

## Commission Basis Report Cover Letter

1.01

**31-Dec-13**  
**Electric**

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Restated Net Operating Income	\$	400,237,971	a
Restated Rate Base	\$	5,295,557,479	b
<b>Normalized Overall Rate of Return</b>		<b>7.56%</b>	c=a/b
Restated Net Operating Income	\$	400,237,971	d=a
Restated Interest Expense	\$	167,339,616	e
Restated NOI less Restated Interest Exp	\$	232,898,355	f=d-e
Restated Rate Base	\$	5,295,557,479	g=b
Actual Equity Percent		48.54%	h
Equity Rate Base	\$	2,570,463,600	i=g*h
<b>Restated Return on Actual Equity</b>		<b>9.06%</b>	j=f/i

1.02

## PUGET SOUND ENERGY, INC.

**Utility Capital Structure  
Cost of Capital and Rate of Return  
For The 12 Months Ending December 31, 2013**

	(A)	(B)	(C)	(D)	(E)
					Weighted Cost of Capital
	<u>Description</u>	<u>Amount (i)</u>	<u>Ratio</u>	<u>Cost</u>	<u>Capital</u>
1					
2					
3					
4					
5					
6					
7	<b>Short Term Debt</b>	\$83,389,452	1.11%	4.75%	0.05% (A)
8					
9	<b>Long Term Debt</b>	\$3,784,126,107	50.35%	6.18%	3.11% (A)
10					
11	<b>Common Stock</b>	<u>\$3,647,886,440</u>	<u>48.54%</u>	9.80%	<u>4.76%</u>
12					
13	<b>Total</b>	<b><u>\$7,515,401,999</u></b>	<b><u>100.00%</u></b>		<b><u>7.92%</u></b>
14					
15					
16	(i) - Average of Month-End Balances			Total (A)	3.16%

**PUGET SOUND ENERGY**  
**PERIODIC ALLOCATED RESULTS OF OPERATIONS**  
**FOR THE 12 MONTHS ENDED DECEMBER 31, 2013**

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

	Electric	Gas	Total Amount
1 - OPERATING REVENUES:			
2 - SALES TO CUSTOMERS	\$ 2,099,413,904	\$ 1,019,856,580	\$ 3,119,270,483
3 - SALES FOR RESALE-FIRM	346,760	-	346,760
4 - SALES TO OTHER UTILITIES	161,624,733	-	161,624,733
5 - OTHER OPERATING REVENUES	37,199,228	8,499,955	45,699,183
6 - TOTAL OPERATING REVENUES	\$ 2,298,584,625	\$ 1,028,356,534	\$ 3,326,941,160
7			
8 - OPERATING REVENUE DEDUCTIONS:			
9			
10 - POWER COSTS:			
11 - FUEL	\$ 261,332,288	\$ -	\$ 261,332,288
12 - PURCHASED AND INTERCHANGED	553,004,053	488,200,942	1,041,204,996
13 - WHEELING	94,741,839	-	94,741,839
14 - RESIDENTIAL EXCHANGE	(81,053,138)	-	(81,053,138)
15 - TOTAL PRODUCTION EXPENSES	\$ 828,025,042	\$ 488,200,942	\$ 1,316,225,985
16			
17 - OTHER ENERGY SUPPLY EXPENSES	\$ 116,266,189	\$ 1,977,214	\$ 118,243,403
18 - TRANSMISSION EXPENSE	19,355,851	27,893	19,383,744
19 - DISTRIBUTION EXPENSE	77,321,920	50,241,925	127,563,845
20 - CUSTOMER ACCTS EXPENSES	51,168,215	31,145,186	82,313,401
21 - CUSTOMER SERVICE EXPENSES	18,153,514	6,746,445	24,899,959
22 - CONSERVATION AMORTIZATION	87,847,330	18,049,695	105,897,025
23 - ADMIN & GENERAL EXPENSE	110,056,278	48,818,035	158,874,313
24 - DEPRECIATION	253,254,942	111,068,605	364,323,547
25 - AMORTIZATION	43,370,242	12,058,227	55,428,469
26 - AMORTIZ OF PROPERTY LOSS	17,213,410	-	17,213,410
27 - OTHER OPERATING EXPENSES	(13,481,409)	(45,370)	(13,526,780)
28 - ASC 815	(98,879,652)	-	(98,879,652)
29 - TAXES OTHER THAN INCOME TAXES	200,772,605	101,993,080	302,765,685
30 - INCOME TAXES	(0)	-	(0)
31 - DEFERRED INCOME TAXES	184,842,557	57,027,596	241,870,154
32 - TOTAL OPERATING REV. DEDUCT.	\$ 1,895,287,034	\$ 927,309,473	\$ 2,822,596,507
<b>NET OPERATING INCOME</b>	<b>\$ 403,297,591</b>	<b>\$ 101,047,061</b>	<b>\$ 504,344,652</b>

2.02

**PUGET SOUND ENERGY  
BALANCE SHEET  
COMMISSION BASIS REPORT  
As of December 31, 2013**

FERC Account and Description	Dec-13	Dec-13 AMA
<b>*ASSETS</b>		
<b>**UTILITY PLANT</b>		
<b>***Electric Plant</b>		
101 Electric Plant in Service	8,649,370,775	8,323,125,330
102 Electric Plant Purchased or Sold	-	185
105 Electric Plant Held for Future Use	23,660,291	16,806,932
106 Comp.Construction Not Classfd.-Electric	76,830,045	96,082,862
107 Construction Work in Prog. - Electric	243,747,375	448,955,125
114 Electric Plant Acquisition Adjustments	282,791,675	282,784,029
<b>***Total Electric Plant</b>	<b>9,276,400,161</b>	<b>9,167,754,464</b>
<b>***Gas Plant</b>		
101 Gas Plant in Service	3,027,671,769	2,966,899,805
105 Gas Plant Held for Future Use	5,234,349	4,768,678
106 Comp. Construction Not Classfd.- Gas	47,665,120	33,353,385
107 Construction Work in Progress - Gas	45,653,821	53,531,969
117.3 Gas Strd.in Resvr.& Pipln.-Noncurr.	8,654,564	8,654,564
<b>***Total Gas Plant</b>	<b>3,134,879,623</b>	<b>3,067,208,401</b>
<b>***Common Plant</b>		
101 Plant in Service - Common	527,010,760	486,701,135
101.1 Property Under Capital Leases	17,050,697	20,839,741
106 Comp Construction Not Classified - Common	93,921	448,333
107 Construction Work in Progress - Common	20,916,836	49,978,819
<b>***Total Common Plant</b>	<b>565,072,214</b>	<b>557,968,027</b>
<b>***Accumulated Depreciation and Amortization</b>		
108 Accumulated Provision for Depreciation	(4,339,687,654)	(4,196,420,788)
111 Accumulated Provision for Amortization	(136,702,119)	(124,931,842)
115 Accm.Prv.for Amort.of Plant Acquis.Adj.	(90,158,508)	(84,796,417)
<b>***Less: Accumulated Depr and Amortizat</b>	<b>(4,566,548,281)</b>	<b>(4,406,149,048)</b>
<b>**NET UTILITY PLANT</b>	<b>8,409,803,718</b>	<b>8,386,781,845</b>
<b>**OTHER PROPERTY AND INVESTMENTS</b>		
<b>***Other Investments</b>		
121 Nonutility Property	4,961,470	5,348,139
122 Accm.Prov.for Depr.& Amort.Non-utility P	(394,886)	(396,273)
123.1 Investment in Subsidiary Companies	36,465,653	37,002,555
124 Other Investments	53,449,207	55,677,594
<b>***Total Other Investments</b>	<b>94,481,444</b>	<b>97,632,015</b>
<b>**TOTAL OTHER PROPERTY AND INVESTMENT</b>	<b>94,481,444</b>	<b>97,632,015</b>
<b>**CURRENT ASSETS</b>		
<b>***Cash</b>		
131 Cash	38,297,043	18,333,534
134 Other Special Deposits	7,082,729	18,952,711
135 Working Funds	3,125,417	2,991,199
136 Temporary Cash Investments	-	29,083,333
<b>***Total Cash</b>	<b>48,505,189</b>	<b>69,360,777</b>
<b>***Restricted Cash</b>	<b>-</b>	<b>-</b>

