negative 1.9% which represents a decline on a cost per customer basis compared to the 2.2% historical growth rate in Natural Gas related O&M presented in the ERF/Decoupling proceedings. One contributing factor for the decline in the natural gas cost per customer is the four-factor allocator which has been trending more toward electric since 2011, primarily due to the additional production rate base added between 2012 and 2014. As discussed in prior reports, it is for this reason that the company has focused its discussion on the combined O&M impacts.

One of the key changes implemented in 2015 which lowered O&M costs was the amendment of PSE's contract with Landis + Gyr to transfer the ownership of the Automated Meter Read ("AMR") technology and equipment to PSE, allowing PSE to reduce its contracted meter reading costs by $7 million in the reporting period compared to the prior year, and $5 million below the 2011 contract costs.

Results of Earnings Test: The company's performance as detailed in its CBR, shows over-earnings for both gas and electric operations. When reporting on a Commission basis, prior to any earnings sharing, the electric rate of return is 8.05%, or .28% above authorized which equates to $11.9 million of earnings sharing. Likewise, the gas rate of return on a Commission basis is 8.17%, or .40% above authorized which equates to $5.5 million in earnings sharing. After the earning sharing is accounted for, PSE's rate of return is 7.91% and 7.97% for electric and gas respectively for the reporting period.

It should be noted that this Commission Basis Report includes an adjustment that adds back revenues associated with the Merger Rate Credit that were paid to customers during the reporting period through Schedule 132. PSE questions whether this adjustment is appropriate for inclusion in the company's CBR. This adjustment added $3.8 million and $1.6 million of net operating income to electric and gas, respectively, which resulted in 7 basis points and $3.2 million of additional sharing for electric and 9 basis points and $1.3 million in additional sharing for gas. Although it is appropriate to include the adjustment in a general rate case to ensure these funds come from investors and do not get included in the base revenue requirement, PSE believes that it is inappropriate to add back these revenues in the commission basis report, especially for purposes of determining earnings sharing, considering PSE has already given these rate credits to customers through Schedule 132. This adjustment essentially requires PSE to pay earnings sharing on amounts that have already been credited to customers.

Lower than expected power costs, along with PSE's rate plan and the company's demonstrated efforts to align costs to customer growth have all contributed to allowing PSE to earn above its authorized rate of return. However, there are other factors that are contributing to PSE's reported earnings.

One important factor that increased the Company's reported earnings in the CBR is the requirement to apply commission normalizing adjustments to the test year. In contrast to the CBR reported earnings, the Company's actual results of operations demonstrate that the Company continued to under-earn for electric and would have shared less earnings on gas based on test year results. On a Test Year basis[1], the company's actual results of operations show that PSE under earned its ROR at 7.75% for Electric; and with an ROR at 8.00% for Gas operations, PSE was over earning, but not to the extent that it will be sharing after adjustment based on the CBR. The reported over-earnings result when the CBR adjustments required per WAC 480-100-257 are made to the test year.

For instance, weather was much warmer than normal for the reporting period. Although weather is not a factor in test year natural gas operations, since it is mostly all recovered on a decoupled basis, weather still has a significant impact in the test year on the generation side of electric operations. Even though PSE did not experience the benefit of the normal weather, the Commission required adjustment requires PSE to share as if it did. When taking into account this adjustment to revenue and the offsetting increase in power costs, PSE's electric net operating income was increased by $5.2 million above its actual earnings, which resulted in a 10 basis points increase in ROR and $4.3 million in sharing.

Another Commission required adjustment relates to the normalization of hydro and wind in PSE's power costs. Because the CBR requires reporting the results under normal power supply conditions[2], PSE adjusts its test year power costs to assume that hydro and wind generation levels matched that assumed in its most recent general rate case or power cost only rate case. Because hydro and wind conditions were less than assumed in PSE's most recent rate case, PSE had to increase its net operating income for purposes of the CBR reporting, even though the benefit of such hydro and wind generation did not truly exist in the reporting period. This adjustment further increased net operating income by $5.4 million above PSE's actual earnings, which resulted in 10 basis points increase in ROR and $4.5 million in sharing.

