THIS FILING IS		
Item 1: ☒ An Initial (Original) Submission	OR ☐	Resubmission No. ____

Form 2 Approved
OMB No.1902-0028
(Expires 12/31/2020)

Form 3-Q Approved
OMB No.1902-0205
(Expires 12/31/2019)

FERC FINANCIAL REPORT
FERC FORM No. 2: Annual Report of Major Natural Gas Companies and Supplemental Form 3-Q: Quarterly Financial Report

These reports are mandatory under the Natural Gas Act, Sections 10(a), and 16 and 18 CFR Parts 260.1 and 260.300. Failure to report may result in criminal fines, civil penalties, and other sanctions as provided by law. The Federal Energy Regulatory Commission does not consider these reports to be of a confidential nature.

Exact Legal Name of Respondent (Company)	**Year/Period of Report**
Puget Sound Energy, Inc.	**End of** 2018/Q4

QUARTERLY/ANNUAL REPORT OF MAJOR NATURAL GAS COMPANIES

IDENTIFICATION

01 Exact Legal Name of Respondent	Year/Period of Report End of
03 Previous Name and Date of Change (If name changed during year)	
04 Address of Principal Office at End of Year (Street, City, State, Zip Code)	
05 Name of Contact Person	06 Title of Contact Person
07 Address of Contact Person (Street, City, State, Zip Code)	

08 Telephone of Contact Person, Including Area Code	This Report Is: (1) ☐ An Original (2) ☐ A Resubmission	10 Date of Report *(Mo, Da, Yr)*

ANNUAL CORPORATE OFFICER CERTIFICATION

The undersigned officer certifies that:

I have examined this report and to the best of my knowledge, information, and belief all statements of fact contained in this report are correct statements of the business affairs of the respondent and the financial statements, and other financial information contained in this report, conform in all material respects to the Uniform System of Accounts.

11 Name	12 Title
13 Signature	14 Date Signed

Title 18, U.S.C. 1001, makes it a crime for any person knowingly and willingly to make to any Agency or Department of the United States any false, fictitious or fraudulent statements as to any matter within its jurisdiction.

List of Schedules (Natural Gas Company)

Enter in column (d) the terms "none," "not applicable," or "NA" as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the responses are "none," "not applicable," or "NA."

Name of Respondent Puget Sound Energy, Inc.	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 04/15/2019	Year/Period of Report End of 2018/Q4

List of Schedules (Natural Gas Company) (continued)

Enter in column (d) the terms "none," "not applicable," or "NA" as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the responses are "none," "not applicable," or "NA."

General Information

1. Provide name and title of officer having custody of the general corporate books of account and address of office where the general corporate books are kept and address of office where any other corporate books of account are kept, if different from that where the general corporate books are kept.

Puget Sound Energy, Inc.
Stephen J King, Controller & Principal Accounting Officer
P.O. Box 97034 PSE-08S
Bellevue, Washington 98009-9734

2. Provide the name of the State under the laws of which respondent is incorporated and date of incorporation. If incorporated under a special law, give reference to such law. If not incorporated, state that fact and give the type of organization and the date organized.

State of Washington - September 12, 1960

3. If at any time during the year the property of respondent was held by a receiver or trustee, give (a) name of receiver or trustee, (b) date such receiver or trustee took possession, (c) the authority by which the receivership or trusteeship was created, and (d) date when possession by receiver or trustee ceased.

Not Applicable

4. State the classes of utility and other services furnished by respondent during the year in each State in which the respondent operated.

Electric - State of Washington
Natural Gas - State of Washington

5. Have you engaged as the principal accountant to audit your financial statements an accountant who is not the principal accountant for your previous year's certified financial statements?

(1) [ ] Yes... Enter the date when such independent accountant was initially engaged:
(2) [X] No

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2019	End of 2018/Q4

Control Over Respondent

1. Report in column (a) the names of all corporations, partnerships, business trusts, and similar organizations that directly, indirectly, or jointly held control (see page 103 for definition of control) over the respondent at the end of the year. If control is in a holding company organization, report in a footnote the chain of organization.
2. If control is held by trustees, state in a footnote the names of trustees, the names of beneficiaries for whom the trust is maintained, and the purpose of the trust.
3. In column (b) designate type of control over the respondent. Report an "M" if the company is the main parent or controlling company having ultimate control over the respondent. Otherwise, report a "D" for direct, an "I" for indirect, or a "J" for joint control.

Line No.	Company Name (a)	Type of Control (b)	State of Incorporation (c)	Percent Voting Stock Owned (d)
1	Puget Energy, Inc. (a holding company)	M	WA	100.00
2	Puget Equico, LLC (holds Puget Energy - PE)	I	WA	100.00
3	Puget Intermediate Holdings, Inc. (holds Puget Eq)	I	WA	100.00
4	Puget Holdings, LLC (holds Puget Intermediate)	I	WA	100.00
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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2019	End of 2018/Q4

Corporations Controlled by Respondent

1. Report below the names of all corporations, business trusts, and similar organizations, controlled directly or indirectly by respondent at any time during the year. If control ceased prior to end of year, give particulars (details) in a footnote.
2. If control was by other means than a direct holding of voting rights, state in a footnote the manner in which control was held, naming any intermediaries involved.
3. If control was held jointly with one or more other interests, state the fact in a footnote and name the other interests.
4. In column (b) designate type of control of the respondent as "D" for direct, an "I" for indirect, or a "J" for joint control.

DEFINITIONS

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1. See the Uniform System of Accounts for a definition of control.
2. Direct control is that which is exercised without interposition of an intermediary.
3. Indirect control is that which is exercised by the interposition of an intermediary that exercises direct control.
4. Joint control is that in which neither interest can effectively control or direct action without the consent of the other, as where the voting control is equally divided between two holders, or each party holds a veto power over the other. Joint control may exist by mutual agreement or understanding between two or more parties who together have control within the meaning of the definition of control in the Uniform System of Accounts, regardless of the relative voting rights of each party.

Line No.	Name of Company Controlled (a)	Type of Control (b)	Kind of Business (c)	Percent Voting Stock Owned (d)	Footnote Reference (e)
1	Puget Western, Inc	D	Real Estate Operations	100	Not used
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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2019	End of 2018/Q4

Security Holders and Voting Powers

1. Give the names and addresses of the 10 security holders of the respondent who, at the date of the latest closing of the stock book or compilation of list of stockholders of the respondent, prior to the end of the year, had the highest voting powers in the respondent, and state the number of votes that each could cast on that date if a meeting were held. If any such holder held in trust, give in a footnote the known particulars of the trust (whether voting trust, etc.), duration of trust, and principal holders of beneficiary interests in the trust. If the company did not close the stock book or did not compile a list of stockholders within one year prior to the end of the year, or if since it compiled the previous list of stockholders, some other class of security has become vested with voting rights, then show such 10 security holders as of the close of the year. Arrange the names of the security holders in the order of voting power, commencing with the highest. Show in column (a) the titles of officers and directors included in such list of 10 security holders.
2. If any security other than stock carries voting rights, explain in a supplemental statement how such security became vested with voting rights and give other important details concerning the voting rights of such security. State whether voting rights are actual or contingent; if contingent, describe the contingency.
3. If any class or issue of security has any special privileges in the election of directors, trustees or managers, or in the determination of corporate action by any method, explain briefly in a footnote.
4. Furnish details concerning any options, warrants, or rights outstanding at the end of the year for others to purchase securities of the respondent or any securities or other assets owned by the respondent, including prices, expiration dates, and other material information relating to exercise of the options, warrants, or rights. Specify the amount of such securities or assets any officer, director, associated company, or any of the 10 largest security holders is entitled to purchase. This instruction is inapplicable to convertible securities or to any securities substantially all of which are outstanding in the hands of the general public where the options, warrants, or rights were

1. Give date of the latest closing of the stock book prior to end of year, and, in a footnote, state the purpose of such closing:	2. State the total number of votes cast at the latest general meeting prior to the end of year for election of directors of the respondent and number of such votes cast by proxy.	3. Give the date and place of such meeting:
12/31/2018	Total: By Proxy:	N/A

Line No.	Name (Title) and Address of Security Holder (a)	VOTING SECURITIES 4. Number of votes as of (date): 12/31/2018 Total Votes (b)	Common Stock (c)	Preferred Stock (d)	Other (e)
5	TOTAL votes of all voting securities	85,903,791	85,903,791		
6	TOTAL number of security holders	1	1		
7	TOTAL votes of security holders listed below	85,903,791	85,903,791		
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FOOTNOTE DATA

Schedule Page: 107 Line No.: 7 Column: c

Puget Energy is sole shareholder of Puget Sound Energy.

Important Changes During the Quarter/Year

Give details concerning the matters indicated below. Make the statements explicit and precise, and number them in accordance with the inquiries. Answer each inquiry. Enter "none" or "not applicable" where applicable. If the answer is given elsewhere in the report, refer to the schedule in which it appears.

1. Changes in and important additions to franchise rights: Describe the actual consideration and state from whom the franchise rights were acquired. If the franchise rights were acquired without the payment of consideration, state that fact.
2. Acquisition of ownership in other companies by reorganization, merger, or consolidation with other companies: Give names of companies involved, particulars concerning the transactions, name of the Commission authorizing the transaction, and reference to Commission authorization.
3. Purchase or sale of an operating unit or system: Briefly describe the property, and the related transactions, and cite Commission authorization, if any was required. Give date journal entries called for by Uniform System of Accounts were submitted to the Commission.
4. Important leaseholds (other than leaseholds for natural gas lands) that have been acquired or given, assigned or surrendered: Give effective dates, lengths of terms, names of parties, rents, and other conditions. State name of Commission authorizing lease and give reference to such authorization.
5. Important extension or reduction of transmission or distribution system: State territory added or relinquished and date operations began or ceased and cite Commission authorization, if any was required. State also the approximate number of customers added or lost and approximate annual revenues of each class of service.

Each natural gas company must also state major new continuing sources of gas made available to it from purchases, development, purchase contract or otherwise, giving location and approximate total gas volumes available, period of contracts, and other parties to any such arrangements, etc.

6. Obligations incurred or assumed by respondent as guarantor for the performance by another of any agreement or obligation, including ordinary commercial paper maturing on demand or not later than one year after date of issue: State on behalf of whom the obligation was assumed and amount of the obligation. Cite Commission authorization if any was required.
7. Changes in articles of incorporation or amendments to charter: Explain the nature and purpose of such changes or amendments.
8. State the estimated annual effect and nature of any important wage scale changes during the year.
9. State briefly the status of any materially important legal proceedings pending at the end of the year, and the results of any such proceedings culminated during the year.
10. Describe briefly any materially important transactions of the respondent not disclosed elsewhere in this report in which an officer, director, security holder, voting trustee, associated company or known associate of any of these persons was a party or in which any such person had a material interest.
11. Estimated increase or decrease in annual revenues caused by important rate changes: State effective date and approximate amount of increase or decrease for each revenue classification. State the number of customers affected.
12. Describe fully any changes in officers, directors, major security holders and voting powers of the respondent that may have occurred during the reporting period.
13. In the event that the respondent participates in a cash management program(s) and its proprietary capital ratio is less than 30 percent please describe the significant events or transactions causing the proprietary capital ratio to be less than 30 percent, and the extent to which the respondent has amounts loaned or money advanced to its parent, subsidiary, or affiliated companies through a cash management program(s). Additionally, please describe plans, if any to regain at least a 30 percent proprietary ratio.

1. Changes in and important additions to franchise rights: Describe the actual consideration given therefore and state from whom the franchise rights were acquired. If acquired without the payment of consideration, state that fact.

Location (WA)	County	Type	Category	Initial Term	Consideration
Bellevue	King	Electric	New	10 years	$ -
Bremerton	Kitsap	Electric	Extension	1 year	$ -
Shoreline	King	Electric & Natural Gas	Extension	1 year	$ -
Federal Way	King	Natural Gas	Expired	-	$ -
Fife	Pierce	Natural Gas	Expired	-	$ -
Langley	Island	Electric	Expired	-	$ -
North Bend	King	Electric	Expired	-	$ -

No consideration was paid to the granting jurisdictions for any of the franchises listed above.

2. None.

3. None.

4. None.

5. None.

6. As of December 31, 2018, no amounts were drawn and outstanding under PSE's credit facility. No letters of credit were outstanding and $379.3 million was outstanding under the commercial paper program. Outside of the credit agreement, PSE had a $3.0 million letter of credit in support of a long-term transmission contract and a $1.0 million letter of credit in support of natural gas purchases in Canada.

PSE has in effect a shelf registration statement ("the existing shelf") under which it may issue, as of the date of this report, up to $200.0 million aggregate principal amount of senior notes secured by first mortgage bonds. The existing shelf will expire in November 2019. Substantially all utility properties owned by PSE are subject to the lien of the Company's electric and natural gas mortgage indentures. To issue additional first mortgage bonds under these indentures, PSE's earnings available for interest must exceed certain minimums as defined in the indentures. At December 31, 2018, the earnings available for interest exceeded the required amount.

On March 5, 2018, PSE commenced a tender offer and related consent solicitation to purchase any and all of the outstanding $250.0 million 6.974% Series A Enhanced Junior Subordinated Notes due June 1, 2067. Holders of the notes received $1,005 per $1,000 principal amount of notes plus accrued and unpaid interest for notes tendered and accepted by the early tender payment deadline of March 16, 2018. Holders of notes tendered after the early tender payment deadline, but prior to the tender offer expiration on April 2, 2018 were to receive the tender offer consideration of $975 per $1,000 of principal amount of the notes plus accrued but unpaid interest. A total of $193.4 million in principal amount of notes were tendered by the early payment deadline and no notes were tendered after the early payment deadline. On March 20, 2018, $194.9 million was paid to the holders of the tendered notes. This amount included the principal, early tender consideration and accrued interest up to, but not including March20, 2018.

Concurrently with the tender offer, PSE solicited consents from a majority (in principal amount) of the holders of PSE's 6.274% Senior Notes due March 15, 2037 to terminate the replacement capital covenant granted to the holders of those notes. The termination of the covenant was necessary because it included restrictions related to repurchases, redemptions and repayments of the 6.974% Series A Enhanced Junior Subordinated Notes. PSE received consents from holders of 87.7% of the 6.274% Senior Notes and paid a consent fee totaling $2.6 million to those holders on March 19, 2018.

On March 28, 2018, PSE issued a notice of redemption, effective April 27, 2018, for the remaining $56.6 million principal amount of the 6.974% Series A Enhanced Junior Subordinated Notes. The notes were redeemed at a price equal to 100% of their principal amount plus accrued and unpaid interest up to, but excluding the redemption date.

On June 4, 2018, PSE issued $600.0 million of 30-year Senior Notes under its senior note indenture at an interest rate of 4.223% with a maturity date of June 15, 2048. The proceeds from the issuance were used to pay the principal and accrued interest on the Company's $200.0 million Secured Notes that matured on June 15, 2018, outstanding commercial paper borrowings of $348.0 million and other general corporate expenses.

7. None.

8. Non-represented employees received on average a 2.85% increase effective March 1, 2018. Employees of the UA received a 3.0% salary increase that went into effect October 1, 2018. The current contracts with the IBEW will expire March 31, 2020 and September 30, 2021, respectively. The estimated annual effect of these changes is $6.1 million.

9. Legal Proceedings:

Expedited Rate Filing Rate Adjustment - On November 7, 2018, PSE filed an expedited rate filing (ERF) with the Washington Commission. The filing is a request to change rates associated with PSE's delivery and fixed production costs. It does not include variable power costs, purchased gas costs or natural gas pipeline replacement program costs, which are recovered in separate mechanisms. The filing is based on historical test year costs and rate base, and follows the reporting requirements of a Commission Basis Report, as defined by the Washington Administrative Code, but is filed using end of period rate base and certain annualizing adjustments. It does not include any forward-looking or pro-forma adjustments. Included in the filing is a reduction to the overall authorized rate of return from 7.6% to 7.49% to recognize a reduction in debt costs associated with recent debt activity. PSE requested an overall increase in electric rates of $18.9 million annually, which is a 0.9% increase, and an overall increase in natural gas rates of $21.7 million annually, which is a 2.7% increase.

On January 22, 2019, all parties in the proceeding reached an agreement on settlement terms that resolve all issues in the filing. The settlement agreement was filed on January 30, 2019. The major points covered by the agreement are as follows. The agreed upon rate increases in the settlement are $21.5 million on natural gas and no rate increase on electric which would become effective March 1, 2019. Items that were not specifically identified in the settlement are deemed to offset the ARAM amounts discussed below to arrive at the settlement rate changes.

The settlement agreement in PSE's pending expedited rate change filing provides for the pass back beginning March 1, 2018 of the turnaround of plant related excess deferred income taxes on the average rate assumption method (ARAM) that resulted from the Tax Cuts and Jobs Act based on 2018 amounts in the amount of $6.1 million for natural gas and $25.9 million for electric. The settlement agreement leaves the determination for the regulatory treatment of the remaining items related to the TCJA to PSE's next GRC:

1) excess deferred taxes for non-plant- related book/tax differences,
2) the deferred balance associated with the over-collection of income tax expense for the period January 1 through April 30, 2018 (the time period that encompasses the effective date of the TCJA through May 1, 2018, the requested effective date of the rate change); and
3) the turnaround of plant related excess deferred income taxes using the ARAM method for the period from January 2018 through February 2019, the rate effective date for the ERF.

The agreement provides that PSE may defer the depreciation expense associated with PSE's ongoing investment in its advanced metering infrastructure (AMI) investment and to defer the return on the AMI investment that was included in the test year of the filing. The agreement preserves the parties' rights to argue that both deferrals should be or should not be recovered in the Company's next GRC. The rate of return adopted in the settlement is the 7.49% included in the filing. The Washington Commission has suspended the procedural calendar in the proceeding and indicated it will not require a settlement hearing and will make their decision on whether or not to approve the settlement on the paper record in the filing. A ruling by the Washington Commission is expected in enough time to implement rates on March 1, 2019.

Washington Commission Tax Deferral Filing - The Tax Cuts and Jobs Act (TCJA) was signed into law in December 2017. As a result of this change, PSE re-measured its deferred tax balances under the new corporate tax rate. PSE filed an accounting petition on December 29, 2017 requesting deferred accounting treatment for the impacts of tax reform. The requested deferral accounting treatment results in the tax rate change being captured in the deferred income tax balance with an offset to the regulatory liability for deferred income taxes. Additionally, on March 30, 2018, PSE filed for a rate change for electric and natural gas customers associated with TCJA to reflect the decrease in the federal corporate income tax rate from 35.0% to 21.0%. The overall impact of the rate change, based on the annual period from May 2018 through April 2019, is a revenue decrease of $72.9 million, or 3.4% for electric and $23.6 million, or 2.7% for natural gas.

The March 30, 2018, rate change filing did not address excess deferred taxes or the deferred balance associated with the over-collection of income tax expense of $34.6 million for the period January 1 through April 30, 2018 (the time period that encompasses the effective date of the TCJA through May 1, 2018, the effective date of the rate change). The $34.6 million tax over-collection decreased PSE's revenue and increased the regulatory liability for a refund to customers.

As a result of the ERF settlement, the excess deferred taxes associated with non-plant-related book/tax differences, the deferred balance associated with the over-collection of income tax expense and the treatment of the excess deferred taxes associated with plant related book/tax differences from January 1, 2018 through February 28, 2019 will be addressed in PSE's accounting petition in its next GRC.

Washington Clean Air Rule - The CAR was adopted in September 2016, in Washington State and attempts to reduce greenhouse gas emissions from "covered entities" located within Washington State. Included under the new rule are large manufacturers, petroleum producers and natural gas utilities, including PSE. The CAR sets a cap on emissions associated with covered entities, which decreases over time approximately 5.0% every three years. Entities must reduce their carbon emissions, or purchase emission reduction units (ERUs), as defined under the rule, from others.

In September 2016, PSE, along with Avista Corporation, Cascade Natural Gas Corporation and NW Natural, filed a lawsuit in the

U.S. District Court for the Eastern District of Washington challenging the CAR. In September 2016, the four companies filed a similar challenge to the CAR in Thurston County Superior Court. In March 2018, the Thurston County Superior Court invalidated the CAR. The Department of Ecology appealed the Superior Court decision in May 2018. As a result of the appeal, direct review to the Washington State Supreme Court was granted and oral argument will be in the end of March 2019. The federal court litigation has been held in abeyance pending resolution of the state case.

10. Related Party Transactions

PSE is a public utility incorporated in the state of Washington that furnishes electric and natural gas services in a territory covering approximately 6,000 square miles, primarily in the Puget Sound region. PSE's parent company - Puget Energy - has a wholly-owned non-regulated subsidiary, Puget LNG, LLC (Puget LNG), which has the sole purpose of owning, developing and financing the non-regulated activity of the Tacoma liquefied natural gas (LNG) facility, currently under construction. PSE and Puget LNG are considered related parties with similar ownership by Puget Energy. Therefore, capital and operating costs that are incurred by PSE and allocated to Puget LNG are related party transactions by nature.

Scott Armstrong serves on the Board of Directors of the Company and, until its acquisition by Kaiser Permanente on February 1, 2017, was the President and Chief Executive Officer of Group Health Cooperative (Group Health), a health insurance and medical care provider. Certain employees of PSE elected Group Health as their medical provider prior to its acquisition by Kaiser Permanente and as a result, PSE paid Group Health a total of $3.9 million and $23.3 million for medical coverage for the year ended December 31, 2017 and 2016. Kaiser Permanente is not considered a related party to PSE.

11. The Washington Commission approved the following PSE requests to change rates to reflect the new corporate tax rates:

Effective Date	Average Percentage Increase (Decrease) in Rates	Increase (Decrease) in Revenue (Dollars in Millions)
Natural Gas:		
1-May-18	-2.70%	($0.24)

Decoupling Filings: On December 5, 2017, the Washington Commission approved PSE's request within the 2017 GRC to extend the decoupling mechanism with some changes to the methodology that took effect on December 19, 2017. Electric and natural gas delivery revenues will continue to be recovered on a per customer basis and electric fixed production energy costs will now be decoupled and recovered on the basis of a fixed monthly amount. Approved revenue per customer costs can only be changed in a GRC or ERF. Approved electric fixed production energy costs can also be changed in a power cost only rate case (PCORC). Other changes to the decoupling methodology approved by the Washington Commission include regrouping of electric and natural gas non-residential customers and the exclusion of certain electric schedules from the decoupling mechanism going forward. The rate cap which limits the amount of previously deferred revenues PSE can collect in its annual filings increased from 3.0% to 5.0% for natural gas customers but will remain at 3.0% for electric customers. The decoupling mechanism is to be reviewed again in PSE's first GRC filed in or after 2021, or in a separate proceeding, if appropriate. PSE's decoupling mechanism over- and under- collections will still be collectible or refundable after this effective date even if the decoupling mechanism is not extended.

The Washington Commission approved the following PSE requests to change rates for prior deferrals under its electric and natural gas decoupling mechanisms:

Effective Date	Average Percentage Increase	Increase (Decrease) in Revenue (Dollars in Millions)[1]
Natural Gas:		
1-May-18	1.70%	$15.90
1-May-17	2.4	22.4
1-May-16	280.00%	$25.40

1 *The increase in revenue is net of reductions from excess earnings of $4.9 million for natural gas effective May 1, 2018, $2.2 million effective May 1, 2017, and $5.5 million effective May 1, 2016.*

Natural Gas Rates

Natural Gas Cost Recovery Mechanism

The following table sets forth CRM rate adjustments approved by the Washington Commission and the corresponding impact on PSE's revenue based on the effective dates:

Effective Date	Average Percentage Increase	Increase (Decrease) In Revenue (Dollars in Millions)
November 1, 2018	0.50%	$5.00
November 1, 2017	0.50	4.90
November 1, 2016	0.60	5.60

Purchased Gas Adjustment

The following table sets forth PGA rate adjustments approved by the Washington Commission and the corresponding impact on PSE's revenue based on the effective dates:

Effective Date	Average Percentage Increase	Increase (Decrease) In Revenue (Dollars in Millions)
November 1, 2018	(10.90)%	($98.40)
November 1, 2017	(3.30)	(30.80)
November 1, 2016	(.40)	(4.10)

Natural Gas Property Tax Tracker Mechanism

The following table sets forth property tax tracker mechanism rate adjustments approved by the Washington Commission and the corresponding impact on PSE's revenue based on the effective dates:

Effective Date	Average Percentage Increase	Increase (Decrease) In Revenue (Dollars in Millions)
May 1, 2018	(0.20)%	($2.20)
May 1, 2017	(.10)	(1.10)
June 1, 2016	(.40)	3.50

Natural Gas Conservation Rider

The following table sets forth conservation rider rate adjustments approved by the Washington Commission and the corresponding annual impact on PSE's revenue based on the effective dates:

Effective Date	Average Percentage Increase	Increase (Decrease) In Revenue (Dollars in Millions)
May 1, 2017	(0.10)%	($1.00)
May 1, 2016	0.30	2.90

Natural Gas Operating Revenue

2017 compared to 2018

Natural gas operating revenue decreased $147.0 million primarily due to lower retail sales of $125.7 million, decreased other decoupling revenue of $14.2 million and decreased transportation and other revenue of $9.7 million; partially offset by an increase in decoupling revenue of $2.6 million. These items are discussed in the following details:

- **Natural gas retail sales** decreased $125.7 million due to a decrease of $71.5 million in natural gas sales, which is a result of a decrease in natural gas load of 7.1% from 2017 and a decrease in rates of $58.3 million. Natural gas load decreased primarily due to the decrease in average therms used per residential and commercial customers of 9.4% and 5.9%, respectively, compared to 2017, as a result of an 11.3% decrease in heating degree days, which decreased the natural gas heating load compared to prior year. The decrease in rates was primarily due to a rate changes from the following filings: GRC which decreased rates 3.8% annually, PGA rates decreased 3.3% annually, a 2.7% decrease for the change in corporate tax rate due to the TCJA and is offset by an increase in decoupling rates of 1.7%, see Management's Discussion and Analysis, "Regulation and Rates" included in Item 2 of this report for natural gas rate changes.

Decoupling revenue increased $2.6 million primarily due to a decrease in natural gas consumption, as noted above in the retail revenue section, resulting in a larger decrease in actual delivery revenues as compared to allowed delivery revenues in the current year than in prior year. This was partially offset by a decrease in allowed revenue per customer.

Other decoupling revenue decreased $14.2 million primarily due to a $19.6 million decrease in current year recognition of revenues not recognized in previous years as they were not expected to be recovered in rates within 24 months from previous years. In addition, current year amortization of previous years' decoupling deferrals decreased $5.7 million, resulting from reduced natural gas consumption in the current year, partially offset by an increase in amortization rates. This activity was offset by an $11.5 million increase related to a decrease in ROR excess earnings sharing from 2017.

Transportation and other revenue decreased $9.7 million primarily due to tax reform deferrals for revenue subject to refund of $10.5 million.

Expedited Rate Filing Rate Adjustment

On November 7, 2018, PSE filed an expedited rate filing (ERF) with the Washington Commission. The filing is a request to change rates associated with PSE’s delivery and fixed production costs. It does not include variable power costs, purchased gas costs or natural gas pipeline replacement program costs, which are recovered in separate mechanisms. The filing is based on historical test year costs and rate base, and follows the reporting requirements of a Commission Basis Report, as defined by the Washington Administrative Code, but is filed using end of period rate base and certain annualizing adjustments. It does not include any forward-looking or pro-forma adjustments. Included in the filing is a reduction to the overall authorized rate of return from 7.6% to 7.49% to recognize a reduction in debt costs associated with recent debt activity. PSE requested an overall increase in electric rates of $18.9 million annually, which is a 0.9% increase, and an overall increase in natural gas rates of $21.7 million annually, which is a 2.7% increase.

On January 22, 2019, all parties in the proceeding reached an agreement on settlement terms that resolve all issues in the filing. The settlement agreement was filed on January 30, 2019. The major points covered by the agreement are as follows. The agreed upon rate increases in the settlement are $21.5 million on natural gas and no rate increase on electric which would become effective March 1, 2019. Items that were not specifically identified in the settlement are deemed to offset these ARAM amounts to arrive at the settlement rate changes.

The settlement agreement in PSE’s pending expedited rate change filing provides for the pass back beginning March 1, 2018 of the turnaround of plant related excess deferred income taxes on the average rate assumption method (ARAM) that resulted from the Tax Cuts and Jobs Act based on 2018 amounts in the amount of $6.1 million for natural gas and $25.9 million for electric. The settlement agreement leaves the determination for the regulatory treatment of the remaining items related to the TCJA to PSE’s next GRC:

1) excess deferred taxes for non-plant- related book/tax differences,

2) the deferred balance associated with the over-collection of income tax expense for the period January 1 through April 30, 2018 (the time period that encompasses the effective date of the TCJA through May 1, 2018, the requested effective date of the rate change); and
3) the turnaround of plant related excess deferred income taxes using the ARAM method for the period from January 2018 through February 2019, the rate effective date for the ERF.

The agreement provides that PSE may defer the depreciation expense associated with PSE's ongoing investment in its advanced metering infrastructure (AMI) investment and to defer the return on the AMI investment that was included in the test year of the filing. The agreement preserves the parties rights to argue that both deferrals should be or should not be recovered in the Company's next GRC. The rate of return adopted in the settlement is the 7.49% included in the filing. The Washington Commission has suspended the procedural calendar in the proceeding and indicated it will not require a settlement hearing and will make their decision on whether or not to approve the settlement on the paper record in the filing. A ruling by the Washington Commission is expected in enough time to implement rates on March 1, 2019.

Washington Commission Tax Deferral Filing

The Tax Cuts and Jobs Act (TCJA) was signed into law in December 2017. As a result of this change, PSE re-measured its deferred tax balances under the new corporate tax rate. PSE filed an accounting petition on December 29, 2017 requesting deferred accounting treatment for the impacts of tax reform. The requested deferral accounting treatment results in the tax rate change being captured in the deferred income tax balance with an offset to the regulatory liability for deferred income taxes. Additionally, on March 30, 2018, PSE filed for a rate change for electric and natural gas customers associated with TCJA to reflect the decrease in the federal corporate income tax rate from 35.0% to 21.0%. The overall impact of the rate change, based on the annual period from May 2018 through April 2019, is a revenue decrease of $72.9 million, or 3.4% for electric and $23.6 million, or 2.7% for natural gas.

The March 30, 2018, rate change filing did not address excess deferred taxes or the deferred balance associated with the over-collection of income tax expense of $34.6 million for the period January 1 through April 30, 2018 (the time period that encompasses the effective date of the TCJA through May 1, 2018, the effective date of the rate change). The $34.6 million tax over-collection decreased PSE's revenue and increased the regulatory liability for a refund to customers.

As a result of the ERF settlement, the excess deferred taxes associated with non-plant-related book/tax differences, the deferred balance associated with the over-collection of income tax expense and the treatment of the excess deferred taxes associated with plant related book/tax differences from January 1, 2018 through February 28, 2019 will be addressed in PSE's accounting petition in its next GRC.

The following tables present the number of PSE customers and revenue by customer class for natural gas as of December 31, 2018.

Customer Count by Class	2018 December 31,	2017	Percent Change
Residential	778,198	767,045	1.50%
Commercial	56,366	55,996	0.70
Industrial	2,314	2,332	-0.80
Other	234	226	3.50
Total	837,112	825,599	1.40%

(Dollars in Thousands)	2018	2017	
Retail Revenue by Class	December 31,		Percent Change
Residential	598,923	686,438	-12.70%
Commercial	239,552	274,907	-12.90
Industrial	18,198	21,071	-13.60
Other	19,984	21,718	-8.00
Total	876,657	1,004,134	-12.70%

12. Mr. David MacMillan, director on the Board of Directors of Puget Sound Energy, Inc. tendered his resignation from the Company effective on January 18, 2018. Mr. MacMillan served in that role since November 6, 2012 and was also a member of the Audit Committee. Mr. MacMillan served on the board of PSE as a representative of Canada Pension Plan Investment Board (CPPIB)'s ownership interests.

Mr. Phillip K. Bussey, Senior Vice President and Chief Customer Officer of Puget Sound Energy, Inc. (the "Company"), retired from the Company on January 5, 2018. Mr. Bussey served in that role since March 2012, and had served the Company as Senior Vice President, Corporate Affairs from 2003 to 2009.

Mr. Etienne Middleton, a member of the Board of Directors for Puget Sound Energy, Inc. tendered his resignation from the Board effective on August 2, 2018. Mr. Middleton had served as a director on the Board since March 1, 2016, as an appointee of the Canada Pension Plan Investment Board, one of the consortium of investors that indirectly owns Puget Sound Energy.

13. None.

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2019	End of 2018/Q4

Comparative Balance Sheet (Assets and Other Debits)

Line No.	Title of Account (a)	Reference Page Number (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
1	**UTILITY PLANT**			
2	Utility Plant (101-106, 114)	200-201	15,375,856,926	14,581,684,052
3	Construction Work in Progress (107)	200-201	550,466,420	495,937,269
4	TOTAL Utility Plant (Total of lines 2 and 3)	200-201	15,926,323,346	15,077,621,321
5	(Less) Accum. Provision for Depr., Amort., Depl. (108, 111, 115)		6,013,978,491	5,617,411,819
6	Net Utility Plant (Total of line 4 less 5)		9,912,344,855	9,460,209,502
7	Nuclear Fuel (120.1 thru 120.4, and 120.6)		0	0
8	(Less) Accum. Provision for Amort., of Nuclear Fuel Assemblies (120.5)		0	0
9	Nuclear Fuel (Total of line 7 less 8)		0	0
10	Net Utility Plant (Total of lines 6 and 9)		9,912,344,855	9,460,209,502
11	Utility Plant Adjustments (116)	122	0	0
12	Gas Stored-Base Gas (117.1)	220	8,654,564	8,654,564
13	System Balancing Gas (117.2)	220	0	0
14	Gas Stored in Reservoirs and Pipelines-Noncurrent (117.3)	220	0	0
15	Gas Owed to System Gas (117.4)	220	0	0
16	**OTHER PROPERTY AND INVESTMENTS**			
17	Nonutility Property (121)		3,200,905	3,106,846
18	(Less) Accum. Provision for Depreciation and Amortization (122)		20,713	20,713
19	Investments in Associated Companies (123)	222-223	0	0
20	Investments in Subsidiary Companies (123.1)	224-225	24,740,583	25,282,015
21	(For Cost of Account 123.1 See Footnote Page 224, line 40)			
22	Noncurrent Portion of Allowances		0	0
23	Other Investments (124)	222-223	49,502,086	48,473,452
24	Sinking Funds (125)		0	0
25	Depreciation Fund (126)		0	0
26	Amortization Fund - Federal (127)		0	0
27	Other Special Funds (128)		20,175,526	20,167,625
28	Long-Term Portion of Derivative Assets (175)		2,512,359	2,157,991
29	Long-Term Portion of Derivative Assets - Hedges (176)		0	0
30	TOTAL Other Property and Investments (Total of lines 17-20, 22-29)		100,110,746	99,167,216
31	**CURRENT AND ACCRUED ASSETS**			
32	Cash (131)		34,727,116	24,969,139
33	Special Deposits (132-134)		14,058,058	5,700,640
34	Working Funds (135)		3,991,806	4,363,344
35	Temporary Cash Investments (136)	222-223	0	0
36	Notes Receivable (141)		546,625	2,601,890
37	Customer Accounts Receivable (142)		187,008,727	237,229,841
38	Other Accounts Receivable (143)		140,877,616	94,860,942
39	(Less) Accum. Provision for Uncollectible Accounts - Credit (144)		8,408,670	8,900,746
40	Notes Receivable from Associated Companies (145)		0	0
41	Accounts Receivable from Associated Companies (146)		8,535,302	3,368,040
42	Fuel Stock (151)		19,826,388	17,266,161
43	Fuel Stock Expenses Undistributed (152)		0	0

Comparative Balance Sheet (Assets and Other Debits)(continued)

Line No.	Title of Account (a)	Reference Page Number (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
44	Residuals (Elec) and Extracted Products (Gas) (153)		0	0
45	Plant Materials and Operating Supplies (154)		116,613,588	107,473,644
46	Merchandise (155)		0	0
47	Other Materials and Supplies (156)		277,440	150,639
48	Nuclear Materials Held for Sale (157)		0	0
49	Allowances (158.1 and 158.2)		22,556	32,064
50	(Less) Noncurrent Portion of Allowances		0	0
51	Stores Expense Undistributed (163)		(456,332)	(502,989)
52	Gas Stored Underground-Current (164.1)	220	31,860,027	31,092,338
53	Liquefied Natural Gas Stored and Held for Processing (164.2 thru 164.3)	220	65,133	75,973
54	Prepayments (165)	230	35,275,821	26,460,123
55	Advances for Gas (166 thru 167)		0	0
56	Interest and Dividends Receivable (171)		0	0
57	Rents Receivable (172)		0	0
58	Accrued Utility Revenues (173)		205,285,105	222,186,152
59	Miscellaneous Current and Accrued Assets (174)		0	14,000
60	Derivative Instrument Assets (175)		49,019,225	24,405,007
61	(Less) Long-Term Portion of Derivative Instrument Assets (175)		2,512,359	2,157,991
62	Derivative Instrument Assets - Hedges (176)		0	0
63	(Less) Long-Term Portion of Derivative Instrument Assests - Hedges (176)		0	0
64	TOTAL Current and Accrued Assets (Total of lines 32 thru 63)		836,613,172	790,688,211
65	**DEFERRED DEBITS**			
66	Unamortized Debt Expense (181)		26,727,401	27,275,211
67	Extraordinary Property Losses (182.1)	230	118,330,539	128,508,500
68	Unrecovered Plant and Regulatory Study Costs (182.2)	230	0	3,786,308
69	Other Regulatory Assets (182.3)	232	444,071,714	512,468,361
70	Preliminary Survey and Investigation Charges (Electric)(183)		21,333	0
71	Preliminary Survey and Investigation Charges (Gas)(183.1 and 183.2)		0	0
72	Clearing Accounts (184)		0	0
73	Temporary Facilities (185)		190,335	186,390
74	Miscellaneous Deferred Debits (186)	233	187,854,739	195,471,307
75	Deferred Losses from Disposition of Utility Plant (187)		168,103	248,878
76	Research, Development, and Demonstration Expend. (188)		0	0
77	Unamortized Loss on Reacquired Debt (189)		42,377,721	39,674,090
78	Accumulated Deferred Income Taxes (190)	234-235	1,276,161,014	1,375,504,644
79	Unrecovered Purchased Gas Costs (191)		9,921,988	(16,050,963)
80	TOTAL Deferred Debits (Total of lines 66 thru 79)		2,105,824,887	2,267,072,726
81	TOTAL Assets and Other Debits (Total of lines 10-15,30,64,and 80)		12,963,548,224	12,625,792,219

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2019	End of 2018/Q4

Comparative Balance Sheet (Liabilities and Other Credits)

Line No.	Title of Account (a)	Reference Page Number (b)	Current Year End of Quarter/Year Balance	Prior Year End Balance 12/31 (d)
1	**PROPRIETARY CAPITAL**			
2	Common Stock Issued (201)	250-251	859,038	859,038
3	Preferred Stock Issued (204)	250-251	0	0
4	Capital Stock Subscribed (202, 205)	252	0	0
5	Stock Liability for Conversion (203, 206)	252	0	0
6	Premium on Capital Stock (207)	252	478,145,250	478,145,250
7	Other Paid-In Capital (208-211)	253	2,804,096,691	2,804,096,691
8	Installments Received on Capital Stock (212)	252	0	0
9	(Less) Discount on Capital Stock (213)	254	0	0
10	(Less) Capital Stock Expense (214)	254	7,133,879	7,133,879
11	Retained Earnings (215, 215.1, 216)	118-119	642,598,308	471,275,893
12	Unappropriated Undistributed Subsidiary Earnings (216.1)	118-119	(19,756,868)	(19,215,436)
13	(Less) Reacquired Capital Stock (217)	250-251	0	0
14	Accumulated Other Comprehensive Income (219)	117	(190,884,863)	(126,904,052)
15	TOTAL Proprietary Capital (Total of lines 2 thru 14)		3,707,923,677	3,601,123,505
16	**LONG TERM DEBT**			
17	Bonds (221)	256-257	3,923,860,000	3,773,860,000
18	(Less) Reacquired Bonds (222)	256-257	0	0
19	Advances from Associated Companies (223)	256-257	0	0
20	Other Long-Term Debt (224)	256-257	0	0
21	Unamortized Premium on Long-Term Debt (225)	258-259	0	0
22	(Less) Unamortized Discount on Long-Term Debt-Dr (226)	258-259	6,849,516	1,758,560
23	(Less) Current Portion of Long-Term Debt		0	0
24	TOTAL Long-Term Debt (Total of lines 17 thru 23)		3,917,010,484	3,772,101,440
25	**OTHER NONCURRENT LIABILITIES**			
26	Obligations Under Capital Leases-Noncurrent (227)		789,154	619,538
27	Accumulated Provision for Property Insurance (228.1)		0	0
28	Accumulated Provision for Injuries and Damages (228.2)		(225,000)	2,290,000
29	Accumulated Provision for Pensions and Benefits (228.3)		101,089,892	58,840,022
30	Accumulated Miscellaneous Operating Provisions (228.4)		140,915,093	160,945,987
31	Accumulated Provision for Rate Refunds (229)		34,578,500	0

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Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2019	End of 2018/Q4

Comparative Balance Sheet (Liabilities and Other Credits)(continued)

Line No.	Title of Account (a)	Reference Page Number (b)	Current Year End of Quarter/Year Balance	Prior Year End Balance 12/31 (d)
32	Long-Term Portion of Derivative Instrument Liabilities		11,094,245	21,235,027
33	Long-Term Portion of Derivative Instrument Liabilities - Hedges		0	0
34	Asset Retirement Obligations (230)		180,489,049	188,933,731
35	TOTAL Other Noncurrent Liabilities (Total of lines 26 thru 34)		468,730,933	432,864,305
36	**CURRENT AND ACCRUED LIABILITIES**			
37	Current Portion of Long-Term Debt		0	0
38	Notes Payable (231)		379,297,000	329,463,000
39	Accounts Payable (232)		506,308,451	397,018,979
40	Notes Payable to Associated Companies (233)		0	0
41	Accounts Payable to Associated Companies (234)		183,621	0
42	Customer Deposits (235)		42,029,654	45,143,005
43	Taxes Accrued (236)	262-263	116,841,727	114,841,147
44	Interest Accrued (237)		43,950,570	47,836,634
45	Dividends Declared (238)		0	0
46	Matured Long-Term Debt (239)		0	0
47	Matured Interest (240)		0	0
48	Tax Collections Payable (241)		7,377,211	1,436,537
49	Miscellaneous Current and Accrued Liabilities (242)	268	24,929,141	22,901,624
50	Obligations Under Capital Leases-Current (243)		525,359	509,713
51	Derivative Instrument Liabilities (244)		57,755,823	86,094,157
52	(Less) Long-Term Portion of Derivative Instrument Liabilities		11,094,245	21,235,027
53	Derivative Instrument Liabilities - Hedges (245)		0	0
54	(Less) Long-Term Portion of Derivative Instrument Liabilities - Hedges		0	0
55	TOTAL Current and Accrued Liabilities (Total of lines 37 thru 54)		1,168,104,312	1,024,009,769
56	**DEFERRED CREDITS**			
57	Customer Advances for Construction (252)		93,054,782	88,764,092
58	Accumulated Deferred Investment Tax Credits (255)		0	0
59	Deferred Gains from Disposition of Utility Plant (256)		1,674,794	2,277,159
60	Other Deferred Credits (253)	269	313,584,370	316,010,348
61	Other Regulatory Liabilities (254)	278	1,088,713,709	1,141,625,470
62	Unamortized Gain on Reacquired Debt (257)	260	0	0
63	Accumulated Deferred Income Taxes - Accelerated Amortization (281)		0	0
64	Accumulated Deferred Income Taxes - Other Property (282)		1,998,720,901	2,034,328,346
65	Accumulated Deferred Income Taxes - Other (283)		206,030,262	212,687,785
66	TOTAL Deferred Credits (Total of lines 57 thru 65)		3,701,778,818	3,795,693,200
67	TOTAL Liabilities and Other Credits (Total of lines 15,24,35,55,and 66)		12,963,548,224	12,625,792,219

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2019	End of 2018/Q4

Statement of Income

Quarterly
1. Enter in column (d) the balance for the reporting quarter and in column (e) the balance for the same three month period for the prior year.
2. Report in column (f) the quarter to date amounts for electric utility function; in column (h) the quarter to date amounts for gas utility, and in (j) the quarter to date amounts for other utility function for the current year quarter.
3. Report in column (g) the quarter to date amounts for electric utility function; in column (i) the quarter to date amounts for gas utility, and in (k) the quarter to date amounts for other utility function for the prior year quarter.
4. If additional columns are needed place them in a footnote.