2.02

**PUGET SOUND ENERGY  
BALANCE SHEET  
COMMISSION BASIS REPORT  
As of December 31, 2013**

FERC Account and Description	Dec-13	Dec-13 AMA
***Total Restricted Cash	-	-
***Accounts Receivable		
141 Notes Receivable	1,192,584	649,855
142 Customer Accounts Receivable	245,419,541	194,519,416
143 Other Accounts Receivable	145,001,227	81,151,070
146 Accounts Receiv.from Assoc. Companies	452,705	2,837,548
171 Interest and Dividends Receivable	-	-
173 Accrued Utility Revenues	219,883,773	157,927,820
185 Temporary Facilities	58,041	81,886
191 Unrecovered Purchased Gas Costs	(5,937,698)	(16,680,674)
***Total Accounts Receivable	606,070,174	420,486,921
***Allowance for Doubtful Accounts		
144 Accm.Prov.for Uncollectble Accts-Credit	(7,385,209)	(7,141,987)
***Less: Allowance for Doubtful Accounts	(7,385,209)	(7,141,987)
***Materials and Supplies		
151 Fuel Stock	20,739,826	22,242,990
154 Plant Materials and Operating Supplies	82,717,229	79,601,151
156 Other Materials and Supplies	204,525	211,449
163 Stores Expense Undistributed	5,422,914	7,831,350
164.1 Gas Stored - Current	42,350,784	47,981,177
164.2 Liquefied Natural Gas Stored	618,974	618,242
***Total Materials and Supplies	152,054,252	158,486,359
***Unrealized Gain-Derivative Instrumnts (ST)		
175 Invest in Derivative Instrumnts -Opt ST	18,867,000	12,684,416
176 Invest in Derivative Instrumnts-Gain ST	-	-
***Unrealized Gain on Derivatives (ST)	18,867,000	12,684,416
***Prepayments and Other Current Assets		
165 Prepayments	18,749,259	16,755,003
174 Misc.Current and Accrued Assets	-	7,461,730
186 Miscellaneous Deferred Debits	1,372	3,949
***Total Prepayments & Othr.Curr.Assets	18,750,630	24,220,683
Current Deferred Taxes		
Total Current Deferred Taxes	548,785,238	544,932,050
***TOTAL CURRENT ASSETS	1,385,647,273	1,223,029,219
***LONG-TERM ASSETS		
128 Pension Assets	62,565,029	21,927,576
165 Long-Term Prepaid	6,390,930	7,012,697
175 Invest in Derivative Instrumnts -Opt LT	7,732,879	10,798,354
176 Invest in Derivative Instrumnts-Gain LT	-	-
181 Unamortized Debt Expense	31,195,825	33,297,506
182.1 Extraordinary Property Losses	116,328,043	124,070,548
182.2 Unrecovered Plant & Reg Study Costs	3,262,451	4,130,436
Subtotal WUTC AFUDC	55,494,775	55,582,663
182.3 Other Regulatory Assets	554,703,094	508,283,255
183 Prelm. Survey and Investigation Charges	8,182	460
184 Clearing Accounts	-	(544,483)

2.02

**PUGET SOUND ENERGY  
BALANCE SHEET  
COMMISSION BASIS REPORT  
As of December 31, 2013**

FERC Account and Description	Dec-13	Dec-13 AMA
186 Miscellaneous Deferred Debits	175,925,788	224,995,696
187 Def.Losses from Dispos.of Utility Plant	382,030	458,870
189 Unamortized Loss on Reacquired Debt	37,832,365	36,576,501
<b>**TOTAL LONG-TERM ASSETS</b>	<b>1,051,821,390</b>	<b>1,026,590,080</b>
<b>*TOTAL ASSETS</b>	<b>\$ 10,941,753,824</b>	<b>\$ 10,734,033,159</b>
<b>*CAPITALIZATION AND LIABILITIES</b>		
<b>**CURRENT LIABILITIES</b>		
230 Asset Retirement Obligations	(891,472)	(1,360,108)
244 FAS 133 Opt Unrealized Loss ST	(39,401,796)	(91,754,322)
245 FAS 133 Unrealized Loss ST	(3,118,598)	(4,581,412)
231 Notes Payable	(162,000,000)	(53,791,667)
232 Accounts Payable	(309,405,222)	(271,061,560)
233 Notes Payable to Associated Companies	(29,597,785)	(29,597,785)
234 Accounts Payable to Asscted Companies	-	-
235 Customer Deposits	(29,044,531)	(32,713,108)
236 Taxes Accrued	(109,262,101)	(90,320,000)
237 Interest Accrued	(55,262,485)	(59,906,888)
238 Dividends Declared	-	-
241 Tax Collections Payable	(1,204,256)	(2,239,985)
242 Misc. Current and Accrued Liabilities	(16,990,907)	(23,862,721)
243 Obligations Under Cap.Leases - Current	(7,578,088)	(7,578,088)
<b>**TOTAL CURRENT LIABILITIES</b>	<b>(763,757,241)</b>	<b>(668,767,641)</b>
<b>**DEFERRED TAXES</b>		
<b>***Reg. Liability for Def.Income Tax</b>		
253 Other Deferred Credits		
283 Accum.Deferred Income Taxes - Other	(145,191,220)	(130,566,765)
<b>***Total Reg.Liab.for Def.Income Tax</b>	<b>(145,191,220)</b>	<b>(130,566,765)</b>
<b>***Deferred Income Tax</b>		
255 Accum.Deferred Investment Tax Credits	(2)	(1,750)
282 Accum. Def. Income Taxes - Other Prop.	(1,632,467,281)	(1,511,077,408)
283 Accum.Deferred Income Taxes - Other	(217,501,155)	(223,878,484)
<b>***Total Deferred Income Tax</b>	<b>(1,849,968,438)</b>	<b>(1,734,957,643)</b>
<b>**TOTAL DEFERRED TAXES</b>	<b>(1,995,159,658)</b>	<b>(1,865,524,408)</b>
<b>**OTHER DEFERRED CREDITS</b>		
Subtotal 227 Oblig Under Cap Lease - Noncurr	(9,472,609)	(13,261,653)
Total Unrealized Loss on Derivatives -LT	(30,467,636)	(43,864,511)
228.2 Accum. Prov.for Injuries and Damages	(1,060,000)	(1,019,583)
228.3 Pension and Post Retirement Liabilities	(54,789,264)	(138,157,995)
228.4 Accum. Misc.Operating Provisions	(244,303,032)	(249,820,211)
229 Accum Provision for Rate Refunds	-	(461,549)
230 Asset Retirement Obligations (FAS 143)	(47,795,418)	(46,432,170)
252 Customer Advances for Construction	(57,241,155)	(70,810,144)
253 Other Deferred Credits	(388,810,321)	(296,859,399)
254 Other Regulatory Liabilities	(146,019,989)	(125,391,804)
256 Def. Gains from Dispos.of Utility Plt	(1,273,806)	(1,540,571)
257 Unamortized Gain on Reacquired Debt	-	-
<b>**TOTAL OTHER DEFERRED CREDITS</b>	<b>(981,233,231)</b>	<b>(987,619,591)</b>