Another factor for consideration is that, although the earnings sharing mechanism relates to the rate plan which only applies to PSE's delivery business, it is calculated on PSE's electric results in total which includes both its delivery and generation businesses. PSE 's PCA mechanism contains a dead band of

[1] For the purposes of this calculation, Test Year was adjusted to remove ASC815, the test year earnings sharing accrual activity and to include the Tax Benefit of Interest in NOI.
[2] WAC 480-100-257 (2)

$20 million of power cost imbalances wherein PSE is exposed to 100% of the over or under recovery of its power costs within the dead band. For this reporting period, the earnings sharing mechanism has resulted in PSE sharing with customers $6.3 million of benefits that fell within the PCA dead band (on a Commission Basis) that are also used to offset prior PCA deferrals.

In conclusion, a summary of PSE's test year rate of return and earnings sharing and the impacts of Commission required adjustment is summarized below.

Description	Electric ROR	Electric Sharing	Gas ROR	Gas Sharing
Test Year	7.75%	--	8.00%	$ 3,163,141
Weather	0.10%	$ 4,306,466	--	--
Normalize Wind and Hydro	0.10%	4,488,669	--	--
Merger Rate Credit	0.07%	3,195,659	0.09%	1,267,375
Other	0.03%	(63,671)	0.08%	1,074,818
Commission Basis	8.05%	$11,927,122	8.17%	$ 5,505,334

PUGET SOUND ENERGY
COMBINED RESULTS OF OPERATIONS
COMMISSION BASIS REPORT

LINE NO.	DESCR	12ME Dec 2011 RESTATED RESULTS OF OPERATIONS	12ME Dec 2012 RESTATED RESULTS OF OPERATIONS	12ME Dec 2013 RESTATED RESULTS OF OPERATIONS	12ME Dec 2014 RESTATED RESULTS OF OPERATIONS	12ME Dec 2015 RESTATED RESULTS OF OPERATIONS	COMPOUND GROWTH RATE
1	COMBINED EXPENSES:						
2	TRANSMISSION EXPENSE	$ 9,530,907	$ 19,073,045	$ 19,383,744	$ 21,589,406	$ 19,801,305	
3	DISTRIBUTION EXPENSE	130,531,255	126,441,451	127,563,845	136,490,873	131,977,836	
4	CUSTOMER ACCOUNT EXPENSES	78,512,657	80,013,147	82,230,612	82,709,937	76,520,034	
5	CUSTOMER SERVICE EXPENSES	4,800,000	3,249,127	3,914,400	5,603,627	3,810,121	
6	ADMIN & GENERAL EXPENSE	142,745,361	145,172,486	154,517,147	159,194,144	156,849,476	
7	TOTAL EXPENSES	$ 366,120,180	$ 373,949,255	$ 387,609,749	$ 405,587,987	$ 388,958,771	**1.5%**
8							
9	AVERAGE CUSTOMER COUNT	1,840,114	1,852,951	1,858,766	1,876,129	1,898,648	
							CALCULATED
10	**ACTUAL COST PER CUSTOMER**	**$ 198.97**	**$ 201.81**	**$ 208.53**	**$ 216.18**	**$ 204.86**	**0.7%**
							COMBINED ERF
11	**2011 GROWN AT HISTORICAL RATE**	**$ 198.97**	**$ 206.45**	**$ 214.22**	**$ 222.28**	**$ 230.64**	**3.8%**

