

**PUGET SOUND ENERGY-ELECTRIC
FEDERAL INCOME TAX
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2018
COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION	AMOUNT
1	TAXABLE INCOME	\$ 568,567,201
2		
3	FEDERAL INCOME TAX @	119,744,802
4	CURRENTLY PAYABLE	<u>\$ 119,744,802</u>
5		
6	DEFERRED FIT - DEBIT / (CREDIT)	(43,059,886)
7	DEFERRED FIT - OTHER	-
8	DEFERRED FIT - INV TAX CREDIT, NET OF AMORT	-
9	TOTAL RESTATED FIT	<u>\$ 76,684,916</u>
10		
11	FIT PER BOOKS:	
12	CURRENTLY PAYABLE	\$ 22,841,555
13	DEFERRED FIT - DEBIT	177,018,210
14	DEFERRED FIT - CREDIT	(138,110,502)
15	DEFERRED FIT - INV TAX CREDIT, NET OF AMORT	\$0
16	TOTAL CHARGED TO EXPENSE	<u>\$ 61,749,263</u>
17		
18	INCREASE(DECREASE) FIT	96,903,247
19	INCREASE(DECREASE) DEFERRED FIT	(81,967,593)
20	INCREASE(DECREASE) NOI	<u><u>\$ (14,935,653)</u></u>

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Puget Sound Energy, Inc.
January 2018 - December 2018

Electric NOI	391,140,691	√
SAP Taxes	61,749,263	√
Pretax NOI	452,889,954	√

Tax Return Key	Description	M Item Activity	APB 11 DefTax Effected	21%	Variance from 21%
F-29	Bad Debt Expense	(51,597)	10,835	(10,835)	(0)
N-03	Land Sales	(636,740)	133,715	(133,715)	0
N-04	Green Attributes	-	-	-	-
N-05	Environmental Remediation	2,967,178	(623,107)	623,107	(0)
N-06	Emission Allowances	(4,409)	926	(926)	0
N-11	Storm Damage 2006, 2010	-	-	-	-
N-11	Storm Damage 2015	-	-	-	-
N-11	Storm Damage 2016	-	-	-	-
N-11	Storm Damage 2017	(3,270,202)	686,742	(686,742)	0
N-16	Deferred Compensation-common	576,889	(121,147)	121,147	(0)
N-18	West Coast Capacity Assignment	(326,808)	68,630	(68,630)	(0)
N-19	Horizon Payment	2,025,518	(425,359)	425,359	0
N-19	Horizon Payment Amortization	(4,456,696)	935,906	(935,906)	-
N-20	Colstrip 3&4 Loss Reserves	21,318	(4,477)	4,477	0
N-26	Summit Purch Opt Buyout	(1,026,108)	215,483	(215,483)	-
N-29	BNP WestCoast Cap Agreement	(448,022)	94,085	(94,085)	(0)
N-31	Vacation Pay-common	141,687	(29,754)	29,754	0
N-32	481(a) Adj - Depr Turnaround on Retire	(412,100)	141,350	(86,541)	54,809
N-37	Bothell Data Ctr Prepaid Lease Exp-com	(90,327)	18,969	(18,969)	(0)
N-40	Baker Treasury Grant Deferral	(400,029)	84,006	(84,006)	-
N-43	Reserve for Injuries and Damages Norm	160,000	(33,600)	33,600	-
N-44	Self Insurance - IBNR	426,485	(89,562)	89,562	(0)
N-46	BPA Carrying Cost - LT	687,420	(144,358)	144,358	-
N-49	Snoqualmie Treasury Grant Deferral	(1,381,856)	290,190	(290,190)	-
N-50	Electric Conservation	6,001,317	(1,260,277)	1,260,277	0
N-52	Mint Farm Deferral	(884,724)	185,792	(185,792)	0
N-56	Summit Landlord Incentive-common	(93,024)	19,535	(19,535)	0
N-59	White River Reg Asset	6,535,937	(1,372,547)	1,372,547	0
N-61	Ferndale Deferrals	4,520,424	(949,289)	949,289	-
N-62	Snoqualmie Deferrals	2,203,422	(462,719)	462,719	0
N-63	Baker Upgrade Deferrals	561,113	(117,834)	117,834	(0)
N-72	Major Inspection	4,754,504	(998,446)	998,446	0
N-73	Colstrip 3&4 Overhaul Costs - LT	1,881,909	(395,201)	395,201	0
N-80	Property Tax	1,912,879	(401,705)	401,705	-
	Colstrip ARO	(13,496,618)	2,834,290	(2,834,290)	(0)
	Credit Card Deferral	2,391,016	(502,113)	502,113	(0)
	Goldendale Minor Inspection	(706,459)	148,356	(148,356)	0
	Rate Refunds	24,054,569	(5,051,459)	5,051,459	-
	Redmond West Tenant Allowances	(104,592)	21,964	(21,964)	(0)
	Staples Loyalty Incentive-common	1,167	(245)	245	0
	Unearned Revenue - Pole Contacts	(2,843,625)	597,161	(597,161)	(0)
	Workers Compensation- IBNR	11,186	(2,349)	2,349	(0)
F-07	WUTC AFUDC Amort	-	-	-	-
F-10	Colstrip Common Amortization	715,283	-	150,209	150,209
F-24	Hydro T grant	-	-	-	-
P-05	Meals & Entertainment	779,877	-	163,774.15	163,774
	§162(m) limitation	1,715,899	-	360,338.79	360,339
	Fringe benefits nodeductible	2,132,857	-	447,899.88	447,900
PT	PT - Plant Related	79,131,330	(36,562,275)	(16,617,579)	(19,944,695)