2.02

**PUGET SOUND ENERGY  
BALANCE SHEET  
COMMISSION BASIS REPORT  
As of December 31, 2013**

FERC Account and Description	Dec-13	Dec-13 AMA
<b>**CAPITALIZATION</b>		
<b>***SHAREHOLDER'S EQUITY</b>		
<b>****Common Equity</b>		
201 Common Stock Issued	(859,038)	(859,038)
207 Premium on Capital Stock	(478,145,250)	(478,145,250)
210 Gain on Resale/Cancel.of Reacq.Cap.Stk	(2,775,196,691)	(2,775,196,691)
214 Capital Stock Expense	7,133,879	7,133,879
215 Appropriated Retained Earnings	(11,257,967)	(10,940,786)
216 Unappropriated Retained Earnings	(346,898,557)	(339,156,168)
216.1 Unappr.Undistrib.Subsidiary Earnings	8,031,791	7,494,889
219 Other Comprehensive Income	95,737,745	176,287,973
433 Balance Transferred from Income	(356,129,006)	(218,560,964)
438 Dividends Declared - Common Stock	410,977,148	198,098,133
439 Adjustments to Retained Earnings	5,848,610	5,848,610
<b>****Total Common Equity</b>	<b>(3,440,757,335)</b>	<b>(3,427,995,411)</b>
<b>***TOTAL SHAREHOLDER'S EQUITY</b>	<b>(3,440,757,335)</b>	<b>(3,427,995,411)</b>
<b>***REDEEMABLE SECURITIES AND LONG-TERM DEBT</b>		
<b>****Preferred Stock - Manditorily Redeemable</b>	-	-
<b>****Total Preferred Stock - Mand Redeem</b>	-	-
<b>****Corporation Obligated, Mand Redeemable Preferred Stock Subscribed</b>	-	-
<b>****Corporation Obligated, Mand Redeem</b>	-	-
<b>****Long-term Debt</b>		
221 Junior Subordinated Debt	(250,000,000)	(250,000,000)
221 Bonds	(3,510,860,000)	(3,534,140,000)
226 Unamort.Disct. on Long-term Debt-Debit	13,642	13,893
<b>Long-term Debt</b>	<b>(3,760,846,358)</b>	<b>(3,784,126,107)</b>
<b>****Long-term Debt</b>	<b>(3,760,846,358)</b>	<b>(3,784,126,107)</b>
<b>***REDEEMABLE SECURITIES AND LTD</b>	<b>(3,760,846,358)</b>	<b>(3,784,126,107)</b>
<b>**TOTAL CAPITALIZATION</b>	<b>(7,201,603,694)</b>	<b>(7,212,121,518)</b>
<b>*TOTAL CAPITALIZATION AND LIABILITIES</b>	<b>\$ (10,941,753,824)</b>	<b>\$ (10,734,033,159)</b>

**Puget Sound Energy**  
**Commission Basis Report**  
**Electric Rate Base**  
**December 31, 2013**

2.03

**Electric**  
**Gas**

4-Factor  
67.98%  
32.02%

1	Account	Description	AMA 12/31/2013
3		<b>Rate Base</b>	
4	101 / 102 / 230XXX1	Electric Plant in Service	\$ 8,282,567,621
5	101 / 253XXX3	Common Plant-Allocation to Electric	326,132,787
6	114XXX1	Electric Plant Aquisition Adjustment	282,784,029
6a	18600001 / 451/ 461	<b>Snoqualmie Deferral - UE-130559</b>	4,898,762
6b	18600801 / 811/ 821	<b>Baker Deferral - UE-131387</b>	945,042
6c	1822XXX1	White River Deferred Plant Costs	33,497,678
6d	1823XXX1	White River Deferred Relicensing & CWIP	(4,574,964)
6e	16599011 & 18232321	Prepaid Colstrip 1&2 WEC0 Coal Resrv Ded.	3,250,000
6f	18600531 / 671/ 691/791	<b>Ferndale Deferral - UE-12843</b>	16,162,446
6g	25300831	Hopkins II Wake Effect Settlement	-
6h	18230381/18230391	Goldendale Deferral -UE-070533	-
6i	18235521	Mint Farm Deferral	33,733,121
6j	1340xxx	BPA Deposits	574,142
6k	18606XX	WHE Deferred Costs-UE-090704	-
6l	18231041	Prepaid Major Maint Sumas	-
6m	18230351	Chelan PUD Contract Initiation	148,447,870
6n	18220091	Upper Baker - Unrecovered Plant & Reg. Study Cos	844,438
6o	18232301 & 311 & 331	LSR Deposit Carry Charge & Deferral UE-100882	124,179,970
6p	18600531 & 671 & 25301151	Ferndale Deferral Accounts	-
7	18230041	Colstrip Common FERC Adj - Reg Asset	21,589,277
8	18230051	Accum Amortization Colstrip-Common FERC	(15,276,834)
9	18230061	Colstrip Def Depr FERC Adj - Reg	1,524,655
10	18230071	BPA Power Exch Invstmt - Reg Asset	113,632,921
11	18230081	BPA Power Exch Inv Amortization - Reg Asset	(99,526,533)
12	18230031	Electric - Def AFUDC - Regulatory Asset	54,795,655
13	18601051	Capitalized OH	-
14	10500001	Electric - Plant Held for Future Use	16,806,932
15	10500003	Common Plant Held for Fut Use-Alloc to Electric	-
16	10600501	Electric - Const Completed Non Classified	96,082,862
16a	10600503	Common - Const Completed Non Classified	304,777
17	108XXX1	Elec-Accum Depreciation	(3,020,467,285)
18	108XXX3	Common Accum Depr-Allocation to Electric	(69,702,515)
19	111XXX1	Elec-Accum Amortization	(18,685,042)
20	11100003	Common Accum Amort-Allocation to Electric	(69,489,446)
21	115XXX1	Accum Amort Acq Adj - Electric	(84,796,417)
22	18230221	Accum Unamort Consvr Costs	-
23	19000041	CIAC after 10/8/76 - Accum Def Income Tax	-
24	19000051	CIAC - 1986 Changes - Accum Def Income Tax	-
25	19000061	CIAC - 7/1/87 - Accum Def Income Tax	-
26	19000093	Vacation Pay - Accum Def Inc Taxes	-
26a	19000121	Cabot Gas Contract - Accum Def Inc Taxe	-
26b	19000151	DFIT - Westcoast Capacity Assignment - Electric	732,050
26c	19000711	DFIT- BNP Electric	1,003,569
27	19000191	RB-Consv Pre91 Tax Settlmt - Accum Def Inc Tax	-
27.1	19000701	DFFIT SSCM INT - ELEC	-
28	235XXX1	Customer Deposits - Electric	(7,646,877)
28a	23500003	Customer Deposits - Common	(15,665,835)
29	25400081	Residential Exchange	-
29.1	25400191 & 25400201	Westcoast Pipeline Capacity Regulatory Liabilities	(4,958,912)
30	252XXX1	Cust Advances for Construction	(41,706,804)
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	(1,058,463,978)
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	283XXXX	Electric Portion of Common Deferred Taxes	(21,608,345)



**Puget Sound Energy  
Commission Basis Report  
Electric Rate Base  
December 31, 2013**

<b>2.03</b>
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<b>Electric</b>	4-Factor 67.98%
<b>Gas</b>	32.02%