Calculation of Combined Escalation Factors from ERF

	Description	2006 GRC Electric	2006 GRC Gas	2006 GRC Combined	2011 GRC Electric	2011 GRC Gas	2011 GRC Combined
7	Number of years between test years				5.25	5.25	5.25
8							
9	Transmission & Distribution Expense	$ 65,086,999	$ 34,532,486	$ 99,619,485	$ 92,084,397	$ 49,783,566	$ 141,867,963
10	Customer Account & Services Expenses	37,706,383	25,038,278	62,744,661	49,173,646	31,704,844	80,878,490
11	Admin & General Expenses	74,379,848	41,714,840	116,094,688	99,871,160	43,995,146	143,866,305
12							
13	Total O&M	177,173,230	101,285,604	278,458,834	241,129,203	125,483,555	366,612,758
14							
15	Average Customer Count	1,004,833	678,712	1,683,546	1,075,057	750,800	1,825,856
16							
17	Average Cost per Customer	$ 176.32	$ 149.23	$ 165.40	$ 224.29	$ 167.13	$ 200.79
18							
19							
20	Annual Escalation Factor				4.7%	2.2%	3.8%
21							
22							

PUGET SOUND ENERGY
ELECTRIC RESULTS OF OPERATIONS
COMMISSION BASIS REPORT

LINE NO.	DESCR	12ME Dec 2011 RESTATED RESULTS OF OPERATIONS	12ME Dec 2012 RESTATED RESULTS OF OPERATIONS	12ME Dec 2013 RESTATED RESULTS OF OPERATIONS	12ME Dec 2014 RESTATED RESULTS OF OPERATIONS	12ME Dec 2015 RESTATED RESULTS OF OPERATIONS	COMPOUND GROWTH RATE
1	COMBINED EXPENSES:						
2	TRANSMISSION EXPENSE	$ 9,481,215	$ 19,058,040	$ 19,355,851	$ 21,589,071	$ 19,801,305	
3	DISTRIBUTION EXPENSE	78,245,091	74,862,781	77,321,920	84,585,141	82,427,091	
4	CUSTOMER ACCOUNT EXPENSES	48,140,876	49,220,845	50,570,101	51,078,600	48,055,081	
5	CUSTOMER SERVICE EXPENSES	3,719,955	2,032,132	2,090,482	2,575,945	2,145,431	
6	ADMIN & GENERAL EXPENSE	96,361,837	99,264,866	106,511,054	110,332,421	109,690,022	
7	TOTAL EXPENSES	$ 235,948,974	$ 244,438,664	$ 255,849,409	$ 270,161,178	$ 262,118,931	**2.7%**
8							
9	AVERAGE CUSTOMER COUNT	1,083,403	1,089,296	1,085,381	1,091,517	1,103,635	
10	**ACTUAL COST PER CUSTOMER**	**$ 217.79**	**$ 224.40**	**$ 235.72**	**$ 247.51**	**$ 237.51**	**CALCULATED 2.2%**
11	**2011 GROWN AT HISTORICAL RATE**	**$ 217.79**	**$ 228.00**	**$ 238.69**	**$ 249.89**	**$ 261.61**	**COMBINED ERF 4.7%**

PUGET SOUND ENERGY
GAS RESULTS OF OPERATIONS
COMMISSION BASIS REPORT

LINE NO.	DESCR	12ME Dec 2011 RESTATED RESULTS OF OPERATIONS	12ME Dec 2012 RESTATED RESULTS OF OPERATIONS	12ME Dec 2013 RESTATED RESULTS OF OPERATIONS	12ME Dec 2014 RESTATED RESULTS OF OPERATIONS	12ME Dec 2015 RESTATED RESULTS OF OPERATIONS	2011-2015 COMPOUND GROWTH RATE
1	COMBINED EXPENSES:						
2	TRANSMISSION EXPENSE	$ 49,692	$ 15,005	$ 27,893	$ 335	$ -	
3	DISTRIBUTION EXPENSE	52,286,164	51,578,669	50,241,925	51,905,732	49,550,744	
4	CUSTOMER ACCOUNT EXPENSES	30,371,782	30,792,302	31,660,511	31,631,337	28,464,953	
5	CUSTOMER SERVICE EXPENSES	1,080,045	1,216,995	1,823,918	3,027,682	1,664,690	
6	ADMIN & GENERAL EXPENSE	46,383,523	45,907,620	48,006,093	48,861,723	47,159,453	
7	TOTAL EXPENSES	$ 130,171,206	$ 129,510,591	$ 131,760,339	$ 135,426,809	$ 126,839,840	**-0.6%**
8							
9	AVERAGE CUSTOMER COUNT	756,711	763,655	773,385	784,612	795,013	
							CALCULATED
10	**ACTUAL COST PER CUSTOMER**	**$ 172.02**	**$ 169.59**	**$ 170.37**	**$ 172.60**	**$ 159.54**	**-1.9%**
							COMBINED ERF
11	**2011 GROWN AT HISTORICAL RATE**	**$ 172.02**	**$ 175.77**	**$ 179.61**	**$ 183.53**	**$ 187.53**	**2.2%**