only amortization amount and not repurpose amount

Total Tax adjustments	115,677,247	(43,059,886)	(8,942,937)	(18,767,664)
Fed Taxable Income	568,567,201			
Fed Rate	21%			
Tax Curr/Deferred	119,399,112	(43,059,886)	76,339,226	
Tax Current State Tax net of fed benefit	345,690	-	345,690	
Total Income tax	119,744,802	(43,059,886)	76,684,916	

Rate Reconciliation

pretax	452,889,954			
	21%			
Statutory Tax	95,106,890	21.00%		
Meals & Entertainment	163,774	0.04%		
Colstrip Common Amortization	150,209	0.03%		
Hydro T grant	-	0.00%		
Plant Related	(19,889,886)	-4.39%		
§162(m) limitation	360,339	0.08%		
Fringe benefits nodeductible	447,900	0.10%		
State Tax Benefit	345,690	0.08%		
Total Current and Deferred Taxes	76,684,916	16.93%		

(0)

POWERTAX		electric	gas	total
normalized		174,182,144	(12,108,289)	162,073,856
F/T		(102,352,299)	(32,010,339)	(134,362,638)
cwip reversal		7,377,560	3,791,648	11,169,208
topside		(76,074)	161,944	85,870

total timing	79,131,330	(40,165,036)	38,966,295
	21%	21%	21%
FAS 109	16,617,579	(8,434,657)	8,182,922
APB 11 DIT	(36,562,275)	2,508,732	(34,053,542)
F/T	(19,944,695)	(5,925,925)	(25,870,620)

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Orders: Actual 12 Month Ended

Orders	12 Months	Dec-18	Nov-18	Oct-18	Sep-18	Aug-18	Jul-18	Jun-18	May-18	Apr-18	Mar-18	Feb-18	Jan-18
41010001 Deferred FIT - Electric - Operating Def	177,018,210	(4,790,487)	22,941,457	28,416,435	10,935,989	3,995,084	6,948,704	(166,255,393)	12,266,019	181,429,146	24,431,073	22,253,889	34,446,294
Debit	177,018,210	(4,790,487)	22,941,457	28,416,435	10,935,989	3,995,084	6,948,704	(166,255,393)	12,266,019	181,429,146	24,431,073	22,253,889	34,446,294
Over/underabsorption	177,018,210	(4,790,487)	22,941,457	28,416,435	10,935,989	3,995,084	6,948,704	(166,255,393)	12,266,019	181,429,146	24,431,073	22,253,889	34,446,294

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41110001 Prov for Def FIT - Electric - Credit O	(138,110,502)	(12,060,903)	(8,394,717)	(9,678,691)	(4,442,172)	(8,034,115)	(7,745,153)	(5,714,921)	(11,043,924)	(10,213,502)	(22,230,724)	(15,191,498)	(23,360,182)
Debit	(138,110,502)	(12,060,903)	(8,394,717)	(9,678,691)	(4,442,172)	(8,034,115)	(7,745,153)	(5,714,921)	(11,043,924)	(10,213,502)	(22,230,724)	(15,191,498)	(23,360,182)
Over/underabsorption	(138,110,502)	(12,060,903)	(8,394,717)	(9,678,691)	(4,442,172)	(8,034,115)	(7,745,153)	(5,714,921)	(11,043,924)	(10,213,502)	(22,230,724)	(15,191,498)	(23,360,182)