1	Account	Description	<b>AMA 12/31/2013</b>
35a2	19000433	NOL Carryforward	107,357,285
36	28300161	Def Inc Tax - Energy Conservation & FAS 133	-
37	28300261	Def FIT Bond Redemption Costs	-
37a	28300091	Accum Def Inc Tax - Snoqualmie	(1,714,567)
37b	28300741	Accum Def Inc Tax - Baker	(330,765)
37c	28300011	Def FIT - White River Water Right	(10,122,950)
37d	28300731	Accum Def Inc Tax - Ferndale	(5,656,856)
37e	28300431	Deferred Taxes WNP#3	(4,505,063)
37f	19000441	Deferred FIT FAS 143 Whitehorn 2 &3	3,424,040
37g	19000553	Common DFIT Summit Purchase Opt Buyout - Elec	294,108
37h	19000561	Def FIT - Wind Loss Settlement Agreemen	-
37i	28300541 \ 28300551	DFIT Goldendale Deferral -UE-070533	-
37j	28300601\28300611\2830066	DFIT Mint Fam Costs-UE-090704	(11,806,592)
37k	28300631\28300641\2830067	DFIT Wild Horse Costs-UE-090704	-
37l	28300561	DFIT - Interest Chelan PUD Reg Asset	(16,927,395)
37m	28300081 & 28300721	DFIT BPA Prepayment & LSR	(10,263,981)
38	124001X1	Conservation Rate Base	-
39	18230181	1995 Conservation Trust Rate Base	-
40			-
41	Working Capital- Rate Base		216,328,823
42	Rate Base		<b>\$ 5,297,996,903</b>
43			
44			
45			
46	Gross Utility Plant in Service		<b>\$ 9,004,679,008</b>
47	Less Accum Dep and Amort		(3,263,140,706)
48	Deferred Debits and Credits		438,697,645
49	Deferred Taxes		(1,028,589,439)
50	Allowance for Working Capital		216,328,823
51	Customer Deposits/Advances		(69,978,428)
52	Total Rate Base		<b>\$ 5,297,996,903</b>

Puget Sound Energy  
Commission Basis Report  
Combined Working Capital  
December 31, 2013

2.04

4-Factor  
Electric 67.98%  
Gas 32.02%

Line No.	Description	AMA 12/31/2013
1	<b>Average Invested Capital</b>	
2	Common Stock	\$ 859,038
3	Preferred Stock	-
4	Additional Paid in Capital	3,245,716,487
5	Unamortized Debt Expense	(43,243,741)
6	Unappropriated Retained Earnings	387,475,493
7	Notes Payable - Misc	-
8	Long Term Debt	3,784,126,107
9	Short Term Debt	83,389,452
10	Accumulated Deferred ITC	1,750
11	Treasury Grants	217,575,125
12	Deferred Debits-Other	(10,352)
13	Unamortized Gain/Loss on Debt	(36,576,501)
14	Total Average Invested Capital	7,639,312,858
15		
16	<b>Average Operating Investments - Electric</b>	
17		
18	Plant in Service (includes acquisition adj)	8,661,434,512
19	Electric Future Use Property	16,806,932
20	Customer Advances for Construction	(41,706,804)
21	Customer Deposits	(23,312,712)
22	Deferred Taxes	(917,067,053)
23	Deferred Debits/Credits - Other	198,784,627
24	Less: Accumulated Depreciation	(3,123,948,745)
25	Conservation Investment	-
26	Common Plant-Allocation to Electric	326,437,564
27	Common Accum Depr-Allocation to Electric	(139,191,961)
28	Common Deferred Taxes-Allocation to Electric	(28,589,382)
29	NOL Carryforward	107,357,285
30	Total Average Operating Investment - Electric	5,037,004,263
31		
32	<b>Average Operating Investments - Gas</b>	
33		
34	Gas Utility Plant in Service	2,998,241,477
35	Deferred Items - Other	13,457,167
36	Gas Stored Underground, Non-Current	8,654,564
37	Gas Accumulated Depreciation	(1,077,446,021)
38	Gas Customer Advances for Construction	(29,360,607)
39	Gas Customer Deposits	(9,398,562)
40	DFIT 17	(415,646,550)
41	PGA	(16,680,674)
42	Common Plant-Allocation to Gas	153,758,911
43	Common Accumulated Depreciation-Allocation to Gas	(65,562,321)
44	Common Deferred Tax	(13,466,196)
45	NOL Carryforward	29,736,358
46	Total Average Operating Investment - Gas	1,576,287,546
47		
48	Total Electric & Gas Operating Investment	6,613,291,809
49		
50	<b>Construction Work in Progress</b>	
51		
52	Elec Construction Work in Process	482,930,727
53	Gas Construction Work in Process	69,535,187
54	Other Work in Process	3,112,022
55	Electric Preliminary Surveys	460

Puget Sound Energy  
Commission Basis Report  
Combined Working Capital  
December 31, 2013

2.04

**4-Factor**  
Electric 67.98%  
Gas 32.02%

Line No.	Description	AMA 12/31/2013
56	Total Construction Work in Progress	555,578,396
57		
58	<b>Nonoperating</b>	
59		
60	Non-Utility Property	4,951,866
61	Investment in Associated Companies	26,578,450
62	Other Investments & FAS 133	(14,596,757)
63	Deferred Items-Other	222,559,923
64	Deferred Federal Income Tax	(64,103,257)
65	Investment Tracking Funds	3,277,496
66	Environmental Receivables	-
67	Current Accounts - Gas Allocation only	-
68	Merchandising Inventory - Gas Only	71,376
69	Total Non Operating Investment	178,739,097
70		
71	Total CWIP & Nonoperating Investment	734,317,493
72		
73	Total Average Investments	7,347,609,302
74	Rounding	
75	Total Investor Supplied Capital	<b>\$ 291,703,556</b>
<b>Allocation of Working Capital</b>		
<b>Electric Working Capital</b>		
	Total Investment	\$ 7,347,609,302
	Less: Electric CWIP	\$ (482,930,727)
	Less: Gas	\$ (69,535,187)
	Interest Bearing Regulatory Assets	
	Other Work in Progress	(3,112,022)
	Preliminary Surveys	(460)
	Total	6,792,030,906
	Electric Working Capital Ratio	4.2948%
	Electric Working Capital	<b>\$ 216,328,823</b>
<b>Gas Working Capital</b>		
	Total Investment	7,347,609,302
	Less: Electric CWIP	(482,930,727)
	Less: Gas CWIP	(69,535,187)
	Interest Bearing Regulatory Assets	
	Other Work in Progress	(3,112,022)
	Preliminary Surveys	(460)
	Total	6,792,030,906
	Gas Working Capital Ratio	4.2948%
	Gas Working Capital	<b>\$ 67,698,261</b>
	<b>Non Operating Working Capital</b>	<b>\$ 7,676,471</b>

**PUGET SOUND ENERGY-ELECTRIC & GAS**  
**FOR THE 12 MONTHS ENDED DECEMBER 31, 2013**  
**ALLOCATION METHODS**

<u>Method</u>	<u>Description</u>		<u>Electric</u>	<u>Gas</u>	<u>Total</u>
<b>1</b>	<b>* <u>12 Month Average Number of Customers</u></b>	12/31/2013	1,085,381	773,385	1,858,766
	Percent		<b>58.39%</b>	<b>41.61%</b>	100.00%
<b>2</b>	<b>* <u>Joint Meter Reading Customers</u></b>	12/31/2013	728,367	437,346	1,165,713
	Percent		<b>62.48%</b>	<b>37.52%</b>	100.00%
<b>3</b>	<b>* <u>Non-Production Plant</u></b>				
	Distribution	12/31/2013	3,244,593,411	2,888,252,868	\$ 6,132,846,279
	Transmission	12/31/2013	1,185,923,090	-	1,185,923,090
	Direct General Plant	12/31/2013	195,592,101	36,637,831	232,229,932
	Total		\$ 4,626,108,602	\$ 2,924,890,699	\$ 7,550,999,301
	Percent		<b>61.26%</b>	<b>38.74%</b>	100.00%
<b>4</b>	<b>* <u>4-Factor Allocator</u></b>				
	Number of Customers	12/31/2013	1,085,381	773,385	1,858,766
	Percent		58.39%	41.61%	100.00%
	Labor - Direct Charge to O&M	12/31/2013	48,419,471	22,039,412	\$ 70,458,884
	Percent		68.72%	31.28%	100.00%
	T&D O&M Expense (Less Labor)	12/31/2013	64,873,481	26,212,454	\$ 91,085,935
	Percent		71.22%	28.78%	100.00%
	Net Classified Plant (Excluding General (Common) Plant)	12/31/2013	5,243,415,294	1,882,673,393	7,126,088,687
	Percent		73.58%	26.42%	100.00%
	Total Percentages		271.92%	128.08%	400.00%
	Percent		<b>67.98%</b>	<b>32.02%</b>	100.00%
<b>5</b>	<b>* <u>Employee Benefits</u></b>				
	Direct Labor Accts 500-935	12/31/2013	54,586,073	25,333,558	79,919,630
	Total		\$ 54,586,073	\$ 25,333,558	\$ 79,919,630
	Percent		<b>68.30%</b>	<b>31.70%</b>	100.00%