PUGET SOUND ENERGY ALLOCATION ANALYSIS

Line No.		2011 CBR **12/31/11**	2012 CBR **12/31/12**	2013 CBR **12/31/13**	2014 CBR **12/31/14**	2015 CBR **12/31/15**
]						
1	**12 Month Average Number of Customers**					
2	Gas	41.12%	41.21%	41.61%	41.82%	41.87%
3	Electric	58.88%	58.79%	58.39%	58.18%	58.13%
4	Total	100.00%	100.00%	100.00%	100.00%	100.00%
5						
6	**Joint Meter Reading Customers**					
7	Gas	36.70%	36.78%	37.52%	37.73%	37.32%
8	Electric	63.30%	63.22%	62.48%	62.27%	62.68%
9	Total	100.00%	100.00%	100.00%	100.00%	100.00%
10						
11	**Non-Production Plant**					
16	Gas	38.87%	38.37%	38.74%	39.01%	39.06%
17	DST					
18	TSM					
19	GNL					
20	Electric	61.13%	61.63%	61.26%	60.99%	60.94%
21	DST					
22	TSM					
23	GNL					
24	Total	100.00%	100.00%	100.00%	100.00%	100.00%
25						
26	**FOUR FACTOR ALLOCATOR**					
27						
28	CUSTOMER COUNT					
29	Gas	41.12%	41.21%	41.61%	41.82%	41.87%
30	Electric	58.88%	58.79%	58.39%	58.18%	58.13%
31	Total	100.00%	100.00%	100.00%	100.00%	100.00%
32						
33						
34	LABOR - DIRECT CHARGE TO O&M					
35	Gas	33.44%	32.50%	31.28%	29.94%	29.49%
36	Electric	66.56%	67.50%	68.72%	70.06%	70.51%
37	Total	100.00%	100.00%	100.00%	100.00%	100.00%
38						
39						
40	T&D OPERATIONS & MAINTENANCE EXPENSE (LESS LABOR)					
41	Gas	31.34%	29.86%	28.78%	27.94%	28.67%
42	Electric	68.66%	70.14%	71.22%	72.06%	71.33%
43	Total	100.00%	100.00%	100.00%	100.00%	100.00%
44						
45						
46	CLASSIFIED PLANT					
47	Gas	30.31%	28.00%	26.42%	26.09%	26.34%
48	Electric	69.69%	72.00%	73.58%	73.91%	73.66%
49	Total	100.00%	100.00%	100.00%	100.00%	100.00%
50						
51	FOUR FACTOR ALLOCATOR					
52		34.05%	32.89%	32.02%	31.45%	31.59%
53		65.95%	67.11%	67.98%	68.55%	68.41%
54		100.00%	100.00%	100.00%	100.00%	100.00%
55						
56	**LABOR BENEFITS**					
57	Gas	33.28%	33.12%	31.70%	30.41%	30.01%
58	Electric	66.72%	66.88%	68.30%	69.59%	69.99%
59	Total	100.00%	100.00%	100.00%	100.00%	100.00%