Annual or Quarterly, if applicable
5. Do not report fourth quarter data in columns (e) and (f)
6. Report amounts for accounts 412 and 413, Revenues and Expenses from Utility Plant Leased to Others, in another utility columnin a similar manner to a utility department. Spread the amount(s) over lines 2 thru 26 as appropriate. Include these amounts in columns (c) and (d) totals.
7. Report amounts in account 414, Other Utility Operating Income, in the same manner as accounts 412 and 413 above.
8. Report data for lines 8, 10 and 11 for Natural Gas companies using accounts 404.1, 404.2, 404.3, 407.1 and 407.2.
9. Use page 122 for important notes regarding the statement of income for any account thereof.
10. Give concise explanations concerning unsettled rate proceedings where a contingency exists such that refunds of a material amount may need to be made to the utility's customers or which may result in material refund to the utility with respect to power or gas purchases. State for each year effected the gross revenues or costs to which the contingency relates and the tax effects together with an explanation of the major factors which affect the rights of the utility to retain such revenues or recover amounts paid with respect to power or gas purchases.
11 Give concise explanations concerning significant amounts of any refunds made or received during the year resulting from settlement of any rate proceeding affecting revenues received or costs incurred for power or gas purches, and a summary of the adjustments made to balance sheet, income, and expense accounts.
12. If any notes appearing in the report to stokholders are applicable to the Statement of Income, such notes may be included at page 122.
13. Enter on page 122 a concise explanation of only those changes in accounting mehods made during the year which had an effect on net income, including the basis of allocations and apportionments from those used in the preceding year. Also, give the appropriate dollar effect of such changes.
14. Explain in a footnote if the previous year's/quarter's figures are different from that reported in prior reports.
15. If the columns are insufficient for reporting additional utility departments, supply the appropriate account titles report the information in a footnote to this schedule.

Line No.	Title of Account (a)	Reference Page Number (b)	Total Current Year to Date Balance for Quarter/Year (c)	Total Prior Year to Date Balance for Quarter/Year (d)	Current Three Months Ended Quarterly Only No Fourth Quarter (e)	Prior Three Months Ended Quarterly Only No Fourth Quarter (f)
1	UTILITY OPERATING INCOME					
2	Gas Operating Revenues (400)	300-301	3,293,830,865	3,435,372,062	0	0
3	Operating Expenses					
4	Operation Expenses (401)	317-325	1,664,295,805	1,677,205,038	0	0
5	Maintenance Expenses (402)	317-325	173,363,458	178,934,753	0	0
6	Depreciation Expense (403)	336-338	450,723,964	406,277,451	0	0
7	Depreciation Expense for Asset Retirement Costs (403.1)	336-338	7,859,026	7,510,975	0	0
8	Amortization and Depletion of Utility Plant (404-405)	336-338	86,037,315	58,916,375	0	0
9	Amortization of Utility Plant Acu. Adjustment (406)	336-338	11,656,401	11,657,189	0	0
10	Amort. of Prop. Losses, Unrecovered Plant and Reg. Study Costs (407.1)		35,645,161	20,885,273	0	0
11	Amortization of Conversion Expenses (407.2)		0	0	0	0
12	Regulatory Debits (407.3)		21,433,427	(39,397,625)	0	0
13	(Less) Regulatory Credits (407.4)		33,645,163	42,123,699	0	0
14	Taxes Other than Income Taxes (408.1)	262-263	335,917,730	360,108,462	0	0
15	Income Taxes-Federal (409.1)	262-263	54,348,132	78,605,640	0	0
16	Income Taxes-Other (409.1)	262-263	437,582	16,513	0	0
17	Provision of Deferred Income Taxes (410.1)	234-235	223,098,926	1,018,195,205	0	0
18	(Less) Provision for Deferred Income Taxes-Credit (411.1)	234-235	193,749,349	835,746,783	0	0
19	Investment Tax Credit Adjustment-Net (411.4)		0	0	0	0
20	(Less) Gains from Disposition of Utility Plant (411.6)		729,404	696,064	0	0
21	Losses from Disposition of Utility Plant (411.7)		81,967	146,780	0	0
22	(Less) Gains from Disposition of Allowances (411.8)		4,419	12,569	0	0
23	Losses from Disposition of Allowances (411.9)		0	0	0	0
24	Accretion Expense (411.10)		3,716,812	5,456,832	0	0
25	TOTAL Utility Operating Expenses (Total of lines 4 thru 24)		2,840,487,371	2,905,939,746	0	0
26	Net Utility Operating Income (Total of lines 2 less 25) (Carry forward to page 116, line 27)		453,343,494	529,432,316	0	0

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2019	End of 2018/Q4

Statement of Income

Line No.	Elec. Utility Current Year to Date (in dollars) (g)	Elec. Utility Previous Year to Date (in dollars) (h)	Gas Utility Current Year to Date (in dollars) (i)	Gas Utility Previous Year to Date (in dollars) (j)	Other Utility Current Year to Date (in dollars) (k)	Other Utility Previous Year to Date (in dollars) (l)
1						
2	2,443,083,188	2,437,612,690	850,747,677	997,759,372	0	0
3						
4	1,218,665,540	1,163,650,904	445,630,265	513,554,134	0	0
5	146,329,474	152,131,238	27,033,984	26,803,515	0	0
6	333,758,359	276,018,010	116,965,605	130,259,441	0	0
7	7,708,442	7,379,824	150,584	131,151	0	0
8	59,676,651	42,090,325	26,360,664	16,826,050	0	0
9	11,656,401	11,657,189	0	0	0	0
10	35,645,161	20,885,273	0	0	0	0
11	0	0	0	0	0	0
12	12,780,372	(39,719,153)	8,653,055	321,528	0	0
13	33,645,163	42,123,699	0	0	0	0
14	234,352,537	245,625,339	101,565,193	114,483,123	0	0
15	22,590,030	61,577,668	31,758,102	17,027,972	0	0
16	251,525	16,513	186,057	0	0	0
17	177,018,210	718,619,867	46,080,716	299,575,338	0	0
18	138,110,502	584,783,510	55,638,847	250,963,273	0	0
19	0	0	0	0	0	0
20	755,389	637,284	(25,985)	58,780	0	0
21	(8,354)	127,721	90,321	19,059	0	0
22	4,419	12,569	0	0	0	0
23	0	0	0	0	0	0
24	3,557,679	5,418,936	159,133	37,896	0	0
25	2,091,466,554	2,037,922,592	749,020,817	868,017,154	0	0
26	351,616,634	399,690,098	101,726,860	129,742,218	0	0

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2019	End of 2018/Q4

Statement of Income(continued)

Line No.	Title of Account (a)	Reference Page Number (b)	Total Current Year to Date Balance for Quarter/Year (c)	Total Prior Year to Date Balance for Quarter/Year (d)	Current Three Months Ended Quarterly Only No Fourth Quarter (e)	Prior Three Months Ended Quarterly Only No Fourth Quarter (f)
27	Net Utility Operating Income (Carried forward from page 114)		453,343,494	529,432,316	0	0
28	OTHER INCOME AND DEDUCTIONS					
29	Other Income					
30	Nonutility Operating Income					
31	Revenues form Merchandising, Jobbing and Contract Work (415)		501,689	398,020	0	0
32	(Less) Costs and Expense of Merchandising, Job & Contract Work (416)		363,014	363,889	0	0
33	Revenues from Nonutility Operations (417)		39,203,175	41,317,166	0	0
34	(Less) Expenses of Nonutility Operations (417.1)		44,832,238	45,309,854	0	0
35	Nonoperating Rental Income (418)		41,250	0	0	0
36	Equity in Earnings of Subsidiary Companies (418.1)	119	(541,432)	(2,245,730)	0	0
37	Interest and Dividend Income (419)		6,407,864	7,280,801	0	0
38	Allowance for Other Funds Used During Construction (419.1)		17,190,558	15,027,424	0	0
39	Miscellaneous Nonoperating Income (421)		27,336,459	(23,281,393)	0	0
40	Gain on Disposition of Property (421.1)		67,090	201,437	0	0
41	TOTAL Other Income (Total of lines 31 thru 40)		45,011,401	(6,976,018)	0	0
42	Other Income Deductions					
43	Loss on Disposition of Property (421.2)		0	0	0	0
44	Miscellaneous Amortization (425)		0	0	0	0
45	Donations (426.1)	340	61,557	45,969	0	0
46	Life Insurance (426.2)		(1,763,633)	(2,361,237)	0	0
47	Penalties (426.3)		447,169	(500,400)	0	0
48	Expenditures for Certain Civic, Political and Related Activities (426.4)		6,511,722	5,085,931	0	0
49	Other Deductions (426.5)		(9,128,046)	19,813,769	0	0
50	TOTAL Other Income Deductions (Total of lines 43 thru 49)	340	(3,871,231)	22,084,032	0	0
51	Taxes Applic. to Other Income and Deductions					
52	Taxes Other than Income Taxes (408.2)	262-263	434,470	344,832	0	0
53	Income Taxes-Federal (409.2)	262-263	(35,064,733)	(77,478,306)	0	0
54	Income Taxes-Other (409.2)	262-263	0	0	0	0
55	Provision for Deferred Income Taxes (410.2)	234-235	1,773,037	28,134,381	0	0
56	(Less) Provision for Deferred Income Taxes-Credit (411.2)	234-235	0	0	0	0
57	Investment Tax Credit Adjustments-Net (411.5)		0	0	0	0
58	(Less) Investment Tax Credits (420)		0	0	0	0
59	TOTAL Taxes on Other Income and Deductions (Total of lines 52-58)		(32,857,226)	(48,999,093)	0	0
60	Net Other Income and Deductions (Total of lines 41, 50, 59)		81,739,858	19,939,043	0	0
61	INTEREST CHARGES					
62	Interest on Long-Term Debt (427)		209,707,869	217,547,317	0	0
63	Amortization of Debt Disc. and Expense (428)	258-259	2,183,068	2,668,381	0	0
64	Amortization of Loss on Reacquired Debt (428.1)		2,244,801	2,665,186	0	0
65	(Less) Amortization of Premium on Debt-Credit (429)	258-259	0	0	0	0
66	(Less) Amortization of Gain on Reacquired Debt-Credit (429.1)		0	0	0	0
67	Interest on Debt to Associated Companies (430)	340	0	0	0	0
68	Other Interest Expense (431)	340	17,479,096	17,262,663	0	0
69	(Less) Allowance for Borrowed Funds Used During Construction-Credit (432)		13,695,291	10,826,232	0	0
70	Net Interest Charges (Total of lines 62 thru 69)		217,919,543	229,317,315	0	0
71	Income Before Extraordinary Items (Total of lines 27,60 and 70)		317,163,809	320,054,044	0	0
72	EXTRAORDINARY ITEMS					
73	Extraordinary Income (434)		0	0	0	0
74	(Less) Extraordinary Deductions (435)		0	0	0	0
75	Net Extraordinary Items (Total of line 73 less line 74)		0	0	0	0
76	Income Taxes-Federal and Other (409.3)	262-263	0	0	0	0
77	Extraordinary Items after Taxes (Total of line 75 less line 76)		0	0	0	0
78	Net Income (Total of lines 71 and 77)		317,163,809	320,054,044	0	0

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Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2019	End of 2018/Q4

Statement of Accumulated Comprehensive Income and Hedging Activities

1. Report in columns (b) (c) and (e) the amounts of accumulated other comprehensive income items, on a net-of-tax basis, where appropriate.

2. Report in columns (f) and (g) the amounts of other categories of other cash flow hedges.

3. For each category of hedges that have been accounted for as "fair value hedges", report the accounts affected and the related amounts in a footnote.

Line No.	Item (a)	Unrealized Gains and Losses on available-for-sale securities (b)	Minimum Pension liabililty Adjustment (net amount) (c)	Foreign Currency Hedges (d)	Other Adjustments (e)
1	Balance of Account 219 at Beginning of Preceding Year		(140,154,248)		
2	Preceding Quarter/Year to Date Reclassifications from Account 219 to Net Income		28,771,567		
3	Preceding Quarter/Year to Date Changes in Fair Value		(10,482,677)		
4	Total (lines 2 and 3)		18,288,890		
5	Balance of Account 219 at End of Preceding Quarter/Year		(121,865,358)		
6	Balance of Account 219 at Beginning of Current Year		(121,865,358)		
7	Current Quarter/Year to Date Reclassifications from Account 219 to Net Income		(140,102,830)		
8	Current Quarter/Year to Date Changes in Fair Value		76,822,038		
9	Total (lines 7 and 8)		(63,280,792)		
10	Balance of Account 219 at End of Current Quarter/Year		(185,146,150)		

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2019	End of 2018/Q4

Statement of Accumulated Comprehensive Income and Hedging Activities(continued)

Line No.	Other Cash Flow Hedges Interest Rate Swaps (f)	Other Cash Flow Hedges [Insert Footnote at Line 1 to specify category] (g)	Totals for each category of items recorded in Account 219 (h)	Net Income (Carried Forward from Page 116, Line 78) (i)	Total Comprehensive Income (j)
1	(5,355,662)		(145,509,910)	[redacted]	[redacted]
2	316,968		29,088,535	[redacted]	[redacted]
3			(10,482,677)	[redacted]	[redacted]
4	316,968		18,605,858	320,054,044	338,659,902
5	(5,038,694)		(126,904,052)	[redacted]	[redacted]
6	(5,038,694)		(126,904,052)	[redacted]	[redacted]
7	(700,018)		(140,802,848)	[redacted]	[redacted]
8			76,822,038	[redacted]	[redacted]
9	(700,018)		(63,980,810)	317,163,809	253,182,999
10	(5,738,712)		(190,884,862)	[redacted]	[redacted]

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2019	End of 2018/Q4

Statement of Retained Earnings

1. Report all changes in appropriated retained earnings, unappropriated retained earnings, and unappropriated undistributed subsidiary earnings for the year.
2. Each credit and debit during the year should be identified as to the retained earnings account in which recorded (Accounts 433, 436-439 inclusive). Show the contra primary account affected in column (b).
3. State the purpose and amount for each reservation or appropriation of retained earnings.
4. List first Account 439, Adjustments to Retained Earnings, reflecting adjustments to the opening balance of retained earnings. Follow by credit, then debit items, in that order.
5. Show dividends for each class and series of capital stock.

Line No.	Item (a)	Contra Primary Account Affected (b)	Current Quarter Year to Date Balance (c)	Previous Quarter Year to Date Balance (d)
	UNAPPROPRIATED RETAINED EARNINGS			
1	Balance-Beginning of Period		448,721,521	354,521,201
2	Changes (Identify by prescribed retained earnings accounts)			
3	Adjustments to Retained Earnings (Account 439)			
4	TOTAL Credits to Retained Earnings (Account 439) (footnote details)		27,333,181	
5	TOTAL Debits to Retained Earnings (Account 439) (footnote details)		6,228,008	2,315,206
6	Balance Transferred from Income (Acct 433 less Acct 418.1)		317,705,240	322,299,774
7	Appropriations of Retained Earnings (Account 436)			
8	TOTAL Appropriations of Retained Earnings (Account 436) (footnote details)			
9	Dividends Declared-Preferred Stock (Account 437)			
10	TOTAL Dividends Declared-Preferred Stock (Account 437) (footnote details)			
11	Dividends Declared-Common Stock (Account 438)			
12	TOTAL Dividends Declared-Common Stock (Account 438) (footnote details)		173,716,006	227,784,248
13	Transfers from Account 216.1, Unappropriated Undistributed Subsidiary Earnings			2,000,000
14	Balance-End of Period (Total of lines 1, 4, 5, 6, 8, 10, 12, and 13)		613,815,928	448,721,521
15	APPROPRIATED RETAINED EARNINGS (Account 215)			
16	TOTAL Appropriated Retained Earnings (Account 215) (footnote details)		28,782,380	22,554,372
17	APPROPRIATED RETAINED EARNINGS-AMORTIZATION RESERVE, FEDERAL (Account			
18	TOTAL Appropriated Retained Earnings-Amortization Reserve, Federal (Account			
19	TOTAL Appropriated Retained Earnings (Accounts 215, 215.1) (Total of lines		28,782,380	22,554,372
20	TOTAL Retained Earnings (Accounts 215, 215.1, 216) (Total of lines 14 and 1		642,598,308	471,275,893
21	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS (Account 216.1)			
	Report only on an Annual Basis no Quarterly			
22	Balance-Beginning of Year (Debit or Credit)		(19,215,435)	(14,969,705)
23	Equity in Earnings for Year (Credit) (Account 418.1)		(541,433)	(2,245,730)
24	(Less) Dividends Received (Debit)			2,000,000
25	Other Changes (Explain)			
26	Balance-End of Year		(19,756,868)	(19,215,435)

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2019	End of 2018/Q4

Statement of Cash Flows

(1) Codes to be used:(a) Net Proceeds or Payments;(b)Bonds, debentures and other long-term debt; (c) Include commercial paper; and (d) Identify separately such items as investments, fixed assets, intangibles, etc.
(2) Information about noncash investing and financing activities must be provided in the Notes to the Financial statements. Also provide a reconciliation between "Cash and Cash Equivalents at End of Period" with related amounts on the Balance Sheet.
(3) Operating Activities - Other: Include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show in the Notes to the Financials the amounts of interest paid (net of amount capitalized) and income taxes paid.
(4) Investing Activities: Include at Other (line 25) net cash outflow to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed in the Notes to the Financial Statements. Do not include on this statement the dollar amount of leases capitalized per the USofA General Instruction 20; instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost.

Line No.	Description (See Instructions for explanation of codes) (a)	Current Year to Date Quarter/Year	Previous Year to Date Quarter/Year
1	Net Cash Flow from Operating Activities		
2	Net Income (Line 78(c) on page 116)	317,163,809	320,054,044
3	Noncash Charges (Credits) to Income:		
4	Depreciation and Depletion	535,046,680	460,258,798
5	Amortization of (Specify) (footnote details)	47,301,562	24,861,275
6	Deferred Income Taxes (Net)	31,142,231	173,660,328
7	Investment Tax Credit Adjustments (Net)		(53,331,101)
8	Net (Increase) Decrease in Receivables	15,941,390	14,754,325
9	Net (Increase) Decrease in Inventory	(12,620,970)	7,641,254
10	Net (Increase) Decrease in Allowances Inventory		
11	Net Increase (Decrease) in Payables and Accrued Expenses	108,982,873	31,984,252
12	Net (Increase) Decrease in Other Regulatory Assets	(117,733,917)	(52,400,197)
13	Net Increase (Decrease) in Other Regulatory Liabilities	(10,070,155)	138,487,128
14	(Less) Allowance for Other Funds Used During Construction	17,190,558	15,027,425
15	(Less) Undistributed Earnings from Subsidiary Companies	458,568	(2,245,730)
16	Other (footnote details):	98,672,790	34,578,068
17	Net Cash Provided by (Used in) Operating Activities		
18	(Total of Lines 2 thru 16)	996,177,167	1,087,766,479
19			
20	Cash Flows from Investment Activities:		
21	Construction and Acquisition of Plant (including land):		
22	Gross Additions to Utility Plant (less nuclear fuel)	(1,027,696,687)	(978,679,537)
23	Gross Additions to Nuclear Fuel		
24	Gross Additions to Common Utility Plant		
25	Gross Additions to Nonutility Plant		
26	(Less) Allowance for Other Funds Used During Construction	(17,190,558)	(15,027,424)
27	Other (footnote details):		
28	Cash Outflows for Plant (Total of lines 22 thru 27)	(1,010,506,129)	(963,652,113)
29			
30	Acquisition of Other Noncurrent Assets (d)		
31	Proceeds from Disposal of Noncurrent Assets (d)	156,046	450,253
32			
33	Investments in and Advances to Assoc. and Subsidiary Companies		
34	Contributions and Advances from Assoc. and Subsidiary Companies		2,000,000
35	Disposition of Investments in (and Advances to)		
36	Associated and Subsidiary Companies		
37			
38	Purchase of Investment Securities (a)		
39	Proceeds from Sales of Investment Securities (a)		

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2019	End of 2018/Q4

Statement of Cash Flows (continued)

Line No.	Description (See Instructions for explanation of codes) (a)	Current Year to Date Quarter/Year	Previous Year to Date Quarter/Year
40	Loans Made or Purchased		
41	Collections on Loans		
42			
43	Net (Increase) Decrease in Receivables		
44	Net (Increase) Decrease in Inventory		
45	Net (Increase) Decrease in Allowances Held for Speculation		
46	Net Increase (Decrease) in Payables and Accrued Expenses		
47	Other (footnote details):	1,941,409	(208,792)
48	Net Cash Provided by (Used in) Investing Activities		
49	(Total of lines 28 thru 47)	(1,008,408,674)	(961,410,652)
50			
51	Cash Flows from Financing Activities:		
52	Proceeds from Issuance of:		
53	Long-Term Debt (b)	594,750,000	
54	Preferred Stock		
55	Common Stock		
56	Other (footnote details):		
57	Net Increase in Short-term Debt (c)	49,834,000	83,700,000
58	Other (footnote details):	9,107,370	15,829,395
59	Cash Provided by Outside Sources (Total of lines 53 thru 58)	653,691,370	99,529,395
60			
61	Payments for Retirement of:		
62	Long-Term Debt (b)	(450,000,000)	
63	Preferred Stock		
64	Common Stock		
65	Other (footnote details):		
66	Net Decrease in Short-Term Debt (c)		
67			
68	Dividends on Preferred Stock		
69	Dividends on Common Stock	(173,716,006)	(227,784,248)
70	Net Cash Provided by (Used in) Financing Activities		
71	(Total of lines 59 thru 69)	29,975,364	(128,254,853)
72			
73	Net Increase (Decrease) in Cash and Cash Equivalents		
74	(Total of line 18, 49 and 71)	17,743,857	(1,899,026)
75			
76	Cash and Cash Equivalents at Beginning of Period	35,033,123	36,932,149
77			
78	Cash and Cash Equivalents at End of Period	52,776,980	35,033,123

FOOTNOTE DATA

Schedule Page: 120 Line No.: 5 Column: b

Amortization of:	Q4 2018	Q4 2017
Utility Plant & Adjustments	$ 11,656,401	$ 11,657,189
Property Losses	$ 35,645,161	$ 13,204,086
	$ 47,301,562	$ 24,861,275

Schedule Page: 120 Line No.: 16 Column: b

Other components of operating cash flows	**Q4 2018**	**Q4 2017**
Other Long-Term Assets	$ (3,537,618)	$ (5,382,357)
Other Long-Term Liabilities	$ 54,210,428	$(118,200,673)
Conservation Amortization	$ 111,713,736	$ 121,216,220
Pension Funding	$ (18,000,000)	$ (18,000,000)
Net Unrealized (Gain) Loss on Derivative Transactions	$ (41,661,501)	$ 30,790,455
Prepayments & Other	$ (4,052,255)	$ 24,154,423
	$ 98,672,790	$ 34,578,068

Schedule Page: 120 Line No.: 47 Column: b

Other components of investing cash flows	**Q4 2018**	**Q4 2017**
Life Insurance Premiums	1,955,409	1,248,883
Asset retirement	0	(1,363,195)
Renewable energy credits	(14,000)	(94,480)
	$ 1,941,409	$ (208,792)

Schedule Page: 120 Line No.: 58 Column: b

Other components of financing cash flows	**Q4 2018**	**Q4 2017**
Debt issue (redemption costs) costs	$ (6,389,086)	$ 27,276
Refundable cash received for customer construction projects	16,137,161.00	16,213,011.00
Lease Financing Activity	(640,705)	(410,892)
	$ 9,107,370	$ 15,829,395

1. Provide important disclosures regarding the Balance Sheet, Statement of Income for the Year, Statement of Retained Earnings for the Year, and Statement of Cash Flow, or any account thereof. Classify the disclosures according to each financial statement, providing a subheading for each statement except where a disclosure is applicable to more than one statement. The disclosures must be on the same subject matters and in the same level of detail that would be required if the respondent issued general purpose financial statements to the public or shareholders.
2. Furnish details as to any significant contingent assets or liabilities existing at year end, and briefly explain any action initiated by the Internal Revenue Service involving possible assessment of additional income taxes of material amount, or a claim for refund of income taxes of a material amount initiated by the utility. Also, briefly explain any dividends in arrears on cumulative preferred stock.
3. Furnish details on the respondent's pension plans, post-retirement benefits other than pensions (PBOP) plans, and post-employment benefit plans as required by instruction no. 1 and, in addition, disclose for each individual plan the current year's cash contributions. Furnish details on the accounting for the plans and any changes in the method of accounting for them. Include details on the accounting for transition obligations or assets, gains or losses, the amounts deferred and the expected recovery periods. Also, disclose any current year's plan or trust curtailments, terminations, transfers, or reversions of assets. Entities that participate in multiemployer postretirement benefit plans (e.g. parent company sponsored pension plans) disclose in addition to the required disclosures for the consolidated plan, (1) the amount of cost recognized in the respondent's financial statements for each plan for the period presented, and (2) the basis for determining the respondent's share of the total plan costs.
4. Furnish details on the respondent's asset retirement obligations (ARO) as required by instruction no. 1 and, in addition, disclose the amounts recovered through rates to settle such obligations. Identify any mechanism or account in which recovered funds are being placed (i.e. trust funds, insurance policies, surety bonds). Furnish details on the accounting for the asset retirement obligations and any changes in the measurement or method of accounting for the obligations. Include details on the accounting for settlement of the obligations and any gains or losses expected or incurred on the settlement.
5. Provide a list of all environmental credits received during the reporting period.
6. Provide a summary of revenues and expenses for each tracked cost and special surcharge.
7. Where Account 189, Unamortized Loss on Reacquired Debt, and 257, Unamortized Gain on Reacquired Debt, are not used, give an explanation, providing the rate treatment given these item. See General Instruction 17 of the Uniform System of Accounts.
8. Explain concisely any retained earnings restrictions and state the amount of retained earnings affected by such restrictions.
9. Disclose details on any significant financial changes during the reporting year to the respondent or the respondent's consolidated group that directly affect the respondent's gas pipeline operations, including: sales, transfers or mergers of affiliates, investments in new partnerships, sales of gas pipeline facilities or the sale of ownership interests in the gas pipeline to limited partnerships, investments in related industries (i.e., production, gathering), major pipeline investments, acquisitions by the parent corporation(s), and distributions of capital.
10. Explain concisely unsettled rate proceedings where a contingency exists such that the company may need to refund a material amount to the utility's customers or that the utility may receive a material refund with respect to power or gas purchases. State for each year affected the gross revenues or costs to which the contingency relates and the tax effects and explain the major factors that affect the rights of the utility to retain such revenues or to recover amounts paid with respect to power and gas purchases.
11. Explain concisely significant amounts of any refunds made or received during the year resulting from settlement of any rate proceeding affecting revenues received or costs incurred for power or gas purchases, and summarize the adjustments made to balance sheet, income, and expense accounts.
12. Explain concisely only those significant changes in accounting methods made during the year which had an effect on net income, including the basis of allocations and apportionments from those used in the preceding year. Also give the approximate dollar effect of such changes.
13. For the 3Q disclosures, respondent must provide in the notes sufficient disclosures so as to make the interim information not misleading. Disclosures which would substantially duplicate the disclosures contained in the most recent FERC Annual Report may be omitted.
14. For the 3Q disclosures, the disclosures shall be provided where events subsequent to the end of the most recent year have occurred which have a material effect on the respondent. Respondent must include in the notes significant changes since the most recently completed year in such items as: accounting principles and practices; estimates inherent in the preparation of the financial statements; status of long-term contracts; capitalization including significant new borrowings or modifications of existing financing agreements; and changes resulting from business combinations or dispositions. However were material contingencies exist, the disclosure of such matters shall be provided even though a significant change since year end may not have occurred.
15. Finally, if the notes to the financial statements relating to the respondent appearing in the annual report to the stockholders are applicable and furnish the data required by the above instructions, such notes may be included herein.

COMBINED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(1) Summary of Significant Accounting Policies

Basis of Presentation

These financial statements were prepared in accordance with the accounting requirements of the Federal Energy Regulatory Commission (FERC) as set forth in its applicable Uniform System of Accounts and published accounting releases, which is a comprehensive basis of accounting other than generally accepted accounting principles. As a result, the presentation of these financial statements differs from generally accepted accounting principles. Certain disclosures which are required by generally accepted accounting principles and not required by FERC have been excluded from these financial statements.

As required by FERC, Puget Sound Energy, Inc. (PSE) classifies certain items in its Form 1 Balance Sheet (primarily the classification of the components of accumulated deferred income taxes, non-legal asset retirement obligations, certain miscellaneous current and accrued liabilities, maturities of long-term debt, deferred debits and deferred credits) in a manner different than that required by generally accepted accounting principles.

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

PSE is a public utility incorporated in the state of Washington that furnishes electric and natural gas services in a territory covering approximately 6,000 square miles, primarily in the Puget Sound region.

Utility Plant

PSE capitalizes, at original cost, additions to utility plant, including renewals and betterments. Costs include indirect costs such as engineering, supervision, certain taxes, pension and other employee benefits and an allowance for funds used during construction (AFUDC). Replacements of minor items of property are included in maintenance expense. When the utility plant is retired and removed from service, the original cost of the property is charged to accumulated depreciation and costs associated with removal of the property, less salvage, are charged to the cost of removal regulatory liability.

Planned Major Maintenance

Planned major maintenance is an activity that typically occurs when PSE overhauls or substantially upgrades various systems and equipment on a scheduled basis. Costs related to planned major maintenance are deferred and amortized to the next scheduled major maintenance. This accounting method also follows the Washington Utilities and Transportation Commission (Washington Commission) regulatory treatment related to these generating facilities.

Other Property and Investments

The costs of other property and investments (i.e., non-utility) are stated at historical cost. Expenditures for refurbishment and improvements that significantly add to productive capacity or extend useful life of an asset are capitalized. Replacements of minor items are expensed on a current basis. Gains and losses on assets sold or retired, which were previously recorded in utility plant, are apportioned between regulatory assets/liabilities and earnings. However, gains and losses on assets sold or retired, not previously recorded in utility plant, are reflected in earnings.

Depreciation and Amortization

The Company provides for depreciation and amortization on a straight-line basis. Amortization is recorded for intangibles such as regulatory assets and liabilities, computer software and franchises. The annual depreciation provision stated as a percent of a depreciable electric utility plant was 3.3%, 2.8%, and 2.8% in 2018, 2017 and 2016, respectively; depreciable natural gas utility plant was 2.8%, 3.4%, and 3.4% in 2018, 2017 and 2016, respectively; and depreciable common utility plant was 7.1%, 8.3% and 9.7% in 2018, 2017 and 2016, respectively. The cost of removal is collected from PSE's customers through depreciation expense and any excess is recorded as a regulatory liability.

Tacoma LNG Facility

The Tacoma LNG facility is intended to provide peak-shaving services to PSE's natural gas customers. By storing surplus natural gas, PSE is able to meet the requirements of peak consumption. LNG will also provide fuel to transportation customers, particularly in the marine market. On January 24, 2018, the Puget Sound Clean Air Agency determined a Supplemental Environmental Impact Statement is necessary in order to rule on the air quality permit for the facility. As a result of requiring an SEIS, the Company's construction schedule may be impacted depending on the Puget Sound Clean Air Agency's timing and decision on the air quality permit.

If delayed, the construction schedule and costs may be adversely impacted. Pursuant to an order by the Washington Commission, PSE will be allocated approximately 43.0% of common capital and operating costs, consistent with the regulated portion of the Tacoma LNG facility. For PSE, construction work in progress of $130.8 million related to PSE's portion of the Tacoma LNG facility is reported in the "Utility plant - Natural gas plant" financial statement line item, as PSE is a regulated entity.

Cash and Cash Equivalents

Cash and cash equivalents consist of demand bank deposits and short-term highly liquid investments with original maturities of three months or less at the time of purchase. The carrying amounts of cash and cash equivalents are reported at cost and approximate fair value, due to the short-term maturity.

Materials and Supplies

Materials and supplies are used primarily in the operation and maintenance of electric and natural gas distribution and transmission systems as well as spare parts for combustion turbines used for the generation of electricity. The Company records these items at weighted-average cost.

Fuel and Natural Gas Inventory

Fuel and natural gas inventory is used in the generation of electricity and for future sales to the Company's natural gas customers. Fuel inventory consists of coal, diesel and natural gas used for generation. Natural gas inventory consists of natural gas and LNG held in storage for future sales. The Company records these items at the lower of cost or net realizable value method.

Regulatory Assets and Liabilities

PSE accounts for its regulated operations in accordance with ASC 980, "Regulated Operations" (ASC 980). ASC 980 requires PSE to defer certain costs or losses that would otherwise be charged to expense, if it is probable that future rates will permit recovery of such costs. It similarly requires deferral of revenues or gains that are expected to be returned to customers in the future. Accounting under ASC 980 is appropriate as long as rates are established by or subject to approval by independent third-party regulators; rates are designed to recover the specific enterprise's cost of service; and in view of demand for service, it is reasonable to assume that rates set at levels that will recover costs can be charged to and collected from customers. In most cases, PSE classifies regulatory assets and liabilities as long-term when amortization periods extend longer than one year. For further details regarding regulatory assets and liabilities, see Note 4, "Regulation and Rates".

Allowance for Funds Used During Construction

AFUDC represents the cost of both the debt and equity funds used to finance utility plant additions during the construction period. The amount of AFUDC recorded in each accounting period varies depending primarily upon the level of construction work in progress and the AFUDC rate used. AFUDC is capitalized as a part of the cost of utility plant; the AFUDC debt portion is credited to interest expense, while the AFUDC equity portion is credited to other income. Cash inflow related to AFUDC does not occur until these charges are reflected in rates. The current AFUDC rate authorized by the Washington Commission for natural gas and electric utility plant additions through December 18, 2017 was 7.77%. Effective December 19, 2017 with the Washington Commission order, the new AFUDC rate authorized is 7.60%.

The Washington Commission authorized the Company to calculate AFUDC using its allowed rate of return. To the extent amounts calculated using this rate exceed the AFUDC calculated rate using the Federal Energy Regulatory Commission (FERC) formula, PSE capitalizes the excess as a deferred asset, crediting other income. The deferred asset is being amortized over the average useful life of PSE’s non-project electric utility plant which is approximately 30 years.

Revenue Recognition

Operating utility revenue is recognized when the basis of services is rendered, which includes estimated unbilled revenue. Revenue from retail sales is billed based on tariff rates approved by the Washington Commission. PSE's estimate of unbilled revenue is based on a calculation using meter readings from its automated meter reading (AMR) system. The estimate calculates unbilled usage at the end of each month as the difference between the customer meter readings on the last day of the month and the last customer meter readings billed. The unbilled usage is then priced at published rates for each tariff rate schedule to estimate the unbilled revenues by customer.

PSE collected Washington State excise taxes (which are a component of general retail customer rates) and municipal taxes totaling $239.3 million, $257.1 million and $235.3 million for 2018, 2017 and 2016, respectively. The Company reports the collection of such taxes on a gross basis in operation revenue and as expense in taxes other than income taxes in the accompanying consolidated statements of income.

PSE's electric and natural gas operations contain a revenue decoupling mechanism under which PSE's actual energy delivery revenues related to electric transmission and distribution, natural gas operations and general administrative costs are compared with authorized revenues allowed under the mechanism. The mechanism mitigates volatility in revenue and gross margin erosion due to weather and energy efficiency. Any differences in revenue are deferred to a regulatory asset for under recovery or regulatory liability for over recovery under alternative revenue recognition standard. Revenue is recognized under this program when deemed collectible within 24 months based on alternative revenue recognition guidance. Decoupled rate increases are effective May 1 of each year subject to a 3.0% cap of total revenue for decoupled rate schedules. Any excess revenue above 3.0% will be included in the following year's decoupled rate. The Company will be able to recognize revenue below the 3.0% cap of total revenue for decoupled rate schedules. For revenue deferrals exceeding the annual 3.0% rate cap of total revenue for decoupled rate schedules, the Company will assess the excess amount to determine its ability to be collected within 24 months. On December 5, 2017, the Washington Commission approved PSE’s request within the 2017 general rate case (GRC) to extend the decoupling mechanism with some changes to the methodology that took effect on December 19, 2017. The rate test which limits the amount of revenues PSE can collect in its annual filings increased from 3.0% to 5.0% for natural gas customers but will remain at 3.0% for electric customers. The Company will not record any decoupling revenue that is expected to take longer than 24 months to collect following the end of the annual period in which the revenues would have otherwise been recognized. Once determined to be collectible within 24 months, any previously non-recognized amounts will be recognized. Revenues associated with energy costs under the power cost adjustment (PCA) mechanism and purchased gas adjustment (PGA) mechanism are excluded from the decoupling mechanism.