## Summary-1

**PUGET SOUND ENERGY-ELECTRIC  
RESULTS OF OPERATIONS  
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2013  
COMMISSION BASIS REPORT**

LINE NO.	ACTUAL RESULTS OF OPERATIONS	TOTAL ADJUSTMENTS	RESTATE RESULTS OF OPERATIONS
1	<u>OPERATING REVENUES:</u>		
2	\$ 2,099,413,904	\$ (57,231,659)	\$ 2,042,182,245
3	346,760	316	347,076
4	161,624,733	-	161,624,733
5	37,199,228	(5,075,707)	32,123,520
6	2,298,584,625	(62,307,051)	2,236,277,575
7			
8	<u>OPERATING REVENUE DEDUCTIONS:</u>		
9			
10	<u>POWER COSTS:</u>		
11	\$ 261,332,288	\$ (5,408,415)	\$ 255,923,873
12	553,004,053	1,297,414	554,301,467
13	94,741,839	-	94,741,839
14	(81,053,138)	81,053,138	-
15	828,025,042	76,942,137	904,967,179
16			
17	\$ 116,266,189	\$ -	\$ 116,266,189
18	19,355,851	-	19,355,851
19	77,321,920	-	77,321,920
20	51,168,215	(598,114)	50,570,101
21	18,153,514	(16,063,031)	2,090,482
22	87,847,330	(87,833,179)	14,151
23	110,056,278	(3,545,224)	106,511,054
24	253,254,942	(187,935)	253,067,007
25	43,370,242	-	43,370,242
26	17,213,410	-	17,213,410
27	(13,481,409)	10,863,777	(2,617,633)
28	(98,879,652)	98,879,652	-
29	200,772,605	(90,826,025)	109,946,581
30	(0)	22,292,266	22,292,266
31	184,842,557	(69,171,754)	115,670,803
32	\$ 1,895,287,034	\$ (59,247,430)	\$ 1,836,039,604
33			
34	\$ 403,297,591	\$ (3,059,620)	\$ 400,237,971
35			
36	\$ 5,297,996,903	\$ (2,439,424)	\$ 5,295,557,479
37			
38	7.61%		7.56%
39			
40	<u>RATE BASE:</u>		
41	\$ 9,004,679,008	\$ (4,530,703)	\$ 9,000,148,305
42	(3,263,140,706)	1,060,866	(3,262,079,839)
43	438,697,645	-	438,697,645
44	(1,028,589,439)	1,030,413	(1,027,559,027)
45	216,328,823	-	216,328,823
46	(69,978,428)	-	(69,978,428)
47	\$ 5,297,996,903	\$ (2,439,424)	\$ 5,295,557,479



Summary-3

PUGET SOUND ENERGY-ELECTRIC  
 STATEMENT OF OPERATING INCOME AND ADJUSTMENTS  
 FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2013  
 COMMISSION BASIS REPORT

LINE NO.	INCENTIVE PAY Adj. 3.09	EXCISE TAX & FILING FEE Adj. 3.10	D&O INSURANCE Adj. 3.11	MONTANA TAX Adj. 3.12	INTEREST ON CUST DEPOSITS Adj. 3.13	ASC 815 Adj. 3.14	PENSION PLAN Adj. 3.15	INJURIES & DAMAGES Adj. 3.16	PROP TAX TRACKER Adj. 3.17	WILD HORSE SOLAR Adj. 3.18	TOTAL ADJUSTMENTS
1											
2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (57,231,659)
3											316
4											-
5											(5,075,707)
6	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	(62,307,051)
7											
8											
9											
10											
11											(5,408,415)
12											1,297,414
13											-
14											81,053,138
15	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	76,942,137
16											
17											
18											
19											
20					29,242						(598,114)
21											(16,063,031)
22											(87,833,179)
23	(663,685)	644	1,524				(3,022,890)	88,155		(187,935)	(3,545,224)
24											(187,935)
25											-
26											-
27											-
28						98,879,652					10,863,777
29	(54,986)			(171,515)					9,517,022		98,879,652
30	251,535	(225)	(533)	60,030					(3,330,958)	65,777	(90,826,025)
31							1,058,012	(30,854)			22,292,266
32	\$ (467,136)	\$ 419	\$ 990	\$ (111,485)	\$ 29,242	\$ 64,271,774	\$ (1,964,879)	\$ 57,301	\$ 6,186,064	\$ (122,158)	\$ (59,247,430)
33											
34	\$ 467,136	\$ (419)	\$ (990)	\$ 111,485	\$ (29,242)	\$ (64,271,774)	\$ 1,964,879	\$ (57,301)	\$ (6,186,064)	\$ 122,158	\$ (3,059,620)
35											
36	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (2,439,424)	\$ (2,439,424)
37											
38											
39											
40											
41											(4,530,703)
42											1,060,866
43											-
44										1,030,413	1,030,413
45											-
46											-
47	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (2,439,424)	\$ (2,439,424)

Adj. 3.01

**PUGET SOUND ENERGY-ELECTRIC  
TEMPERATURE NORMALIZATION  
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2013  
COMMISSION BASIS REPORT**

**LINE****NO. DESCRIPTION**

1	<u>TEMPERATURE NORMALIZATION ADJUSTMENT:</u>				
2		ACTUAL	TEMP ADJ	KWH	ADJ FOR LOSSES
3		<u>GPI KWH</u>	<u>GPI KWH</u>	<u>CHANGE</u>	<u>7.00%</u>
4	Jan-13	2,451,374,843	2,367,777,706	(83,597,137)	(77,745,337)
5	Feb-13	1,984,558,554	2,023,987,820	39,429,266	36,669,217
6	Mar-13	2,028,116,018	2,057,224,844	29,108,826	27,071,208
7	Apr-13	1,797,179,708	1,808,360,812	11,181,104	10,398,427
8	May-13	1,660,975,951	1,687,078,305	26,102,354	24,275,189
9	Jun-13	1,575,973,400	1,560,536,816	(15,436,584)	(14,356,023)
10	Jul-13	1,679,288,569	1,659,086,454	(20,202,115)	(18,787,967)
11	Aug-13	1,682,030,165	1,659,817,145	(22,213,020)	(20,658,108)
12	Sep-13	1,636,730,321	1,631,902,617	(4,827,704)	(4,489,765)
13	Oct-13	1,860,322,773	1,839,376,550	(20,946,223)	(19,479,987)
14	Nov-13	2,004,525,320	2,055,895,697	51,370,377	47,774,450
15	Dec-13	2,435,996,873	2,424,640,512	(11,356,361)	(10,561,416)
16		<u>22,797,072,495</u>	<u>22,775,685,279</u>	<u>(21,387,216)</u>	<u>(19,890,112)</u>
17					
18	REVENUE ADJUSTME	Schedule 7		12,368,981	\$ 1,528,062
19		Schedule 24		(8,613,042)	\$ (628,737)
20		Schedule 25		(11,633,250)	\$ (755,284)
21		Schedule 26		(6,900,079)	\$ (437,195)
22		Schedule 29		(86,405)	\$ (5,329)
23		Schedule 31		(3,627,553)	\$ (220,152)
24		Schedule 43		348,578	\$ 22,651
25		Schedule 40		(1,756,327)	\$ (102,655)
26		Firm Resale		8,985	\$ 316
27	INCREASE (DECREASE) SALES TO CUSTOMERS			(19,890,111)	\$ (598,323) \$ (598,323)
28				-	
29	UNCOLLECTIBLES @			0.0057050	\$ (3,413)
30	ANNUAL FILING FEE @			0.0020000	<u>(1,197)</u>
31	INCREASE (DECREASE) EXPENSE				(4,610)
32					
33	STATE UTILITY TAX @			0.0385130	\$ <u>(23,043)</u>
34	INCREASE (DECREASE) TAXES OTHER				<u>(23,043)</u>
35					
36	INCREASE (DECREASE) OPERATING INCOME				(570,670)
37					
38	INCREASE (DECREASE) FIT @			35%	<u>(199,735)</u>
39	INCREASE (DECREASE) NOI				<u>\$ (370,935)</u>
40					