Allowance for Doubtful Accounts

Allowance for doubtful accounts are provided for electric and natural gas customer accounts based upon a historical experience rate of write-offs of energy accounts receivable along with information on future economic outlook. The allowance account is adjusted monthly for this experience rate. The allowance account is maintained until either receipt of payment or the likelihood of collection is considered remote at which time the allowance account and corresponding receivable balance are written off. The Company's balance for allowance for doubtful accounts at December 31, 2018 and 2017 was $8.4 million and $8.9 million, respectively.

Self-Insurance

PSE is self-insured for storm damage and certain environmental contamination associated with current operations occurring on PSE-owned property. In addition, PSE is required to meet a deductible for a portion of the risk associated with comprehensive liability, workers' compensation claims and catastrophic property losses other than those which are storm related. Under the December 5, 2017 Washington Commission order regarding PSE's GRC, the cumulative annual cost threshold for deferral of storms under the mechanism increased from $8.0 million to $10.0 million effective January 1, 2018. Additionally, costs may only be deferred if the outage meets the Institute of Electrical and Electronics Engineers (IEEE) outage criteria for system average interruption duration index.

Federal Income Taxes

For presentation in PSE's separate financial statements, income taxes are allocated to the subsidiaries on the basis of separate company computations of tax, modified by allocating certain consolidated group limitations which are attributed to the separate company.

Natural Gas Off-System Sales and Capacity Release

PSE contracts for firm natural gas supplies and holds firm transportation and storage capacity sufficient to meet the expected peak winter demand for natural gas by its firm customers. Due to the variability in weather, winter peaking consumption of natural gas by most of its customers and other factors, PSE holds contractual rights to natural gas supplies and transportation and storage capacity in excess of its average annual requirements to serve firm customers on its distribution system. For much of the year, there is excess capacity available for third-party natural gas sales, exchanges and capacity releases. PSE sells excess natural gas supplies, enters into natural gas supply exchanges with third parties outside of its distribution area and releases to third parties excess interstate natural gas pipeline capacity and natural gas storage rights on a short-term basis to mitigate the costs of firm transportation and storage capacity for its core natural gas customers. The proceeds from such activities, net of transactional costs, are accounted for as reductions in the cost of purchased natural gas and passed on to customers through the PGA mechanism, with no direct impact on net income. As a result, PSE nets the sales revenue and associated cost of sales for these transactions in purchased natural gas.

As part of the Company's electric operations, PSE purchases natural gas for its gas-fired generation facilities. The projected volume of natural gas for power is relative to the price of natural gas. Based on the market prices for natural gas, PSE may use the natural gas it has already purchased to generate power or PSE may sell the already purchased natural gas. The net proceeds from selling natural gas, previously purchased for power generation, are accounted for in electric operating revenue and are included in the PCA mechanism.

Accounting for Derivatives

ASC 815 requires that all contracts considered to be derivative instruments be recorded on the balance sheet at their fair value unless the contracts qualify for an exception. PSE enters into derivative contracts to manage its energy resource portfolio and interest rate exposure including forward physical and financial contracts and swaps. Some of PSE's physical electric supply contracts qualify for the normal purchase normal sale (NPNS) exception to derivative accounting rules. PSE may enter into financial fixed price contracts to economically hedge the variability of certain index-based contracts. Those contracts that do not meet the NPNS exception are marked-to-market to current earnings in the statements of income, subject to deferral under ASC 980, for natural gas related derivatives due to the PGA mechanism. For additional information, see Note 10"Accounting for Derivative Instruments and Hedging Activities".

Fair Value Measurements of Derivatives

ASC 820, "Fair Value Measurements and Disclosures" (ASC 820), defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price). As permitted under ASC 820, the Company utilizes a mid-market pricing convention (the mid-point price between bid and ask prices) as a practical expedient for valuing the majority of its assets and liabilities measured and reported at fair value. The Company utilizes market data or assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated or generally unobservable. The Company primarily applies the market approach for recurring fair value measurements as it believes that the approach is used by market participants for these types of assets and liabilities. Accordingly, the Company utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs.

The Company values derivative instruments based on daily quoted prices from an independent external pricing service. When external quoted market prices are not available for derivative contracts, the Company uses a valuation model that uses volatility assumptions relating to future energy prices based on specific energy markets and utilizes externally available forward market price curves. All derivative instruments are sensitive to market price fluctuations that can occur on a daily basis. For additional information, see Note 11, "Fair Value Measurements".

Debt Related Costs

Debt premiums, discounts, expenses and amounts received or incurred to settle hedges are amortized over the life of the related debt for the Company. The premiums and costs associated with reacquired debt are deferred and amortized over the life of the related new issuance, in accordance with ratemaking treatment for PSE and presented net of long-term liabilities on the balance sheet.

(2) New Accounting Pronouncements

Recently Adopted Accounting Guidance

Stranded Tax Effects in AOCI

In February 2018, the FASB issued ASU 2018-02, "Income Statement—Reporting Comprehensive Income (Topic 220): Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income". The amendments in this update allow reclassification from accumulated other comprehensive income to retained earnings for stranded tax effects resulting from the TCJA and will improve the usefulness of information reported to financial statement users.

These amendments are effective for fiscal years beginning after December 15, 2018, including interim periods within those years. Early adoption is permitted, including adoption in any interim period for reporting periods for which financial statements have not yet been issued. The Company early adopted ASU 2018-02 as of January 1, 2018 and reclassified accumulated other comprehensive income to retained earnings, resulting in a $27.3 million increase for PSE, comprised of $26.2 million related to pension and post-retirement plans and $1.1 million related to interest rate swaps.

The Federal Energy Regulatory Commission's accounting regulations do not specifically provide for adjustments to retained earnings resulting from changes in accounting guidance. Docket No. AC19-19-000, submitted on behalf of PSE, proposed to reclassify stranded tax amounts from Account 219, Accumulated Other Comprehensive Income, to Account 439 for the reduction in corporate tax rate from 35 percent to 21 percent enacted by Congress in the Tax Cuts and Jobs Act. In response, the Commission has allowed the use of Account 439 to record a cumulative-effect adjustment to retained earnings to implement ASU 2018-02.

Statement of Cash Flows

In August 2016, the FASB issued ASU 2016-15, "*Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments*". The amendments in ASU 2016-15 provide guidance for eight specific cash flow issues that include (i) debt prepayment or debt extinguishment costs, (ii) settlement of zero-coupon debt instruments, (iii) contingent consideration payments made after a business combination, (iv) proceeds from the settlement of insurance claims, (v) proceeds from the settlement of corporate-owned life insurance policies, including bank-owned life insurance policies, (vi) distribution received from equity method investees, (vii) beneficial interest in securitization transactions, and (viii) separately identifiable cash flows and application of the predominance principle.

This update is effective for financial statements issued for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years. Early adoption is permitted for all entities upon issuance. The amendments in this update should be applied using a retrospective transition method to each period presented. The Company adopted ASU 2016-15 as of January 1, 2018, with the standard only impacting the classification of debt extinguishment costs as financing outflows.

In November 2016, the FASB issued ASU 2016-18, "*Statement of Cash Flows (Topic 230): Restricted Cash*". The amendments in this update require that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. The new standard is effective for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years. The Company adopted ASU 2016-18 as of January 1, 2018, by moving the presentation of restricted cash in the statement of cash flows to net cash flows of total cash, cash equivalents, and restricted cash. Amounts included in restricted cash primarily represent funds required to be set aside for contractual obligations related to transmission and generation facilities.

The following tables provide a reconciliation of cash, cash equivalents and restricted cash reported within the statements of cash flows:

Puget Sound Energy	Twelve Months Ended December 31,	
(Dollars in Thousands)	2018	2017
Cash and cash equivalents	$ 34,727	$ 24,969
Restricted cash	18,050	10,064
Total cash, cash equivalents and restricted cash shown in the statement of cash flows	$ 52,776	$ 35,033

Revenue Recognition

In May 2014, the FASB issued ASU No. 2014-09, "*Revenue from Contracts with Customers (Topic 606)*". ASU 2014-09 and the related amendments outline a single comprehensive model for use in accounting for revenue arising from contracts with customers and supersede most current revenue recognition guidance, including industry-specific guidance. The ASU is based on the principle that an entity should recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The ASU also requires additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments and assets recognized from costs incurred to fulfill a contract.

The Company implemented the standard as of January 1, 2018, using the modified retrospective method of adoption. As a result of implementation of this standard, the Company made no cumulative adjustments to revenue for contracts with customers open as of January 1, 2018. For the Twelve Months Ended December 31, the Company's revenue was 90.7% comprised of contracts with retail customers from rate-regulated sales of electricity and natural gas where revenue is recognized over time as delivered.

Accounting Standards Issued but Not Yet Adopted

Internal-Use Software

In August 2018, the FASB issued ASU 2018-15, *"Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40): Customer’s Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract"*. These amendments align the requirements for capitalizing implementation costs incurred in a hosting arrangement that is a service contract with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software (and hosting arrangements that include an internal-use software license). The accounting for the service element of a hosting arrangement that is a service contract is not affected by these amendments.

The amendments in this update are effective for public business entities for fiscal years beginning after December 15, 2019, and interim periods within those fiscal years. Early adoption of the amendments in this update is permitted, including adoption in any interim period, for all entities. The amendments in this update should be applied either retrospectively or prospectively to all implementation costs incurred after the date of adoption. The Company will adopt this update prospectively beginning 2019 by evaluating future contracts for implementation costs incurred in hosting arrangements. The financial impact of this update has not yet been determined.

Fair Value Measurement

In August 2018, the FASB issued ASU 2018-13, *"Fair Value Measurement (Topic 820): Disclosure Framework - Changes to the Disclosure Requirements for Fair Value Measurement"*. The amendments in this update modify the disclosure requirements on fair value measurements in Topic 820, Fair Value Measurement, based on the concepts in the Concepts Statement, including the consideration of costs and benefits. The amendments are effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019. The Company is in the process of evaluating potential impacts of these amendments to Note 11, "Fair Value Measurements".

Retirement Benefits

In August 2018, the FASB issued ASU 2018-14, "*Compensation—Retirement Benefits—Defined Benefit Plans—General (Subtopic 715-20): Disclosure Framework—Changes to the Disclosure Requirements for Defined Benefit Plans*". This update modifies the disclosure requirements for employers that sponsor defined benefit pension or other postretirement plans through added, removed, and clarified requirements of relevant disclosures.

The amendments in this update are effective for fiscal years ending after December 15, 2020, for public business entities and for fiscal years ending after December 15, 2021, for all other entities. Early adoption is permitted for all entities. The Company is in the process of evaluating potential impacts of these amendments to Note 13, "Retirement Benefits".

Lease Accounting

In February 2016, the FASB issued ASU 2016-02, "Leases (Topic 842)". The FASB issued this ASU to increase transparency and comparability among organizations by recognizing right-of-use (ROU) lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. To meet that objective, the FASB is amending the FASB ASC and creating Topic 842, Leases. ASU 2016-02 requires lessees to recognize the following for all leases (with the exception of short-term leases) at the commencement date: (i) a lease liability, which is a lessee's obligation to make lease payments arising from a lease, measured on a discounted basis; and (ii) a right-of-use asset, which is an asset that represents the lessee's right to use, or control the use of, a specified asset for the lease term. The income statement recognition is similar to existing lease accounting and is based on lease classification. Under the new guidance, lessor accounting is largely unchanged.

In January 2018, the FASB issued ASU 2018-01, "Leases (Topic 842): Land Easement Practical Expedient for Transition to Topic 842". In connection with the FASB's transition support efforts, the amendments in this update provide an optional transition practical expedient to not evaluate under Topic 842 existing or expired land easements that were not previously accounted for as leases under the current guidance in Topic 840. An entity that elects this practical expedient should evaluate new or modified land easements under Topic 842 upon adoption. Land easements (also commonly referred to as rights of way) represent the right to use, access, or cross another entity's land for a specified purpose. The Company plans to elect this practical expedient, and will evaluate new and modified land easements prospectively, beginning January 1, 2019.

In July 2018, the FASB issued both ASU 2018-10 and ASU 2018-11, "Leases (Topic 842): Codification Improvements" and "Leases (Topic 842): Targeted Improvements". These ASUs provide entities with both clarification on existing guidance issued in ASU 2016-02, as well as an additional transition method to adopt the new leasing standard. Under the new transition method, the entity initially applies the new standard at the adoption date by recognizing a cumulative-effect adjustment to the opening balance of retained earnings in the period of adoption. Consequently, an entity's reporting for the comparative periods presented in the financial statements will continue to be in accordance with Topic 840. The Company has elected to adopt the standard using this new modified transition method.

In preparation for adoption of the standard, the Company assembled a project team that met bi-weekly to make key accounting assessments and perform pre-implementation controls related to the scoping and completeness of existing leases. Additionally, the Company implemented a new leasing system, and drafted accounting policies including discount rate, variable pricing, power purchase agreements, and election of practical expedients. In addition to the land easement practical expedient, the Company has elected the practical expedient package. The Company is continuing to evaluate discount rate assumptions using the portfolio approach.

These amendments are effective for financial statements issued for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. The Company will adopt ASU 2016-02 as of January 1, 2019 and expects the adoption of the standard will result in recognition of right-of-use asset and lease liability financial statement line items that have not previously been recorded and will be material to the consolidated balance sheets. Adoption of the standard will not have a material impact on the income statement.

(3) Regulation and Rates

Regulatory Assets and Liabilities

Regulatory accounting allows PSE to defer certain costs that would otherwise be charged to expense, if it is probable that future rates will permit recovery of such costs. It similarly requires deferral of revenues or gains that are expected to be returned to customers in the future.

The net regulatory assets and liabilities at December 31, 2018 and 2017, included the following:

Puget Sound Energy	Remaining Amortization Period	December 31,	
(Dollars in Thousands)		2018	2017
Storm damage costs electric	4 to 6 years	118,331	128,508
Chelan PUD contract initiation	12.8 years	90,964	98,052
Environmental remediation	(a)	76,345	81,550
Lower Snake River	18.4 years	67,021	70,975
Decoupling deferrals and interest	Less than 2 years	65,779	98,769
Baker Dam licensing operating and maintenance costs	N/A	55,607	54,817
Deferred Washington Commission AFUDC	10 years	52,029	50,301
Property tax tracker	Less than 2 years	45,621	36,517
Unamortized loss on reacquired debt	1 to 28 years	42,378	39,674
Energy conservation costs	(a)	30,701	35,538
Generation plant major maintenance, excluding Colstrip	4 to 10 years	15,027	17,216
PGA deferral of unrealized losses on derivative instruments	N/A	14,739	26,030
White River relicensing and other costs	3 years	12,966	19,502
Mint Farm ownership and operating costs	6.3 years	12,319	14,319
PGA receivable	1 year	9,922	—
Snoqualmie licensing operating and maintenance costs	N/A	7,407	7,341
Colstrip major maintenance	0.5 years	6,841	8,723
PCA mechanism	N/A	4,735	4,576
Colstrip common property	6.4 years	3,903	4,618
Ferndale	0.8 years	3,316	7,295
Electron unrecovered loss	Less than 1 year	—	3,786
Various other regulatory assets	(a)	14,583	17,382
Total PSE regulatory assets		750,534	825,489
Deferred income taxes[d]	N/A	(976,582)	(1,012,260)
Cost of removal	(b)	(424,727)	(389,579)
Treasury grants	20 years	(168,884)	(205,775)
Production tax credits	(c)	(93,616)	(93,616)

Accumulated provision for rate refunds	N/A		(34,579)		—
Decoupling ROR excess earnings		—		(18,400)	
Decoupling deferrals and interest		(13,758)		(7,896)	
Total decoupling liability	Less than 2 years		(13,758)		(26,296)
Summit purchase option buy-out	1.8 years		(2,888)		(4,463)
PGA payable	1 year		—		(16,051)
Various other regulatory liabilities	(a)		(7,428)		(10,544)
Total PSE regulatory liabilities			(1,722,462)		(1,758,584)
PSE net regulatory assets (liabilities)			$ (971,928)		$ (933,095)

(a) Amortization periods vary depending on timing of underlying transactions.

The balance is dependent upon the cost of removal of underlying assets and the life of utility plant.

(b) Amortization will begin once PTCs are utilized by PSE on its tax return.

For additional information, see Note 14,"Income Taxes".

If the Company determines that it no longer meets the criteria for continued application of ASC 980, the Company would be required to write-off its regulatory assets and liabilities related to those operations not meeting ASC 980 requirements. Discontinuation of ASC 980 could have a material impact on the Company's financial statements.

In accordance with guidance provided by ASC 410, "Asset Retirement and Environmental Obligations (ARO)," PSE reclassified from accumulated depreciation to a regulatory liability $424.7 million and $389.6 million in 2018 and 2017, respectively, for the cost of removal of utility plant. These amounts are collected from PSE's customers through depreciation rates.

Expedited Rate Filing Rate Adjustment

On November 7, 2018, PSE filed an expedited rate filing (ERF) with the Washington Commission. The filing is a request to change rates associated with PSE's delivery and fixed production costs. It does not include variable power costs, purchased gas costs or natural gas pipeline replacement program costs, which are recovered in separate mechanisms. The filing is based on historical test year costs and rate base, and follows the reporting requirements of a Commission Basis Report, as defined by the Washington Administrative Code, but is filed using end of period rate base and certain annualizing adjustments. It does not include any forward-looking or pro-forma adjustments. Included in the filing is a reduction to the overall authorized rate of return from 7.6% to 7.49% to recognize a reduction in debt costs associated with recent debt activity. PSE requested an overall increase in electric rates of $18.9 million annually, which is a 0.9% increase, and an overall increase in natural gas rates of $21.7 million annually, which is a 2.7% increase.

On January 22, 2019, all parties in the proceeding reached an agreement on settlement terms that resolve all issues in the filing. The settlement agreement was filed on January 30, 2019. The major points covered by the agreement are as follows. The agreed upon rate increases in the settlement are $21.5 million on natural gas and no rate increase on electric which would become effective March 1, 2019. Items that were not specifically identified in the settlement are deemed to offset the ARAM amounts that are discussed below to arrive at the settlement rate changes.

The settlement agreement in PSE's pending expedited rate change filing provides for the pass back beginning March 1, 2018 of the turnaround of plant related excess deferred income taxes on the average rate assumption method (ARAM) that resulted from the Tax Cuts and Jobs Act based on 2018 amounts in the amount of $6.1 million for natural gas and $25.9 million for electric. The settlement agreement leaves the determination for the regulatory treatment of the remaining items related to the TCJA to PSE's next GRC:

1) excess deferred taxes for non-plant- related book/tax differences,
2) the deferred balance associated with the over-collection of income tax expense for the period January 1 through April 30, 2018 (the time period that encompasses the effective date of the TCJA through May 1, 2018, the requested effective date of the rate change); and
3) the turnaround of plant related excess deferred income taxes using the ARAM method for the period from January 2018 through February 2019, the rate effective date for the ERF.

The agreement provides that PSE may defer the depreciation expense associated with PSE's ongoing investment in its advanced metering infrastructure (AMI) investment and to defer the return on the AMI investment that was included in the test year of the filing. The agreement preserves the parties' rights to argue that both deferrals should be or should not be recovered in the Company's next GRC. The rate of return adopted in the settlement is the 7.49% included in the filing. The Washington Commission has suspended the procedural calendar in the proceeding and indicated it will not require a settlement hearing and will make their decision on whether or not to approve the settlement on the paper record in the filing. A ruling by the Washington Commission is expected in enough time to implement rates on March 1, 2019.

Washington Commission Tax Deferral Filing

The Tax Cuts and Jobs Act (TCJA) was signed into law in December 2017. As a result of this change, PSE re-measured its deferred tax balances under the new corporate tax rate. PSE filed an accounting petition on December 29, 2017 requesting deferred accounting treatment for the impacts of tax reform. The requested deferral accounting treatment results in the tax rate change being captured in the deferred income tax balance with an offset to the regulatory liability for deferred income taxes. Additionally, on March 30, 2018, PSE filed for a rate change for electric and natural gas customers associated with TCJA to reflect the decrease in the federal corporate income tax rate from 35.0% to 21.0%. The overall impact of the rate change, based on the annual period from May 2018 through April 2019, is a revenue decrease of $72.9 million, or 3.4% for electric and $23.6 million, or 2.7% for natural gas.

The March 30, 2018, rate change filing did not address excess deferred taxes or the deferred balance associated with the over-collection of income tax expense of $34.6 million for the period January 1 through April 30, 2018 (the time period that encompasses the effective date of the TCJA through May 1, 2018, the effective date of the rate change). The $34.6 million tax over-collection decreased PSE's revenue and increased the regulatory liability for a refund to customers.

As a result of the ERF settlement, the excess deferred taxes associated with non-plant-related book/tax differences, the deferred balance associated with the over-collection of income tax expense and the treatment of the excess deferred taxes associated with plant related book/tax differences from January 1, 2018 through February 28, 2019 will be addressed in PSE's accounting petition in its next GRC.

General Rate Case Filing

In January 2017, PSE filed its GRC with the Washington Commission. The GRC filing included a required plan to address Colstrip Units 1 and 2 closures, requested that electric energy supply fixed costs be included in PSE's decoupling mechanism, and contained requests for two new mechanisms to address regulatory lag. The Washington Commission entered a final order accepting the multi-party settlement agreement and determined the contested issues in the case on December 5, 2017, and new rates became effective December 19, 2017. The settlement agreement provided for a weighted cost of capital of 7.6%, or 6.55% after-tax, and a capital structure of 48.5% in common equity with a return on equity of 9.5%. The settlement also resulted in a combined electric tariff change that resulted in a net increase of $20.2 million, or 0.9%, annually, and a combined natural gas tariff change that resulted in a net decrease of $35.5 million, or 3.8%, annually.

The GRC also re-purposed the benefit of PTCs and hydro-related treasury grants to fund and recover decommissioning and remediation costs for Colstrip Units 1 and 2. As the Company monetizes PTCs on its filed tax returns, the regulatory liability is transferred to a reserve for Colstrip Units 1 and 2 decommissioning and remediation costs.

Decoupling Filings

While fluctuations in weather conditions will continue to affect PSE's billed revenue and energy supply expenses from month to month, PSE's decoupling mechanisms assist in mitigating the impact of weather on operating revenue and net income. Since July 2013, the Washington Commission has allowed PSE to record a monthly adjustment to its electric and natural gas operating revenues related to electric transmission and distribution, natural gas operations and general administrative costs from most residential, commercial and industrial customers to mitigate the effects of abnormal weather, conservation impacts and changes in usage patterns per customer. As a result, these electric and natural gas revenues are recovered on a per customer basis regardless of actual consumption levels. PSE's energy supply costs, which are part of the PCA and PGA mechanisms, are not included in the decoupling mechanism. The revenue recorded under the decoupling mechanisms will be affected by customer growth and not actual consumption. Following each calendar year, PSE will recover from, or refund to, customers the difference between allowed decoupling revenue and the corresponding actual revenue during the following May to April time period.

On December 5, 2017, the Washington Commission approved PSE’s request within the 2017 GRC to extend the decoupling mechanism with several changes to the methodology that took effect on December 19, 2017. Electric and natural gas delivery revenues continue to be recovered on a per customer basis and electric fixed production energy costs are now decoupled and recovered on the basis of a fixed monthly amount. The allowed decoupling revenue for electric and natural gas customers will no longer increase annually each January 1 as occurred prior to December 19, 2017. Approved revenue per customer costs can only be changed in a GRC or ERF. Approved electric fixed production energy costs can also be changed in a power cost only rate case (PCORC). Other changes to the decoupling methodology approved by the Washington Commission include regrouping of electric and natural gas non-residential customers and the exclusion of certain electric schedules from the decoupling mechanism going forward. The rate test, which limits the amount of revenues PSE can collect in its annual filings, increased from 3.0% to 5.0% for natural gas customers but will remain at 3.0% for electric customers. The decoupling mechanism will be reviewed again in PSE’s first rate case filed in or after 2021, or in a separate proceeding, if appropriate. PSE’s decoupling mechanism over- and under-collections will still be collectible or refundable after this effective date even if the decoupling mechanism is not extended.

On December 31, 2018, PSE performed an analysis to determine if electric and natural gas decoupling revenue deferrals would be collected from customers within 24 months of the annual period, per ASC 980. If not, for GAAP purposes only, PSE would need to record a reserve against the decoupling revenue and regulatory asset balance. Once the reserve is probable of collection within 24 months from the end of the annual period, the reserve can be recognized as decoupling revenue. The analysis indicated that $0.8 million of electric deferred revenue will not be collected within 24 months of the annual period; therefore, an adjustment was booked to 2018 decoupling revenue. The previously unrecognized decoupling deferrals of $20.8 million at December 31, 2016, were recognized as decoupling revenue in the year ended December 31, 2017.

Storm Damage Deferral Accounting

The Washington Commission issued a GRC order that defined deferrable storm events and provided that costs in excess of the annual cost threshold may be deferred for qualifying storm damage costs that meet the modified Institute of Electrical and Electronics Engineers outage criteria for system average interruption duration index. In 2018 and 2017, PSE incurred $25.4 million and $30.4 million, respectively, in storm-related electric transmission and distribution system restoration costs, of which $15.1 million was deferred in 2018 and $21.6 million was deferred in 2017 to a regulatory asset. Under the December 5, 2017 Washington Commission order regarding PSE’s GRC, the following changes to PSE’s storm deferral mechanism were approved: (i) the cumulative annual cost threshold for deferral of storms under the mechanism increased from $8.0 million to $10.0 million effective January 1, 2018; and (ii) qualifying events where the total qualifying cost is less than $0.5 million will not qualify for deferral and these costs will also not count toward the $10.0 million annual cost threshold.

Environmental Remediation

The Company is subject to environmental laws and regulations by the federal, state and local authorities and is required to undertake certain environmental investigative and remedial efforts as a result of these laws and regulations. The Company has been named by the Environmental Protection Agency (EPA), the Washington State Department of Ecology and/or other third parties as potentially responsible at several contaminated sites and manufactured gas plant sites. In accordance with the guidance of ASC 450, “Contingencies,” the Company reviews its estimated future obligations and will record adjustments, if any, on a quarterly basis. Management believes it is probable and reasonably estimable that the impact of the potential outcomes of disputes with certain property owners and other potentially responsible parties will result in environmental remediation costs of $42.7 million for natural gas and $8.8 million for electric. The Company believes a significant portion of its past and future environmental remediation costs are recoverable from insurance companies, from third parties or from customers under a Washington Commission order. The Company is also subject to cost-sharing agreements with third parties regarding environmental remediation projects in Seattle, Washington and Bellingham, Washington. The Company has taken the lead for both projects, and as of December 31, 2018, the Company’s share of future remediation costs is estimated to be approximately $32.2 million. The Company's deferred electric environmental costs are $14.1 million and $17.6 million at December 31, 2018 and 2017, respectively, net of insurance proceeds. The Company's deferred natural gas environmental costs are $62.2 million and $63.9 million at December 31, 2018 and 2017, respectively, net of insurance proceeds. In the GRC which became effective December 19, 2017, the Company had its third party recoveries and remediation costs incurred as of September 30, 2016, net of a portion of insurance, approved for amortization and inclusion in rates.

(4) Dividend Payment Restrictions

The payment of dividends by PSE to Puget Energy is restricted by provisions of certain covenants applicable to long-term debt contained in PSE’s electric and natural gas mortgage indentures. At December 31, 2018, approximately $783.0 million of unrestricted retained earnings was available for the payment of dividends under the most restrictive mortgage indenture covenant.

Pursuant to the terms of the Washington Commission merger order, PSE may not declare or pay dividends if PSE’s common equity ratio, calculated on a regulatory basis, is 44.0% or below except to the extent a lower equity ratio is ordered by the Washington Commission. Also, pursuant to the merger order, PSE may not declare or make any distribution unless on the date of distribution PSE’s corporate credit/issuer rating is investment grade, or, if its credit ratings are below investment grade, PSE’s ratio of earnings before interest, tax, depreciation and amortization (EBITDA) to interest expense for the most recently ended four fiscal quarter periods prior to such date is equal to or greater than 3.0 to 1.0. The common equity ratio, calculated on a regulatory basis, was 47.6% at December 31, 2018, and the EBITDA to interest expense was 5.6 to 1.0 for the twelve months ended December 31, 2018.

PSE’s ability to pay dividends is also limited by the terms of its credit facilities, pursuant to which PSE is not permitted to pay dividends during any Event of Default (as defined in the facilities), or if the payment of dividends would result in an Event of Default, such as failure to comply with certain financial covenants.

At December 31, 2018, PSE was in compliance with all applicable covenants, including those pertaining to the payment of dividends.

(5) Utility Plant

The following table presents electric, natural gas and common utility plant classified by account:

Utility Plant (Dollars in Thousands)	Estimated Useful Life (Years)	Puget Sound Energy At December 31, 2018	Puget Sound Energy At December 31, 2017
Distribution plant	20-65	$ 7,722,024	$ 7,289,998
Production plant	12-90	4,104,963	4,081,683
Transmission plant	43-75	1,550,950	1,471,337
General plant	5-75	718,105	628,179
Intangible plant (including capitalized software)	NA	652,942	438,187
Plant acquisition adjustment	NA	282,792	282,792
Underground storage	25-60	48,874	45,288
Liquefied natural gas storage	25-60	14,498	14,498
Plant held for future use	NA	39,536	53,580
Plant not classified	NA	239,857	275,014
Capital leases, net of accumulated amortization[1]	NA	1,315	1,129
Less: accumulated provision for depreciation		(6,013,978)	(5,617,412)
Subtotal		$ 9,361,878	$ 8,964,273
Construction work in progress	NA	550,466	495,937
Net utility plant		$ 9,912,344	$ 9,460,210

1 *At December 31, 2018 and 2017, accumulated amortization of capital leases at PSE was $0.7 million.*

Jointly owned generating plant service costs are included in utility plant service cost at the Company's ownership share. The Company provides financing for its ownership interest in the jointly owned utility plants. The following tables indicate the Company’s percentage ownership and the extent of the Company’s investment in jointly owned generating plants in service at December 31, 2018. These amounts are also included in the Utility Plant table above. The Company's share of fuel costs and operating expenses for plant in service are included in the corresponding accounts in the Consolidated Statements of Income.

Puget Sound Energy

Jointly Owned Generating Plants	Energy Source	Company's Ownership Share	Plant in Service at Cost	Construction Work in Progress	Accumulated
Colstrip Units 1 & 2[1]	Coal	50.0%	$ 498,955	$ —	$ (191,323)
Colstrip Units 3 & 4	Coal	25.0%	578,008	—	(357,914)
Colstrip Units 1 – 4 Common Facilities	Coal	various	252	—	(206)
Frederickson 1	Natural Gas	49.85%	67,858	—	(14,567)
Jackson Prairie	Natural Gas Storage	33.34%	47,975	404	(21,499)
Tacoma LNG	LNG	various	—	130,756	—

Asset Retirement Obligation

The Company has recorded liabilities for steam generation sites, combustion turbine generation sites, wind generation sites, distribution and transmission poles, natural gas mains, and leased facilities where disposal is governed by ASC 410 "Asset Retirement and Environmental Obligations" (ARO).

On April 17, 2015, the U.S. Environmental Protection Agency (EPA) published a final rule, effective October 19, 2015, that regulates Coal Combustion Residuals (CCR) under the Resource Conservation and Recovery Act, Subtitle D. The CCR ruling requires the Company to perform an extensive study on the effects of coal ash on the environment and public health. The rule addresses the risks from coal ash disposal, such as leaking of contaminants into ground water, blowing of contaminants into the air as dust, and the catastrophic failure of coal ash surface impoundments.

The CCR rule and two new legal agreements which include a consent decree with the Sierra Club and a settlement agreement with the Sierra Club and the National Wildlife Federation in 2016 make significant changes to the Company's Colstrip operations and those changes were reviewed by the Company and the plant operator in 2015 and 2016. PSE had previously recognized a legal obligation in 2003 under EPA rules to dispose of coal ash material at Colstrip.

The actual ARO costs related to the CCR rule requirements may vary substantially from the estimates used to record the increased obligation due to uncertainty about the compliance strategies that will be used and the preliminary nature of available data used to estimate costs. We will continue to gather additional data and coordinate with the plant operator to make decisions about compliance strategies and the timing of closure activities. As additional information becomes available, the Company will update the ARO obligation for these changes, which could be material.

For the twelve months ended December 31, 2018 and 2017, the Company reviewed the estimated remediation costs at Colstrip and reduced the Colstrip ARO liability by $11.0 million and $5.5 million for Colstrip Units 1 and 2 and $1.8 million and $12.7 million for Colstrip Units 3 and 4, respectively. The 2018 reductions to the Colstrip ARO liability are primarily based on the plant site remedy report approved by the Montana Department of Environmental Quality. For the twelve months ended December 31, 2018 and 2017, the Company also recorded the Colstrip relief of liability of $4.8 million and $3.8 million, respectively. In addition, the Company recorded Tacoma LNG facility ARO liability of $2.7 million for PSE as of December 31, 2017.

The following table describes the changes to the Company's ARO for the year ended December 31, 2018:

Puget Sound Energy	At December 31,	
(Dollars in Thousands)	2018	2017
Asset retirement obligation at beginning of the period	$ 188,934	$ 200,345
New asset retirement obligation recognized in the period	501	1,454

Relief of liability	(4,750)	(3,841)
Revisions in estimated cash flows	(9,876)	(14,549)
Accretion expense	5,680	5,525
Asset retirement obligation at end of period[1]	$ 180,489	$ 188,934

The Company has identified the following obligations, as defined by ASC 410, "ARO," which were not recognized because the liability for these assets cannot be reasonably estimated at December 31, 2018:

- A legal obligation under Federal Dangerous Waste Regulations to dispose of asbestos-containing material in facilities that are not scheduled for remodeling, demolition or sales. The disposal cost related to these facilities could not be measured since the retirement date is indeterminable; therefore, the liability cannot be reasonably estimated;
- An obligation under Washington state law to decommission the wells at the Jackson Prairie natural gas storage facility upon termination of the project. Since the project is expected to continue as long as the Northwest pipeline continues to operate, the liability cannot be reasonably estimated;
- An obligation to pay its share of decommissioning costs at the end of the functional life of the major transmission lines. The major transmission lines are expected to be used indefinitely; therefore, the liability cannot be reasonably estimated;
- A legal obligation under Washington state environmental laws to remove and properly dispose of certain under and above ground fuel storage tanks. The disposal costs related to under and above ground storage tanks could not be measured since the retirement date is indeterminable; therefore, the liability cannot be reasonably estimated;
- An obligation to pay decommissioning costs at the end of utility service franchise agreements to restore the surface of the franchise area. The decommissioning costs related to facilities at the franchise area could not be measured since the decommissioning date is indeterminable; therefore, the liability cannot be reasonably estimated; and
- A potential legal obligation may arise upon the expiration of an existing FERC hydropower license if FERC orders the project to be decommissioned, although PSE contends that FERC does not have such authority. Given the value of ongoing generation, flood control and other benefits provided by these projects, PSE believes that the potential for decommissioning is remote and cannot be reasonably estimated.

(6) Long-Term Debt

The following table presents outstanding long-term debt principal amounts and due dates as of 2018 and 2017:

(Dollars in Thousands)			At December 31,	
Series	Type	Due	2018	2017
Puget Sound Energy:				
6.740%	Senior Secured Note[1]	2018	$ —	$ 200,000
5.500%	Promissory Note	2020	2,412	2,412
7.150%	First Mortgage Bond	2025	15,000	15,000
7.200%	First Mortgage Bond	2025	2,000	2,000
7.020%	Senior Secured Note	2027	300,000	300,000
7.000%	Senior Secured Note	2029	100,000	100,000
3.900%	Pollution Control Bond	2031	138,460	138,460

4.000%	Pollution Control Bond	2031	23,400	23,400
5.483%	Senior Secured Note	2035	250,000	250,000
6.724%	Senior Secured Note	2036	250,000	250,000
6.274%	Senior Secured Note	2037	300,000	300,000
5.757%	Senior Secured Note	2039	350,000	350,000
5.795%	Senior Secured Note	2040	325,000	325,000
5.764%	Senior Secured Note	2040	250,000	250,000
4.434%	Senior Secured Note	2041	250,000	250,000
5.638%	Senior Secured Note	2041	300,000	300,000
4.300%	Senior Secured Note	2045	425,000	425,000
4.223%	Senior Secured Note	2048	600,000	—
4.700%	Senior Secured Note	2051	45,000	45,000
6.974%	Junior Subordinated Note	2067	—	250,000
*	Debt discount, issuance cost and other	*	(31,412)	(26,361)
Total PSE long-term debt			3,894,860	3,749,911

* *Not Applicable.*

1 *6.74% Senior Secured Note in the amount of $200.0 million was classified on the Balance Sheet as a current maturity of long-term debt as of June 15, 2017.*

PSE's senior secured notes will cease to be secured by the pledged first mortgage bonds on the date that all of the first mortgage bonds issued and outstanding under the electric or natural gas utility mortgage indenture have been retired. As of December 31, 2018, the latest maturity date of the first mortgage bonds, other than pledged first mortgage bonds, is December 22, 2025.

Puget Sound Energy Long-Term Debt

PSE has in effect a shelf registration statement ("the existing shelf") under which it may issue, as of the date of this report, up to $200.0 million aggregate principal amount of senior notes secured by first mortgage bonds. The existing shelf will expire in November 2019.

Substantially all utility properties owned by PSE are subject to the lien of the Company's electric and natural gas mortgage indentures. To issue additional first mortgage bonds under these indentures, PSE's earnings available for interest must exceed certain minimums as defined in the indentures. At December 31, 2018, the earnings available for interest exceeded the required amount.

On March 5, 2018, PSE commenced a tender offer and related consent solicitation to purchase any and all of the outstanding $250.0 million 6.974% Series A Enhanced Junior Subordinated Notes due June 1, 2067. Holders of the notes received $1,005 per $1,000 principal amount of notes plus accrued and unpaid interest for notes tendered and accepted by the early tender payment deadline of March 16, 2018. Holders of notes tendered after the early tender payment deadline, but prior to the tender offer expiration on April 2, 2018 were to receive the tender offer consideration of $975 per $1,000 of principal amount of the notes plus accrued but unpaid interest. A total of $193.4 million in principal amount of notes were tendered by the early payment deadline and no notes were tendered after the early payment deadline. On March 20, 2018, $194.9 million was paid to the holders of the tendered notes. This amount included the principal, early tender consideration and accrued interest up to, but not including March 20, 2018.

Concurrently with the tender offer, PSE solicited consents from a majority (in principal amount) of the holders of PSE's 6.274% Senior Notes due March 15, 2037 to terminate the replacement capital covenant granted to the holders of those notes. The termination of the covenant was necessary because it included restrictions related to repurchases, redemptions and repayments of the 6.974% Series A Enhanced Junior Subordinated Notes. PSE received consents from holders of 87.7% of the 6.274% Senior Notes and paid a consent fee totaling $2.6 million to those holders on March 19, 2018.

On March 28, 2018, PSE issued a notice of redemption, effective April 27, 2018, for the remaining $56.6 million principal amount of the 6.974% Series A Enhanced Junior Subordinated Notes. The notes were redeemed at a price equal to 100% of their principal amount plus accrued and unpaid interest up to, but excluding the redemption date.

On June 4, 2018, PSE issued $600.0 million of 30-year Senior Notes under its senior note indenture at an interest rate of 4.223% with a maturity date of June 15, 2048. The proceeds from the issuance were used to pay the principal and accrued interest on the Company's $200.0 million Secured Notes that matured on June 15, 2018, outstanding commercial paper borrowings of $348.0 million and other general corporate expenses.

Long-Term Debt Maturities

The principal amounts of long-term debt maturities for the next five years and thereafter are as follows:

(Dollars in Thousands)	2019	2020	2021	2022	2023	Thereafter	Total
Maturities of:							
PSE	$ —	$ 2,412	$ —	$ —	$ —	$ 3,923,860	$ 3,926,272
Total long-term debt	$ —	$ 2,412	$ 0	$ 0	$ —	$ 3,923,860	$ 3,926,272

(7) Liquidity Facilities and Other Financing Arrangements

As of December 31, 2018 and 2017, PSE had $379.3 million and $329.5 million in short-term debt outstanding, respectively. PSE's weighted-average interest rate on short-term debt, including borrowing rate, commitment fees and the amortization of debt issuance costs, during 2018 and 2017 was 3.4% and 3.5%, respectively. As of December 31, 2018, PSE had several committed credit facilities that are described below.

Puget Sound Energy

Credit Facility

In October 2017, PSE entered into a new $800.0 million credit facility which consolidates the two previous facilities into a single, smaller facility. All other features including fees, interest rate options, letter of credit, same day swingline borrowings, financial covenant and accordion feature remain substantially the same. The credit facility includes a swingline feature allowing same day availability on borrowings up to $75.0 million. The credit facility also has an expansion feature which, upon the banks' approval, would increase the total size of the facility to $1.4 billion. The unsecured revolving credit facility matures in October 2022.

The credit agreement is syndicated among numerous lenders and contains usual and customary affirmative and negative covenants that, among other things, places limitations on PSE's ability to transact with affiliates, make asset dispositions and investments or permit liens to exist. The credit agreement also contains a financial covenant of total debt to total capitalization of 65% or less. PSE certifies its compliance with such covenants to participating banks each quarter. As of December 31, 2018, PSE was in compliance with all applicable covenant ratios.

The credit agreement provides PSE with the ability to borrow at different interest rate options. The credit agreement allows PSE to borrow at the bank's prime rate or to make floating rate advances at the London Interbank Offered Rate (LIBOR) plus a spread that is based upon PSE's credit rating. PSE must pay a commitment fee on the unused portion of the credit facility. The spreads and the commitment fee depend on PSE's credit ratings. As of the date of this report, the spread to the LIBOR is 1.25% and the commitment fee is 0.175%.

As of December 31, 2018, no amounts were drawn and outstanding under PSE's credit facility. No letters of credit were outstanding and $379.3 million was outstanding under the commercial paper program. Outside of the credit agreement, PSE had a $3.0 million letter of credit in support of a long-term transmission contract and a $1.0 million letter of credit in support of natural gas purchases in Canada.

Demand Promissory Note

In 2006, PSE entered into a revolving credit facility with Puget Energy, in the form of a credit agreement and a demand promissory note (Note) pursuant to which PSE may borrow up to $30.0 million from Puget Energy subject to approval by Puget Energy. Under the terms of the Note, PSE pays interest on the outstanding borrowings based on the lower of the weighted-average interest rates of PSE’s outstanding commercial paper interest rate or PSE’s senior unsecured revolving credit facility. Absent such borrowings, interest is charged at one-month LIBOR plus 0.25%. As of December 31, 2018, there was no outstanding balance under the Note.

(8) Leases

PSE leases buildings and assets under operating leases. Certain leases contain purchase options, renewal options and escalation provisions. Payments received for the subleases of properties were immaterial for each of the years ended 2018, 2017 and 2016.

Operating lease expenses net of sublease receipts were:

(Dollars in Thousands)

At December 31, Years	Operating Lease Expense
2018	$ 34,093
2017	35,198
2016	31,786

The following table summarizes the Company’s estimated future minimum lease payments for non-cancelable leases net of sublease receipts, through the terms of its existing contracts:

(Dollars in Thousands) At December 31,	Future Minimum Lease Payments	
Years	Operating	Capital
2019	$ 20,635	$ 495
2020	20,704	446
2021	20,630	311
2022	20,202	82

2023	19,223	—
Thereafter	132,889	—
Total minimum lease payments	$ 234,283	$ 1,334

(9) Accounting for Derivative Instruments and Hedging Activities

PSE employs various energy portfolio optimization strategies, but is not in the business of assuming risk for the purpose of realizing speculative trading revenue. The nature of serving regulated electric customers with its portfolio of owned and contracted electric generation resources exposes PSE and its customers to some volumetric and commodity price risks within the sharing mechanism of the PCA. Therefore, wholesale market transactions and PSE's related hedging strategies are focused on reducing costs and risks where feasible, thus reducing volatility in costs in the portfolio. In order to manage its exposure to the variability in future cash flows for forecasted energy transactions, PSE utilizes a programmatic hedging strategy which extends out three years. PSE's hedging strategy includes a risk-responsive component for the core natural gas portfolio, which utilizes quantitative risk-based measures with defined objectives to balance both portfolio risk and hedge costs.

PSE's energy risk portfolio management function monitors and manages these risks using analytical models and tools. In order to manage risks effectively, PSE enters into forward physical electric and natural gas purchase and sale agreements, fixed-for-floating swap contracts, and commodity call/put options. Currently, the Company does not apply cash flow hedge accounting, and therefore records all mark-to-market gains or losses through earnings.

The Company manages its interest rate risk through the issuance of mostly fixed-rate debt with varied maturities. The Company utilizes internal cash from operations, borrowings under its commercial paper program, and its credit facilities to meet short-term funding needs. The Company may enter into swap instruments or other financial hedge instruments to manage the interest rate risk associated with these debts.

The following table presents the volumes, fair values and classification of the Company's derivative instruments recorded on the balance sheets:

Puget Sound Energy	At Year Ended December 31,					
(Dollars in Thousands)	Volumes (millions)		Assets[1]		Liabilities[2]	
	2018	2017	2018	2017	2018	2017
Electric portfolio derivatives	*	*	33,287	13,391	27,284	49,050
Natural gas derivatives (MMBtus)[3]	336.6	332.1	15,732	11,014	30,472	37,044
Total derivative contracts			$ 49,019	$ 24,405	$ 57,756	$ 86,094
Current			$ 46,507	$ 22,247	$ 46,661	$ 64,859
Long-term			2,512	2,158	11,095	21,235
Total derivative contracts			$ 49,019	$ 24,405	$ 57,756	$ 86,094

1 *Balance sheet classification: Current and Long-term Unrealized gain on derivative instruments.*

2 *Balance sheet classification: Current and Long-term Unrealized loss on derivative instruments.*

3 *All fair value adjustments on derivatives relating to the natural gas business have been deferred in accordance with ASC 980, "Regulated Operations," due to the PGA mechanism. The net derivative asset or liability and offsetting regulatory liability or asset are related to contracts used to economically hedge the cost of physical gas purchased to serve natural gas customers.*

* *Electric portfolio derivatives consist of electric generation fuel of 194.8 million One Million British Thermal Units (MMBtus) and purchased electricity of 6.6 million megawatt hours (MWhs) at December 31, 2018 and 166.8 million MMBtus and 2.9 million MWhs at December 31, 2017.*

It is the Company's policy to record all derivative transactions on a gross basis at the contract level without offsetting assets or liabilities. The Company generally enters into transactions using the following master agreements: WSPP, Inc. (WSPP) agreements, which standardize physical power contracts; International Swaps and Derivatives Association (ISDA) agreements, which standardize financial natural gas and electric contracts; and North American Energy Standards Board (NAESB) agreements, which standardize physical natural gas contracts. The Company believes that such agreements reduce credit risk exposure because such agreements provide for the netting and offsetting of monthly payments as well as the right of set-off in the event of counterparty default. The set-off provision can be used as a final settlement of accounts which extinguishes the mutual debts owed between the parties in exchange for a new net amount. For further details regarding the fair value of derivative instruments, see Note 11, "Fair Value Measurements,".

The following tables present the potential effect of netting arrangements, including rights of set-off associated with the Company's derivative assets and liabilities:

Puget Sound Energy

(Dollars in	At December 31, 2018					
	Gross Amounts Recognized in the Statement of Financial Position [1]	Gross Amounts	Net of Amounts	Gross Amounts Not Offset in the		
				Commodity Contracts	Cash Collateral Received/Posted	Net
Assets:						
Energy derivative contracts	$ 49,019	$ —	$ 49,019	$ (25,388)	$ —	$ 23,631
Liabilities:						
Energy derivative contracts	57,756	—	57,756	(25,388)	—	32,368

Puget Sound Energy

(Dollars in	At December 31, 2017			
	Gross Amounts Recognized in the Statement of Financial Position [1]	Gross Amounts	Net of Amounts	Gross Amounts Not Offset in the

				Commodity Contracts	Cash Collateral Received/Posted	Net
Assets:						
Energy derivative contracts	$ 24,405	$ —	$ 24,405	$ (17,940)	$ —	$ 6,465
Liabilities:						
Energy derivative contracts	86,094	—	86,094	(17,940)	(353)	67,801

2 *All Derivative Contract deals are executed under ISDA, NAESB and WSPP Master Netting Agreements with Right of set-off.*

The following tables present the effect and locations of the realized and unrealized gains (losses) of the Company's derivatives recorded on the statements of income:

Puget Sound Energy (Dollars in Thousands)	Location	2018	2017
Gas for Power Derivatives:			
Unrealized	Unrealized gain (loss) on derivative instruments, net	23,186	(32,492)
Realized	Electric generation fuel	26,222	(23,195)
Power Derivatives:			
Unrealized	Unrealized gain (loss) on derivative instruments, net	18,476	1,702
Realized	Purchased electricity	12,240	(17,873)
Total gain (loss) recognized in income on derivatives		$ 80,124	$ (71,858)

The Company is exposed to credit risk primarily through buying and selling electricity and natural gas to serve its customers. Credit risk is the potential loss resulting from a counterparty's non-performance under an agreement. The Company manages credit risk with policies and procedures for, among other things, counterparty credit analysis, exposure measurement, and exposure monitoring and mitigation.

The Company monitors counterparties for significant swings in credit default rates, credit rating changes by external rating agencies, ownership changes or financial distress. Where deemed appropriate, the Company may request collateral or other security from its counterparties to mitigate potential credit default losses. Criteria employed in this decision include, among other things, the perceived creditworthiness of the counterparty and the expected credit exposure.

It is possible that volatility in energy commodity prices could cause the Company to have material credit risk exposure with one or more counterparties. If such counterparties fail to perform their obligations under one or more agreements, the Company could suffer a material financial loss. However, as of December 31, 2018, approximately 95.8% of the Company's energy portfolio exposure, excluding normal purchase normal sale (NPNS) transactions, is with counterparties that are rated investment grade by rating agencies and 4.2% are either rated below investment grade or not rated by rating agencies. The Company assesses credit risk internally for counterparties that are not rated by the major rating agencies.

The Company computes credit reserves at a master agreement level by counterparty. The Company considers external credit ratings and market factors, such as credit default swaps and bond spreads, in the determination of reserves. The Company recognizes that external ratings may not always reflect how a market participant perceives a counterparty's risk of default. The Company uses both default factors published by Standard & Poor's and factors derived through analysis of market risk, which reflect the application of an industry standard recovery rate. The Company selects a default factor by counterparty at an aggregate master agreement level based on a weighted average default tenor for that counterparty's deals. The default tenor is determined by weighting the fair value and contract tenors for all deals for each counterparty to derive an average value. The default factor used is dependent upon whether the counterparty is in a net asset or a net liability position after applying the master agreement levels.

The Company applies the counterparty's default factor to compute credit reserves for counterparties that are in a net asset position. The Company calculates a non-performance risk on its derivative liabilities by using its estimated incremental borrowing rate over the risk-free rate. Credit reserves are netted against unrealized gain (loss) positions. As of December 31, 2018, the Company was in a net liability position with the majority of counterparties, so the default factors of counterparties did not have a significant impact on reserves for the period. The majority of the Company's derivative contracts are with financial institutions and other utilities operating within the Western Electricity Coordinating Council. PSE also transacts power futures contracts on the Intercontinental Exchange (ICE), and natural gas contracts on the ICE NGX exchange platform. Execution of contracts on ICE requires the daily posting of margin calls as collateral through a futures and clearing agent. As of December 31, 2018, PSE had cash posted as collateral of $6.4 million related to contracts executed on the ICE platform. Also, as of December 31, 2018, PSE has a $1.0 million letter of credit posted as collateral as a condition of transacting on the ICE NGX exchange. PSE did not trigger any collateral requirements with any of its counterparties during the twelve months ended December 31, 2018, nor were any of PSE's counterparties required to post collateral resulting from credit rating downgrades.

The following table presents the aggregate fair value of all derivative instruments with credit-risk-related contingent features that are in a liability position and the amount of additional collateral the Company could be required to post:

Puget Sound Energy (Dollars in Thousands)	At December 31, 2018			2017		
Contingent Feature	Fair Value[1] Liability	Posted	Contingent	Fair Value[1] Liability	Posted	Contingent
Credit rating[2]	$ 574	$ —	$ 574	$ 3,187	$ —	$ 3,187
Requested credit for adequate assurance	18,495	—	—	37,374	—	—
Forward value of contract[3]	—	—	—	353	2,639	—
Total	$ 19,069	$ —	$ 574	$ 40,914	$ 2,639	$ 3,187

1 *Represents the derivative fair value of contracts with contingent features for counterparties in net derivative liability positions. Excludes NPNS, accounts payable and accounts receivable.*

2 *Failure by PSE to maintain an investment grade credit rating from each of the major credit rating agencies provides counterparties a contractual right to demand collateral.*

3 *Collateral requirements may vary, based on changes in the forward value of underlying transactions relative to contractually defined collateral thresholds.*

(10) Fair Value Measurements

ASC 820 established a fair value hierarchy that prioritizes the inputs used to measure fair value. The hierarchy categorizes the inputs into three levels with the highest priority given to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority given to unobservable inputs (Level 3 measurement). The three levels of the fair value hierarchy are as follows:

> Level 1 - Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Level 1 primarily consists of financial instruments such as exchange-traded derivatives and listed equities. Equity securities that are also classified as cash equivalents are considered Level 1 if there are unadjusted quoted prices in active markets for identical assets or liabilities.
>
> Level 2 - Pricing inputs are other than quoted prices in active markets included in Level 1, which are either directly or indirectly observable as of the reporting date. Level 2 includes those financial instruments that are valued using models or other valuation methodologies. Instruments in this category include non-exchange-traded derivatives such as over-the-counter forwards and options.
>
> Level 3 - Pricing inputs include significant inputs that have little or no observability as of the reporting date. These inputs may be used with internally developed methodologies that result in management's best estimate of fair value.

Financial assets and liabilities measured at fair value are classified in their entirety in the appropriate fair value hierarchy based on the lowest level of input that is significant to the fair value measurement. The Company's assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the valuation of fair value assets and liabilities and their placement within the fair value hierarchy. The Company primarily determines fair value measurements classified as Level 2 or Level 3 using a combination of the income and market valuation approaches. The process of determining the fair values is the responsibility of the derivative accounting department which reports to the Controller and Principal Accounting Officer. Inputs used to estimate the fair value of forwards, swaps and options include market-price curves, contract terms and prices, credit-risk adjustments, and discount factors. Additionally, for options, the Black-Scholes option valuation model and implied market volatility curves are used. Inputs used to estimate fair value in industry-standard models are categorized as Level 2 inputs as substantially all assumptions and inputs are observable in active markets throughout the full term of the instruments. On a daily basis, the Company obtains quoted forward prices for the electric and natural gas markets from an independent external pricing service.

The Company considers its electric and natural gas contracts as Level 2 derivative instruments as such contracts are commonly traded as over-the-counter forwards with indirectly observable price quotes. However, certain energy derivative instruments with maturity dates falling outside the range of observable price quotes are classified as Level 3 in the fair value hierarchy. Management's assessment is based on the trading activity in real-time and forward electric and natural gas markets. Each quarter, the Company confirms the validity of pricing-service quoted prices used to value Level 2 commodity contracts with the actual prices of commodity contracts entered into during the most recent quarter.

Assets and Liabilities with Estimated Fair Value

The carrying values of cash and cash equivalents, restricted cash, and short-term debt as reported on the balance sheet are reasonable estimates of their fair value due to the short-term nature of these instruments and are classified as Level 1 in the fair value hierarchy. The carrying value of other investments of $49.5 million and $48.5 million at December 31, 2018 and 2017, respectively, are included in "Other property and investments" on the balance sheet. These values are also reasonable estimates of their fair value and classified as Level 2 in the fair value hierarchy as they are valued based on market rates for similar transactions.

The fair value of the junior subordinated and long-term notes were estimated using the discounted cash flow method with U.S. Treasury yields and Company's credit spreads as inputs, interpolating to the maturity date of each issue. The carrying values and estimated fair values were as follows:

Puget Sound Energy		At December 31, 2018		At December 31, 2017	
(Dollars in Thousands)	Level	Carrying Value	Fair Value	Carrying Value	Fair Value
Liabilities:					
Junior subordinated notes	2	$ —	$ —	$ 250,000	$ 238,935
Long-term debt (fixed-rate), net of discount[1]	2	3,894,860	4,574,611	3,499,911	4,550,130
Total		$ 3,894,860	$ 4,574,611	$ 3,749,911	$ 4,789,065

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1 *The carrying value includes debt issuances costs of $24.6 million and $24.6 million for December 31, 2018 and 2017, respectively, which are not included in fair value.*

Assets and Liabilities Measured at Fair Value on a Recurring Basis

The following tables present the Company's financial assets and liabilities by level, within the fair value hierarchy, that were accounted for at fair value on a recurring basis and the reconciliation of the changes in the fair value of Level 3 derivatives in the fair value hierarchy:

Puget Sound Energy	Fair Value At December 31, 2018			Fair Value At December 31, 2017		
(Dollars in Thousands)	Level 2	Level 3	Total	Level 2	Level 3	Total
Assets:						
Electric derivative instruments	$ 28,765	$ 4,522	$ 33,287	$ 9,866	$ 3,525	$ 13,391
Natural gas derivative instruments	12,247	3,485	15,732	6,973	4,041	11,014
Total derivative assets	$ 41,012	$ 8,007	$ 49,019	$ 16,839	$ 7,566	$ 24,405
Liabilities:						
Electric derivative instruments	24,124	3,160	27,284	46,623	2,427	49,050
Natural gas derivative instruments	28,660	1,812	30,472	34,926	2,118	37,044
Total derivative liabilities	$ 52,784	$ 4,972	$ 57,756	$ 81,549	$ 4,545	$ 86,094

Puget Sound Energy	Year Ended December 31,					
Level 3 Roll-Forward Net Asset(Liability)	2018			2017		
(Dollars in Thousands)	Electric	Natural Gas	Total	Electric	Natural Gas	Total
Balance at beginning of period	$ 1,098	$ 1,923	$ 3,021	$ 972	$ 625	$ 1,597
Changes during period						
Realized and unrealized energy derivatives:						
Included in earnings[1]	34,604	—	34,604	2,781	—	2,781
Included in regulatory assets / liabilities	—	6,075	6,075	—	6,346	6,346
Settlements[2]	(33,067)	(7,197)	(40,264)	(6,549)	(6,372)	(12,921)
Transferred into Level 3	(1,987)	—	(1,987)	523	(553)	(30)
Transferred out Level 3	714	872	1,586	3,371	1,877	5,248
Balance at end of period	$ 1,362	$ 1,673	$ 3,035	$ 1,098	$ 1,923	$ 3,021

1 *Income Statement classification: Unrealized (gain) loss on derivative instruments, net. Includes unrealized gains (losses) on derivatives still held in position as of the reporting date for electric derivatives of $1.1 million, $1.5 million and $2.0 million for the years ended December 31, 2018, 2017 and 2016, respectively.*

2 *The Company had no purchases, sales or issuances during the reported periods.*

Realized gains and losses on energy derivatives for Level 3 recurring items are included in energy costs in the Company's consolidated statements of income under purchased electricity, electric generation fuel or purchased natural gas when settled. Unrealized gains and losses on energy derivatives for Level 3 recurring items are included in net unrealized (gain) loss on derivative instruments in the Company's consolidated statements of income.

In order to determine which assets and liabilities are classified as Level 3, the Company receives market data from its independent external pricing service defining the tenor of observable market quotes. To the extent any of the Company's commodity contracts extend beyond what is considered observable as defined by its independent pricing service, the contracts are classified as Level 3. The actual tenor of what the independent pricing service defines as observable is subject to change depending on market conditions. Therefore, as the market changes, the same contract may be designated Level 3 one month and Level 2 the next, and vice versa. The changes of fair value classification into or out of Level 3 are recognized each month, and reported in the Level 3 Roll-forward table above. The Company did not have any transfers between Level 2 and Level 1 during the years ended December 31, 2018, 2017 and 2016. The Company does periodically transact at locations, or market price points, that are illiquid or for which no prices are available from the independent pricing service. In such circumstances the Company uses a more liquid price point and performs a 15-month regression against the illiquid locations to serve as a proxy for market prices. Such transactions are classified as Level 3. The Company does not use internally developed models to make adjustments to significant unobservable pricing inputs.

The only significant unobservable input into the fair value measurement of the Company's Level 3 assets and liabilities is the forward price for electric and natural gas contracts. Below are the forward price ranges for the Company's commodity contracts, as of December 31, 2018:

Puget Sound Energy	Fair Value			Range	
	Liabilities	Valuation	Unobservable		Weighte

(Dollars in Thousands)	Assets[1]				Low	High	d Average
Electric	$4,522	$3,160	Discounted	Power Prices (per MWh)	$11.35	$66.45	$29.63
Natural gas	$3,485	$1,812	Discounted	Natural Gas Prices (per MMBtu)	$1.84	$5.80	$3.18

1 *The valuation techniques, unobservable inputs and ranges are the same for asset and liability positions.*

The significant unobservable inputs listed above would have a direct impact on the fair values of the above instruments if they were adjusted. Consequently, significant increases or decreases in the forward prices of electricity or natural gas in isolation would result in a significantly higher or lower fair value for Level 3 assets and liabilities. Generally, interrelationships exist between market prices of natural gas and power. As such, an increase in natural gas pricing would potentially have a similar impact on forward power markets. At December 31, 2018, a hypothetical 10% increase or decrease in market prices of natural gas and electricity would change the fair value of the Company's derivative portfolio, classified as Level 3 within the fair value hierarchy, by $2.6 million.

(11) Employee Investment Plans

The Company's Investment Plan is a qualified employee 401(k) plan, under which employee salary deferrals and after-tax contributions are used to purchase several different investment fund options. PSE’s contributions to the employee Investment Plan were $20.7 million, $19.2 million and $17.2 million for the years 2018, 2017 and 2016, respectively. The employee Investment Plan eligibility requirements are set forth in the plan documents.

Non-represented employees and United Association of Journeymen and Apprentices of the Plumbing and Pipefitting Industry (UA) represented employees hired before January 1, 2014, and International Brotherhood of Electrical Workers Local Union 77 (IBEW) represented employees hired before December 12, 2014, have the following company contributions:

- For employees under the Cash Balance retirement plan formula, PSE will match 100% of an employee's contribution up to 6.0% of plan compensation each paycheck, and will make an additional year-end contribution equal to 1.0% of base pay.
- For employees grandfathered under the Final Average Earning retirement plan formula, PSE will match 55.0% of an employee’s contribution up to 6.0% of plan compensation each paycheck.

Non-represented and UA-represented employees hired on or after January 1, 2014 along with IBEW-represented employees hired on or after December 12, 2014, will have access to the 401(k) plan. The two contribution sources from PSE are below:

- 401(k) Company Matching: New non-represented, UA-represented and IBEW-represented employees will receive company match each paycheck based on a new schedule: 100% match on the first 3.0% of pay contributed and 50.0% match on the next 3.0% of pay contributed. An employee who contributes 6.0% of pay will receive 4.5% of pay in company match. Company matching will be immediately vested.
- Company Contribution: New UA-represented employees will receive an annual company contribution of 4.0% of eligible pay placed in the Cash Balance retirement plan. New non-represented and IBEW-represented employees will receive an annual company contribution of 4.0% of eligible pay, placed either in the Investment Plan 401(k) plan or in PSE’s Cash Balance retirement plan. New non-represented and IBEW-represented employees will make a one-time election within 30

days of hire and direct that PSE put the 4.0% contribution either into the 401(k) plan or into an account in the Cash Balance retirement plan. The Company's 4.0% contribution will vest after three years of service.

(12) Retirement Benefits

PSE has a defined benefit pension plan (Qualified Pension Benefits) covering a substantial majority of PSE employees. Pension benefits earned are a function of age, salary, years of service and, in the case of employees in the cash balance formula plan, the applicable annual interest crediting rates. Starting with January 1, 2014, all United Association of Journeyman and Apprentices of the Plumbing and Pipefitting Industry (UA) represented employees will receive annual pay contributions of 4.0% of eligible pay each year in the cash balance formula plan of the defined benefit pension. Starting January 1, 2014, for non-represented employees, and December 12, 2014 for employees represented by the IBEW, participants will receive annual employer contributions of 4.0% of eligible pay each year in the cash balance formula of the defined benefit pension or 401k plan account. Those employees receiving contributions in the cash balance formula plan also receive interest credits, which are at least 1.0% per quarter. When an employee with a vested cash balance formula benefit leaves PSE, they will have annuity and lump sum options for distribution. PSE also maintains a non-qualified Supplemental Executive Retirement Plan (SERP) for its key senior management employees.

In addition to providing pension benefits, PSE provides legacy group health care and life insurance benefits (Other Benefits) for certain retired employees. These benefits are provided principally through an insurance company. The insurance premiums, paid primarily by retirees, are based on the benefits provided during the prior year. The following tables summarize the Company's change in benefit obligation, change in plan assets and amounts recognized in the Statements of Financial Position for the years ended December 31, 2018 and 2017:

Puget Sound Energy	Qualified Pension Benefits		SERP Pension Benefits		Other Benefits	
(Dollars in Thousands)	2018	2017	2018	2017	2018	2017
Change in benefit obligation:						
Benefit obligation at beginning of period	$ 700,481	$ 652,607	$ 55,754	$ 51,734	$ 11,454	$ 11,194
Amendments	—	—	1,446	—	—	—
Service cost	22,757	20,081	847	913	69	72
Interest cost	27,303	28,373	2,120	2,285	444	500
Actuarial loss (gain)	(29,067)	40,945	1,122	2,722	(379)	725
Benefits paid	(42,662)	(40,594)	(5,581)	(1,900)	(1,037)	(1,137)
Medicare part D subsidy received	—	—	—	—	85	100
Administrative expense	(1,169)	(931)	—	—	—	—
Benefit obligation at end of period	$ 677,643	$ 700,481	$ 55,708	$ 55,754	$ 10,636	$ 11,454

Puget Sound Energy	Qualified		SERP		Other	
(Dollars in Thousands)	2018	2017	2018	2017	2018	2017
Change in plan assets:						

Fair value of plan assets at beginning of period	$ 704,360	$ 620,260	$ —	$ —	$ 7,138	$ 7,200
Actual return on plan assets	(38,379)	107,836	—	—	(395)	784
Employer contribution	18,000	18,000	5,581	1,900	254	291
Benefits paid	(42,662)	(40,594)	(5,581)	(1,900)	(1,037)	(1,137)
Administrative expense	(1,077)	(1,142)	—	—	—	—
Fair value of plan assets at end of period	$ 640,242	$ 704,360	$ —	$ —	$ 5,960	$ 7,138
Funded status at end of period	$ (37,401)	$ 3,879	$ (55,708)	$ (55,754)	$ (4,676)	$ (4,316)

Puget Sound Energy	Qualified Pension Benefits		SERP Pension Benefits		Other Benefits	
(Dollars in Thousands)	2018	2017	2018	2017	2018	2017
Amounts recognized in Statement of Financial Position consist of:						
Noncurrent assets	$ —	$ 3,879	$ —	$ —	$ —	$ —
Current liabilities	—	—	(6,249)	(5,486)	(332)	(317)
Noncurrent liabilities	(37,401)	—	(49,459)	(50,268)	(4,344)	(3,999)
Net assets (liabilities)	$ (37,401)	$ 3,879	$ (55,708)	$ (55,754)	$ (4,676)	$ (4,316)

Puget Sound Energy	Qualified Pension Benefits		SERP Pension Benefits		Other Benefits	
(Dollars in Thousands)	2018	2017	2018	2017	2018	2017
Pension Plans with an Accumulated Benefit Obligation in excess of Plan Assets:						
Projected benefit obligation	$ 677,643	$ 700,481	$ 55,708	$ 55,754	$ 10,636	$ 11,454
Accumulated benefit obligation	668,469	688,908	51,031	52,681	10,557	11,367
Fair value of plan assets	640,242	704,360	—	—	5,960	7,138

The following table summarizes PSE's pension benefit amounts recognized in AOCI for the years ended December 31, 2018 and 2017:

Puget Sound Energy	Qualified Pension Benefits		SERP Pension Benefits		Other Benefits	
(Dollars in Thousands)	2018	2017	2018	2017	2018	2017
Amounts recognized in Accumulated Other Comprehensive Income consist of:						
Net loss (gain)	$ 229,819	$ 185,277	$ 11,450	$ 13,134	$ (3,857)	$ (4,901)
Prior service cost (credit)	(4,659)	(6,232)	1,609	208	—	—

Total	$ 225,160	$ 179,045	$ 13,059	$ 13,342	$ (3,857)	$ (4,901)

The following table summarizes PSE's net periodic benefit cost for the years ended December 31, 2018, 2017 and 2016:

Puget Sound Energy	Qualified Pension Benefits		SERP Pension Benefits		Other Benefits	
(Dollars in Thousands)	2018	2017	2018	2017	2018	2017
Components of net periodic benefit cost:						
Service cost	$ 22,757	$ 20,081	$ 847	$ 913	$ 69	$ 72
Interest cost	27,303	28,373	2,120	2,285	444	500
Expected return on plan assets	(50,240)	(47,862)	—	—	(472)	(461)
Amortization of prior service cost (credit)	(1,573)	(1,573)	44	44	—	—
Amortization of net loss (gain)	14,917	13,048	2,069	1,565	(556)	(641)
Net periodic benefit cost	$ 13,164	$ 12,067	$ 5,080	$ 4,807	$ (515)	$ (530)

The following table summarizes PSE's benefit obligations recognized in other comprehensive income (OCI) for the years ended December 31, 2018 and 2017:

Puget Sound Energy	Qualified Pension Benefit		SERP Pension Benefits		Other Benefits	
(Dollars in Thousands)	2018	2017	2018	2017	2018	2017
Other changes (pre-tax) in plan assets and benefit obligations recognized in other comprehensive income:						
Net loss (gain)	$ 59,460	$ (18,817)	$ 1,122	$ 2,722	$ 488	$ 452
Amortization of net (loss) gain	(14,917)	(13,048)	(2,069)	(1,565)	556	641
Settlements, mergers, sales, and closures	—	—	(737)	—	—	—
Prior service cost (credit)	—	—	1,446	—	—	—
Amortization of prior service (cost) credit	1,573	1,573	(44)	(44)	—	—
Total change in other comprehensive income for year	$ 46,116	$ (30,292)	$ (282)	$ 1,113	$ 1,044	$ 1,093

The estimated net (loss) gain and prior service cost (credit) for the pension plans that will be amortized from AOCI into net periodic benefit cost in 2019 by PSE include a $12.7 million net loss and a $1.6 million credit, respectively. The estimated net (loss) gain for the SERP that will be amortized from AOCI into net periodic benefit cost in 2019 is a net loss of $1.7 million. The estimated prior service cost (credit) for the SERP that will be amortized from AOCI into net periodic benefit cost in 2019 is a net loss of $0.3 million. The estimated net (loss) gain and prior service cost (credit) for the other postretirement plans that will be amortized from AOCI into net periodic benefit cost in 2019 is a net loss of $0.4 million. The aggregate expected contributions by the Company to fund the qualified pension plan, SERP and the other postretirement plans for the year ending December 31, 2019 are expected to be at least $18.0 million, $6.2 million and $0.3 million, respectively.

Assumptions

In accounting for pension and other benefit obligations and costs under the plans, the following weighted-average actuarial assumptions were used by the Company:

	Qualified Pension Benefits		SERP Pension Benefits		Other Benefits	
Benefit Obligation Assumptions	2018	2017	2018	2017	2018	2017
Discount rate	4.40 %	4.00 %	4.40 %	4.00 %	4.40 %	4.00 %
Rate of compensation increase	4.50	4.50	4.50	4.50	4.50	4.50
Medical trend rate	—	—	—	—	7.60	6.80
Benefit Cost Assumptions						
Discount rate	4.40 %	4.50 %	4.40 %	4.50 %	4.40 %	4.50 %
Return on plan assets	7.50	7.45	—	—	7.00	6.75
Rate of compensation increase	4.50	4.50	4.50	4.50	4.50	4.50
Medical trend rate	—	—	—	—	7.60	9.50

The assumed medical inflation rate used to determine benefit obligations is 7.60% in 2019 grading down to 3.90% in 2020. A 1.0% change in the assumed medical inflation rate would have the following effects:

	2018		2017	
(Dollars in Thousands)	1% Increase	1% Decrease	1% Increase	1% Decrease
Effect on post-retirement benefit obligation	$ 19	$ (18)	$ 23	$ (22)
Effect on service and interest cost components	1	(1)	1	(1)

The Company has selected the expected return on plan assets based on a historical analysis of rates of return and the Company's investment mix, market conditions, inflation and other factors. The expected rate of return is reviewed annually based on these factors. The Company's accounting policy for calculating the market-related value of assets for the Company's retirement plan is based on a five-year smoothing of asset gains (losses) measured from the expected return on market-related assets. This is a calculated value that recognizes changes in fair value in a systematic and rational manner over five years. The same manner of calculating market-related value is used for all classes of assets, and is applied consistently from year to year.

The discount rates were determined by using market interest rate data and the weighted-average discount rate from Citigroup Pension Liability Index Curve. The Company also takes into account in determining the discount rate the expected changes in market interest rates and anticipated changes in the duration of the plan liabilities.

Plan Benefits

The expected total benefits to be paid during the next five years and the aggregate total to be paid for the five years thereafter are as follows:

(Dollars in Thousands)	2019	2020	2021	2022	2023	2024-2027
Qualified Pension total benefits	$ 43,700	$ 45,100	$ 45,900	$ 47,100	$ 48,500	$ 252,400
SERP Pension total benefits	6,249	4,993	1,887	5,378	3,678	39,400
Other Benefits total with Medicare Part D subsidy	1,112	1,094	1,064	1,038	1,008	4,410
Other Benefits total without Medicare Part D subsidy	892	863	899	872	841	3,704

Plan Assets

Plan contributions and the actuarial present value of accumulated plan benefits are prepared based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, changes in these estimates and assumptions in the near term may be material to the financial statements.

The Company has a Retirement Plan Committee that establishes investment policies, objectives and strategies designed to balance expected return with a prudent level of risk. All changes to the investment policies are reviewed and approved by the Retirement Plan Committee prior to being implemented.

The Retirement Plan Committee invests trust assets with investment managers who have historically achieved above-median long-term investment performance within the risk and asset allocation limits that have been established. Interim evaluations are routinely performed with the assistance of an outside investment consultant. To obtain the desired return needed to fund the pension benefit plans, the Retirement Plan Committee has established investment allocation percentages by asset classes as follows:

	Allocation		
Asset Class	Minimum	Target	Maximum
Domestic large cap equity	25%	31%	40%
Domestic small cap equity	—	9	15
Non-U.S. equity	10	25	30
Fixed income	15	25	30
Real estate	—	—	10
Absolute return	5	10	15
Cash	—	—	5

Plan Fair Value Measurements

ASC 715, "Compensation – Retirement Benefits" (ASC 715) directs companies to provide additional disclosures about plan assets of a defined benefit pension or other postretirement plan. The objectives of the disclosures are to disclose the following: (i) how investment allocation decisions are made, including the factors that are pertinent to an understanding of investment policies and strategies; (ii) major categories of plan assets; (iii) inputs and valuation techniques used to measure the fair value of plan assets; (iv) effect of fair value measurements using significant unobservable inputs (Level 3) on changes in plan assets for the period; and (v) significant concentrations of risk within plan assets.

ASC 820 allows the reporting entity, as a practical expedient, to measure the fair value of investments that do not have readily determinable fair values on the basis of the net asset value per share of the investment if the net asset value of the investment is calculated in a matter consistent with ASC 946, "Financial Services – Investment Companies". The standard requires disclosures about the nature and risk of the investments and whether the investments are probable of being sold at amounts different from the net asset value per share.

The following table sets forth by level, within the fair value hierarchy, the qualified pension plan as of December 31, 2018 and 2017:

	Recurring Fair Value Measures As of December 31, 2018			Recurring Fair Value Measures As of December 31, 2017		
(Dollars in Thousands)	Level 1	Level 2	Total	Level 1	Level 2	Total
Assets:						
Mutual Funds	$ 103,661	$ —	$ 103,661	$ 117,796	$ —	$ 117,796
Common Stock	177,949	—	177,949	209,504	—	209,504
Government Securities	—	—	—	18,316	23,782	42,098
Corporate Bonds	—	—	—	—	34,588	34,588
Cash and cash equivalents	—	702	702	2,684	9,304	11,988
Subtotal	$ 281,610	$ 702	282,312	$ 348,300	$ 67,674	415,974
Investments measured at NAV[1]			356,586			237,427
Net (payable) receivable			1,345			50,959
Total assets			$ 640,243			$ 704,360

3 *In accordance with ASU 2015-07, "Fair Value Measurement (Topic 820): Disclosures for Investments in Certain Entities that Calculate Net Asset Value per Share (or Its Equivalent)", certain investments that were measured at NAV per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the statement of net assets available for benefits. Investments measured at NAV primarily consist of common/collective trust funds and two partnerships held as of December 31, 2018.*

Mesirow Institutional Multi-Strategy Fund Partnership, L.P. utilizes a combination of long and short strategies through investments in investment funds. The major strategy allocations of the investment funds include (1) Investments in debt obligations of public and private entities; typically, in financial duress, and (2) Investments in equity positions on a global basis utilizing fundamental analysis.

Grosvenor Institutional Partners Fund, L.P invests substantially all of the fund assets available in the Grosvenor Master Fund, a Cayman Islands exempted company which is sponsored, managed and has the same investment objective as the Partnership fund. In addition to the Master Fund, investments are made primarily in offshore investment funds, investment partnerships, and pooled investment vehicles; collectively referred to as Portfolio Funds, which generally implement "nontraditional" or "alternative" investment strategies.

The following table sets forth by level, within the fair value hierarchy, the Other Benefits plan assets which consist of insurance benefits for retired employees, at fair value:

	Recurring Fair Value Measures As of December 31, 2018			Recurring Fair Value Measures As of December 31, 2017		
(Dollars in Thousands)	Level 1	Level 2	Total	Level 1	Level 2	Total
Assets:						
Mutual fund[1]	$ 5,910	$ —	$ 5,910	$ 7,089	$ —	$ 7,089
Investments measured at NAV[2]			50			49
Total assets			$ 5,960			$ 7,138

4 *This is a publicly traded balanced mutual fund. The fund seeks regular income, conservation of principal, and an opportunity for long-term growth of principal and income. The fair value is determined by taking the number of shares owned by the plan, and multiplying by the market price as of December 31, 2018.*

5 *In accordance with ASU 2015-07, "Fair Value Measurement (Topic 820): Disclosures for Investments in Certain Entities that Calculate Net Asset Value per Share (or Its Equivalent)", certain investments that were measured at NAV per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the statement of net assets available for benefits. Investments measured at NAV consist of a common/collective trust fund as of December 31, 2018.*

(13) Income Taxes

The details of income tax (benefit) expense are as follows:

Puget Sound Energy	Year Ended December 31,	
(Dollars in Thousands)	2018	2017
Charged to operating expenses:		
Current:		
Federal	$ 19,283	$ 1,127
State	438	17
Deferred:		
Federal	30,979	210,842
State	—	—
Total income tax expense	$ 50,700	$ 211,986

The following reconciliation compares pre-tax book income at the federal statutory rate of 21.0% in 2018 and 35.0% in 2017 and 2016 to the actual income tax expense in the Statements of Income:

Puget Sound Energy	Year Ended December 31,	
(Dollars in Thousands)	2018	2017
Income taxes at the statutory rate	$ 77,251	$ 185,430
Increase (decrease):		
Production tax credit[1]	—	—
Utility plant differences[2]	(25,871)	—
Executive Compensation	4,439	—
Treasury grant amortization	(4,861)	(9,537)
Tax reform	—	36,328
Other–net	(258)	(235)
Total income tax expense	$ 50,700	$ 211,986
Effective tax rate	13.8 %	40.0 %

1 *PSE's Wild Horse wind plant earned its last PTCs in December 2016. No further PTCs are expected.*

2 *Utility plant differences include the reversal of excess deferred taxes using the average rate assumption method in the amount of $29.8 million in 2018.*

The Company's net deferred tax liability at December 31, 2018 and 2017 is composed of amounts related to the following types of temporary differences:

Puget Sound Energy (Dollars in Thousands)	At December 31, 2018	2017
Utility plant and equipment	$ 1,998,721	$ 2,034,328
Other, net deferred tax liabilities	25,880	86,933
Subtotal deferred tax liabilities	2,024,601	2,121,261
Net regulatory liability for income taxes	(976,582)	(1,012,260)
Production tax credit carryforward	(121,616)	(187,617)
Net other deferred tax assets	—	(51,911)
Subtotal deferred tax assets	(1,098,198)	(1,251,788)
Total net deferred tax liabilities	$ 926,403	$ 869,473

On December 22, 2017, President Trump signed into law legislation referred to as the TCJA. Substantially all of the provisions of the TCJA are effective for taxable years beginning after December 31, 2017. The TCJA includes significant changes to the Internal Revenue Code of 1986 (as amended, the Code), including amendments which significantly change the taxation of business entities and includes specific provisions related to regulated public utilities including PSE. The most significant change that impacts the Company included in the TCJA is the reduction in the corporate federal income tax rate from 35.0% to 21.0% and the limitation of deductibility of executive compensation. The specific provisions related to regulated public utilities in the TCJA generally allow for the continued deductibility of interest expense, the elimination of full expensing for tax purposes of certain property acquired after December 31, 2017, and continues normalization requirements for accelerated depreciation benefits.