41 (NOTE 1) AFTER JUNE 30, 2013, PSE'S DELIVERY REVENUE IS DECOUPLED AND SO NO  
42 LONGER REQUIRES AN ADJUSTMENT FOR TEMPERATURE NORMALIZATION.  
43 AMOUNTS REFLECTED AFTER JUNE 30, 2013 ARE THE TEMPERATURE  
44 NORMALIZATION OF THE PORTION OF PSE'S REVENUE THAT RECOVERS  
45 ITEMS INCLUDED IN PSE'S PCA MECHANISM.



Adj. 3.02

**PUGET SOUND ENERGY-ELECTRIC  
REVENUE & EXPENSE RESTATING  
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2013  
COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION	AMOUNT	ADJUSTMENT
1	<b>SALES TO CUSTOMERS:</b>		
2	REMOVE MERGER RATE CREDIT SCH 132	\$ 6,091,473	
3	REMOVE SCHEDULE 95A TREASURY GRANTS	<u>59,210,965</u>	
4			
5	INCREASE (DECREASE) SALES TO CUSTOMERS	<u>65,302,438</u>	
6			
7	INCREASE (DECREASE) REVENUES		\$ 65,302,438
8			
9	UNCOLLECTIBLES @	0.0057050 \$ 372,550	
10	ANNUAL FILING FEE @	0.0020000 <u>130,605</u>	
11	INCREASE (DECREASE) EXPENSE		503,155
12			
13	STATE UTILITY TAX @	0.0385130 \$ <u>2,514,993</u>	
14	INCREASE (DECREASE) TAXES OTHER		2,514,993
15			
16			
17			
18	<b>OTHER OPERATING EXPENSES:</b>		
19	REMOVE SCHEDULE 95A TREASURY GRANTS		
20	AMORTIZATION OF INTEREST AND GRANTS	44,850,668	
21	REMOVE ACCRUAL FOR FUTURE PTC LIABILITY		
22	(ACTUAL PTC'S REMOVED IN FIT ADJUSTMENT NO. 3.06)	<u>(34,483,749)</u>	
23	INCREASE (DECREASE) OPERATING EXPENSES		<u>10,366,919</u>
24			
25	INCREASE (DECREASE) OPERATING INCOME BEFORE FIT		51,917,371
26			
27	INCREASE (DECREASE) FIT @	35%	<u>18,171,080</u>
28			
29	INCREASE (DECREASE) NOI		<u><u>\$ 33,746,291</u></u>

Adj. 3.01

**PUGET SOUND ENERGY-ELECTRIC  
TEMPERATURE NORMALIZATION  
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2013  
COMMISSION BASIS REPORT**

**LINE****NO. DESCRIPTION**

1	<u>TEMPERATURE NORMALIZATION ADJUSTMENT:</u>				
2		ACTUAL	TEMP ADJ	KWH	ADJ FOR LOSSES
3		<u>GPI KWH</u>	<u>GPI KWH</u>	<u>CHANGE</u>	<u>7.00%</u>
4	Jan-13	2,451,374,843	2,367,777,706	(83,597,137)	(77,745,337)
5	Feb-13	1,984,558,554	2,023,987,820	39,429,266	36,669,217
6	Mar-13	2,028,116,018	2,057,224,844	29,108,826	27,071,208
7	Apr-13	1,797,179,708	1,808,360,812	11,181,104	10,398,427
8	May-13	1,660,975,951	1,687,078,305	26,102,354	24,275,189
9	Jun-13	1,575,973,400	1,560,536,816	(15,436,584)	(14,356,023)
10	Jul-13	1,679,288,569	1,659,086,454	(20,202,115)	(18,787,967)
11	Aug-13	1,682,030,165	1,659,817,145	(22,213,020)	(20,658,108)
12	Sep-13	1,636,730,321	1,631,902,617	(4,827,704)	(4,489,765)
13	Oct-13	1,860,322,773	1,839,376,550	(20,946,223)	(19,479,987)
14	Nov-13	2,004,525,320	2,055,895,697	51,370,377	47,774,450
15	Dec-13	2,435,996,873	2,424,640,512	(11,356,361)	(10,561,416)
16		<u>22,797,072,495</u>	<u>22,775,685,279</u>	<u>(21,387,216)</u>	<u>(19,890,112)</u>
17					
18	REVENUE ADJUSTME	Schedule 7		12,368,981	\$ 1,528,062
19		Schedule 24		(8,613,042)	\$ (628,737)
20		Schedule 25		(11,633,250)	\$ (755,284)
21		Schedule 26		(6,900,079)	\$ (437,195)
22		Schedule 29		(86,405)	\$ (5,329)
23		Schedule 31		(3,627,553)	\$ (220,152)
24		Schedule 43		348,578	\$ 22,651
25		Schedule 40		(1,756,327)	\$ (102,655)
26		Firm Resale		8,985	\$ 316
27	INCREASE (DECREASE) SALES TO CUSTOMERS			(19,890,111)	\$ (598,323) \$ (598,323)
28				-	
29	UNCOLLECTIBLES @			0.0057050	\$ (3,413)
30	ANNUAL FILING FEE @			0.0020000	<u>(1,197)</u>
31	INCREASE (DECREASE) EXPENSE				(4,610)
32					
33	STATE UTILITY TAX @			0.0385130	<u>\$ (23,043)</u>
34	INCREASE (DECREASE) TAXES OTHER				<u>(23,043)</u>
35					
36	INCREASE (DECREASE) OPERATING INCOME				(570,670)
37					
38	INCREASE (DECREASE) FIT @			35%	<u>(199,735)</u>
39	INCREASE (DECREASE) NOI				<u><u>\$ (370,935)</u></u>
40					

41 (NOTE 1) AFTER JUNE 30, 2013, PSE'S DELIVERY REVENUE IS DECOUPLED AND SO NO  
42 LONGER REQUIRES AN ADJUSTMENT FOR TEMPERATURE NORMALIZATION.  
43 AMOUNTS REFLECTED AFTER JUNE 30, 2013 ARE THE TEMPERATURE  
44 NORMALIZATION OF THE PORTION OF PSE'S REVENUE THAT RECOVERS  
45 ITEMS INCLUDED IN PSE'S PCA MECHANISM.