Under generally accepted accounting principles (US GAAP), specifically ASC Topic 740, Income Taxes, the tax effects of changes in tax laws must be recognized in the period in which the law is enacted and deferred tax assets and liabilities are to be re-measured at the enacted tax rate expected to apply when temporary differences are to be realized or settled. The change in deferred taxes is recorded as either an offset to a regulatory asset or liability and is subject to approval by the Washington Commission. Upon enactment of the TCJA, the Company re-measured its deferred tax assets and liabilities based upon the TCJA's 21.0% percent corporate federal income tax rate. The corporate tax rate change for PSE is captured in the deferred tax balance with an offset to the regulatory liability for deferred income taxes. The balance of the regulatory deferred tax account at the beginning of 2017, before tax reform, was a $71.5 million asset. As a result of tax reform, the balance is a liability of $1,012.3 million. Since PSE is in a net regulatory liability position with respect to these income tax matters, PSE netted the regulatory asset for deferred income taxes against the regulatory liability for deferred income taxes. Under the normalization requirements continued by the TCJA, $919.8 million of the net regulatory liability related to certain accelerated tax depreciation benefits is to be reversed over the remaining lives of the related assets using ARAM. The remainder of the net regulatory liability of $92.5 million is available for PSE and the Washington Commission regulatory process to determine how the amounts will be refunded to customers. PSE requested to delay the impact of tax reform in an accounting petition which was filed with the Washington Commission on December 29, 2017. For further details regarding PSE's ERF and Accounting Petition, see Note 4, "Regulation and Rates". In 2018, the Company reversed excess deferred taxes for plant-related items using ARAM in the amount of $29.8 million.

The impact of the TCJA to income tax expense as of December 31, 2017 was $36.3 million of which $3.0 million relates to deferred tax balances that are not subject to regulatory treatment. In addition, $33.3 million relates to the revaluation of the deferred tax for regulatory liability on PTC balances. The regulatory liability owed to customers for PTCs, which previously reduced revenue upon generation of the PTCs, was also revalued at the new rate of 21%. The change in the liability owed to customers for PTCs increased revenue by $51.2 million, which increased tax expense by $17.9 million, to reverse the initial deferral. The changes in the deferred tax and the liability owed to customers for PTCs had no impact on net income. The staff of the US Securities and Exchange Commission (SEC) has recognized the complexity of reflecting the impacts of the TCJA and on December 22, 2017, issued guidance in Staff Accounting Bulletin 118 (SAB 118). The guidance clarifies accounting for income taxes under ASC 740 if information is not yet available or complete and provides for up to a one year period in which to complete the required analysis and accounting (the measurement period). The Company completed the required analysis and accounting for the effects of the TCJA's enactment and did not identify any additional adjustments required.

The Company calculates its deferred tax assets and liabilities under ASC 740, "Income Taxes" (ASC 740). ASC 740 requires recording deferred tax balances, at the currently enacted tax rate, on assets and liabilities that are reported differently for income tax purposes than for financial reporting purposes. The utilization of deferred tax assets requires sufficient taxable income in future years. ASC 740 requires a valuation allowance on deferred tax assets when it is more likely than not that the deferred tax assets will not be realized. PSE's PTC carryforwards expire from 2031 through 2036. Net operating losses generated in 2018 and thereafter have no expiration date. No valuation allowance has been provided for PTC or net operating loss carryforwards.

The Company accounts for uncertain tax positions under ASC 740, which clarifies the accounting for uncertainty in income taxes recognized in the financial statements. ASC 740 requires the use of a two-step approach for recognizing and measuring tax positions taken or expected to be taken in a tax return. First, a tax position should only be recognized when it is more likely than not, based on technical merits, that the position will be sustained upon challenge by the taxing authorities and taken by management to the court of last resort. Second, a tax position that meets the recognition threshold should be measured at the largest amount that has a greater than 50.0% likelihood of being sustained.

The following disclosure is provided pursuant to FERC Policy Statement PL 19-2-000. The Company records its accumulated deferred taxes in FERC Accounts 190, 282, and 283. Based on the Company's estimate of the amount of deferred income taxes that would be used in setting customer rates in the future, it recorded an increase in its net regulatory liability for deferred income taxes of approximately $1,083.8 million, resulting in a regulatory liability for deferred income taxes of $1,012.3 million in FERC Account 254. At remeasurement, the Company did not change its regulated balances in its FERC 190, 282, or 283 Accounts.

Table 1: Change to ADIT balances at Remeasurement by FERC Account

Jurisdiction	**FERC 190**	**FERC 282**	**FERC 283**	**FERC 182**	**FERC 254**
FERC	$0	$0	$0	$0	$0
STATE	$0	$0	$0	$0	$0
Regulated Balance	**$0**	**$0**	**$0**	**$0**	**$0**
FAS109	$1,012.3	$0	$71.5	($71.5)	($1,012.3)
GAAP Balance	**$1,012.3**	**$0**	**$71.5**	**($71.5)**	**($1,012.3)**

The excess ADIT in each FERC account is summarized in Table 2, below.

Table 2: Excess ADIT balances at Remeasurement

Jurisdiction	**FERC 190**	**FERC 282**	**FERC 283**
FERC	$4.9	($90.7)	($3.1)
STATE	$11.2	($724.7)	($51.8)

Regulated Balance	**$16.1**	**($815.4)**	**($54.9)**
Reversal Period	Subject to future WUTC order	Average rate assumption method	Subject to future WUTC order
FERC account	FERC 410	FERC 411	FERC 411

At remeasurement, the Company had EDIT of $854.3 million of which $762.4 million was protected and $91.9 million was unprotected.

The reversal of the excess ADIT in FERC Accounts 190 and 283 will be determined by the WUTC in the Company's next general rate case. The reversal of the excess ADIT in FERC Account 282 has already begun under the average rate assumption method as provided in the WUTC's order in the Company's EFT filing. For more detail on the inclusion of excess ADIT in rates, see "Rates and Regulation" under Footnote 4 in the Company's 10K.

As of December 31, 2018 and 2017, the Company had no material unrecognized tax benefits. As a result, no interest or penalties were accrued for unrecognized tax benefits during the year.

The Company has open tax years from 2015 through 2018. The Company classifies interest as interest expense and penalties as other expense in the financial statements.

(14) Litigation

From time to time, the Company is involved in litigation or legislative rulemaking proceedings relating to its operations in the normal course of business. The following is a description of pending proceedings that are material to PSE's operations:

Colstrip

PSE has a 50% ownership interest in Colstrip Units 1 and 2, and a 25% interest in Colstrip Units 3 and 4. In March 2013, the Sierra Club and the Montana Environmental Information Center filed a Clean Air Act citizen suit against all Colstrip owners in the U.S. District Court, District of Montana. In July 2016, PSE reached a settlement with the Sierra Club to dismiss all of the Clean Air Act allegations against the Colstrip Generating Station, which was approved by the court in September 2016. As part of the settlement that was signed by all Colstrip owners, Colstrip 1 and 2 owners, PSE and Talen Energy, agreed to retire the two oldest units (Units 1 and 2) at Colstrip in eastern Montana by no later than July 1, 2022. The Washington Commission allows full recovery in rates of the net book value (NBV) at retirement and related decommissioning costs consistent with prior precedents.

Depreciation rates were updated in the GRC effective December 19, 2017, where PSE's depreciation increased for Colstrip Units 1 and 2 to recover plant costs to the expected shutdown date. The increase in depreciation caused the Colstrip Units 1 and 2 regulatory asset to be reduced to $127.6 million as of December 31, 2017. The balance of the Colstrip Units 1 and 2 regulatory asset was $130.7 million as of December 31, 2018. The full scope of decommissioning activities and costs may vary from the estimates that are available at this time. The GRC also repurposed PTCs and hydro-related treasury grants to fund and recover decommissioning and remediation costs for Colstrip Units 1 and 2. Additionally, PSE will accelerate the depreciation of Colstrip Units 3 and 4, per the terms of the GRC settlement, to December 31, 2027.

Greenwood

In March 2016, a natural gas explosion occurred in the Greenwood neighborhood of Seattle, WA, damaging multiple structures. The Washington Commission Staff completed its investigation of the incident and filed a complaint in September 2016. In March 2017, pipeline safety regulators and PSE reached a settlement in response to the complaint. As part of the agreement, PSE paid a penalty of $1.5 million in 2017, and is currently implementing a comprehensive inspection and remediation program.

Regional Haze Rule

In January 2017, the U.S. Environmental Protection Agency (EPA) published revisions to the Regional Haze Rule. Among other things, these revisions delayed new Regional Haze review from 2018 to 2021, however the end date will remain 2028. In January 2018, EPA announced that it was reconsidering certain aspects of these revisions and PSE is unable to predict the outcome.

Clean Air Act 111(d)/EPA Clean Power Plan

In June 2014, the EPA issued a proposed Clean Power Plan (CPP) rule under Section 111(d) of the Clean Air Act designed to regulate GHG emissions from existing power plants. The proposed rule includes state-specific goals and guidelines for states to develop plans for meeting these goals. The EPA published a final rule in October 2015. In March 2017, then EPA Administrator, Scott Pruitt, signed a notice of withdrawal of the proposed CPP federal plan and model trading rules and, in October 2017, the EPA proposed to repeal the CPP rule.

In August 2018, the EPA proposed the Affordable Clean Energy rule to replace the 2015 Clean Power Plan. The Affordable Clean Energy establishes emission guidelines for states to develop plans to address greenhouse gas emissions from existing coal-fired power plants. Public comment closed on the proposed rule in October 2018 and PSE cannot yet predict a final outcome.

Washington Clean Air Rule

The CAR was adopted in September 2016, in Washington State and attempts to reduce greenhouse gas emissions from "covered entities" located within Washington State. Included under the new rule are large manufacturers, petroleum producers and natural gas utilities, including PSE. The CAR sets a cap on emissions associated with covered entities, which decreases over time approximately 5.0% every three years. Entities must reduce their carbon emissions, or purchase emission reduction units (ERUs), as defined under the rule, from others.

In September 2016, PSE, along with Avista Corporation, Cascade Natural Gas Corporation and NW Natural, filed a lawsuit in the U.S. District Court for the Eastern District of Washington challenging the CAR. In September 2016, the four companies filed a similar challenge to the CAR in Thurston County Superior Court. In March 2018, the Thurston County Superior Court invalidated the CAR. The Department of Ecology appealed the Superior Court decision in May 2018. As a result of the appeal, direct review to the Washington State Supreme Court was granted and oral argument will be in the end of March 2019. The federal court litigation has been held in abeyance pending resolution of the state case.

(15) Commitments and Contingencies

For the year ended December 31, 2018, approximately 13.7% of the Company's energy output was obtained at an average cost of approximately $0.023 per Kilowatt Hour (kWh) through long-term contracts with three of the Washington Public Utility Districts (PUDs) that own hydroelectric projects on the Columbia River. The purchase of power from the Columbia River projects is on a pro rata share basis under which the Company pays a proportionate share of the annual debt service, operating and maintenance costs and other expenses associated with each project, in proportion to the contractual share of power that PSE obtains from that project. In these instances, PSE's payments are not contingent upon the projects being operable; therefore, PSE is required to make the payments even if power is not delivered. These projects are financed substantially through debt service payments and their annual costs should not vary significantly over the term of the contracts unless additional financing is required to meet the costs of major maintenance, repairs or replacements, or license requirements. The Company's share of the costs and the output of the projects is subject to reduction due to various withdrawal rights of the PUDs and others over the contract lives.

The Company's expenses under these PUD contracts were as follows for the years ended December 31:

(Dollars in Thousands)	2018	2017
PUD contract costs	$ 80,165	$ 73,827

As of December 31, 2018, the Company purchased portions of the power output of the PUDs' projects as set forth in the following table:

		Company's Current Share of					
(Dollars in Thousands)	Contract	Percent of	Megawatt	Estimated	2019 Debt	Interest included in 2019 Debt Service Costs	Debt
Chelan County PUD:							
Rock Island Project	2031	25.0%	156	$ 29,794	$ 10,058	$ 5,053	$ 80,058
Rocky Reach Project	2031	25.0	325	30,378	5,240	2,297	36,289
Douglas County PUD:							
Wells Project[1]	2028	25.3	212	32,662	—	—	—
Grant County PUD:							
Priest Rapids Development	2052	0.6	6	2,099	1,166	1,166	13,040
Wanapum Development	2052	0.6	7	2,099	1,166	1,166	13,040
Total			706	$ 97,032	$ 17,630	$ 9,682	$ 142,427

6 *In March 2017, PSE entered a new PPA with Douglas County PUD for Wells Project output that begins upon expiration of the existing contract on August 31, 2018 and continues through September 30, 2028.*

The following table summarizes the Company’s estimated payment obligations for power purchases from the Columbia River projects, contracts with other utilities, contracts with non-utilities and short term electric supply contracts. These contracts have varying terms and may include escalation and termination provisions.

(Dollars in Thousands)	2019	2020	2021	2022	2023	Thereafter	Total
Columbia River projects	$ 92,905	$ 86,691	$ 76,378	$ 85,807	$ 87,452	$ 631,283	$ 1,060,516
Other utilities	888	—	—	—	—	—	888
Non-utility contracts	216,539	255,193	264,262	264,740	269,886	1,221,204	2,491,824
Short-term electric supply contracts	117,040	4,029	—	—	—	—	121,069
Total	$ 427,372	$ 345,913	$ 340,640	$ 350,547	$ 357,338	$ 1,852,487	$ 3,674,297

Total purchased power contracts provided the Company with approximately 14.1 million, 14.5 million and 13.0 million MWhs of firm energy at a cost of approximately $508.2 million, $456.4 million and $402.5 million for the years 2018, 2017 and 2016, respectively.

Natural Gas Supply Obligations

The Company has entered into various firm supply, transportation and storage service contracts in order to ensure adequate availability of natural gas supply for its customers and generation requirements. The Company contracts for its long-term natural gas supply on a firm basis, which means the Company has a 100% daily take obligation and the supplier has a 100% daily delivery obligation to ensure service to PSE's customers and generation requirements. The transportation and storage contracts, which have remaining terms from 1 year to 26 years, provide that the Company must pay a fixed demand charge each month, regardless of actual usage. The Company incurred demand charges for 2018 for firm transportation, storage and peaking services for its natural gas customers of $119.9 million. The Company incurred demand charges in 2018 for firm transportation and storage services for the natural gas supply for its combustion turbines in the amount of $44.5 million.

The following table summarizes the Company's obligations for future natural gas supply and demand charges through the primary terms of its existing contracts. The quantified obligations are based on the FERC and NEB (National Energy Board) currently authorized rates, which are subject to change.

Natural Gas Supply and Demand Charge Obligations (Dollars in Thousands)	2019	2020	2021	2022	2023	Thereafter	Total
Natural gas supply	$ 311,601	$ 162,384	$ 157,156	$ 144,008	$ 91,851	$ —	$ 867,000
Firm transportation service	165,719	160,053	140,239	139,343	120,486	209,215	935,055
Firm storage service	8,899	7,908	3,108	1,619	504	353	22,391
Short-term natural gas supply contracts	37,589	5,734	931	—	—	—	44,254
Total	$ 523,808	$ 336,079	$ 301,434	$ 284,970	$ 212,841	$ 209,568	$ 1,868,700

Service Contracts

The following table summarizes the Company's estimated obligations for service contracts through the terms of its existing contracts.

Service Contract Obligations (Dollars in Thousands)	2019	2020	2021	2022	2023	Thereafter	Total
Energy production service contracts	$ 27,243	$ 27,915	$ 28,650	$ 29,345	$ 30,056	$ 124,646	$ 267,855
Automated meter reading system	45,080	44,193	44,741	45,416	46,106	142,724	368,260
Total	$ 72,323	$ 72,108	$ 73,391	$ 74,761	$ 76,162	$ 267,370	$ 636,115

Other Commitments and Contingencies

For information regarding PSE's environmental remediation obligations, see Note 4, "Regulation and Rates,"

(16) Related Party Transactions

Scott Armstrong serves on the Board of Directors of the Company and, until its acquisition by Kaiser Permanente on February 1, 2017, was the President and Chief Executive Officer of Group Health Cooperative (Group Health), a health insurance and medical care provider. Certain employees of PSE elected Group Health as their medical provider prior to its acquisition by Kaiser Permanente and as a result, PSE paid Group Health a total of $3.9 million and $23.3 million for medical coverage for the year ended December 31, 2017 and 2016. Kaiser Permanente is not considered a related party to PSE.

(17) Accumulated Other Comprehensive Income (Loss)

The following table presents the changes in the Company’s (loss) AOCI by component for the years ended December 31, 2018, 2017 and 2016, respectively:

Puget Sound Energy Changes in AOCI, net of tax (Dollars in Thousands)	Net unrealized gain (loss) and prior service cost on pension plans	Net unrealized gain (loss) on energy derivative instruments	Net unrealized gain (loss) on treasury interest rate swaps	Total
Balance at December 31, 2015	$ (143,877)	$ —	$ (5,673)	$ (149,550)
Other comprehensive income (loss) before reclassifications	(5,655)	—	—	(5,655)
Amounts reclassified from accumulated other comprehensive income (loss), net of tax	9,377	—	317	9,694
Net current-period other comprehensive income (loss)	3,722	—	317	4,039
Balance at December 31, 2016	$ (140,155)	$ —	$ (5,356)	$ (145,511)
Other comprehensive income (loss) before reclassifications	10,200	—	—	10,200
Amounts reclassified from accumulated other comprehensive income (loss), net of tax	8,088	—	317	8,405
Net current-period other comprehensive income (loss)	18,288	—	317	18,605
Balance at December 31, 2017	$ (121,867)	$ —	$ (5,039)	$ (126,906)
Other comprehensive income (loss) before reclassifications	(48,802)	—	—	(48,802)
Amounts reclassified from accumulated other comprehensive income (loss), net of tax	11,772	—	385	12,157
Reclassification of stranded taxes to retained earnings	(26,233)	—	(1,100)	(27,333)

due to tax reform				
Net current-period other comprehensive income (loss)	(63,263)	—	(715)	(63,978)
Balance at December 31, 2018	$ (185,130)	$ —	$ (5,754)	$ (190,884)

Details about the reclassifications out of AOCI (loss) for the years ended December 31, 2018, 2017 and 2016, respectively, are as follows:

Puget Sound Energy

(Dollars in Thousands)

Details about accumulated other comprehensive income (loss)	Affected line item in the	Amount reclassified from accumulated other comprehensive income (loss)	
		2018	2017
Net unrealized gain (loss) and prior service cost on pension plans:			
Amortization of prior service cost	(a)	$ 1,529	$ 1,529
Amortization of net gain (loss)	(a)	(16,430)	(13,972)
	Total before tax	(14,901)	(12,443)
	Tax (expense) or benefit	3,129	4,355
	Net of tax	(11,772)	(8,088)
Net unrealized gain (loss) on energy derivative instruments:			
Commodity contracts: Electric derivatives	Purchased electricity	—	—
	Tax (expense) or benefit	—	—
	Net of Tax	—	—
Net unrealized gain (loss) on treasury interest rate swaps:			
Interest rate contracts	Interest expense	(487)	(488)
	Tax (expense) or benefit	102	171
	Net of Tax	(385)	(317)
Total reclassification for the period	Net of Tax	$ (12,157)	$ (8,405)

(a) *These AOCI components are included in the computation of net periodic pension cost, see Note 13, "Retirement Benefits,".*

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2019	End of 2018/Q4

Summary of Utility Plant and Accumulated Provisions for Depreciation, Amortization and Depletion

Line No.	Item (a)	Total Company For the Current Quarter/Year
1	UTILITY PLANT	
2	In Service	
3	Plant in Service (Classified)	14,812,357,493
4	Property Under Capital Leases	1,314,514
5	Plant Purchased or Sold	
6	Completed Construction not Classified	239,857,167
7	Experimental Plant Unclassified	
8	TOTAL Utility Plant (Total of lines 3 thru 7)	15,053,529,174
9	Leased to Others	
10	Held for Future Use	39,536,077
11	Construction Work in Progress	550,466,420
12	Acquisition Adjustments	282,791,675
13	TOTAL Utility Plant (Total of lines 8 thru 12)	15,926,323,346
14	Accumulated Provisions for Depreciation, Amortization, & Depletion	6,013,978,490
15	Net Utility Plant (Total of lines 13 and 14)	9,912,344,856
16	DETAIL OF ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION	
17	In Service:	
18	Depreciation	5,631,728,659
19	Amortization and Depletion of Producing Natural Gas Land and Land Rights	
20	Amortization of Underground Storage Land and Land Rights	
21	Amortization of Other Utility Plant	244,001,488
22	TOTAL In Service (Total of lines 18 thru 21)	5,875,730,147
23	Leased to Others	
24	Depreciation	
25	Amortization and Depletion	
26	TOTAL Leased to Others (Total of lines 24 and 25)	
27	Held for Future Use	
28	Depreciation	162,425
29	Amortization	
30	TOTAL Held for Future Use (Total of lines 28 and 29)	162,425
31	Abandonment of Leases (Natural Gas)	
32	Amortization of Plant Acquisition Adjustment	138,085,918
33	TOTAL Accum. Provisions (Should agree with line 14 above)(Total of lines 22, 26, 30, 31, and 32)	6,013,978,490

Summary of Utility Plant and Accumulated Provisions for Depreciation, Amortization and Depletion (continued)

Line No.	Electric (c)	Gas (d)	Other (specify) (e)	Common (f)
1				
2				
3	9,955,834,379	3,906,672,805		949,850,309
4				1,314,514
5				
6	148,449,856	69,222,473		22,184,838
7				
8	10,104,284,235	3,975,895,278		973,349,661
9				
10	38,572,647	611,314		352,116
11	292,295,493	179,328,391		78,842,536
12	282,791,675			
13	10,717,944,050	4,155,834,983		1,052,544,313
14	4,200,479,976	1,529,184,329		284,314,185
15	6,517,464,074	2,626,650,654		768,230,128
16				
17				
18	3,996,777,066	1,516,171,485		118,780,108
19				
20				
21	65,454,567	13,012,844		165,534,077
22	4,062,231,633	1,529,184,329		284,314,185
23				
24				
25				
26				
27				
28	162,425			
29				
30	162,425			
31				
32	138,085,918			
33	4,200,479,976	1,529,184,329		284,314,185

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2019	End of 2018/Q4

Gas Plant in Service (Accounts 101, 102, 103, and 106)

1. Report below the original cost of gas plant in service according to the prescribed accounts.
2. In addition to Account 101, Gas Plant in Service (Classified), this page and the next include Account 102, Gas Plant Purchased or Sold, Account 103, Experimental Gas Plant Unclassified, and Account 106, Completed Construction Not Classified-Gas.
3. Include in column (c) and (d), as appropriate corrections of additions and retirements for the current or preceding year.
4. Enclose in parenthesis credit adjustments of plant accounts to indicate the negative effect of such accounts.
5. Classify Account 106 according to prescribed accounts, on an estimated basis if necessary, and include the entries in column (c).Also to be included in column (c) are entries for reversals of tentative distributions of prior year reported in column (b). Likewise, if the respondent has a significant amount of plant retirements which have not been classified to primary accounts at the end of the year, include in column (d) a tentative distribution of such retirements, on an estimated basis, with appropriate contra entry to the account for accumulated depreciation provision. Include also in column (d) reversals of tentative distributions of prior year's unclassified retirements. Attach supplemental statement showing the account distributions of these tentative classifications in columns (c) and (d),

Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
1	INTANGIBLE PLANT		
2	301 Organization	158,692	
3	302 Franchises and Consents	457,752	116,980
4	303 Miscellaneous Intangible Plant	26,265,369	989,274
5	TOTAL Intangible Plant (Enter Total of lines 2 thru 4)	26,881,813	1,106,254
6	PRODUCTION PLANT		
7	Natural Gas Production and Gathering Plant		
8	325.1 Producing Lands		
9	325.2 Producing Leaseholds		
10	325.3 Gas Rights		
11	325.4 Rights-of-Way		
12	325.5 Other Land and Land Rights		
13	326 Gas Well Structures		
14	327 Field Compressor Station Structures		
15	328 Field Measuring and Regulating Station Equipment		
16	329 Other Structures		
17	330 Producing Gas Wells-Well Construction		
18	331 Producing Gas Wells-Well Equipment		
19	332 Field Lines		
20	333 Field Compressor Station Equipment		
21	334 Field Measuring and Regulating Station Equipment		
22	335 Drilling and Cleaning Equipment		
23	336 Purification Equipment		
24	337 Other Equipment		
25	338 Unsuccessful Exploration and Development Costs		
26	339 Asset Retirement Costs for Natural Gas Production and		
27	TOTAL Production and Gathering Plant (Enter Total of lines 8		
28	PRODUCTS EXTRACTION PLANT		
29	340 Land and Land Rights		
30	341 Structures and Improvements		
31	342 Extraction and Refining Equipment		
32	343 Pipe Lines		
33	344 Extracted Products Storage Equipment		

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2019	End of 2018/Q4

Gas Plant in Service (Accounts 101, 102, 103, and 106) (continued)

including the reversals of the prior years tentative account distributions of these amounts. Careful observance of the above instructions and the texts of Account 101 and 106 will avoid serious omissions of respondent's reported amount for plant actually in service at end of year.

6. Show in column (f) reclassifications or transfers within utility plant accounts. Include also in column (f) the additions or reductions of primary account classifications arising from distribution of amounts initially recorded in Account 102. In showing the clearance of Account 102, include in column (e) the amounts with respect to accumulated provision for depreciation, acquisition adjustments, etc., and show in column (f) only the offset to the debits or credits to primary account classifications.

7. For Account 399, state the nature and use of plant included in this account and if substantial in amount submit a supplementary statement showing subaccount classification of such plant conforming to the requirements of these pages.

8. For each amount comprising the reported balance and changes in Account 102, state the property purchased or sold, name of vendor or purchaser, and date of transaction. If proposed journal entries have been filed with the Commission as required by the Uniform System of Accounts, give date of such filing.

Line No.	Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)
1				
2				158,692
3				574,732
4				27,254,643
5				27,988,067
6				
7				
8				
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Gas Plant in Service (Accounts 101, 102, 103, and 106) (continued)

Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
34	345 Compressor Equipment		
35	346 Gas Measuring and Regulating Equipment		
36	347 Other Equipment		
37	348 Asset Retirement Costs for Products Extraction Plant		
38	TOTAL Products Extraction Plant (Enter Total of lines 29 thru 37)		
39	TOTAL Natural Gas Production Plant (Enter Total of lines 27 and		
40	Manufactured Gas Production Plant (Submit Supplementary	6,737,083	
41	TOTAL Production Plant (Enter Total of lines 39 and 40)	6,737,083	
42	NATURAL GAS STORAGE AND PROCESSING PLANT		
43	Underground Storage Plant		
44	350.1 Land	1,247,232	95,663
45	350.2 Rights-of-Way	37,078	
46	351 Structures and Improvements	867,030	227,802
47	352 Wells	12,049,152	1,488,732
48	352.1 Storage Leaseholds and Rights		
49	352.2 Reservoirs	1,757,701	
50	352.3 Non-recoverable Natural Gas	4,185,431	
51	353 Lines	3,151,971	177,984
52	354 Compressor Station Equipment	18,352,956	837,735
53	355 Other Equipment	570,995	722,894
54	356 Purification Equipment	2,662,647	162,787
55	357 Other Equipment	405,792	23,319
56	358 Asset Retirement Costs for Underground Storage Plant		
57	TOTAL Underground Storage Plant (Enter Total of lines 44 thru	45,287,985	3,736,916
58	Other Storage Plant		
59	360 Land and Land Rights	1,704,569	
60	361 Structures and Improvements	4,155,602	
61	362 Gas Holders	3,683,221	
62	363 Purification Equipment		
63	363.1 Liquefaction Equipment		
64	363.2 Vaporizing Equipment	1,197,749	
65	363.3 Compressor Equipment	6,019	
66	363.4 Measuring and Regulating Equipment	621,394	
67	363.5 Other Equipment	2,158,877	
68	363.6 Asset Retirement Costs for Other Storage Plant		
69	TOTAL Other Storage Plant (Enter Total of lines 58 thru 68)	13,527,431	
70	Base Load Liquefied Natural Gas Terminaling and Processing Plant		
71	364.1 Land and Land Rights		
72	364.2 Structures and Improvements		
73	364.3 LNG Processing Terminal Equipment		
74	364.4 LNG Transportation Equipment	970,581	
75	364.5 Measuring and Regulating Equipment		
76	364.6 Compressor Station Equipment		
77	364.7 Communications Equipment		
78	364.8 Other Equipment		
79	364.9 Asset Retirement Costs for Base Load Liquefied Natural Gas	2,666,943	(1,021,225)
80	TOTAL Base Load Liquefied Nat'l Gas, Terminaling and Processing	3,637,524	(1,021,225)

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2019	End of 2018/Q4

Gas Plant in Service (Accounts 101, 102, 103, and 106) (continued)

Line No.	Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)
34				
35				
36				
37				
38				
39				
40				6,737,083
41				6,737,083
42				
43				
44				1,342,895
45				37,078
46				1,094,832
47				13,537,884
48				
49				1,757,701
50				4,185,431
51				3,329,955
52				19,190,691
53				1,293,889
54				2,825,434
55	6,997			422,114
56				
57	6,997			49,017,904
58				
59				1,704,569
60				4,155,602
61				3,683,221
62				
63				
64				1,197,749
65				6,019
66				621,394
67				2,158,877
68				
69				13,527,431
70				
71				
72				
73				
74				970,581
75				
76				
77				
78				
79				1,645,718
80				2,616,299

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2019	End of 2018/Q4

Gas Plant in Service (Accounts 101, 102, 103, and 106) (continued)

Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
81	TOTAL Nat'l Gas Storage and Processing Plant (Total of lines 57,	62,452,940	2,715,691
82	TRANSMISSION PLAN		
83	365.1 Land and Land Rights		
84	365.2 Rights-of-Way		
85	366 Structures and Improvements		
86	367 Mains		
87	368 Compressor Station Equipment		
88	369 Measuring and Regulating Station Equipment		
89	370 Communication Equipment		
90	371 Other Equipment		
91	372 Asset Retirement Costs for Transmission Plant		
92	TOTAL Transmission Plant (Enter Totals of lines 83 thru 91)		
93	DISTRIBUTION PLANT		
94	374 Land and Land Rights	22,688,124	17
95	375 Structures and Improvements	39,385,359	
96	376 Mains	1,898,300,696	124,002,847
97	377 Compressor Station Equipment		
98	378 Measuring and Regulating Station Equipment-General	120,810,085	6,485,955
99	379 Measuring and Regulating Station Equipment-City Gate		
100	380 Services	1,093,716,060	86,154,575
101	381 Meters	88,462,096	15,379,495
102	382 Meter Installations	183,880,884	1,907,431
103	383 House Regulators	17,293,328	645,364
104	384 House Regulator Installations	83,130,583	
105	385 Industrial Measuring and Regulating Station Equipment	39,957,687	3,565,958
106	386 Other Property on Customers' Premises	18,231,771	3,170,994
107	387 Other Equipment	5,372,705	(5,705)
108	388 Asset Retirement Costs for Distribution Plant	9,392,895	733,682
109	TOTAL Distribution Plant (Enter Total of lines 94 thru 108)	3,620,622,273	242,040,613
110	GENERAL PLANT		
111	389 Land and Land Rights	121,045	
112	390 Structures and Improvements	419,411	10,369
113	391 Office Furniture and Equipment	3,913,300	83,993
114	392 Transportation Equipment	6,441,068	80,390
115	393 Stores Equipment		
116	394 Tools, Shop, and Garage Equipment	7,582,392	640,574
117	395 Laboratory Equipment	2,772,956	
118	396 Power Operated Equipment	21,525	8,932
119	397 Communication Equipment	2,404,374	66,902
120	398 Miscellaneous Equipment	155,624	
121	Subtotal (Enter Total of lines 111 thru 120)	23,831,695	891,160
122	399 Other Tangible Property		
123	399.1 Asset Retirement Costs for General Plant		
124	TOTAL General Plant (Enter Total of lines 121, 122 and 123)	23,831,695	891,160
125	TOTAL (Accounts 101 and 106)	3,740,525,804	246,753,718
126	Gas Plant Purchased (See Instruction 8)		
127	(Less) Gas Plant Sold (See Instruction 8)		
128	Experimental Gas Plant Unclassified		
129	TOTAL Gas Plant In Service (Enter Total of lines 125 thru 128)	3,740,525,804	246,753,718

Gas Plant in Service (Accounts 101, 102, 103, and 106) (continued)

Line No.	Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)
81	6,997			65,161,634
82				
83				
84				
85				
86				
87				
88				
89				
90				
91				
92				
93				
94			824,129	23,512,270
95			(2,070,414)	37,314,945
96	3,999,084			2,018,304,459
97				
98	28,997			127,267,043
99				
100	3,450,586			1,176,420,049
101	1,365,825			102,475,766
102	334,969			185,453,346
103	212,261			17,726,431
104	41,981			83,088,602
105	48,759			43,474,886
106	1,258,734			20,144,031
107	366,735			5,000,265
108				10,126,577
109	11,107,931		(1,246,285)	3,850,308,670
110				
111				121,045
112			2,070,414	2,500,194
113	17,440			3,979,853
114	390,192			6,131,266
115				
116	655,833			7,567,133
117	22,161			2,750,795
118	7,818			22,639
119				2,471,276
120				155,624
121	1,093,444		2,070,414	25,699,825
122				
123				
124	1,093,444		2,070,414	25,699,825
125	12,208,372		824,129	3,975,895,279
126				
127				
128				
129	12,208,372		824,129	3,975,895,279

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2019	End of 2018/Q4

Gas Property and Capacity Leased from Others

1. Report below the information called for concerning gas property and capacity leased from others for gas operations.
2. For all leases in which the average annual lease payment over the initial term of the lease exceeds $500,000, describe in column (c), if applicable: the property or capacity leased. Designate associated companies with an asterisk in column (b).

Line No.	Name of Lessor (a)	* (b)	Description of Lease (c)	Lease Payments for Current Year (d)
1				
2				
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45	**Total**			

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2019	End of 2018/Q4

Gas Property and Capacity Leased to Others

1. For all leases in which the average lease income over the initial term of the lease exceeds $500,000 provide in column (c), a description of each facility or leased capacity that is classified as gas plant in service, and is leased to others for gas operations.
2. In column (d) provide the lease payments received from others.
3. Designate associated companies with an asterisk in column (b).

Line No.	Name of Lessor (a)	* (b)	Description of Lease (c)	Lease Payments for Current Year (d)
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45	**Total**			

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2019	End of 2018/Q4

Gas Plant Held for Future Use (Account 105)

1. Report separately each property held for future use at end of the year having an original cost of $1,000,000 or more. Group other items of property held for future use.
2. For property having an original cost of $1,000,000 or more previously used in utility operations, now held for future use, give in column (a), in addition to other required information, the date that utility use of such property was discontinued, and the date the original cost was transferred to Account 105.

Line No.	Description and Location of Property (a)	Date Originally Included in this Account (b)	Date Expected to be Used in Utility Service (c)	Balance at End of Year (d)
1	Other Property (less than $1,000,000)			611,314
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45	**Total**	[redacted]		**611,314**

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2019	End of 2018/Q4

Construction Work in Progress-Gas (Account 107)

1. Report below descriptions and balances at end of year of projects in process of construction (Account 107).
2. Show items relating to "research, development, and demonstration" projects last, under a caption Research, Development, and Demonstration (see Account 107 of the Uniform System of Accounts).
3. Minor projects (less than $1,000,000) may be grouped.

Line No.	Description of Project (a)	Construction Work in Progress-Gas (Account 107) (b)	Estimated Additional Cost of Project (c)
1	LNG Facility Project	132,256,465	
2	SWARR Project	1,176,437	
3	AMI Project	1,088,719	
4			
5	Minor Projects less than $1,000,000 each		
6	Gas Distribution	44,130,448	
7	Gas General Plant & Intangibles	407,111	
8	Gas Underground Storage	269,211	
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45	**Total**	**179,328,391**	

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2019	End of 2018/Q4

Non-Traditional Rate Treatment Afforded New Projects

1. The Commission's Certificate Policy Statement provides a threshold requirement for existing pipelines proposing new projects is that the pipeline must be prepared to financially support the project without relying on subsidization from its existing customers. See Certification of New Interstate Natural Gas Pipeline Facilities, 88 FERC P61,227 (1999); order clarifying policy, 90 FERC P61,128 (2000); order clarifying policy, 92 FERC P61,094 (2000) (Policy Statement). In column a, list the name of the facility granted non-traditional rate treatment.
2. In column b, list the CP Docket Number where the Commission authorized the facility.
3. In column c, indicate the type of rate treatment approved by the Commission (e.g. incremental, at risk)
4. In column d, list the amount in Account 101, Gas Plant in Service, associated with the facility.
5. In column e, list the amount in Account 108, Accumulated Provision for Depreciation of Gas Utility Plant, associated with the facility.

Line No.	Name of Facility (a)	CP Docket No. (b)	Type of Rate Treatment (c)	Gas Plant in Service (d)
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	Total			0

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2019	End of 2018/Q4

Non-Traditional Rate Treatment Afforded New Projects (continued)

6. In column f, list the amount in Account 190, Accumulated Deferred Income Tax; Account 281, Accumulated Deferred Income Taxes – Accelerated Amortization Property; Account 282, Accumulated Deferred Income Taxes – Other Property; Account 283, Accumulated Deferred Income Taxes – Other, associated with the facility.
7. In column g, report the total amount included in the gas operations expense accounts during the year related to the facility (Account 401, Operation Expense).
8. In column h, report the total amount included in the gas maintenance expense accounts during the year related to the facility.
9. In column i, report the amount of depreciation expense accrued on the facility during the year.
10. In column j, list any other expenses(including taxes) allocated to the facility.
11. In column k, report the incremental revenues associated with the facility.
12. Identify the volumes received and used for any incremental project that has a separate fuel rate for that project.
13. Provide the total amounts for each column.

Line No.	Accumulated Depreciation (e)	Accumulated Deferred Income Taxes (f)	Operating Expense (g)	Maintenance Expense (h)	Depreciation Expense (i)	Other Expenses (including taxes) (j)	Incremental Revenues (k)
1							
2							
3							
4							
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General Description of Construction Overhead Procedure

1. For each construction overhead explain: (a) the nature and extent of work, etc., the overhead charges are intended to cover, (b) the general procedure for determining the amount capitalized, (c) the method of distribution to construction jobs, (d) whether different rates are applied to different types of construction, (e) basis of differentiation in rates for different types of construction, and (f) whether the overhead is directly or indirectly assigned.
2. Show below the computation of allowance for funds used during construction rates, in accordance with the provisions of Gas Plant Instructions 3 (17) of the Uniform System of Accounts.
3. Where a net-of-tax rate for borrowed funds is used, show the appropriate tax effect adjustment to the computations below in a manner that clearly indicates the amount of reduction in the gross rate for tax effects.

EXPLANATION OF CONSTRUCTION OVERHEADS

INDIRECT OVERHEAD - REGULAR PROJECTS
Construction support:
Certain expenses applicable to construction including for service of personnel whose general activities preclude the charging of expenditures directly to specific orders are charged to CWIP through the Construction Support. The rate is a ratio of those expenses to construction charges capitalized during the period and applied on the current month construction charges only.
For certain construction projects where services and/or equipment are purchased from a third party, the rate applied may be less than described above.
Materials:
Stores' expenses are allocated to CWIP on the basis of materials charged to orders. OH rate is a ratio of stores' expenses to outstanding balance on Inventory account.

Employee Pension and Benefits:
Expenditures for pension and benefits are allocated to CWIP on the basis of payroll charges.

INDIRECT OVERHEAD - MAJOR CONSTRUCTION PROJECTS

Puget as the sponsor of a Jointly Owned Project - Indirect overhead is applied monthly to direct payroll. The rate is contractually fixed as agreed upon by the participants.
Puget as a participant in Jointly Owned Project - No indirect overhead for administrative and general expenses is applied.

ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION
The AFUDC rate is the Company's rate of return allowed by the Washington Utilities and Transportation Commission.
PSE's Gas Operation is not under the FERC's jurisdiction. Therefore, the significant deviation test per FERC Order #561 does not apply.
For recording the current month's AFUDC, work order accumulated charges at the beginning of the month are multiplied by 1/12 of the annual rate and current month's charges are multiplied by 1/24 the annual rate.

The Washington Utilities and Transportation Commission in Cause U-81-41 authorized the annual compounding of accrued allowance for funds used during construction. Cause U-83-54 changed the tax accounting for AFUDC from the normalization method to the flow-through method. Therefore, effective October 1984, the FERC and the WUTC rates were the gross-of-tax rate.

Periodically, the Short-Term debt balance has exceeded Construction Work in Progress. In accordance with Federal Power Commission Order 561-A, the AFUDC rate used was the weighted average Short-Term Debt Rate. To the extent the WUTC approved rate of return was greater than Short-Term rate, the difference between these two rates was credited to Account 419.1, Allowance for other funds used during construction.

General Description of Construction Overhead Procedure (continued)

COMPUTATION OF ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION RATES

1. For line (5), column (d) below, enter the rate granted in the last rate proceeding. If not available, use the average rate earned during the preceding 3 years.
2. Identify, in a footnote, the specific entity used as the source for the capital structure figures.
3. Indicate, in a footnote, if the reported rate of return is one that has been approved in a rate case, black-box settlement rate, or an actual three-year average rate.

1. Components of Formula (Derived from actual book balances and actual cost rates):

Line No.	Title (a)	Amount (b)	Capitalization Ration (percent) (c)	Cost Rate Percentage (d)
	(1) Average Short-Term Debt	S 208,870,471		
	(2) Short-Term Interest			s 2.69
	(3) Long-Term Debt	D 3,746,214,891	49.68	d 5.94
	(4) Preferred Stock	P		p
	(5) Common Equity	C 3,793,999,993	50.32	c 9.79
	(6) Total Capitalization	7,540,214,884	100.00	
	(7) Average Construction Work In Progress Balance	W 600,006,108		

2. Gross Rate for Borrowed Funds s(S/W) + d[(D/(D+P+C)) (1-(S/W))] 2.86

3. Rate for Other Funds [1-(S/W)] [p(P/(D+P+C)) + c(C/(D+P+C))] 3.21

4. Weighted Average Rate Actually Used for the Year:

a. Rate for Borrowed Funds - 2.99

b. Rate for Other Funds - 4.61

Accumulated Provision for Depreciation of Gas Utility Plant (Account 108)

1. Explain in a footnote any important adjustments during year.
2. Explain in a footnote any difference between the amount for book cost of plant retired, line 10, column (c), and that reported for gas plant in service, page 204-209, column (d), excluding retirements of nondepreciable property.
3. The provisions of Account 108 in the Uniform System of Accounts require that retirements of depreciable plant be recorded when such plant is removed from service. If the respondent has a significant amount of plant retired at year end which has not been recorded and/or classified to the various reserve functional classifications, make preliminary closing entries to tentatively functionalize the book cost of the plant retired. In addition, include all costs included in retirement work in progress at year end in the appropriate functional classifications.
4. Show separately interest credits under a sinking fund or similar method of depreciation accounting.
5. At lines 7 and 14, add rows as necessary to report all data. Additional rows should be numbered in sequence, e.g., 7.01, 7.02, etc.

Line No.	Item (a)	Total (c+d+e) (b)	Gas Plant in Service (c)	Gas Plant Held for Future Use (d)	Gas Plant Leased to Others (e)
	Section A. BALANCES AND CHANGES DURING YEAR				
1	Balance Beginning of Year	1,432,707,392	1,432,707,392		
2	Depreciation Provisions for Year, Charged to				
3	(403) Depreciation Expense	107,878,753	107,878,753		
4	(403.1) Depreciation Expense for Asset Retirement Costs	149,859	149,859		
5	(413) Expense of Gas Plant Leased to Others				
6	Transportation Expenses - Clearing				
7	Other Clearing Accounts				
8	Other Clearing (Specify) (footnote details):				
9					
10	TOTAL Deprec. Prov. for Year (Total of lines 3 thru 8)	108,028,612	108,028,612		
11	Net Charges for Plant Retired:				
12	Book Cost of Plant Retired	(12,208,372)	(12,208,372)		
13	Cost of Removal	(12,364,742)	(12,364,742)		
14	Salvage (Credit)	(8,595)	(8,595)		
15	TOTAL Net Chrgs for Plant Ret. (Total of lines 12 thru 14)	(24,564,519)	(24,564,519)		
16	Other Debit or Credit Items (Describe) (footnote details):				
17					
18	Book Cost of Asset Retirement Costs				
19	Balance End of Year (Total of lines 1,10,15,16 and 18)	1,516,171,485	1,516,171,485		
	Section B. BALANCES AT END OF YEAR ACCORDING TO FUNCTIONAL CLASSIFICATIONS				
21	Productions-Manufactured Gas	6,331,581	6,331,581		
22	Production and Gathering-Natural Gas				
23	Products Extraction-Natural Gas				
24	Underground Gas Storage	21,573,541	21,573,541		
25	Other Storage Plant	5,304,395	5,304,395		
26	Base Load LNG Terminaling and Processing Plant	643,206	643,206		
27	Transmission				
28	Distribution	1,473,933,341	1,473,933,341		
29	General	8,385,421	8,385,421		
30	TOTAL (Total of lines 21 thru 29)	1,516,171,485	1,516,171,485		

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2019	End of 2018/Q4

Gas Stored (Accounts 117.1, 117.2, 117.3, 117.4, 164.1, 164.2, and 164.3)

1. If during the year adjustments were made to the stored gas inventory reported in columns (d), (f), (g), and (h) (such as to correct cumulative inaccuracies of gas measurements), explain in a footnote the reason for the adjustments, the Dth and dollar amount of adjustment, and account charged or credited.
2. Report in column (e) all encroachments during the year upon the volumes designated as base gas, column (b), and system balancing gas, column (c), and gas property recordable in the plant accounts.
3. State in a footnote the basis of segregation of inventory between current and noncurrent portions. Also, state in a footnote the method used to report storage (i.e., fixed asset method or inventory method).

Line No.	Description (a)	(Account 117.1) (b)	(Account 117.2) (c)	Noncurrent (Account 117.3) (d)	(Account 117.4) (e)	Current (Account 164.1) (f)	LNG (Account 164.2) (g)	LNG (Account 164.3) (h)	Total (i)
1	Balance at Beginning of	8,654,564				31,092,338	75,973		39,822,875
2	Gas Delivered to Storage					37,917,447	119,686		38,037,133
3	Gas Withdrawn from					37,149,758	130,526		37,280,284
4	Other Debits and Credits								
5	Balance at End of Year	8,654,564				31,860,027	65,133		40,579,724
6	Dth	5,725,904				15,484,128	11,027		21,221,059
7	Amount Per Dth	1.5115				2.0576	5.9067		1.9122

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2019	End of 2018/Q4

Investments (Account 123, 124, and 136)

1. Report below investments in Accounts 123, Investments in Associated Companies, 124, Other Investments, and 136, Temporary Cash Investments.
2. Provide a subheading for each account and list thereunder the information called for:

(a) Investment in Securities-List and describe each security owned, giving name of issuer, date acquired and date of maturity. For bonds, also give principal amount, date of issue, maturity, and interest rate. For capital stock (including capital stock of respondent reacquired under a definite plan for resale pursuant to authorization by the Board of Directors, and included in Account 124, Other Investments) state number of shares, class, and series of stock. Minor investments may be grouped by classes. Investments included in Account 136, Temporary Cash Investments, also may be grouped by classes.

(b) Investment Advances-Report separately for each person or company the amounts of loans or investment advances that are properly includable in Account 123. Include advances subject to current repayment in Account 145 and 146. With respect to each advance, show whether the advance is a note or open account.

Line No.	Description of Investment (a)	* (b)	Book Cost at Beginning of Year (If book cost is different from cost to respondent, give cost to respondent in a footnote and explain difference) (c)	Purchases or Additions During the Year (d)
1	Account 124 - Other Investments			
2	Life Insurance		47,037,522	1,625,207
3	Notes Receivable - Intolight		295,512	
4	Notes Receivable - BOA Projects		1,140,418	
5	Temporary Cash Investment - Taxable			1,392,500,000
6				
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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2019	End of 2018/Q4

Investments (Account 123, 124, and 136) (continued)

List each note, giving date of issuance, maturity date, and specifying whether note is a renewal. Designate any advances due from officers, directors, stockholders, or employees.

3. Designate with an asterisk in column (b) any securities, notes or accounts that were pledged, and in a footnote state the name of pledges and purpose of the pledge.
4. If Commission approval was required for any advance made or security acquired, designate such fact in a footnote and cite Commission, date of authorization, and case or docket number.
5. Report in column (h) interest and dividend revenues from investments including such revenues from securities disposed of during the year.
6. In column (i) report for each investment disposed of during the year the gain or loss represented by the difference between cost of the investment (or the other amount at which carried in the books of account if different from cost) and the selling price thereof, not including any dividend or interest adjustment includible in column (h).

Line No.	Sales or Other Dispositions During Year (e)	Principal Amount or No. of Shares at End of Year (f)	Book Cost at End of Year (If book cost is different from cost to respondent, give cost to respondent in a footnote and explain difference) (g)	Revenues for Year (h)	Gain or Loss from Investment Disposed of (i)
1					
2	385,330		48,277,399	1,625,207	
3	67,460		228,052	23,428	
4	143,783		996,635	68,851	
5	1,392,500,000				
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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2019	End of 2018/Q4

Investments in Subsidiary Companies (Account 123.1)

1. Report below investments in Account 123.1, Investments in Subsidiary Companies.
2. Provide a subheading for each company and list thereunder the information called for below. Sub-total by company and give a total in columns (e), (f), (g) and (h).
(a) Investment in Securities-List and describe each security owned. For bonds give also principal amount, date of issue, maturity, and interest rate.
(b) Investment Advances - Report separately the amounts of loans or investment advances which are subject to repayment, but which are not subject to current settlement. With respect to each advance show whether the advance is a note or open account. List each note giving date of issuance, maturity date, and specifying whether note is a renewal.
3. Report separately the equity in undistributed subsidiary earnings since acquisition. The total in column (e) should equal the amount entered for Account 418.1.

Line No.	Description of Investment (a)	Date Acquired (b)	Date of Maturity (c)	Amount of Investment at Beginning of Year (d)
1	PUGET WESTERN, INC.	05/31/1960		
2	Common			10,200
3	Retained Earnings			(19,215,429)
4	Additional Paid in Capital			44,487,244
5	Subtotal			25,282,015
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40	**TOTAL Cost of Account 123.1 $** (541,432)		**TOTAL**	25,282,015

Investments in Subsidiary Companies (Account 123.1) (continued)

4. Designate in a footnote, any securities, notes, or accounts that were pledged, and state the name of pledgee and purpose of the pledge.
5. If Commission approval was required for any advance made or security acquired, designate such fact in a footnote and give name of Commission, date of authorization, and case or docket number.
6. Report in column (f) interest and dividend revenues from investments, including such revenues from securities disposed of during the year.
7. In column (h) report for each investment disposed of during the year, the gain or loss represented by the difference between cost of the investment (or the other amount at which carried in the books of account if different from cost), and the selling price thereof, not including interest adjustments includible in column (f).
8. Report on Line 40, column (a) the total cost of Account 123.1.

Line No.	Equity in Subsidiary Earnings for Year (e)	Revenues for Year (f)	Amount of Investment at End of Year (g)	Gain or Loss from Investment Disposed of (h)
1				
2			10,200	
3	(541,432)		(19,756,861)	
4			44,487,244	
5	(541,432)		24,740,583	
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40	(541,432)		24,740,583	

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2019	End of 2018/Q4

Prepayments (Acct 165), Extraordinary Property Losses (Acct 182.1), Unrecovered Plant and Regulatory Study Costs (Acct 182.2)

PREPAYMENTS (ACCOUNT 165)

1. Report below the particulars (details) on each prepayment.

Line No.	Nature of Payment (a)	Balance at End of Year (in dollars) (b)
1	Prepaid Insurance	5,467,875
2	Prepaid Rents	189,891
3	Prepaid Taxes	
4	Prepaid Interest	284,791
5	Miscellaneous Prepayments	29,333,264
6	TOTAL	35,275,821

Prepayments (Acct 165), Extraordinary Property Losses (Acct 182.1), Unrecovered Plant and Regulatory Study Costs (Acct 182.2) (continued)

EXTRAORDINARY PROPERTY LOSSES (ACCOUNT 182.1)

Line No.	Description of Extraordinary Loss [include the date of loss, the date of Commission authorization to use Account 182.1 and period of amortization (mo, yr, to mo, yr)] Add rows as necessary to report all data. (a)	Balance at Beginning of Year (b)	Total Amount of Loss (c)	Losses Recognized During Year (d)	Written off During Year Account Charged (e)	Written off During Year Amount (f)	Balance at End of Year (g)
7	2012 Storm	54,592,489			407	9,061,380	45,531,109
8	2014 Storm	17,667,580			407	16,261,536	1,406,044
9	2015 Storm	24,158,235					24,158,235
10	2016 Storm	10,437,020					10,437,020
11	2017 Storm Excess Costs	9,437,656		3,270,202			12,707,858
12	2017 Storm Recovery	12,215,519					12,215,519
13	2018 Storm Excess Costs			11,874,754			11,874,754
14							
15	**Total**	128,508,499		15,144,956		25,322,916	118,330,539

Prepayments (Acct 165), Extraordinary Property Losses (Acct 182.1), Unrecovered Plant and Regulatory Study Costs (Acct 182.2) (continued)

UNRECOVERED PLANT AND REGULATORY STUDY COSTS (ACCOUNT 182.2)

Line No.	Description of Unrecovered Plant and Regulatory Study Costs [Include in the description of costs, the date of Commission authorization to use Account 182.2 and period of amortization (mo, yr, to mo, yr)] Add rows as necessary to report all data. Number rows in sequence beginning with the next row number after the last row number used for extraordinary property losses. (a)	Balance at Beginning of Year (b)	Total Amount of Charges (c)	Costs Recognized During Year (d)	Written off During Year Account Charged (e)	Written off During Year Amount (f)	Balance at End of Year (g)
16	Electron Unrecovered Plant Costs	3,786,307			407	3,786,307	
17							
18							
19							
20							
21							
22							
23							
24							
25							
26	**Total**	3,786,307				3,786,307	

Schedule Page: 230 Line No.: 7 Column: a

The 2010 storm deferral cost was over-amortized beginning in 2016, and the over-amortized balance was approved by WUTC Dockets UE-170033 and UG-170034 to be applied to offset the remaining balances first on the 2006 storm deferral cost, and then any remaining credit be applied to the 2012 storm deferral cost. This caused a credit of ($5,386,340) to reduce the 2012 storm deferral cost. Additionally, the WUTC approved amortization of the remaining 2012 storm deferral cost over a period of 6 years, beginning in December 2017.

Schedule Page: 230 Line No.: 8 Column: a

The 2017 General Rate Case on Dockets UE-170033 and UG-170034 was approved by the WUTC to amortize 2010-2017 storm deferral costs over a 4 year period, beginning in December 2017. The storms were to be amortized at a total monthly rate of $1,355,128, with a prorated amortization of $518,093 occuring in December 2017. The storm deferrals are to be amortized in order of occurrence, beginning with the 2014 storm deferral cost.

Schedule Page: 230 Line No.: 5 Column: b

Row Labels	Sum of AMOUNT
Energy Purchase	1,612,425.00
LT Plant Maint	6,598,505.67
Misc	4,006,191.84
Netting LT/ST	-
Permits	370,757.83
Software Maint	16,745,383.95
Statutory Assess	-
Grand Total	**29,333,264.29**

Schedule Page: 230 Line No.: 16 Column: a

In November 2014, WUTC approved Docket UE-141141 granting PSE’s request for the recovery of Electron Unrecovered Plant cost as a regulatory asset amortized over 48 months. Monthly amortization for the regulatory costs commenced in December 2014 for $3,391,500 annually, and was then adjusted per the 2017 GRC resulting in amortization of $3,786,307 for 2018. The amortization was completed in November 2018.

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2019	End of 2018/Q4

Other Regulatory Assets (Account 182.3)

1. Report below the details called for concerning other regulatory assets which are created through the ratemaking actions of regulatory agencies (and not includable in other accounts).
2. For regulatory assets being amortized, show period of amortization in column (a).
3. Minor items (5% of the Balance at End of Year for Account 182.3 or amounts less than $250,000, whichever is less) may be grouped by classes.
4. Report separately any "Deferred Regulatory Commission Expenses" that are also reported on pages 350-351, Regulatory Commission Expenses.
5. Provide in a footnote, for each line item, the regulatory citation where authorization for the regulatory asset has been granted (e.g. Commission Order, state commission order, court decision).

Line No.	Description and Purpose of Other Regulatory Assets (a)	Balance at Beginning Current Quarter/Year (b)	Debits (c)	Written off During Quarter/Year Account Charged (d)	Written off During Period Amount Recovered (e)	Written off During Period Amount Deemed Unrecoverable (f)	Balance at End of Current Quarter/Year (g)
1	Unamortized Energy Conservation Costs	35,537,701	296,427,318	1823, 908	301,264,270		30,700,749
2	WUTC Deferred AFUDC	50,300,536	4,229,182	406	2,500,925		52,028,793
3	Colstrip 1&2 Western Energy Coal Reserve - 10 years	4,718,288		406, 501	1,076,478		3,641,810
4	Colstrip 3&4 Deferred Depreciation - 17.5 years	900,037		406	138,804		761,233
5	BPA Power Exchange - 27.5 years		113,632,921	555	113,632,921		
6	Regulatory Tax Asset	797,363	4,915,161	Multiple	5,712,524		
7	Environmental Remediation Costs	50,989,468	7,435,408	Multiple	18,399,479		40,025,397
8	Property Tax Tracker	36,517,226	71,909,817	408	62,805,201		45,621,842
9	Decoupling Mechanism	93,798,946	170,401,532	Multiple	197,586,112		66,614,366
10	Low Income Home Energy Assistance Program	(36,776)	24,158,317	1823	24,121,541		
11	Power Cost Adjustment Mechanism	4,576,280	187,822	557	29,104		4,734,998
12	Power Cost Imbalance Recovery Deferral	4,969,864		557	4,969,864		
13	White River Regulatory Asset - 3 years	19,501,592		1823, 4073	6,535,937		12,965,655
14	Chelan PUD - 20 years	98,051,574		555	7,088,065		90,963,509
15	Mint Farm Deferral - 15 years	20,750,387		4073	2,885,052		17,865,335
16	Lower Snake River Deferral - 25 years	76,323,529		253, 4073	4,230,168		72,093,361
17	Ferndale Deferral - 6 years	8,287,438		4073	4,520,424		3,767,014
18	Baker Deferral - 5 years	561,113		4073	561,113		
19	Snoqualmie Deferral - 5 years	2,203,422		4073	2,203,422		
20	Credit Card Fee Deferral - 3 years	3,720,373	6,677	4073	1,439,398		2,287,652
21							
22							
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40	**Total**	512,468,361	693,304,155		761,700,802	0	444,071,714

Schedule Page: 232 Line No.: 1 Column: a

Included in Washington Commission Dockets UE-080389, UG-080390, UE-970686 and UG-120812.

Schedule Page: 232 Line No.: 2 Column: a

Included in Washington Commission Dockets UE-130137, UG-130138, UE-072300 and UG-072301.

Schedule Page: 232 Line No.: 3 Column: a

Included in Washington Commission Dockets UE-111048 and UG-111049. Amortization expires in December 2019.

Schedule Page: 232 Line No.: 4 Column: a

Included in Washington Commission Dockets UE-072300 and UG-072301. Amortization expires in May 2024.

Schedule Page: 232 Line No.: 5 Column: a

Included in Washington Commission Dockets UE-89-2688-T and UE-090704. Amortization expired in June 2017. Balance was written off in January 2018.

Schedule Page: 232 Line No.: 6 Column: a

No docket number required. FAS 109 balance.

Schedule Page: 232 Line No.: 7 Column: a

Included in Washington Commission Dockets UE-991796, UE-072300, UG-072301, UE-911476, UE-021537, UE-130137 and UG-130138.

Schedule Page: 232 Line No.: 8 Column: a

Included in Washington Commission Dockets UE-111048, UG-111049, and UE -140599 effective May 1, 2014.

Schedule Page: 232 Line No.: 9 Column: a

Included in Washington Commission Dockets UE-170033 and UG-170034.

Schedule Page: 232 Line No.: 11 Column: a

Included in Washington Commission Docket UE-011570. Total includes interest recorded on the customer balance of the PCA.

Schedule Page: 232 Line No.: 13 Column: a

Included in Washington Commission Dockets UE-170033 and UG-170034. New GRC 2017 for White River amortization of 3 years. Effective December 19, 2017 and expires in December 2020.

Schedule Page: 232 Line No.: 14 Column: a

Included in Washington Commission Dockets UE-060266 and UE-060539. Amortization began in November 2011 and expires in October 2031.

Schedule Page: 232 Line No.: 15 Column: a

Included in Washington Commission Docket UE-090704. Amortization began in April 2010 and expires in March 2025.

Schedule Page: 232 Line No.: 16 Column: a

Included in Washington Commission Dockets UE-111048, UG-111049, UE-130583, UE-131099 and UE-131230. Amortization began in May 2012 and expires in April 2037.

Schedule Page: 232 Line No.: 17 Column: a

Included in Washington Commission Dockets UE-141141, UE-130617, UE-131230, UE-131099 and UE-130583. Amortization is for 6 years which began in November 2013 and expires in October 2019.

Schedule Page: 232 Line No.: 18 Column: a

Included in Washington Commission Dockets UE-141141, UE-130617, UE-131230, UE-131099 and UE-130583. Amortization is for 5 years which began in November 2013 and expired in October 2018.

Schedule Page: 232 Line No.: 19 Column: a

Included in Washington Commission Dockets UE-141141, UE-130617, UE-131230, UE-131099 and UE-130583. Amortization is for 5 years which began in November 2013 and expired in October 2018.

Schedule Page: 232 Line No.: 20 Column: a

Included in Washington Dockets UE-170033 and UG-170034. PSE sought recovery of the deferral in rates that become effective December 19, 2017 and expires in December 2020.

Schedule Page: 232 Line No.: 12 Column: a

Included in Washington Commission Dockets UE-161112 effective January 1, 2017. Balance was written off in January 2018.

Miscellaneous Deferred Debits (Account 186)

1. Report below the details called for concerning miscellaneous deferred debits.
2. For any deferred debit being amortized, show period of amortization in column (a).
3. Minor items (less than $250,000) may be grouped by classes.

Line No.	Description of Miscellaneous Deferred Debits (a)	Balance at Beginning of Year (b)	Debits (c)	Credits Account Charged (d)	Credits Amount (e)	Balance at End of Year (f)
1	Incurred not Reported Worker Comp	2,332,928	1,386,338	186,253	441,269	3,277,997
2	Carbon Offset Program	159,205	13,733	253	66,405	106,533
3	Damage Claims	3,432,362	20,406,394	186	20,385,223	3,453,533
4	Clearing Account Charges	545,676	264,444	184,186	1,057,610	(247,490)
5	FAS133 Net Unrealized	26,030,490	182,783,255	244	194,074,306	14,739,439
6	Chelan Prepayments - 20 Yrs	6,612,932	139,675	555	488,141	6,264,466
7	Ferndale Maintenance - 12 Yrs	2,284,697		553	240,494	2,044,203
8	Encogen Maintenance - 10 Yrs	9,833,730	52,321	553	1,190,073	8,695,978
9	Environmental Remediation Exp	30,560,578	12,740,535	186,228	6,981,604	36,319,509
10	Real Estate Operating Leases - 7 Yrs	7,565,842	2,437,817	Various	229,331	9,774,328
11	FSAS 71 - Snoqualmie License	7,341,235	65,620	253		7,406,855
12	Baker Article	5,150,432	108,588	242	331,392	4,927,628
13	SFAS 71 - Baker License	54,817,487	969,989	253	180,157	55,607,319
14	Colstrip Maintenance - 3 Yrs	8,757,629	4,993,606	Various	6,902,500	6,848,735
15	Montana Community Transition fund	5,000,000		108	4,287,263	712,737
16	Fredonia Maintenance - 9 Yrs	4,486,648		553	699,028	3,787,620
17	Fredrickson Maintenance - 7 Yrs	5,873,230		513,553	1,124,444	4,748,786
18	Goldendale Maintenance - 4-8 Yrs	2,230,596	867,440	514,553	705,485	2,392,551
19	Whitehorn Maintenance - 6 Yrs	1,752,816	937,094	186,553	404,496	2,285,414
20	Mint Farm Maintenance - 3-7 Yrs	3,269,292	233,187	513,553	1,479,329	2,023,150
21	Sumas Maintenance - 11 Yrs	3,490,182	16,417	553	311,155	3,195,444
22	Non-Temp Facility	3,711,786	11,473,558	186	8,663,874	6,521,470
23	Residential Exchange		2,807,590	253		2,807,590
24	Minor Items	231,535	39,325,649	186	39,396,240	160,944
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39	Miscellaneous Work in Progress					
40	**Total**	195,471,308	282,023,250		289,639,819	187,854,739

Schedule Page: 233 Line No.: 8 Column: a

18605081 ENC Unit #3 Main 2017 JR490 - December 2018 ending balance versus amortization schedule discrepancy corrected in 2019.

Schedule Page: 233 Line No.: 17 Column: a

18603041 FRE U2 Hot Gas Inspection JR326 - December 2017 and 2018 ending balance versus amortization schedule discrepancy corrected in 2019.

Schedule Page: 233 Line No.: 18 Column: a

18603011 GLD Stm Tur Inspection 2014 JR329 - December 2017 ending balance versus amortization schedule discrepancy correceted in 2018.

Schedule Page: 233 Line No.: 20 Column: a

18604011 MTF ST FP Ins 2017 JR523 - December 2017 and 2018 ending balance versus amortization schedule discrepancy corrected in 2019.

Schedule Page: 233 Line No.: 21 Column: a

18604021 SUM CT Gen Major Inspection JR493 - December 2018 ending balance versus amortization schedule discrepancy corrected in 2019.

Name of Respondent Puget Sound Energy, Inc.	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 04/15/2019	Year/Period of Report End of 2018/Q4

Accumulated Deferred Income Taxes (Account 190)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes.
2. At Other (Specify), include deferrals relating to other income and deductions.
3. Provide in a footnote a summary of the type and amount of deferred income taxes reported in the beginning-of-year and end-of-year balances for deferred income taxes that the respondent estimates could be included in the development of jurisdictional recourse rates.

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	Changes During Year Amounts Debited to Account 410.1 (c)	Changes During Year Amounts Credited to Account 411.1 (d)
1	Account 190			
2	Electric	1,007,647,018	118,352,592	49,775,202
3	Gas	367,857,626	19,825,143	17,695,946
4	Other (Define) (footnote details)			
5	Total (Total of lines 2 thru 4)	1,375,504,644	138,177,735	67,471,148
6	Other (Specify) (footnote details)			
7	TOTAL Account 190 (Total of lines 5 thru 6)	1,375,504,644	138,177,735	67,471,148
8	Classification of TOTAL			
9	Federal Income Tax			
10	State Income Tax			
11	Local Income Tax			

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2019	End of 2018/Q4

Accumulated Deferred Income Taxes (Account 190) (continued)

Line No.	Changes During Year Amounts Debited to Account 410.2 (e)	Changes During Year Amounts Credited to Account 411.2 (f)	Adjustments Debits Account No. (g)	Adjustments Debits Amount (h)	Adjustments Credits Account No. (i)	Adjustments Credits Amount (j)	Balance at End of Year (k)
1							
2	1,734,390		Various	(27,603,360)	Various	(44,698,195)	920,240,403
3			Various	(1,527,287)	Various	(11,335,105)	355,920,611
4							
5	1,734,390			(29,130,647)		(56,033,300)	1,276,161,014
6							
7	1,734,390			(29,130,647)		(56,033,300)	1,276,161,014
8							
9							
10							
11							

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2019	End of 2018/Q4

Capital Stock (Accounts 201 and 204)

1. Report below the details called for concerning common and preferred stock at end of year, distinguishing separate series of any general class. Show separate totals for common and preferred stock.
2. Entries in column (b) should represent the number of shares authorized by the articles of incorporation as amended to end of year.
3. Give details concerning shares of any class and series of stock authorized to be issued by a regulatory commission which have not yet been issued.

Line No.	Class and Series of Stock and Name of Stock Exchange (a)	Number of Shares Authorized by Charter (b)	Par or Stated Value per Share (c)	Call Price at End of Year (d)
1	Account 201 - Common Stock	150,000,000	0.01	
2				
3	Total Common	150,000,000		
4				
5				
6				
7				
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10				
11				
12				
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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2019	End of 2018/Q4

Capital Stock (Accounts 201 and 204)

4. The identification of each class of preferred stock should show the dividend rate and whether the dividends are cumulative or noncumulative.
5. State in a footnote if any capital stock that has been nominally issued is nominally outstanding at end of year.
6. Give particulars (details) in column (a) of any nominally issued capital stock, reacquired stock, or stock in sinking and other funds which is pledged, stating name of pledgee and purpose of pledge.

Line No.	Outstanding per Bal. Sheet (total amt outstanding without reduction for amts held by respondent) Shares (e)	Outstanding per Bal. Sheet Amount (f)	Held by Respondent As Reacquired Stock (Acct 217) Shares (g)	Held by Respondent As Reacquired Stock (Acct 217) Cost (h)	Held by Respondent In Sinking and Other Funds Shares (i)	Held by Respondent In Sinking and Other Funds Amount (j)
1	85,903,791	859,038				
2						
3	85,903,791	859,038				
4						
5						
6						
7						
8						
9						
10						
11						
12						
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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2019	End of 2018/Q4

Capital Stock: Subscribed, Liability for Conversion, Premium on, and Installments Recieved on (Accts 202, 203, 205, 206, 207, and 212)

1. Show for each of the above accounts the amounts applying to each class and series of capital stock.
2. For Account 202, Common Stock Subscribed, and Account 205, Preferred Stock Subscribed, show the subscription price and the balance due on each class at the end of year.
3. Describe in a footnote the agreement and transactions under which a conversion liability existed under Account 203, Common Stock Liability for Conversion, or Account 206, Preferred Stock Liability for Conversion, at the end of year.
4. For Premium on Account 207, Capital Stock, designate with an asterisk in column (b), any amounts representing the excess of consideration received over stated values of stocks without par value.

Line No.	Name of Account and Description of Item (a)	* (b)	Number of Shares (c)	Amount (d)
1	Premium on Common Stock Issued During 1961		326,682	7,782,690
2	Premium on Common Stock Issued During 1968		360,000	8,640,000
3	Premium on Common Stock Issued During 1970		1,752	29,927
4	Premium on Common Stock Issued During 1971		407,191	8,493,757
5	Premium on Common Stock Issued During 1972		12,900	276,268
6	Premium on Common Stock Issued During 1973		9,706	185,819
7	Premium on Common Stock Issued During 1974		612,802	7,055,455
8	Premium on Common Stock Issued During 1975		781,163	10,703,714
9	Premium on Common Stock Issued During 1976		954,797	19,264,821
10	Premium on Common Stock Issued During 1976 ($2.59)		800,000	2,000,000
11	Premium on Common Stock Issued During 1977 Stock Split		7,019,243	(68,994,489)
12	Premium on Common Stock Issued During 1977		2,519,571	22,613,874
13	Premium on Common Stock Issued During 1977 ($2.34)		1,000,000	2,500,000
14	Premium on Common Stock Issued During 1978		3,357,447	15,753,536
15	Premium on Common Stock Issued During 1979		3,657,643	16,751,584
16	Premium on Common Stock Issued During 1980		4,350,026	15,190,018
17	Premium on Common Stock Issued During 1981		5,056,169	14,045,545
18	Premium on Common Stock Issued During 1982		6,105,561	24,054,868
19	Premium on Common Stock Issued During 1982 ($4.375)		2,000,000	5,000,000
20	Premium on Common Stock Issued During 1983		6,204,992	26,567,671
21	Premium on Common Stock Issued During 1984		3,569,179	5,253,174
22	Premium on Common Stock Issued During 1985		2,344,132	11,106,933
23	Premium on Common Stock Issued During 1986		1,455,370	16,119,886
24	Premium on Common Stock Issued During 1987		1,866,732	19,129,717
25	Premium on Preferred Stock Transfer During 1987 to A/C 210			
26	$2.59		(800,000)	(2,000,000)
27	$2.34		(1,000,000)	(2,500,000)
28	$4.375		(2,000,000)	(5,000,000)
29	Premium on Common Stock Issued During 1988		1,795,188	16,129,075
30	Premium on Common Stock Issued During 1989		447,550	3,823,223
31	Premium on Common Stock Issued During 1992		3,012,986	49,837,127
32	Premium on Common Stock Issued During 1993		5,054,785	88,486,880
33	Premium on Common Stock Issued During 1994		11,443	124,437
34	Premium on Common Stock Issued During 1999		361,944	4,198,328
35	Premium on Common Stock Issued During 2000		981,549	13,294,693
36	Adjustment for Premium on Capital Stock previously issued by WA Energy Co.		9,581,729	122,817,919
37	Stock Purchase Plan 1997-2001			(591,200)
38				
39				
40	**Total**		**72,220,232**	**478,145,250**

FOOTNOTE DATA

Schedule Page: 252 Line No.: 36 Column: c

Adjustment for Premium on Capital Stock previously issued by Washington Energy Co. with shares adjusted for conversion ratio of $.86; 9,581,729 shares for $122,817,919.

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2019	End of 2018/Q4

Other Paid-In Capital (Accounts 208-211)

1. Report below the balance at the end of the year and the information specified below for the respective other paid-in capital accounts. Provide a subheading for each account and show a total for the account, as well as a total of all accounts for reconciliation with the balance sheet, page 112. Explain changes made in any account during the year and give the accounting entries effecting such change.
(a) Donations Received from Stockholders (Account 208) - State amount and briefly explain the origin and purpose of each donation.
(b) Reduction in Par or Stated Value of Capital Stock (Account 209) - State amount and briefly explain the capital changes that gave rise to amounts reported under this caption including identification with the class and series of stock to which related.
(c) Gain or Resale or Cancellation of Reacquired Capital Stock (Account 210) - Report balance at beginning of year, credits, debits, and balance at end of year with a designation of the nature of each credit and debit identified by the class and series of stock to which related.
(d) Miscellaneous Paid-In Capital (Account 211) - Classify amounts included in this account according to captions that, together with brief explanations, disclose the general nature of the transactions that gave rise to the reported amounts.

Line No.	Item (a)	Amount (b)
1	Account 211 - Miscellaneous Paid in Capital	2,804,096,691
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40	**Total**	**2,804,096,691**

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2019	End of 2018/Q4

DISCOUNT ON CAPITAL STOCK (ACCOUNT 213)

1. Report the balance at end of year of discount on capital stock for each class and series of capital stock. Use as many rows as necessary to report all data.
2. If any change occurred during the year in the balance with respect to any class or series of stock, attach a statement giving details of the change. State the reason for any charge-off during the year and specify the account charged.

Line No.	Class and Series of Stock (a)	Balance at End of Year (b)
1		
2		
3		
4		
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7		
8		
9		
10		
11		
12		
13		
14		
	TOTAL	

CAPITAL STOCK EXPENSE (ACCOUNT 214)

1. Report the balance at end of year of capital stock expenses for each class and series of capital stock. Use as many rows as necessary to report all data. Number the rows in sequence starting from the last row number used for Discount on Capital Stock above.
2. If any change occurred during the year in the balance with respect to any class or series of stock, attach a statement giving details of the change. State the reason for any charge-off of capital stock expense and specify the account charged.

Line No.	Class and Series of Stock (a)	Balance at End of Year (b)
16	Account 214 - Common Stock Expense	7,133,879
17		
18		
19		
20		
21		
22		
23		
24		
25		
26		
27		
28		
	TOTAL	7,133,879

Securities Issued or Assumed and Securities Refunded or Retired During the Year

1. Furnish a supplemental statement briefly describing security financing and refinancing transactions during the year and the accounting for the securities, discounts, premiums, expenses, and related gains or losses. Identify as to Commission authorization numbers and dates.
2. Provide details showing the full accounting for the total principal amount, par value, or stated value of each class and series of security issued, assumed, retired, or refunded and the accounting for premiums, discounts, expenses, and gains or losses relating to the securities. Set forth the facts of the accounting clearly with regard to redemption premiums, unamortized discounts, expenses, and gain or losses relating to securities retired or refunded, including the accounting for such amounts carried in the respondent's accounts at the date of the refunding or refinancing transactions with respect to securities previously refunded or retired.
3. Include in the identification of each class and series of security, as appropriate, the interest or dividend rate, nominal date of issuance, maturity date, aggregate principal amount, par value or stated value, and number of shares. Give also the issuance of redemption price and name of the principal underwriting firm through which the security transactions were consummated.
4. Where the accounting for amounts relating to securities refunded or retired is other than that specified in General Instruction 17 of the Uniform System of Accounts, cite the Commission authorization for the different accounting and state the accounting method.
5. For securities assumed, give the name of the company for which the liability on the securities was assumed as well as details of the transactions whereby the respondent undertook to pay obligations of another company. If any unamortized discount, premiums, expenses, and gains or losses were taken over onto the respondent's books, furnish details of these amounts with amounts relating to refunded securities clearly earmarked.

Securities Issued or Assumed:
NONE

Securities Refunded or Retired:
Common Stock $.01, Stated Value: NONE

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2019	End of 2018/Q4

Long-Term Debt (Accounts 221, 222, 223, and 224)

1. Report by Balance Sheet Account the details concerning long-term debt included in Account 221, Bonds, 222, Reacquired Bonds, 223, Advances from Associated Companies, and 224, Other Long-Term Debt.
2. For bonds assumed by the respondent, include in column (a) the name of the issuing company as well as a description of the bonds.
3. For Advances from Associated Companies, report separately advances on notes and advances on open accounts. Designate demand notes as such. Include in column (a) names of associated companies from which advances were received.
4. For receivers' certificates, show in column (a) the name of the court and date of court order under which such certificates were issued.

Line No.	Class and Series of Obligation and Name of Stock Exchange (a)	Nominal Date of Issue (b)	Date of Maturity (c)	Outstanding (Total amount outstanding without reduction for amts held by respondent) (d)
1	ACCOUNT 221			
2				
3	First Mortgage Bonds Senior MTN 7.02% Series A	12/22/1997	12/01/2027	300,000,000
4	First Mortgage Bonds Senior MTN 6.74% Series A	06/15/1998	06/15/2018	
5	First Mortgage Bonds Senior MTN 7.00% Series B	03/09/1999	03/09/2029	100,000,000
6	5.483% Senior Notes Due 06/35	05/27/2005	06/01/2035	250,000,000
7	6.724% Senior Notes Due 06/36	06/30/2006	06/15/2036	250,000,000
8	6.274% Senior Notes Due 03/37	09/18/2006	03/15/2037	300,000,000
9	Junior Subordinated Notes (Hybrid) 6.974%	06/01/2007	06/01/2067	
10	5.757% Senior Notes Due 10/39	09/11/2009	10/01/2039	350,000,000
11	5.795% Senior Notes Due 03/40	03/08/2010	03/15/2040	325,000,000
12	5.764% Senior Notes Due 07/40	06/29/2010	07/15/2040	250,000,000
13	4.434% Senior Notes Due 11/41	11/16/2011	11/15/2041	250,000,000
14	4.700% Senior Notes Due 11/51	11/22/2011	11/15/2051	45,000,000
15	5.638% Senior Notes Due 04/41	03/25/2011	04/15/2041	300,000,000
16	4.300% Senior Notes Due 05/45	05/26/2015	05/20/2045	425,000,000
17	4.223% Senior Notes Due 06/48	06/04/2018	06/15/2048	600,000,000
18	3.9% Pollution Control Bonds Rev Series 2013A	05/23/2013	03/01/2031	138,460,000
19	4.0% Pollution Control Bonds Rev Series 2013B	05/23/2013	03/01/2031	23,400,000
20				
21				
22				
23				
24	Bonds assumed which were originally issued by Washington Natural Gas Company			
25				
26	Secured Medium Term Notes - 7.15% Series C	12/20/1995	12/19/2025	15,000,000
27	Secured Medium Term Notes - 7.20% Series C	12/22/1995	12/22/2025	2,000,000
28				
29				
30				
31				
32				
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35				
36				
37				
38				
39				
40	**TOTAL**			3,923,860,000

Long-Term Debt (Accounts 221, 222, 223, and 224)

5. In a supplemental statement, give explanatory details for Accounts 223 and 224 of net changes during the year. With respect to long-term advances, show for each company: (a) principal advanced during year (b) interest added to principal amount, and (c) principal repaid during year. Give Commission authorization numbers and dates.
6. If the respondent has pledged any of its long-term debt securities, give particulars (details) in a footnote, including name of the pledgee and purpose of the pledge.
7. If the respondent has any long-term securities that have been nominally issued and are nominally outstanding at end of year, describe such securities in a footnote.
8. If interest expense was incurred during the year on any obligations retired or reacquired before end of year, include such interest expense in column (f). Explain in a footnote any difference between the total of column (f) and the total Account 427, Interest on Long-Term Debt and Account 430, Interest on Debt to Associated Companies.
9. Give details concerning any long-term debt authorized by a regulatory commission but not yet issued.