Adj. 3.03

**PUGET SOUND ENERGY-ELECTRIC  
POWER COSTS  
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2013  
COMMISSION BASIS REPORT**

LINE NO. DESCRIPTION	ACTUAL	RESTATED	INCREASE (DECREASE)
1 PRODUCTION EXPENSES:			
2 FUEL	\$ 261,332,288	\$ 255,923,873	\$ (5,408,415)
3 PURCHASED AND INTERCHANGED	553,004,053	555,901,239	2,897,186
4 WHEELING	94,741,839	94,741,839	-
5 SALES TO OTHER UTILITIES	(161,624,733)	(161,624,733)	-
6 PURCHASES/SALES OF NON-CORE GAS	5,275,299	5,275,299	-
7 SUBTOTAL - POWER COSTS TO BE ADJUSTED	\$ 752,728,746	\$ 750,217,517	\$ (2,511,229)
8			
9 LESS: SALES FOR RESALE	161,624,733		
10 SCH. 94 - RES./FARM CREDIT	(81,053,138)		
11 TOTAL	\$ 833,300,341		
12 PURCHASES/SALES OF NON-CORE GAS	(5,275,299)		
13 PRODUCTION EXPENSES ON INCOME STATEMENT	\$ 828,025,042		
14 INCREASE(DECREASE) INCOME	-		\$ 2,511,229
15			
16 INCREASE(DECREASE) FIT @	35%		878,930
17 INCREASE(DECREASE) NOI			<u>\$ 1,632,299</u>

Adj. 3.04

**PUGET SOUND ENERGY-ELECTRIC  
FEDERAL INCOME TAX  
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2013  
COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION	AMOUNT
1	TAXABLE INCOME	\$ 182,062,020
2		
3	FEDERAL INCOME TAX @ 35%	\$ 63,721,707
4	DEFERRED FIT - DEBIT	150,278,681
5	DEFERRED FIT - CREDIT	-
6	DEFERRED FIT - INV TAX CREDIT, NET OF AMORT.	-
7	TOTAL RESTATED FIT	<u>\$ 214,000,388</u>
8		
9	FIT PER BOOKS:	
10	CURRENTLY PAYABLE	0
11	DEFERRED FIT - DEBIT	338,945,372
12	DEFERRED FIT - CREDIT	(154,102,815)
13	DEFERRED FIT - INV TAX CREDIT, NET OF AMORT.	-
14	TOTAL CHARGED TO EXPENSE	<u>\$ 184,842,557</u>
15		
16	INCREASE(DECREASE) FIT (LINE 3 - LINE 10)	63,721,707
17	INCREASE(DECREASE) DEFERRED FIT (LINES 4 + 5 + 6 - 11 - 12 - 13)	<u>(34,563,876)</u>
18	INCREASE(DECREASE) NOI	<u><u>\$ (29,157,831)</u></u>

Adj. 3.05

**PUGET SOUND ENERGY-ELECTRIC  
TAX BENEFIT OF RESTATED INTEREST  
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2013  
COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION	AMOUNT
1	RATE BASE	\$ 5,295,557,479
2		
3	WEIGHTED COST OF DEBT	<u>3.16%</u>
4	RESTATED INTEREST	<u>\$ 167,339,616</u>
5		
6		
7		
8		
9	INCREASE (DECREASE) INCOME	<u><u>\$ (167,339,616)</u></u>
10		
11	INCREASE (DECREASE) FIT @	35% \$ (58,568,866)
12		
13	INCREASE (DECREASE) NOI	<u><u>\$ 58,568,866</u></u>

Adj. 3.06

**PUGET SOUND ENERGY-ELECTRIC  
PASS-THROUGH REVENUE & EXPENSE  
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2013  
COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION	AMOUNT	ADJUSTMENT
1	<u>REMOVE REVENUES ASSOCIATED WITH RIDERS:</u>		
2	REMOVE CONSERVATION RIDER - SCHEDULE 120		\$ 92,074,321
3	REMOVE PROPERTY TAX TRACKER - SCHEDULE 140		20,643,619
4	REMOVE MUNICIPAL TAXES - SCHEDULE 81		81,302,824
5	REMOVE LOW INCOME RIDER - SCHEDULE 129		15,561,352
6	REMOVE RESIDENTIAL EXCHANGE - SCH 194		(84,875,034)
7	GREEN POWER - SCH 135/136 (TAGS ELIM IN PAGE 4.03)		4,159,147
8	GREEN POWER - SCH 135/136 ELIMINATE OVER EXPENSED		(1,038,543)
9	REMOVE REC PROCEEDS - SCH 137		(6,930,771)
10	REMOVE EXPENSES ASSOCIATED WITH SCH 137 REC PROCEEDS		<u>6,114,250</u>
11			
12	TOTAL (INCREASE) DECREASE REVENUES		\$ 127,011,165
13			
14	<u>DECREASE REVENUE SENSITIVE ITEMS FOR DECREASE IN REVENUES:</u>		
15	BAD DEBTS	0.57050%	(689,717)
16	ANNUAL FILING FEE	0.20000%	(241,794)
17	STATE UTILITY TAX	3.85130%	(4,656,103)
18	TOTAL		<u>(5,587,614)</u>
19			
20	<u>REMOVE EXPENSES ASSOCIATED WITH RIDERS</u>		
21	REMOVE CONSERVATION AMORTIZATON - SCHEDULE 120		\$ (87,833,179)
22	REMOVE PROPERTY TAX AMORTIZATION EXP - SCHEDULE 140		(19,715,951)
23	REMOVE MUNICIPAL TAXES - SCHEDULE 81		(78,220,935)
24	REMOVE LOW INCOME AMORTIZATION - SCHEDULE 129		(14,837,051)
25	REMOVE RESIDENTIAL EXCHANGE - SCH 194		81,053,138
26	REMOVE AMORT ON INTEREST ON REC PROCEEDS		496,858
27	GREEN POWER - SCH 135/136 TAGS		(1,599,772)
28	GREEN POWER - SCH 135/136 ADMIN		(1,225,980)
29	GREEN POWER - SCH 135/136 BENEFITS PORTION OF ADMIN		(59,392)
30	GREEN POWER - SCH 135/136 TAXES PORTION OF ADMIN		<u>(15,507)</u>
31	TOTAL INCREASE (DECREASE) EXPENSE		\$ (121,957,771)
32	INCREASE (DECREASE) OPERATING INCOME BEFORE FIT		\$ 534,219
33	INCREASE (DECREASE) FIT		186,977
34	INCREASE (DECREASE) NOI		<u>\$ 347,243</u>

Adj. 3.07

**PUGET SOUND ENERGY-ELECTRIC  
RATE CASE EXPENSES  
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2013  
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	-	
8	INCREASE (DECREASE) EXPENSE	\$ 520,000	\$ 520,000
9			
10	2013 AND 2007 PCORC EXPENSES TO BE NORMALIZED	\$ 377,000	
11			
12	ANNUAL NORMALIZATION (LINE 10 ÷ 4 YEARS)	94,250	
13	LESS TEST YEAR EXPENSE	391,443	
14	INCREASE (DECREASE) EXPENSE	\$ (297,193)	\$ (297,193)
15			
16			
17	TOTAL INCREASE (DECREASE) EXPENSE		\$ 222,807
18			
19	INCREASE(DECREASE) FIT @	35%	(77,982)
20	INCREASE(DECREASE) NOI		\$ (144,824)

Adj. 3.08

**PUGET SOUND ENERGY-ELECTRIC  
BAD DEBTS  
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2013  
COMMISSION BASIS REPORT**

LINE NO.	YEAR	NET	GROSS	SALES FOR	OTHER	SALES FOR	NET	PERCENT
		WRITEOFF'S	REVENUES	RESALE OTHER	OPERATING REVENUE	RESALE FIRM	REVENUES	WRITEOFFS TO REVENUE
		December	August	August	August	August	August	
1	12 ME 12/31/2010 and 8/31/2010	\$ 11,257,841	\$ 2,082,944,015	\$ 70,601,892	\$ (7,026,522)	\$ 349,693	\$ 2,019,018,952	0.5576%
2	12 ME 12/31/2011 and 8/31/2011	\$ 11,518,088	\$ 2,253,068,955	\$ 51,655,892	\$ 80,708,029	\$ 372,828	\$ 2,120,332,206	0.5432%
3	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%
4								
5	3-YR AVERAGE OF NET WRITE OFF RATE							0.5705%
6								
7	REPORTING PERIOD REVENUES		2,298,584,625	161,624,733	37,199,228	346,760	\$ 2,099,413,904	
8								
9	RESTATED BAD DEBT RATE						<u>0.5705%</u>	
10	RESTATED BAD DEBTS						\$ 11,977,156	
11								
12	UNCOLLECTIBLES CHARGED TO EXPENSE IN TEST YEAR						<u>12,283,933</u>	
13	INCREASE (DECREASE) EXPENSE							\$ (306,777)
14								
15	INCREASE (DECREASE) NOI							\$ 306,777
16	INCREASE (DECREASE) FIT						35%	<u>107,372</u>
17	INCREASE (DECREASE) NOI							<u><u>\$ 199,405</u></u>