Line No.	Interest for Year Rate (in %) (e)	Interest for Year Amount (f)	Held by Respondent Reacquired Bonds (Acct 222) (g)	Held by Respondent Sinking and Other Funds (h)	Redemption Price per $100 at End of Year (i)
1					
2					
3	7.020	21,060,000			
4	6.740	6,178,333			
5	7.000	7,000,000			
6	5.483	13,707,500			
7	6.724	16,810,000			
8	6.274	18,822,000			
9	6.974	2,512,567			
10	5.757	20,149,500			
11	5.795	18,833,750			
12	5.764	14,410,000			
13	4.434	11,085,000			
14	4.700	2,115,000			
15	5.638	16,914,000			
16	4.300	18,275,000			
17	4.223	13,795,133			
18	3.900	5,399,940			
19	4.000	936,000			
20					
21					
22					
23					
24					
25					
26	7.150	1,072,500			
27	7.200	144,000			
28					
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32					
33					
34					
35					
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39					
40		209,220,223			

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2019	End of 2018/Q4

Unamortized Debt Expense, Premium and Discount on Long-Term Debt (Accounts 181, 225, 226)

1. Report under separate subheadings for Unamortized Debt Expense, Unamortized Premium on Long-Term Debt and Unamortized Discount on Long-Term Debt, details of expense, premium or discount applicable to each class and series of long-term debt.
2. Show premium amounts by enclosing the figures in parentheses.
3. In column (b) show the principal amount of bonds or other long-term debt originally issued.
4. In column (c) show the expense, premium or discount with respect to the amount of bonds or other long-term debt originally issued.

Line No.	Designation of Long-Term Debt (a)	Principal Amount of Debt Issued (b)	Total Expense Premium or Discount (c)	Amortization Period Date From (d)	Amortization Period Date To (e)
1	Account 181 - Unamortized Debt Expense				
2	First Mortgage Bonds Senior MTN 7.02% Series A	300,000,000	3,010,746	12/22/1997	12/01/2027
3	First Mortgage Bonds Senior MTN 6.74% Series A	200,000,000	2,018,425	06/15/1998	06/15/2018
4	First Mortgage Bonds Senior MTN 7.00% Series B	100,000,000	954,608	03/09/1999	03/09/2029
5	5.483% Senior Notes Due 06/35	250,000,000	2,460,125	05/27/2005	06/01/2035
6	6.724% Senior Notes Due 06/36	250,000,000	2,527,628	06/30/2006	06/15/2036
7	6.274% Senior Notes Due 03/37	300,000,000	2,921,148	09/18/2006	03/01/2037
8	PSE Operating Credit Agreement		1,251,236	02/04/2013	02/01/2018
9	Amort Costs for $600M Sr Notes Due June 2048	600,000,000	1,429,461	06/14/2018	06/14/2048
10	PSE Hedging Credit Agreement		963,995	02/04/2013	02/01/2018
11	PSE $800M Credit Facility due 2022		2,765,284	11/30/2017	11/30/2022
12	5.757% Senior Notes Due 10/39	350,000,000	3,557,361	09/11/2009	09/01/2039
13	5.795% Senior Notes Due 3/40	325,000,000	3,384,066	03/08/2010	03/15/2040
14	5.764% Senior Notes Due 7/40	250,000,000	2,587,276	06/29/2010	07/15/2040
15	5.638% Senior Notes Due 4/41	300,000,000	3,071,895	03/25/2011	05/15/2041
16	4.434% Senior Notes Due 11/41	250,000,000	2,592,616	11/16/2011	11/01/2041
17	4.70% Senior Notes Due 11/51	45,000,000	511,229	11/22/2011	11/01/2051
18	3.9% Pollution Control Rev Series 2013A Due 3/2031	138,460,000	1,473,301	05/23/2013	03/01/2031
19	4% Pollution Control Rev Series 2013B Due 3/2031	23,400,000	248,243	05/23/2013	03/01/2031
20	$350M Hedging Credit Facility PSE 2018		1,333,855	02/04/2013	11/01/2022
21	$650M Liquidity Credit Facility PSE 2018		2,438,676	02/04/2013	11/01/2022
22	$425M 4.30% Sr Notes due 2045		3,718,750	05/26/2015	05/01/2045
23	Subtotal	3,931,860,000	48,238,076		
24					
25	ACCOUNT 226 - UNAMORTIZED DISCOUNT ON LONG-TERM DEBT				
26	5.638% Senior Notes Due 4/41	300,000,000	15,000	03/25/2011	02/15/2041
27	$425M 4.30% Sr Notes due 2045	425,000,000	1,912,500	05/26/2015	05/20/2045
28	Subtotal	725,000,000	1,927,500		
29					
30	ACCOUNT 181 - UNAMORTIZED DEBT EXPENSE				
31	Bonds assumed which were originally issued by Washington Gas Company				
32	Secured MTN, Series C 2025 7.15%	15,000,000	112,500	12/20/1995	12/01/2025
33	Secured MTN, Series C 2025 7.20%	2,000,000	15,000	12/21/1995	12/01/2025
34	Subtotal	17,000,000	127,500		
35					
36					
37					
38					
39					
40					

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2019	End of 2018/Q4

Unamortized Debt Expense, Premium and Discount on Long-Term Debt (Accounts 181, 225, 226)

5. Furnish in a footnote details regarding the treatment of unamortized debt expense, premium or discount associated with issues redeemed during the year. Also, give in a footnote the date of the Commission's authorization of treatment other than as specified by the Uniform System of Accounts.
6. Identify separately undisposed amounts applicable to issues which were redeemed in prior years.
7. Explain any debits and credits other than amortization debited to Account 428, Amortization of Debt Discount and Expense, or credited to Account 429, Amortization of Premium on Debt-Credit.

Line No.	Balance at Beginning of Year (f)	Debits During Year (g)	Credits During Year (h)	Balance at End of Year (i)
1				
2	1,003,326		101,176	902,150
3	46,259		46,259	
4	356,281		31,834	324,447
5	1,428,461		82,017	1,346,444
6	1,563,080		84,611	1,478,469
7	1,838,869		95,941	1,742,928
8	22,343		22,343	
9		1,429,461	23,746	1,405,715
10	17,215		17,215	
11	2,672,991		512,719	2,160,272
12	2,572,312		118,722	2,453,590
13	2,501,279		112,840	2,388,439
14	1,941,314		85,962	1,855,352
15	2,387,467		102,061	2,285,406
16	2,067,177		86,734	1,980,443
17	433,183		12,802	420,381
18	1,089,195		82,724	1,006,471
19	184,067		13,979	170,088
20	300,644		62,202	238,442
21	594,685		122,537	472,148
22	4,219,706		154,381	4,065,325
23	27,239,854	1,429,461	1,972,805	26,696,510
24				
25				
26	11,633		502	11,131
27	1,746,927		63,750	1,683,177
28	1,758,560		64,252	1,694,308
29				
30				
31				
32	31,199		3,940	27,259
33	4,158		526	3,632
34	35,357		4,466	30,891
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FOOTNOTE DATA

Schedule Page: 258 Line No.: 15 Column: a

This bond has both unamortized expenses (Account 181) and unamortized discounts (Account 226) and is therefore reported twice on this page. See Line 26.

Schedule Page: 258 Line No.: 11 Column: a

Legal fees were incorrectly charged to PSE $800M Credit Facility due 2022 in 2017. The legal fees were reclassed in 2018. The Total Expense or Premium Discount amount was also updated for Q4 2018. The Q4 2017 pages amount included amortization, which was added back to the Total Expense Premium or discount amount.

Schedule Page: 258 Line No.: 26 Column: a

This bond has both unamortized expenses (Account 181) and unamortized discounts (Account 226) and is therefore reported twice on this page. See Line 15.

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2019	End of 2018/Q4

Unamortized Loss and Gain on Reacquired Debt (Accounts 189, 257)

1. Report under separate subheadings for Unamortized Loss and Unamortized Gain on Reacquired Debt, details of gain and loss, including maturity date, on reacquisition applicable to each class and series of long-term debt. If gain or loss resulted from a refunding transaction, include also the maturity date of the new issue.
2. In column (c) show the principal amount of bonds or other long-term debt reacquired.
3. In column (d) show the net gain or net loss realized on each debt reacquisition as computed in accordance with General Instruction 17 of the Uniform Systems of Accounts.
4. Show loss amounts by enclosing the figures in parentheses.
5. Explain in a footnote any debits and credits other than amortization debited to Account 428.1, Amortization of Loss on Reacquired Debt, or credited to Account 429.1, Amortization of Gain on Reacquired Debt-Credit.

Line No.	Designation of Long-Term Debt (a)	Date Reacquired (b)	Principal of Debt Reacquired (c)	Net Gain or Loss (d)	Balance at Beginning of Year (e)	Balance at End of Year (f)
1	1st Mortgage Bonds 9.5/8% Series due 1/2024	02/07/1994	50,000,000	(4,911,597)	1,027,354	858,474
2	1st Mortgage Bonds 9.14% Series due 6/2018	06/22/1998	30,000,000	(70,146)	1,749	
3	PCB 1991A 7.05% Series due 2/2031	03/24/2003	27,500,000	(1,270,958)	598,826	553,345
4	PCB 1991B 7.25% Series due 2/2031	03/24/2003	23,400,000	(965,944)	455,058	420,497
5	PCB 1992 6.8% Series due 2/2031	03/24/2003	87,500,000	(2,957,968)	1,393,368	1,287,542
6	PCB 1993 5.875% Series due 2/2031	03/24/2003	23,460,000	(902,771)	425,255	392,957
7	VRN Floating Rate Notes, due 6/2035	05/27/2005	200,000,000	(512,599)	297,590	280,504
8	Trust Prefered Notes 8.231% due 5/2027	06/02/2005	42,500,000	(5,144,214)	2,163,989	1,934,185
9	Capital Trust Bond 8.4% due 6/2036	06/30/2006	200,000,000	(5,899,813)	3,644,895	3,447,874
10	$650M Liquidity Credit Facility 2013 10/2022				91,644	72,683
11	1st Mortgage Bonds 8.4% Series due 12/2021	03/27/2003	3,000,000	(21,491)	4,565	3,423
12	1st Mortgage Bonds 8.39% Series due 12/2021	03/27/2003	7,000,000	(50,146)	10,649	7,987
13	1st Mortgage Bonds 8.25% Series due 8/2022	05/29/2003	25,000,000	(1,208,364)	291,600	229,115
14	1st Mortgage Bonds 7.19% Series due 8/2023	08/18/2003	3,000,000	(213,220)	59,497	48,842
15	Loss on Extinguishment on Jr.					4,873,266
16	1st Mortgage Bonds 9.57% Series due 10/2051	12/23/2011	25,000,000	(15,987,378)	13,550,888	13,150,369
17	2009 PSE Operating CR Facility due 1/2018			(378,265)	5,275	
18	2009 PSE Hedging CR Facility due 1/2018			(460,462)	6,929	
19	2009 PSE CapEx CR Facility due 1/2018			(1,629,534)	27,619	
20	PCB 5% Series 2003A Bonds due 2/2031	06/24/2013	138,460,000	(5,290,431)	3,938,529	3,639,400
21	PCB 5.1% Series 2003B Bonds due 2/2031	06/24/2013	23,400,000	(894,093)	665,619	615,066
22	2014 PSE Operating CR Facility due 4/2019			(127,965)	36,561	9,140
23	2014 PSE E Hedging CR Facility due 4/2019			(42,624)	12,400	3,100
24	2014 PSE G Hedging CR Facility due 4/2019			(26,124)	7,600	1,900
25	2015 Prem Exp Senior Note 5/2045			(2,462,215)	2,251,006	2,168,703
26	2015 Prem Exp Senior Note 5/2045			(9,473,106)	8,659,104	8,342,454
27	$350M Hedging Facility 2013 10/2022				46,520	36,895
28						
29	Subtotal Unamortized Losses (189)		909,220,000	(60,901,428)	39,674,089	42,377,721
30	Total Unamortized Loss/Gains (189 & 257)		909,220,000	(60,901,428)	39,674,089	42,377,721
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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2019	End of 2018/Q4

Reconciliation of Reported Net Income with Taxable Income for Feder Income Taxes

1. Report the reconciliation of reported net income for the year with taxable income used in computing Federal Income Tax accruals and show computation of such tax accruals. Include in the reconciliation, as far as practicable, the same detail as furnished on Schedule M-1 of the tax return for the year. Submit a reconciliation even though there is no taxable income for the year. Indicate clearly the nature of each reconciling amount.
2. If the utility is a member of a group that files consolidated Federal tax return, reconcile reported net income with taxable net income as if a separate return were to be filed, indicating, however, intercompany amounts to be eliminated in such a consolidated return. State names of group members, tax assigned to each group member, and basis of allocation, assignments, or sharing of the consolidated tax among the group members.

Line No.	Details (a)	Amount (b)
1	Net Income for the Year (Page 116)	317,163,809
2	Reconciling Items for the Year	
3		
4	Taxable Income Not Reported on Books	
5		
6		
7		
8	TOTAL	
9	Deductions Recorded on Books Not Deducted for Return	
10	Provision for Federal Income Taxes	50,843,595
11	Others	183,882,627
12		
13	TOTAL	234,726,222
14	Income Recorded on Books Not Included in Return	
15		
16		
17		
18	TOTAL	
19	Deductions on Return Not Charged Against Book Income	
20	Other	133,153,097
21		
22		
23		
24		
25		
26	TOTAL	133,153,097
27	Federal Tax Net Income	
28	Show Computation of Tax:	
29	See Footnote	0
30		
31		
32		
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35		

Schedule Page: 261 Line No.: 29 Column: b

Line 11 Details:	
Capitalized Interest	13,153,366
Conservation Activity	4,836,952
Decoupling Revenue	15,989,039
Depreciation Related Activity	39,303,940
Electric and Gas Purchase Contracts	1,229,348
Environmental Costs	8,567,846
Non-Deductible Items	33,358,751
Renewable Energy Credits	844,765
Regulatory Assets	56,420,659
Storm Related Activity	10,177,960
Subtotal	183,882,627
Line 20 Details:	
Allowance for Funds Used During Cons	(33,025,103)
Derivative Instruments	(41,661,501)
Property Tax Rate Tracker	(12,495,440)
Pensions and Other Compensation	(14,980,969)
Other Adjustment	(7,841,809)
Treasury Grant Amortization	(23,148,274)
Subtotal	(133,153,097)

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2019	End of 2018/Q4

Taxes Accrued, Prepaid and Charged During Year, Distribution of Taxes Charged (Show utility dept where applicable and acct charged)

1. Give details of the combined prepaid and accrued tax accounts and show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged to the accounts to which the taxed material was charged. If the actual or estimated amounts of such taxes are known, show the amounts in a footnote and designate whether estimated or actual amounts.
2. Include on this page, taxes paid during the year and charged direct to final accounts, (not charged to prepaid or accrued taxes). Enter the amounts in both columns (d) and (e). The balancing of this page is not affected by the inclusion of these taxes.
3. Include in column (d) taxes charged during the year, taxes charged to operations and other accounts through (a) accruals credited to taxes accrued, (b) amounts credited to the portion of prepaid taxes charged to current year, and (c) taxes paid and charged direct to operations or accounts other than accrued and prepaid tax accounts.
4. List the aggregate of each kind of tax in such manner that the total tax for each State and subdivision can readily be ascertained.

Line No.	Kind of Tax (See Instruction 5) (a)	Balance at Beg. of Year Taxes Accrued (b)	Balance at Beg. of Year Prepaid Taxes (c)
1	FEDERAL		
2	INCOME	(1,930,463)	
3	EMPLOYMENT	12,970	
4	OTHER FEDERAL TAXES		1,860
5			
6			
7	PROPERTY	74,434,930	
8	STATE EXCISE	21,471,711	
9	MUNICIPAL EXCISE	17,931,843	
10	OTHER	2,920,156	
11			
12			
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	TOTAL	114,841,147	1,860

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2019	End of 2018/Q4

Taxes Accrued, Prepaid and Charged During Year, Distribution of Taxes Charged (Show utility dept where applicable and acct charged) (continued)

5. If any tax (exclude Federal and State income taxes) covers more than one year, show the required information separately for each tax year, identifying the year in column (a).
6. Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment in a footnote. Designate debit adjustments by parentheses.
7. Do not include on this page entries with respect to deferred income taxes or taxes collected through payroll deductions or otherwise pending transmittal of such taxes to the taxing authority.
8. Show in columns (i) thru (p) how the taxes accounts were distributed. Show both the utility department and number of account charged. For taxes charged to utility plant, show the number of the appropriate balance sheet plant account or subaccount.
9. For any tax apportioned to more than one utility department or account, state in a footnote the basis (necessity) of apportioning such tax.
10. Items under $250,000 may be grouped.
11. Report in column (q) the applicable effective state income tax rate.

Line No.	Taxes Charged During Year (d)	Taxes Paid During Year (e)	Adjustments (f)	Balance at End of Year Taxes Accrued (Account 236) (g)	Balance at End of Year Prepaid Taxes (Included in Acct 165) (h)
1					
2	19,283,399	(17,857,032)		(504,098)	
3	25,107,331	(24,627,625)		492,677	
4	3,720	(1,860)			
5					
6					
7	90,430,644	(83,644,491)		81,221,084	
8	118,810,942	(122,012,670)		18,269,985	
9	122,090,485	(123,684,632)		16,337,694	
10	5,458,716	(7,354,487)		1,024,385	
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TOTAL	381,185,237	(379,182,797)		116,841,727	

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2019	End of 2018/Q4

Taxes Accrued, Prepaid and Charged During Year, Distribution of Taxes Charged (Show utility dept where applicable and acct charged)

1. Give details of the combined prepaid and accrued tax accounts and show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged to the accounts to which the taxed material was charged. If the actual or estimated amounts of such taxes are known, show the amounts in a footnote and designate whether estimated or actual amounts.
2. Include on this page, taxes paid during the year and charged direct to final accounts, (not charged to prepaid or accrued taxes). Enter the amounts in both columns (d) and (e). The balancing of this page is not affected by the inclusion of these taxes.
3. Include in column (d) taxes charged during the year, taxes charged to operations and other accounts through (a) accruals credited to taxes accrued, (b) amounts credited to the portion of prepaid taxes charged to current year, and (c) taxes paid and charged direct to operations or accounts other than accrued and prepaid tax accounts.
4. List the aggregate of each kind of tax in such manner that the total tax for each State and subdivision can readily be ascertained.

DISTRIBUTION OF TAXES CHARGED (Show utility department where applicable and account charged.)

Line No.	Electric (Account 408.1, 409.1) (i)	Gas (Account 408.1, 409.1) (j)	Other Utility Dept. (Account 408.1, 409.1) (k)	Other Income and Deductions (Account 408.2, 409.2) (l)
1				
2	22,403,973	31,944,159		(34,909,998)
3	9,000,846	3,777,128		12,329,358
4				3,720
5				
6				
7	59,265,945	21,844,083		9,320,616
8	82,738,819	35,853,941		218,182
9	82,000,442	40,090,041		
10	1,346,485			4,112,232
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TOTAL	256,756,510	133,509,352		(8,925,890)

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2019	End of 2018/Q4

Taxes Accrued, Prepaid and Charged During Year, Distribution of Taxes Charged (Show utility dept where applicable and acct charged) (continued)

5. If any tax (exclude Federal and State income taxes) covers more than one year, show the required information separately for each tax year, identifying the year in column (a).
6. Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment in a footnote. Designate debit adjustments by parentheses.
7. Do not include on this page entries with respect to deferred income taxes or taxes collected through payroll deductions or otherwise pending transmittal of such taxes to the taxing authority.
8. Show in columns (i) thru (p) how the taxes accounts were distributed. Show both the utility department and number of account charged. For taxes charged to utility plant, show the number of the appropriate balance sheet plant account or subaccount.
9. For any tax apportioned to more than one utility department or account, state in a footnote the basis (necessity) of apportioning such tax.
10. Items under $250,000 may be grouped.
11. Report in column (q) the applicable effective state income tax rate.

DISTRIBUTION OF TAXES CHARGED (Show utility department where applicable and account charged.)

Line No.	Extraordinary Items (Account 409.3) (m)	Other Utility Opn. Income (Account 408.1, 409.1) (n)	Adjustment to Ret. Earnings (Account 439) (o)	Other (p)	State/Local Income Tax Rate (q)
1					
2			(27,333,180)		
3					
4					
5					
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39					
TOTAL			(27,333,180)		

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2019	End of 2018/Q4

Miscellaneous Current and Accrued Liabilities (Account 242)

1. Describe and report the amount of other current and accrued liabilities at the end of year.
2. Minor items (less than $250,000) may be grouped under appropriate title.

Line No.	Item (a)	Balance at End of Year (b)
1	401(K) Company Contributions	4,683,910
2	401(K) Company Contributions - Incentive	1,501,561
3	FERC Licensing & Land Use Fees - Snoqualmie, Baker	466,827
4	FERC Trading Floor Payable	188,082
5	Lower Snake River Wind Facility Maintenance	449,583
6	NERC Standards Compliance Loss Reserve	445,000
7	U.S. Treasury Grants	304,804
8	WUTC Electric Utility Annual Regulatory Fees	4,724,438
9	WUTC Gas Utility Annual Regulatory Fees	1,699,118
10	Baker License Articles Funding	6,999,066
11	Miscellaneous	103,074
12	WUTC Greenwood Penalty	1,250,000
13	Deferral of transferred Frequency Response	467,000
14	Baker License Agreement	646,678
15	Tacoma LNG	1,000,000
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45	**Total**	**24,929,141**

FOOTNOTE DATA

Schedule Page: 268 Line No.: 15 Column: a

New 2018 Line Item added for Tacoma LNG. Topside entry was made in the amount of $1M for the year ended December 31, 2018.

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2019	End of 2018/Q4

Other Deferred Credits (Account 253)

1. Report below the details called for concerning other deferred credits.
2. For any deferred credit being amortized, show the period of amortization.
3. Minor items (less than $250,000) may be grouped by classes.

Line No.	Description of Other Deferred Credits (a)	Balance at Beginning of Year (b)	Debit Contra Account (c)	Debit Amount (d)	Credits (e)	Balance at End of Year (f)
1	Deferred Comp - Salary	7,366,980	Various	5,072,819	5,952,491	8,246,652
2	SFAS 106 Unfunded Liability	23,974,617	417	17,288,105	22,975,843	29,662,355
3	Low Income Program	13,525,474	Various	32,904,134	37,393,413	18,014,753
4	Sch 85 Line Extension Cost	11,372,553	456	402,047	1,466,935	12,437,441
5	Green Power Tariff	5,812,374	456	2,553,368	2,800,940	6,059,946
6	Landlord Incentives - 5-11 Yrs	5,242,961	931	2,117,779	96,546	3,221,728
7	PTC Deferred Post June '10	143,874,194	407	98,863,832	15,318,247	60,328,609
8	Workers Comp - IBNR	2,332,927	186	50,631	1,012,758	3,295,054
9	Residential Exchange	(663,658)	555	127,675,968	128,339,625	(1)
10	Operating Leases Obligation	7,378,561	186	126,401	2,426,919	9,679,079
11	Decoupling	(1)		1,665,331	2,500,689	835,357
12	Lower Snake River License O&M - 25 Yrs	9,885,787	Various	8,737,283	8,305,679	9,454,183
13	Snoqualmie License O&M	8,066,931	419	725,697	65,621	7,406,855
14	Ferndale License Misc Def - 6 Yrs	992,389	419	541,303		451,086
15	Baker License Misc Def	54,999,959	Various	362,628	969,989	55,607,320
16	Unearned Revenue - 11-20 Yrs	3,706,583	454	7,286,736	4,402,404	822,251
17	Deferred Pole Contact	497,863		6,604,273	6,106,411	1
18	PGA Unrealized Gain			34,808,312	34,808,312	
19	Int'l Paper Wcst Cap	8,921,989	804	8,921,988		1
20	Montana PTC	2,122,853	Various	117,604,389	197,292,811	81,811,275
21	Unclaimed Property	9,281	131	653,953	592,461	(52,211)
22	Colstrip 3&4 Final	36,672	131	702,592	723,910	57,990
23	Mint Farm Misc Def Credit - 15 Yrs	6,431,437	419	884,724		5,546,713
24	Deferred Interchange		555	8,021,626	8,021,626	
25	Tacoma LNG		107	8,395,000	8,895,000	500,000
26	Minor Items	121,622	Various	194,350	270,661	197,933
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45	**Total**	316,010,348		493,165,269	490,739,291	313,584,370

Schedule Page: 269 Line No.: 25 Column: a

New 2018 Line Item added for Tacoma LNG. Line 25 was previously Minor Items which was moved to Line 26. 2018 ending balance should be $500,000. SAP does not reflect a $1M topside debit entry done in December 2018

Accumulated Deferred Income Taxes-Other Property (Account 282)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes relating to property not subject to accelerated amortization.
2. At Other (Specify), include deferrals relating to other income and deductions.

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)
1	Account 282			
2	Electric	1,431,442,955	5,962,806	39,231,977
3	Gas	602,885,391	5,952,090	8,290,364
4	Other (Define) (footnote details)			
5	Total (Enter Total of lines 2 thru 4)	2,034,328,346	11,914,896	47,522,341
6	Other (Specify) (footnote details)			
7	TOTAL Account 282 (Enter Total of lines 5 thr	2,034,328,346	11,914,896	47,522,341
8	Classification of TOTAL			
9	Federal Income Tax	2,034,328,346	11,914,896	47,522,341
10	State Income Tax			
11	Local Income Tax			

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2019	End of 2018/Q4

Accumulated Deferred Income Taxes-Other Property (Account 282) (continued)

3. Provide in a footnote a summary of the type and amount of deferred income taxes reported in the beginning-of-year and end-of-year balances for deferred income taxes that the respondent estimates could be included in the development of jurisdictional recourse rates.

Line No.	Changes during Year Amounts Debited to Account 410.2 (e)	Changes during Year Amounts Credited to Account 411.2 (f)	Adjustments Debits Acct. No. (g)	Adjustments Debits Amount (h)	Adjustments Credits Account No. (i)	Adjustments Credits Amount (j)	Balance at End of Year (k)
1							
2							1,398,173,784
3							600,547,117
4							
5							1,998,720,901
6							
7							1,998,720,901
8							
9							1,998,720,901
10							
11							

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2019	End of 2018/Q4

Accumulated Deferred Income Taxes-Other (Account 283)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes relating to amounts recorded in Account 283.
2. At Other (Specify), include deferrals relating to other income and deductions.

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	Changes During Year Amounts Debited to Account 410.1 (c)	Changes During Year Amounts Credited to Account 411.1 (d)
1	Account 283			
2	Electric	166,799,163	52,141,149	49,124,173
3	Gas	45,888,622	20,896,647	29,663,186
4	Other (Define) (footnote details)			
5	Total (Total of lines 2 thru 4)	212,687,785	73,037,796	78,787,359
6	Other (Specify) (footnote details)			
7	TOTAL Account 283 (Total of lines 5 thru	212,687,785	73,037,796	78,787,359
8	Classification of TOTAL			
9	Federal Income Tax			
10	State Income Tax			
11	Local Income Tax			

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2019	End of 2018/Q4

Accumulated Deferred Income Taxes-Other (Account 283) (continued)

3. Provide in a footnote a summary of the type and amount of deferred income taxes reported in the beginning-of-year and end-of-year balances for deferred income taxes that the respondent estimates could be included in the development of jurisdictional recourse rates.

Line No.	Changes during Year Amounts Debited to Account 410.2 (e)	Changes during Year Amounts Credited to Account 411.2 (f)	Adjustments Debits Acct. No. (g)	Adjustments Debits Amount (h)	Adjustments Credits Account No. (i)	Adjustments Credits Amount (j)	Balance at End of Year (k)
1							
2	25,581		Various	(946,608)	Various		168,895,112
3	13,067						37,135,150
4							
5	38,648			(946,608)			206,030,262
6							
7	38,648			(946,608)			206,030,262
8							
9							
10							
11							

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2019	End of 2018/Q4

Other Regulatory Liabilities (Account 254)

1. Report below the details called for concerning other regulatory liabilities which are created through the ratemaking actions of regulatory agencies (and not includable in other amounts).
2. For regulatory liabilities being amortized, show period of amortization in column (a).
3. Minor items (5% of the Balance at End of Year for Account 254 or amounts less than $250,000, whichever is less) may be grouped by classes.
4. Provide in a footnote, for each line item, the regulatory citation where the respondent was directed to refund the regulatory liability (e.g. Commission Order, state commission order, court decision).

Line No.	Description and Purpose of Other Regulatory Liabilities (a)	Balance at Beginning of Current Quarter/Year (b)	Written off during Quarter/Period Account Credited (c)	Written off During Period Amount Refunded (d)	Written off During Period Amount Deemed Non-Refundable (e)	Credits (f)	Balance at End of Current Quarter/Year (g)
1	Unamort. Gain from Disposition of Allowance	5,603	411.8	4,408			1,195
2	Summit Purchase Buyout	4,462,500	456, 495	1,575,000			2,887,500
3	BNP-Westcoast Cap Agrmnt-Non-Core-Gas	448,022	547	448,022			
4	FBE-Westcoast Cap Agrmnt-Non-Core-Gas	326,808	547	326,808			
5	Renewable Energy Credits	1,251,829	Multiple	1,787,866		1,945,210	1,409,173
6	Treasury Grants - Wind Project Expansion	379,138	407.4	15,862,770		15,943,773	460,141
7	PTC Cost Deferral	93,615,823	403, 407.3				93,615,823
8	Treasury Grants - Hydro Deferrals	1,781,885	407.4	1,781,885			
9	Decoupling Mechanisms	26,296,340	Multiple	75,734,374		63,195,958	13,757,924
10	Regulatory Liability Tax Reform	1,013,057,522	182.3, 409	1,186,143,088		1,149,667,519	976,581,953
11	Deferred Tax Rate Change		407.3	10,000,000		10,000,000	
12							
13							
14							
15							
16							
17							
18							
19							
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36							
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38							
39							
40							
41							
42							
43							
44							
45	**Total**	1,141,625,470		1,293,664,221	0	1,240,752,460	1,088,713,709

FOOTNOTE DATA

Schedule Page: 278 Line No.: 1 Column: a

Included in Washington Commission Docket UE-001157. Effective in October 2000, each sale amortizes over ten years from the date of sale. Amortization expires in May 2018, May 2019, April 2020 and April 2021.

Schedule Page: 278 Line No.: 2 Column: a

Included in Washington Commission Docket UE-071876. Amortization expires in October 2020.

Schedule Page: 278 Line No.: 3 Column: a

Included in Washington Commission Docket UE-100503. Amortization expired October in 2018.

Schedule Page: 278 Line No.: 4 Column: a

Included in Washington Commission Docket UE-082013. Amortization expired October in 2018.

Schedule Page: 278 Line No.: 5 Column: a

Included in Washington Commission Dockets UE-111048 and UE-111049 (Schedule 137) effective January 1, 2018. The REC liablility balance is used to offset PTC receivables.

Schedule Page: 278 Line No.: 6 Column: a

Included in Washington Commission Docket UE-120277 "Interest on the unamortized balance of U.S. Treasury Department Grant" and UE-171086 (Schedule 95A) effective January 1, 2018. The updated name is to reflect the liabilities being reviewed which remains the same from previous quarters.

Schedule Page: 278 Line No.: 7 Column: a

Included in Washington Commission Dockets UE-070725, UE-101581, UE-170033, and UG-170034. The REC liability balance is used to offset PTC receivables.

Schedule Page: 278 Line No.: 8 Column: a

Included in Washington Commission Dockets UE-130583, UE-130617, UE-131099 and UE-131230. Included in Washington Commission Docket UE-141141. Amortization for Baker and Snoqalmie hydro deferrals expired in October 2018. Included in Washington Commission Docket UE-170033 and UG-170034 effective December 2017. The updated name is to reflect the liabilities being reviewed which remains the same from previous quarters.

Schedule Page: 278 Line No.: 9 Column: a

Included in Washington Commission Dockets UE-170033 and UG-170034 effective December 19, 2017.

Schedule Page: 278 Line No.: 10 Column: a

PSE re-evaluated it's deferred tax liability in December 2017 due to the 2017 Tax reform and has requested deferral accounting in a petition filed with the WUTC on December 29, 2017.

Schedule Page: 278 Line No.: 11 Column: a

PSE re-evaluated it's deferred tax liability in December 2017 due to the 2017 Tax reform and has requested deferral accounting in a petition filed with the WUTC on December 29, 2017. Balance was written off January 2018.

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2019	End of 2018/Q4

Gas Operating Revenues

1. Report below natural gas operating revenues for each prescribed account total. The amounts must be consistent with the detailed data on succeeding pages.
2. Revenues in columns (b) and (c) include transition costs from upstream pipelines.
3. Other Revenues in columns (f) and (g) include reservation charges received by the pipeline plus usage charges, less revenues reflected in columns (b) through (e). Include in columns (f) and (g) revenues for Accounts 480-495.

Line No.	Title of Account (a)	Revenues for Transition Costs and Take-or-Pay Amount for Current Year (b)	Revenues for Transition Costs and Take-or-Pay Amount for Previous Year (c)	Revenues for GRI and ACA Amount for Current Year (d)	Revenues for GRI and ACA Amount for Previous Year (e)
1	480 Residential Sales				
2	481 Commercial and Industrial Sales				
3	482 Other Sales to Public Authorities				
4	483 Sales for Resale				
5	484 Interdepartmental Sales				
6	485 Intracompany Transfers				
7	487 Forfeited Discounts				
8	488 Miscellaneous Service Revenues				
9	489.1 Revenues from Transportation of Gas of Others Through Gathering Facilities				
10	489.2 Revenues from Transportation of Gas of Others Through Transmission Facilities				
11	489.3 Revenues from Transportation of Gas of Others Through Distribution Facilities				
12	489.4 Revenues from Storing Gas of Others				
13	490 Sales of Prod. Ext. from Natural Gas				
14	491 Revenues from Natural Gas Proc. by Others				
15	492 Incidental Gasoline and Oil Sales				
16	493 Rent from Gas Property				
17	494 Interdepartmental Rents				
18	495 Other Gas Revenues				
19	Subtotal:				
20	496 (Less) Provision for Rate Refunds				
21	TOTAL:				

Gas Operating Revenues

4. If increases or decreases from previous year are not derived from previously reported figures, explain any inconsistencies in a footnote.
5. On Page 108, include information on major changes during the year, new service, and important rate increases or decreases.
6. Report the revenue from transportation services that are bundled with storage services as transportation service revenue.

Line No.	Other Revenues Amount for Current Year (f)	Other Revenues Amount for Previous Year (g)	Total Operating Revenues Amount for Current Year (h)	Total Operating Revenues Amount for Previous Year (i)	Dekatherm of Natural Gas Amount for Current Year (j)	Dekatherm of Natural Gas Amount for Previous Year (k)
1	598,922,745	686,438,252	598,922,745	686,438,252	57,126,475	62,191,462
2	257,751,315	295,978,215	257,751,315	295,978,215	33,594,044	35,440,536
3						
4						
5						
6						
7	909,871	1,103,536	909,871	1,103,536		
8	3,456,834	3,455,287	3,456,834	3,455,287		
9						
10						
11	19,983,616	21,718,448	19,983,616	21,718,448	23,073,456	23,657,818
12	981,624	980,025	981,624	980,025		
13						
14						
15						
16	5,860,023	6,823,439	5,860,023	6,823,439		
17						
18	(26,594,420)	(18,737,830)	(26,594,420)	(18,737,830)		
19	861,271,608	997,759,372	861,271,608	997,759,372		
20	10,523,931		10,523,931			
21	850,747,677	997,759,372	850,747,677	997,759,372		

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2019	End of 2018/Q4

Other Gas Revenues (Account 495)

Report below transactions of $250,000 or more included in Account 495, Other Gas Revenues. Group all transactions below $250,000 in one amount and provide the number of items.

Line No.	Description of Transaction (a)	Amount (in dollars) (b)
1	Commissions on Sale or Distribution of Gas of Others	
2	Compensation for Minor or Incidental Services Provided for Others	
3	Profit or Loss on Sale of Material and Supplies not Ordinarily Purchased for Resale	
4	Sales of Stream, Water, or Electricity, including Sales or Transfers to Other Departments	
5	Miscellaneous Royalties	
6	Revenues from Dehydration and Other Processing of Gas of Others except as provided for in the Instructions to Account 495	
7	Revenues for Right and/or Benefits Received from Others which are Realized Through Research, Development, and Demonstration Ventures	
8	Gains on Settlements of Imbalance Receivables and Payables	
9	Revenues from Penalties earned Pursuant to Tariff Provisions, including Penalties Associated with Cash-out Settlements	
10	Revenues from Shipper Supplied Gas	
11	Other revenues (Specify):	
12	Transactions $250,000 or more	
13	Decoupling Revenue	(30,906,773)
14	Summit Buyout	548,892
15	Rule 23 and Rule 29 Curtailment and Entitlement	3,747,914
16	Transactions below $250,000	
17	Miscellaneous Other Gas Revenue	15,547
18		
19		
20		
21		
22		
23		
24		
25		
26		
27		
28		
29		
30		
31		
32		
33		
34		
35		
36		
37		
38		
39		
	Total	**(26,594,420)**

Schedule Page: 308 Line No.: 13 Column: a

In Docket Nos. UE-121697 & UG-121705, PSE originally filed to implement decoupling mechanisms for its electric and natural gas operations with an effective date of July 2013 to December 2017. In Docket Nos. UE-170033 & UG-170034, PSE filed to continue the decoupling mechanisms with some modifications effective December 19, 2017. The purpose of the decoupling mechanisms is to reduce the effects of abnormal weather, conservation impacts and changes in usage patterns by customers on PSE's revenues. This is achieved by truing up the difference between "actual revenue" and "allowed revenue" as established in the dockets above.

Schedule Page: 308 Line No.: 14 Column: a

The WUTC Docket no. UE-071876 authorized PSE to defer a gain of approximately $18.9 million that resulted from the termination of a purchase option to buy PSE's corporate headquarter facilities (Summit Building) in Bellevue, WA. The gain will be amortized over the remaining life of the lease beginning November 2008.

Schedule Page: 308 Line No.: 15 Column: a

Rule 23 and Rule 29 Curtailment and Entitlement billings were accrued in 2018 as a result of the Enbridge Gas Pipeline Explosion October 2018.

Schedule Page: 308 Line No.: 17 Column: a

Miscellaneous Other Gas Revenues of $16k consists of carbon offset program, imbalance rule 29, AR miscellaneous and damage claim credit memos and expenses exceeding revenues.