Adj. 3.09

**PUGET SOUND ENERGY-ELECTRIC  
INCENTIVE PLAN  
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2013  
COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION	ACTUAL	RESTATED	ADJUSTMENT
1	INCREASE(DECREASE ) IN EXPENSE	\$ 7,100,121	\$ 6,436,436	\$ (663,685)
2				
3	PAYROLL TAXES ASSOCI WITH MERIT PAY	588,237	533,252	\$ (54,986)
4	INCREASE(DECREASE ) IN EXPENSE	\$ 7,688,359	\$ 6,969,688	\$ (718,671)
5				
6	INCREASE (DECREASE) INCOME			718,671
7	INCREASE (DECREASE) FIT @		35%	251,535
8				
9	INCREASE (DECREASE) NOI			<u><u>\$ 467,136</u></u>

Adj. 3.10

**PUGET SOUND ENERGY-ELECTRIC  
EXCISE TAX & FILING FEE  
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2013  
COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION	AMOUNT
1	<b>RESTATED EXCISE TAXES</b>	\$ 82,630,760
2	CHARGED TO EXPENSE FOR TEST YEAR	\$82,630,760
3	INCREASE(DECREASE) EXCISE TAX	\$ -
4		
5	<b>RESTATED WUTC FILING FEE</b>	\$ 4,250,881
6	CHARGED TO EXPENSE FOR TEST YEAR	4,250,237
7	INCREASE(DECREASE) WUTC FILING FEE	\$ 644
8		
9	INCREASE(DECREASE) EXPENSE	\$ 644
10		
11	INCREASE(DECREASE) OPERATING INCOME	\$ (644)
12		
13	INCREASE(DECREASE) FIT	35% \$ (225)
14		
15	INCREASE(DECREASE) NOI	<u><u>\$ (419)</u></u>

Adj. 3.11

**PUGET SOUND ENERGY-ELECTRIC  
D&O INSURANCE  
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2013  
COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION	TEST YEAR	RESTATED	ADJUSTMENT
1	D & O INS. CHG EXPENSE	\$ 106,424	\$ 107,948	\$ 1,524
2				
3	INCREASE (DECREASE) IN EXPENSE	\$ 106,424	\$ 107,948	\$ 1,524
4				
5	INCREASE (DECREASE) OPERATING INCOME			(1,524)
6				
7	INCREASE (DECREASE) FIT @		35%	(533)
8				
9	INCREASE (DECREASE) NOI			<u><u>\$ (990)</u></u>

Adj. 3.12

**PUGET SOUND ENERGY-ELECTRIC  
MONTANA ENERGY TAX  
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2013  
COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION	AMOUNT
1	RESTATED KWH	4,346,208,000
2	TAX RATE	<u>\$ 0.00035</u>
3		
4	RESTATED ENERGY TAX	1,521,173
5	CHARGED TO EXPENSE	<u>1,692,688</u>
6	INCREASE (DECREASE) INCOME	\$ 171,515
7		
8	INCREASE (DECREASE) FIT @ 35%	<u>60,030</u>
9	INCREASE (DECREASE) NOI	<u><u>\$ 111,485</u></u>

Adj. 3.13
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**PUGET SOUND ENERGY-ELECTRIC  
INTEREST ON CUSTOMER DEPOSITS  
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2013  
COMMISSION BASIS REPORT**

<b>LINE</b>			
<b>NO.</b>	<b>DESCRIPTION</b>		<b>AMOUNT</b>
1	INTEREST EXPENSE FOR TEST YEAR	\$	29,242
2			
3			
4	INCREASE (DECREASE) NOI	<u>\$</u>	<u>(29,242)</u>

Adj. 3.14

**PUGET SOUND ENERGY-ELECTRIC**  
**ASC 815**  
**FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2013**  
**COMMISSION BASIS REPORT**

LINE NO.		ACTUAL	RESTATED	ADJUSTMENT
1	ASC 815 OPERATING EXPENSE	\$ (98,879,652)	\$ -	\$ 98,879,652
2				
3	INCREASE (DECREASE) IN EXPENSE	\$ (98,879,652)	\$ -	\$ 98,879,652
4				
5	INCREASE (DECREASE) OPERATING INCOME			(98,879,652)
6				
7	INCREASE (DECREASE) DEFERRED FIT @	35%		(34,607,878)
8				
9	INCREASE (DECREASE) NOI			<u>\$ (64,271,774)</u>

Adj. 3.15
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**PUGET SOUND ENERGY-ELECTRIC  
PENSION PLAN  
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2013  
COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION	ACTUAL	RESTATED	ADJUSTMENT
1	QUALIFIED RETIREMENT FUND	\$ 9,203,928	\$ 6,181,038	\$ (3,022,890)
2				
3	INCREASE (DECREASE ) IN EXPENSE	\$ 9,203,928	\$ 6,181,038	\$ (3,022,890)
4				
5	INCREASE (DECREASE) INCOME			3,022,890
6	INCREASE (DECREASE) FIT @		35%	1,058,012
7				
8	INCREASE (DECREASE) NOI			<u><u>\$ 1,964,879</u></u>

Adj. 3.16

**PUGET SOUND ENERGY-ELECTRIC  
INJURIES AND DAMAGES  
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2013  
COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION	ACTUAL	RESTATED	ADJUSTMENT
1	INJURIES & DAMAGES ACCRUALS	\$ 90,000	\$ 98,333	\$ 8,333
2	INJURIES & DAMAGES PAYMENTS IN EXCESS OF ACCRUALS	\$ 152,769	\$ 232,591	79,822
3	INCREASE/(DECREASE) IN EXPENSE	242,769	330,924	88,155
4				
5	INCREASE/(DECREASE) IN OPERATING EXPENSE (LINE 3)			\$ 88,155
6	INCREASE (DECREASE) FIT @		35%	(30,854)
7				
8	INCREASE (DECREASE) NOI			\$ (57,301)



Adj. 3.17

**PUGET SOUND ENERGY-ELECTRIC  
PROPERTY TAXES  
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2013  
COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION	ACTUAL	RESTATED	ADJUSTMENT
1	PROPERTY TAX TRACKER	\$ (4,805,336)	\$ -	\$ 4,805,336
2	MONTANA PROPERTY TAX REFUND	\$ (4,711,686)	\$ -	4,711,686
3	TOTAL TAXES	(9,517,022)	0	9,517,022
4				
5	INCREASE (DECREASE) EXPENSE (Line 15 - Line 17)			\$ 9,517,022
6				
7	INCREASE (DECREASE) FIT @ 35%			(3,330,958)
8				
9	INCREASE (DECREASE) NOI			\$ (6,186,064)

Adj. 4.01

**PUGET SOUND ENERGY-ELECTRIC  
CONVERSION FACTOR  
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2013  
COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION	RATE
1	BAD DEBTS	0.005705
2	ANNUAL FILING FEE	0.002000
3	STATE UTILITY TAX ( ( 1 - LINE 1 ) * 3.8734% )	3.8734% <u>0.038513</u>
4		
5	SUM OF TAXES OTHER	0.046218
6		
7	CONVERSION FACTOR EXCLUDING FEDERAL INCOME TAX ( 1 - LINE 5 )	0.953782
8	FEDERAL INCOME TAX ( ( 1 - LINE 5 ) * 35% )	35% <u>0.333824</u>
9	CONVERSION FACTOR ( 1 - LINE 8 )	<u><u><b>0.619958</b></u></u>