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2019	End of 2018/Q4

Gas Operation and Maintenance Expenses

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
1	1. PRODUCTION EXPENSES		
2	A. Manufactured Gas Production		
3	Manufactured Gas Production (Submit Supplemental Statement)	168,434	142,640
4	B. Natural Gas Production		
5	B1. Natural Gas Production and Gathering		
6	Operation		
7	750 Operation Supervision and Engineering	0	0
8	751 Production Maps and Records	0	0
9	752 Gas Well Expenses	0	0
10	753 Field Lines Expenses	0	0
11	754 Field Compressor Station Expenses	0	0
12	755 Field Compressor Station Fuel and Power	0	0
13	756 Field Measuring and Regulating Station Expenses	0	0
14	757 Purification Expenses	0	0
15	758 Gas Well Royalties	0	0
16	759 Other Expenses	0	0
17	760 Rents	0	0
18	TOTAL Operation (Total of lines 7 thru 17)	0	0
19	Maintenance		
20	761 Maintenance Supervision and Engineering	0	0
21	762 Maintenance of Structures and Improvements	0	0
22	763 Maintenance of Producing Gas Wells	0	0
23	764 Maintenance of Field Lines	0	0
24	765 Maintenance of Field Compressor Station Equipment	0	0
25	766 Maintenance of Field Measuring and Regulating Station Equipment	0	0
26	767 Maintenance of Purification Equipment	0	0
27	768 Maintenance of Drilling and Cleaning Equipment	0	0
28	769 Maintenance of Other Equipment	0	0
29	TOTAL Maintenance (Total of lines 20 thru 28)	0	0
30	TOTAL Natural Gas Production and Gathering (Total of lines 18 and 29)	0	0

Gas Operation and Maintenance Expenses(continued)

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
31	B2. Products Extraction		
32	Operation		
33	770 Operation Supervision and Engineering	0	0
34	771 Operation Labor	0	0
35	772 Gas Shrinkage	0	0
36	773 Fuel	0	0
37	774 Power	0	0
38	775 Materials	0	0
39	776 Operation Supplies and Expenses	0	0
40	777 Gas Processed by Others	0	0
41	778 Royalties on Products Extracted	0	0
42	779 Marketing Expenses	0	0
43	780 Products Purchased for Resale	0	0
44	781 Variation in Products Inventory	0	0
45	(Less) 782 Extracted Products Used by the Utility-Credit	0	0
46	783 Rents	0	0
47	TOTAL Operation (Total of lines 33 thru 46)	0	0
48	Maintenance		
49	784 Maintenance Supervision and Engineering	0	0
50	785 Maintenance of Structures and Improvements	0	0
51	786 Maintenance of Extraction and Refining Equipment	0	0
52	787 Maintenance of Pipe Lines	0	0
53	788 Maintenance of Extracted Products Storage Equipment	0	0
54	789 Maintenance of Compressor Equipment	0	0
55	790 Maintenance of Gas Measuring and Regulating Equipment	0	0
56	791 Maintenance of Other Equipment	0	0
57	TOTAL Maintenance (Total of lines 49 thru 56)	0	0
58	TOTAL Products Extraction (Total of lines 47 and 57)	0	0

Gas Operation and Maintenance Expenses(continued)

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
59	C. Exploration and Development		
60	Operation		
61	795 Delay Rentals	0	0
62	796 Nonproductive Well Drilling	0	0
63	797 Abandoned Leases	0	0
64	798 Other Exploration	0	0
65	TOTAL Exploration and Development (Total of lines 61 thru 64)	0	0
66	D. Other Gas Supply Expenses		
67	Operation		
68	800 Natural Gas Well Head Purchases	0	0
69	800.1 Natural Gas Well Head Purchases, Intracompany Transfers	0	0
70	801 Natural Gas Field Line Purchases	0	0
71	802 Natural Gas Gasoline Plant Outlet Purchases	0	0
72	803 Natural Gas Transmission Line Purchases	0	0
73	804 Natural Gas City Gate Purchases	320,916,250	335,742,003
74	804.1 Liquefied Natural Gas Purchases	0	0
75	805 Other Gas Purchases	12,060	124,857
76	(Less) 805.1 Purchases Gas Cost Adjustments	23,472,410	(18,742,270)
77	TOTAL Purchased Gas (Total of lines 68 thru 76)	297,455,900	354,609,130
78	806 Exchange Gas	0	0
79	Purchased Gas Expenses		
80	807.1 Well Expense-Purchased Gas	0	0
81	807.2 Operation of Purchased Gas Measuring Stations	0	0
82	807.3 Maintenance of Purchased Gas Measuring Stations	0	0
83	807.4 Purchased Gas Calculations Expenses	0	0
84	807.5 Other Purchased Gas Expenses	2,200,208	2,008,381
85	TOTAL Purchased Gas Expenses (Total of lines 80 thru 84)	2,200,208	2,008,381

Gas Operation and Maintenance Expenses(continued)

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
86	808.1 Gas Withdrawn from Storage-Debit	40,421,802	47,070,555
87	(Less) 808.2 Gas Delivered to Storage-Credit	41,178,651	41,671,087
88	809.1 Withdrawals of Liquefied Natural Gas for Processing-Debit	0	0
89	(Less) 809.2 Deliveries of Natural Gas for Processing-Credit	0	0
90	Gas used in Utility Operation-Credit		
91	810 Gas Used for Compressor Station Fuel-Credit	0	0
92	811 Gas Used for Products Extraction-Credit	0	0
93	812 Gas Used for Other Utility Operations-Credit	64,441	62,118
94	TOTAL Gas Used in Utility Operations-Credit (Total of lines 91 thru 93)	64,441	62,118
95	813 Other Gas Supply Expenses	644,384	339,031
96	TOTAL Other Gas Supply Exp. (Total of lines 77,78,85,86 thru 89,94,95)	299,479,202	362,293,892
97	TOTAL Production Expenses (Total of lines 3, 30, 58, 65, and 96)	299,647,636	362,436,532
98	2. NATURAL GAS STORAGE, TERMINALING AND PROCESSING EXPENSES		
99	A. Underground Storage Expenses		
100	Operation		
101	814 Operation Supervision and Engineering	170,137	162,954
102	815 Maps and Records	0	0
103	816 Wells Expenses	21,782	34,998
104	817 Lines Expense	7,786	36,817
105	818 Compressor Station Expenses	302,192	243,742
106	819 Compressor Station Fuel and Power	32,466	31,768
107	820 Measuring and Regulating Station Expenses	10,707	52,660
108	821 Purification Expenses	18,254	0
109	822 Exploration and Development	0	0
110	823 Gas Losses	0	0
111	824 Other Expenses	144,919	106,078
112	825 Storage Well Royalties	35,183	20,606
113	826 Rents	0	0
114	TOTAL Operation (Total of lines of 101 thru 113)	743,426	689,623

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2019	End of 2018/Q4

Gas Operation and Maintenance Expenses(continued)

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
115	Maintenance		
116	830 Maintenance Supervision and Engineering	145,104	143,368
117	831 Maintenance of Structures and Improvements	47,219	34,004
118	832 Maintenance of Reservoirs and Wells	909,897	120,693
119	833 Maintenance of Lines	16,093	12,483
120	834 Maintenance of Compressor Station Equipment	263,391	299,712
121	835 Maintenance of Measuring and Regulating Station Equipment	0	0
122	836 Maintenance of Purification Equipment	100,278	77,904
123	837 Maintenance of Other Equipment	14,941	16,976
124	TOTAL Maintenance (Total of lines 116 thru 123)	1,496,923	705,140
125	TOTAL Underground Storage Expenses (Total of lines 114 and 124)	2,240,349	1,394,763
126	B. Other Storage Expenses		
127	Operation		
128	840 Operation Supervision and Engineering	0	0
129	841 Operation Labor and Expenses	852,496	556,771
130	842 Rents	0	0
131	842.1 Fuel	0	0
132	842.2 Power	0	0
133	842.3 Gas Losses	0	0
134	TOTAL Operation (Total of lines 128 thru 133)	852,496	556,771
135	Maintenance		
136	843.1 Maintenance Supervision and Engineering	0	0
137	843.2 Maintenance of Structures	0	0
138	843.3 Maintenance of Gas Holders	0	0
139	843.4 Maintenance of Purification Equipment	0	0
140	843.5 Maintenance of Liquefaction Equipment	0	0
141	843.6 Maintenance of Vaporizing Equipment	0	0
142	843.7 Maintenance of Compressor Equipment	0	0
143	843.8 Maintenance of Measuring and Regulating Equipment	0	0
144	843.9 Maintenance of Other Equipment	0	0
145	TOTAL Maintenance (Total of lines 136 thru 144)	0	0
146	TOTAL Other Storage Expenses (Total of lines 134 and 145)	852,496	556,771

Gas Operation and Maintenance Expenses(continued)

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
147	C. Liquefied Natural Gas Terminaling and Processing Expenses		
148	Operation		
149	844.1 Operation Supervision and Engineering	1,375	1,456
150	844.2 LNG Processing Terminal Labor and Expenses	0	0
151	844.3 Liquefaction Processing Labor and Expenses	0	0
152	844.4 Liquefaction Transportation Labor and Expenses	0	0
153	844.5 Measuring and Regulating Labor and Expenses	0	0
154	844.6 Compressor Station Labor and Expenses	0	0
155	844.7 Communication System Expenses	0	0
156	844.8 System Control and Load Dispatching	0	0
157	845.1 Fuel	0	0
158	845.2 Power	0	0
159	845.3 Rents	0	0
160	845.4 Demurrage Charges	0	0
161	(less) 845.5 Wharfage Receipts-Credit	0	0
162	845.6 Processing Liquefied or Vaporized Gas by Others	0	0
163	846.1 Gas Losses	0	0
164	846.2 Other Expenses	0	0
165	TOTAL Operation (Total of lines 149 thru 164)	1,375	1,456
166	Maintenance		
167	847.1 Maintenance Supervision and Engineering	0	0
168	847.2 Maintenance of Structures and Improvements	0	0
169	847.3 Maintenance of LNG Processing Terminal Equipment	0	0
170	847.4 Maintenance of LNG Transportation Equipment	0	0
171	847.5 Maintenance of Measuring and Regulating Equipment	0	0
172	847.6 Maintenance of Compressor Station Equipment	0	0
173	847.7 Maintenance of Communication Equipment	0	0
174	847.8 Maintenance of Other Equipment	0	0
175	TOTAL Maintenance (Total of lines 167 thru 174)	0	0
176	TOTAL Liquefied Nat Gas Terminaling and Proc Exp (Total of lines 165 and 175)	1,375	1,456
177	TOTAL Natural Gas Storage (Total of lines 125, 146, and 176)	3,094,220	1,952,990

Gas Operation and Maintenance Expenses(continued)

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
178	3. TRANSMISSION EXPENSES		
179	Operation		
180	850 Operation Supervision and Engineering	0	0
181	851 System Control and Load Dispatching	0	0
182	852 Communication System Expenses	0	0
183	853 Compressor Station Labor and Expenses	0	0
184	854 Gas for Compressor Station Fuel	0	0
185	855 Other Fuel and Power for Compressor Stations	0	0
186	856 Mains Expenses	0	0
187	857 Measuring and Regulating Station Expenses	0	0
188	858 Transmission and Compression of Gas by Others	0	0
189	859 Other Expenses	0	0
190	860 Rents	0	0
191	TOTAL Operation (Total of lines 180 thru 190)	0	0
192	Maintenance		
193	861 Maintenance Supervision and Engineering	0	0
194	862 Maintenance of Structures and Improvements	2,111	0
195	863 Maintenance of Mains	0	0
196	864 Maintenance of Compressor Station Equipment	0	0
197	865 Maintenance of Measuring and Regulating Station Equipment	0	0
198	866 Maintenance of Communication Equipment	0	0
199	867 Maintenance of Other Equipment	0	0
200	TOTAL Maintenance (Total of lines 193 thru 199)	2,111	0
201	TOTAL Transmission Expenses (Total of lines 191 and 200)	2,111	0
202	4. DISTRIBUTION EXPENSES		
203	Operation		
204	870 Operation Supervision and Engineering	2,408,128	2,242,134
205	871 Distribution Load Dispatching	248,129	230,474
206	872 Compressor Station Labor and Expenses	0	0
207	873 Compressor Station Fuel and Power	0	0

Gas Operation and Maintenance Expenses(continued)

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
208	874 Mains and Services Expenses	17,766,602	15,874,763
209	875 Measuring and Regulating Station Expenses-General	1,746,480	1,338,285
210	876 Measuring and Regulating Station Expenses-Industrial	449,172	303,920
211	877 Measuring and Regulating Station Expenses-City Gas Check Station	0	0
212	878 Meter and House Regulator Expenses	2,859,451	2,534,436
213	879 Customer Installations Expenses	3,502,703	3,760,086
214	880 Other Expenses	14,763,704	15,149,735
215	881 Rents	219,295	256,849
216	TOTAL Operation (Total of lines 204 thru 215)	43,963,664	41,690,682
217	Maintenance		
218	885 Maintenance Supervision and Engineering	58,128	509,649
219	886 Maintenance of Structures and Improvements	134,870	175,706
220	887 Maintenance of Mains	8,510,357	9,079,977
221	888 Maintenance of Compressor Station Equipment	0	0
222	889 Maintenance of Measuring and Regulating Station Equipment-General	776,080	848,992
223	890 Maintenance of Meas. and Reg. Station Equipment-Industrial	356,293	333,251
224	891 Maintenance of Meas. and Reg. Station Equip-City Gate Check Station	0	0
225	892 Maintenance of Services	4,750,713	5,519,071
226	893 Maintenance of Meters and House Regulators	1,038,756	328,942
227	894 Maintenance of Other Equipment	585,308	598,232
228	TOTAL Maintenance (Total of lines 218 thru 227)	16,210,505	17,393,820
229	TOTAL Distribution Expenses (Total of lines 216 and 228)	60,174,169	59,084,502
230	5. CUSTOMER ACCOUNTS EXPENSES		
231	Operation		
232	901 Supervision	94,511	92,622
233	902 Meter Reading Expenses	8,152,736	7,837,651
234	903 Customer Records and Collection Expenses	17,209,917	16,103,887

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2019	End of 2018/Q4

Gas Operation and Maintenance Expenses(continued)

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
235	904 Uncollectible Accounts	4,333,263	4,285,877
236	905 Miscellaneous Customer Accounts Expenses	0	0
237	TOTAL Customer Accounts Expenses (Total of lines 232 thru 236)	29,790,427	28,320,037
238	6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES		
239	Operation		
240	907 Supervision	0	0
241	908 Customer Assistance Expenses	20,003,714	23,238,426
242	909 Informational and Instructional Expenses	1,408,992	1,064,691
243	910 Miscellaneous Customer Service and Informational Expenses	645	787
244	TOTAL Customer Service and Information Expenses (Total of lines 240 thru 243)	21,413,351	24,303,904
245	7. SALES EXPENSES		
246	Operation		
247	911 Supervision	0	0
248	912 Demonstrating and Selling Expenses	(213,909)	0
249	913 Advertising Expenses	0	0
250	916 Miscellaneous Sales Expenses	0	0
251	TOTAL Sales Expenses (Total of lines 247 thru 250)	(213,909)	0
252	8. ADMINISTRATIVE AND GENERAL EXPENSES		
253	Operation		
254	920 Administrative and General Salaries	24,274,189	26,813,694
255	921 Office Supplies and Expenses	4,492,967	794,258
256	(Less) 922 Administrative Expenses Transferred-Credit	11,207,533	9,915,136
257	923 Outside Services Employed	6,567,418	9,347,146
258	924 Property Insurance	139,620	211,612
259	925 Injuries and Damages	1,433,126	6,510,880
260	926 Employee Pensions and Benefits	15,307,012	13,634,282
261	927 Franchise Requirements	0	0
262	928 Regulatory Commission Expenses	1,985,646	2,719,857
263	(Less) 929 Duplicate Charges-Credit	0	0
264	930.1General Advertising Expenses	0	248
265	930.2Miscellaneous General Expenses	2,986,077	1,322,094
266	931 Rents	3,453,275	4,116,194
267	TOTAL Operation (Total of lines 254 thru 266)	49,431,797	55,555,129
268	Maintenance		
269	932 Maintenance of General Plant	9,324,447	8,704,555
270	TOTAL Administrative and General Expenses (Total of lines 267 and 269)	58,756,244	64,259,684
271	TOTAL Gas O&M Expenses (Total of lines 97,177,201,229,237,244,251, and 270)	472,664,249	540,357,649

Gas Used in Utility Operations

1. Report below details of credits during the year to Accounts 810, 811, and 812.
2. If any natural gas was used by the respondent for which a charge was not made to the appropriate operating expense or other account, list separately in column (c) the Dth of gas used, omitting entries in column (d).

Line No.	Purpose for Which Gas Was Used (a)	Account Charged (b)	Natural Gas Gas Used Dth (c)	Natural Gas Amount of Credit (in dollars) (d)	Natural Gas Amount of Credit (in dollars) (d)	Natural Gas Amount of Credit (in dollars) (d)
1	810 Gas Used for Compressor Station Fuel - Credit					
2	811 Gas Used for Products Extraction - Credit					
3	Gas Shrinkage and Other Usage in Respondent's Own Processing					
4	Gas Shrinkage, etc. for Respondent's Gas Processed by Others					
5	812 Gas Used for Other Utility Operations - Credit (Report separately for each principal use. Group minor uses.)		28,055	64,441		
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24						
25	**Total**		28,055	64,441		

Miscellaneous General Expenses (Account 930.2)

1. Provide the information requested below on miscellaneous general expenses.
2. For Other Expenses, show the (a) purpose, (b) recipient and (c) amount of such items. List separately amounts of $250,000 or more however, amounts less than $250,000 may be grouped if the number of items of so grouped is shown.

Line No.	Description (a)	Amount (in dollars) (b)
1	Industry association dues.	601,966
2	Experimental and general research expenses.	
	a. Gas Research Institute (GRI)	
	b. Other	
3	Publishing and distributing information and reports to stockholders, trustee, registrar, and transfer	
	agent fees and expenses, and other expenses of servicing outstanding securities of the respondent	
4	Board of Director Fees and Expenses	421,032
5	Other Membership Dues	139,280
6	Communication Services	
7	Treasury Fees and Expenses	127,472
8	Misc General Expenses	1,685,541
9	State/Fed Govt Related Industry Expenses	10,788
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22		
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24		
25	**Total**	2,986,079

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2019	End of 2018/Q4

Depreciation, Depletion and Amortization of Gas Plant (Accts 403, 404.1, 404.2, 404.3, 405) (Except Amortization of Acquisition Adjustments)

1. Report in Section A the amounts of depreciation expense, depletion and amortization for the accounts indicated and classified according to the plant functional groups shown.
2. Report in Section B, column (b) all depreciable or amortizable plant balances to which rates are applied and show a composite total. (If more desirable, report by plant account, subaccount or functional classifications other than those pre-printed in column (a). Indicate in a footnote the manner in which column (b) balances are

Section A. Summary of Depreciation, Depletion, and Amortization Charges

Line No.	Functional Classification (a)	Depreciation Expense (Account 403) (b)	Amortization Expense for Asset Retirement Costs (Account 403.1) (c)	Amortization and Depletion of Producing Natural Gas Land and Land Rights (Account 404.1) (d)	Amortization of Underground Storage Land and Land Rights (Account 404.2) (e)
1	Intangible plant				
2	Production plant, manufactured gas	36,777			
3	Production and gathering plant, natural gas				
4	Products extraction plant				
5	Underground gas storage plant	1,119,988			
6	Other storage plant	336,846			
7	Base load LNG terminaling and processing plant	22,518			
8	Transmission plant				
9	Distribution plant	104,861,133	149,859		
10	General plant	1,501,492			
11	Common plant-gas	9,086,851	725		
12	TOTAL	116,965,605	150,584		

Depreciation, Depletion and Amortization of Gas Plant (Accts 403, 404.1, 404.2, 404.3, 405) (Except Amortization of Acquisition Adjustments) (continued)

obtained. If average balances are used, state the method of averaging used. For column (c) report available information for each plant functional classification listed in column (a). If composite depreciation accounting is used, report available information called for in columns (b) and (c) on this basis. Where the unit-of-production method is used to determine depreciation charges, show in a footnote any revisions made to estimated gas reserves.

3. If provisions for depreciation were made during the year in addition to depreciation provided by application of reported rates, state in a footnote the amounts and nature of the provisions and the plant items to which related.

Section A. Summary of Depreciation, Depletion, and Amortization Charges

Line No.	Amortization of Other Limited-term Gas Plant (Account 404.3) (f)	Amortization of Other Gas Plant (Account 405) (g)	Total (b to g) (h)	Functional Classification (a)
1	3,292,940		3,292,940	Intangible plant
2			36,777	Production plant, manufactured gas
3				Production and gathering plant, natural gas
4				Products extraction plant
5			1,119,988	Underground gas storage plant
6			336,846	Other storage plant
7			22,518	Base load LNG terminaling and processing plant
8				Transmission plant
9			105,010,992	Distribution plant
10			1,501,492	General plant
11	23,067,724		32,155,300	Common plant-gas
12	26,360,664		143,476,853	TOTAL

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Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2019	End of 2018/Q4

Depreciation, Depletion and Amortization of Gas Plant (Accts 403, 404.1, 404.2, 404.3, 405) (Except Amortization of Acquisition Adjustments) (continued)

4. Add rows as necessary to completely report all data. Number the additional rows in sequence as 2.01, 2.02, 3.01, 3.02, etc.

Section B. Factors Used in Estimating Depreciation Charges

Line No.	Functional Classification (a)	Plant Bases (in thousands) (b)	Applied Depreciation or Amortization Rates (percent) (c)
1	Production and Gathering Plant		
2	Offshore (footnote details)		
3	Onshore (footnote details)	6,584	
4	Underground Gas Storage Plant (footnote details)	47,675	
5	Transmission Plant		
6	Offshore (footnote details)		
7	Onshore (footnote details)		
8	General Plant (footnote details)	26,735	
9	Intangible Plant	27,829	
10	LNG Terminating and Processing	14,439	
11	Distribution	3,839,561	
12			
13			
14			
15			

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2019	End of 2018/Q4

Particulars Concerning Certain Income Deductions and Interest Charges Accounts

Report the information specified below, in the order given, for the respective income deduction and interest charges accounts.

(a) Miscellaneous Amortization (Account 425)-Describe the nature of items included in this account, the contra account charged, the total of amortization charges for the year, and the period of amortization.

(b) Miscellaneous Income Deductions-Report the nature, payee, and amount of other income deductions for the year as required by Accounts 426.1, Donations; 426.2, Life Insurance; 426.3, Penalties; 426.4, Expenditures for Certain Civic, Political and Related Activities; and 426.5, Other Deductions, of the Uniform System of Accounts. Amounts of less than $250,000 may be grouped by classes within the above accounts.

(c) Interest on Debt to Associated Companies (Account 430)-For each associated company that incurred interest on debt during the year, indicate the amount and interest rate respectively for (a) advances on notes, (b) advances on open account, (c) notes payable, (d) accounts payable, and (e) other debt, and total interest. Explain the nature of other debt on which interest was incurred during the year.

(d) Other Interest Expense (Account 431) - Report details including the amount and interest rate for other interest charges incurred during the year.

Line No.	Item (a)	Amount (b)
1	Account 425 - Miscellaneous Amortization	
2	Total	
3		
4	Account 426.1 - Donations:	
5	Arts & Culture	1,000
6	Education	15,000
7	Environment	5,100
8	Human Services	31,200
9	Misc	4,383
10	Total	56,683
11		
12	Account 426.2 - Life Insurance	
13	Gain on Corporate Life Insurance	(1,763,633)
14	Total	(1,763,633)
15		
16	Account 426.3 - Penalties:	
17	Tax Penalties	2,419
18	NERC Standards Compliance Penalty	433,750
19	Ecogen Compliance Penalty	6,000
20	Simple Cycle Compliance Penalty	5,000
21	Total	447,169
22		
23	Account 426.4 - Civic, Political & Related Activity:	
24	Federal	1,026,174
25	Local	4,232,473
26	State	1,253,075
27	Total	6,511,722
28		
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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2019	End of 2018/Q4

Particulars Concerning Certain Income Deductions and Interest Charges Accounts (continued)

Line No.	Item (a)	Amount (b)
1	Account 426.5 - Other Deductions	
2	Advertising & Trademarks	665,306
3	Dues & Memberships	195,856
4	EIM SOC Penalties	21,000
5	Miscellaneous Over $100k	980,074
6	Miscellaneous Under $100k	176,919
7	Public Relations	1,676,084
8	SFAS 106 Post Retirement Benefits	(470,000)
9	SFAS 133 Loss on Fair Value Purchases	(18,638,710)
10	Employee Retirement Benefits	5,124,440
11	Low Income Weatherization	374,613
12	Customer Service Guaranteed	31,550
13	Total	(9,862,868)
14		
15	Account 430 - Interest on Debt to Associated Companies	
16	Total	
17		
18	Account 431 - Other Interest Expense:	
19	Bond Interest	6,657,142
20	Interest on Capital Lease	28,034
21	Interest on Customer Deposits @ 4.96%	305,086
22	Interest on Deferred Compensation	(14,861)
23	Interest on Federal Incentives	8,712,695
24	Interest on Decoupling	443,512
25	Interest on Tax	139
26	Interest on Renewable Energy Credits	78,337
27	Interest on Power Cost Adjustment/Purchase Gas Adjustment	1,269,011
28	Total	17,479,095
29		
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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2019	End of 2018/Q4

Regulatory Commission Expenses (Account 928)

1. Report below details of regulatory commission expenses incurred during the current year (or in previous years, if being amortized) relating to formal cases before a regulatory body, or cases in which such a body was a party.
2. In column (b) and (c), indicate whether the expenses were assessed by a regulatory body or were otherwise incurred by the utility.

Line No.	Description (Furnish name of regulatory commission or body, the docket number, and a description of the case.) (a)	Assessed by Regulatory Commission (b)	Expenses of Utility (c)	Total Expenses to Date (d)	Deferred in Account 182.3 at Beginning of Year (e)
1	WUTC Filing Fee	1,699,068		1,699,068	
2	FERC Regulatory Compliance		178,311	178,311	
3	State Regulatory Legal Fees		63,563	63,563	
4	General Rate Case Legal Fees		48,231	48,231	
5					
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22					
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24					
25	**Total**	1,699,068	290,105	1,989,173	

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2019	End of 2018/Q4

Regulatory Commission Expenses (Account 928)

3. Show in column (k) any expenses incurred in prior years that are being amortized. List in column (a) the period of amortization.
4. Identify separately all annual charge adjustments (ACA).
5. List in column (f), (g), and (h) expenses incurred during year which were charges currently to income, plant, or other accounts.
6. Minor items (less than $250,000) may be grouped.

Line No.	Expenses Incurred During Year Charged Currently To Department (f)	Expenses Incurred During Year Charged Currently To Account No. (g)	Expenses Incurred During Year Charged Currently To Amount (h)	Expenses Incurred During Year Deferred to Account 182.3 (i)	Amortized During Year Contra Account (j)	Amortized During Year Amount (k)	Deferred in Account 182.3 End of Year (l)
1	Gas	928	1,699,068				
2	Gas	928	178,311				
3	Gas	928	63,563				
4	Gas	928	48,231				
5							
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25			1,989,173				

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2019	End of 2018/Q4

Employee Pensions and Benefits (Account 926)

1. Report below the items contained in Account 926, Employee Pensions and Benefits.

Line No.	Expense (a)	Amount (b)
1	Pensions – defined benefit plans	
2	Pensions – other	
3	Post-retirement benefits other than pensions (PBOP)	
4	Post- employment benefit plans	
5	Other (Specify)	
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	Total	**0**

Distribution of Salaries and Wages

Report below the distribution of total salaries and wages for the year. Segregate amounts originally charged to clearing accounts to Utility Departments, Construction, Plant Removals and Other Accounts, and enter such amounts in the appropriate lines and columns provided. Salaries and wages billed to the Respondent by an affiliated company must be assigned to the particular operating function(s) relating to the expenses.

In determining this segregation of salaries and wages originally charged to clearing accounts, a method of approximation giving substantially correct results may be used. When reporting detail of other accounts, enter as many rows as necessary numbered sequentially starting with 75.01, 75.02, etc.

Line No.	Classification (a)	Direct Payroll Distribution (b)	Payroll Billed by Affiliated Companies (c)	Allocation of Payroll Charged for Clearing Accounts (d)	Total (e)
1	Electric				
2	Operation				
3	Production	22,170,771		175,359	22,346,130
4	Transmission	6,996,178		55,336	7,051,514
5	Distribution	18,395,117		145,496	18,540,613
6	Customer Accounts	10,677,889		84,457	10,762,346
7	Customer Service and Informational	1,326,330		10,491	1,336,821
8	Sales	652,518		5,161	657,679
9	Administrative and General	27,966,885		221,203	28,188,088
10	TOTAL Operation (Total of lines 3 thru 9)	88,185,688		697,503	88,883,191
11	Maintenance				
12	Production	5,267,204		41,661	5,308,865
13	Transmission	2,186,840		17,297	2,204,137
14	Distribution	8,999,920		71,185	9,071,105
15	Administrative and General	396,743		3,138	399,881
16	TOTAL Maintenance (Total of lines 12 thru 15)	16,850,707		133,281	16,983,988
17	Total Operation and Maintenance				
18	Production (Total of lines 3 and 12)	27,437,975		217,020	27,654,995
19	Transmission (Total of lines 4 and 13)	9,183,018		72,633	9,255,651
20	Distribution (Total of lines 5 and 14)	27,395,037		216,681	27,611,718
21	Customer Accounts (line 6)	10,677,889		84,457	10,762,346
22	Customer Service and Informational (line 7)	1,326,330		10,491	1,336,821
23	Sales (line 8)	652,518		5,161	657,679
24	Administrative and General (Total of lines 9 and 15)	28,363,628		224,341	28,587,969
25	TOTAL Operation and Maintenance (Total of lines 18 thru 24)	105,036,395		830,784	105,867,179
26	Gas				
27	Operation				
28	Production - Manufactured Gas	87,900		695	88,595
29	Production - Natural Gas(Including Exploration and Development)				
30	Other Gas Supply	2,072,519		16,393	2,088,912
31	Storage, LNG Terminaling and Processing	943,766		7,465	951,231
32	Transmission				
33	Distribution	19,538,581		154,540	19,693,121
34	Customer Accounts	8,086,204		63,958	8,150,162
35	Customer Service and Informational	851,814		6,737	858,551
36	Sales	(169,799)		(1,343)	(171,142)
37	Administrative and General	13,984,687		110,612	14,095,299
38	TOTAL Operation (Total of lines 28 thru 37)	45,395,672		359,057	45,754,729
39	Maintenance				
40	Production - Manufactured Gas				
41	Production - Natural Gas(Including Exploration and Development)				
42	Other Gas Supply				
43	Storage, LNG Terminaling and Processing	263,038		2,079	265,117
44	Transmission				
45	Distribution	6,077,826		48,071	6,125,897

Distribution of Salaries and Wages (continued)

Line No.	Classification (a)	Direct Payroll Distribution (b)	Payroll Billed by Affiliated Companies (c)	Allocation of Payroll Charged for Clearing Accounts (d)	Total (e)
46	Administrative and General	225,390		1,783	227,173
47	TOTAL Maintenance (Total of lines 40 thru 46)	6,566,254		51,933	6,618,187
48	Gas (Continued)				
49	Total Operation and Maintenance				
50	Production - Manufactured Gas (Total of lines 28 and 40)	87,900		695	88,595
51	Production - Natural Gas (Including Expl. and Dev.)(ll. 29 and 41)				
52	Other Gas Supply (Total of lines 30 and 42)	2,072,519		16,393	2,088,912
53	Storage, LNG Terminaling and Processing (Total of ll. 31 and 43)	1,206,804		9,544	1,216,348
54	Transmission (Total of lines 32 and 44)				
55	Distribution (Total of lines 33 and 45)	25,616,407		202,611	25,819,018
56	Customer Accounts (Total of line 34)	8,086,204		63,958	8,150,162
57	Customer Service and Informational (Total of line 35)	851,814		6,737	858,551
58	Sales (Total of line 36)	(169,799)		(1,343)	(171,142)
59	Administrative and General (Total of lines 37 and 46)	14,210,077		112,395	14,322,472
60	Total Operation and Maintenance (Total of lines 50 thru 59)	51,961,926		410,990	52,372,916
61	Other Utility Departments				
62	Operation and Maintenance				
63	TOTAL ALL Utility Dept. (Total of lines 25, 60, and 62)	156,998,321		1,241,774	158,240,095
64	Utility Plant				
65	Construction (By Utility Departments)				
66	Electric Plant	64,330,053		508,817	64,838,870
67	Gas Plant	21,483,356		169,922	21,653,278
68	Other	43,990,532		347,942	44,338,474
69	TOTAL Construction (Total of lines 66 thru 68)	129,803,941		1,026,681	130,830,622
70	Plant Removal (By Utility Departments)				
71	Electric Plant	2,874,170		22,733	2,896,903
72	Gas Plant	1,391,088		11,003	1,402,091
73	Other	289,633		2,291	291,924
74	TOTAL Plant Removal (Total of lines 71 thru 73)	4,554,891		36,027	4,590,918
75	Other Accounts (Specify) (footnote details)	20,194,723		159,730	20,354,453
76	TOTAL Other Accounts	20,194,723		159,730	20,354,453
77	TOTAL SALARIES AND WAGES	311,551,876		2,464,212	314,016,088

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) X An Original (2) _ A Resubmission	04/15/2019	2018/Q4

FOOTNOTE DATA

Schedule Page: 354 Line No.: 75 Column: a

Schedule Page: 354 Line No.: 75 Column (a)

Classification (a)	Direct Payroll Distribution (b)	Allocation of Payroll Charged for Clearing Accounts (c)	Total (d)
Other Accounts (Specify):			
121 Non Utility Property	38,139	302	38,441
163 Store Expense	3,571,017	28,245	3,599,262
182 Regulatory Asset	11,188,950	88,499	11,277,449
185 Temporary Facilities	27,910	221	28,131
186 Misc. Deferred Debits	3,763,199	29,765	3,792,964
Misc. 400 Accounts	1,604,070	12,687	1,616,757
143 Accts Receivable Misc.	0	0	0
Prelim Survey OG 183	0	0	0
Misc. 200 Accounts	1,438	11	1,449
Jackson Prairie Joint Venture - Capital - PSE Share	0	0	0
Jackson Prairie Joint Venture - Expense - PSE Share	0	0	0
TOTAL Other Accounts	20,194,723	159,730	20,354,453

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2019	End of 2018/Q4

Charges for Outside Professional and Other Consultative Services

1. Report the information specified below for all charges made during the year included in any account (including plant accounts) for outside consultative and other professional services. These services include rate, management, construction, engineering, research, financial, valuation, legal, accounting, purchasing, advertising,labor relations, and public relations, rendered for the respondent under written or oral arrangement, for which aggregate payments were made during the year to any corporation partnership, organization of any kind, or individual (other than for services as an employee or for payments made for medical and related services) amounting to more than $250,000, including payments for legislative services, except those which should be reported in Account 426.4 Expenditures for Certain Civic, Political and Related Activities.
   (a) Name of person or organization rendering services.
   (b) Total charges for the year.
2. Sum under a description "Other", all of the aforementioned services amounting to $250,000 or less.
3. Total under a description "Total", the total of all of the aforementioned services.
4. Charges for outside professional and other consultative services provided by associated (affiliated) companies should be excluded from this schedule and be reported on Page 358, according to the instructions for that schedule.

Line No.	Description (a)	Amount (in dollars) (b)
1	QUANTA SERVICES INC	148,575,790
2	INFRASOURCE SERVICES LLC	112,043,937
3	CBI SERVICES INC	75,266,378
4	ACCENTURE LLP	45,839,053
5	AA ASPHALTING LLC	37,436,252
6	ASPLUNDH TREE EXPERTS	22,898,833
7	LANDIS + GYR TECHNOLOGY INC	20,796,967
8	HYDROMAX USA LLC	20,251,767
9	VESTAS	15,050,211
10	ELM LOCATING & UTILITY SERVICE	14,381,840
11	SAP AMERICA INC	9,844,851
12	UNIFY CONSULTING LLC	9,469,639
13	SIEMENS GAMESA RENEWABLE ENERG	9,273,407
14	POTELCO INC	6,951,538
15	COGNIZANT TECHNOLOGY SOLUTIONS	5,966,398
16	HODGE CONSTRUCTION INC	5,706,877
17	VECA ELECTRIC & TECHNOLOGIES	5,637,598
18	POTTLE & SONS CONSTRUCTION INC	5,602,419
19	KPMG LLP	5,413,571
20	GE INTERNATIONAL INC	5,284,031
21	METER READINGS HOLDING LLC	4,987,657
22	FISERV SOLUTIONS LLC	4,981,269
23	POWERPLAN INC	4,781,453
24	TISHMAN CONSTRUCTION CORPORATI	4,718,750
25	NW UTILITY SERVICES LLC	4,547,272
26	NORTHWEST ENERGY EFFICIENCY	4,463,493
27	GEOENGINEERS INC	4,385,736
28	BROAD REACH IT INC	4,349,005
29	MEDIA MOSAIC INC	4,031,879
30	SHANNON & WILSON INC	3,962,512
31	ASPLUNDH CONSTRUCTION CORPORAT	3,951,981
32	HDR ENGINEERING INC	3,931,107
33	WIDENET CONSULTING GROUP	3,925,282
34	PERKINS COIE LLP	3,900,947
35	U-TEGRATION LLC	3,794,593

Charges for Outside Professional and Other Consultative Services (continued)

Line No.	Description (a)	Amount (in dollars) (b)
1	CORMETECH INC	3,609,784
2	MCMILLEN LLC	3,491,940
3	SOUND VIEW STRATEGIES LLC	3,404,846
4	PRICEWATERHOUSECOOPERS LLP	3,287,068
5	AEROTEK INC	3,257,971
6	ALSTOM GRID LLC	3,176,758
7	P2 SOLUTIONS GROUP LLC	3,169,402
8	INFOSYS LIMITED	3,169,245
9	PA CONSULTING GROUP INC	3,024,426
10	LYDIG CONSTRUCTION INC	2,994,741
11	TEMPO HOLDING COMPANY LLC	2,945,772
12	ESM CONSULTING ENGINEERS LLC	2,851,720
13	AVERTRA CORP	2,825,590
14	IBM CORPORATION	2,627,331
15	CAIMAN CONSULTING	2,570,476
16	LOFT9 LLC	2,486,892
17	ORACLE AMERICA INC	2,478,083
18	MICHELS POWER	2,462,651
19	ORION MARINE CONTRACTORS INC	2,435,370
20	TAMAZARI INC	2,332,290
21	DC & M PARTNERS LLC	2,291,960
22	SNOHOMISH COUNTY PUD	2,286,744
23	SAP INDUSTRIES INC	2,189,725
24	VESTA PARTNERS LLC	2,183,879
25	N SPRO LLC	2,122,705
26	POWER ENGINEERS INC	2,113,918
27	BGIS GLOBAL INTEGRATED SOLUTIO	2,086,149
28	WESTERN REFINERY SERVICES INC	2,074,629
29	FAST WATER HEATER COMPANY	2,034,358
30	CONVERGENT OUTSOURCING INC	2,016,323
31	BRADEN MANUFACTURING LLC	1,981,380
32	LIMITED ENERGY SERVICES INC	1,919,334
33	KENT PERFORMANCE AUTO CENTER	1,826,275
34	SIEMENS INDUSTRY INC	1,740,672
35	POWER SYSTEMS CONSULTANTS INC	1,739,506

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Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2019	End of 2018/Q4

Charges for Outside Professional and Other Consultative Services (continued)

Line No.	Description (a)	Amount (in dollars) (b)
1	GUIDACENT INC	1,731,027
2	WALKER HEAVY CONSTRUCTION INC	1,707,153
3	TIGER CONSTRUCTION LTD	1,698,559
4	STOEL RIVES LLP	1,686,248
5	DANIEL J EDELMAN INC	1,676,084
6	CLEARESULT CONSULTING INC	1,656,866
7	ERNST & YOUNG US LLP	1,651,423
8	SIGNATURE COMMERCIAL SOLUTIONS	1,581,083
9	LG CONSULTING LLC	1,575,074
10	ALLIED POWER GROUP LLC	1,566,954
11	METROPOLITAN CONTRACTING LLC	1,519,608
12	WORLD WIDE TECHNOLOGY INC	1,502,714
13	OSMOSE UTILITIES SERVICES INC	1,491,883
14	WILSON CONSTRUCTION COMPANY	1,442,139
15	ACTIVE TELESOURCE INC	1,421,007
16	THINKBOX TECHNOLOGY GROUP LLC	1,368,489
17	KUBRA DATA TRANSFER LTD	1,363,221
18	OPINION DYNAMICS CORPORATION	1,344,173
19	WEATHERFORD US LP	1,291,397
20	TOKUSAKU CONSULTING	1,284,111
21	CUDD PRESSURE CONTROL INC	1,282,784
22	PROKARMA INC	1,211,459
23	PUGET SOUND SECURITY SERVICES	1,205,390
24	PROLIANCE CONSULTING LLC	1,195,864
25	WILLDAN ENERGY SOLUTIONS	1,188,295
26	DAVID EVANS & ASSOCIATES INC	1,186,955
27	NEXIDIA INC	1,186,600
28	WESTERN ELECTRICITY COORDINATI	1,151,724
29	BANK OF AMERICA	1,147,897
30	SULZER TURBO SERVICES	1,139,681
31	GORDON TILDEN THOMAS & CORDELL	1,116,016
32	POINT B INC	1,075,604
33	NAVISTAR INC	1,053,496
34	SERVICENOW INC	1,041,774
35	ARIBA INC	1,014,607

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Charges for Outside Professional and Other Consultative Services (continued)

Line No.	Description (a)	Amount (in dollars) (b)
1	ENVIROISSUES INC	991,819
2	MCKINSTRY CO LLC	983,697
3	JH KELLY LLC	978,744
4	NORTHWEST EDISON	958,317
5	3DEGREES GROUP INC	935,382
6	TEKSYSTEMS INC	918,346
7	JOHANSEN CONSTRUCTION COMPANY	915,689
8	POWER COSTS INC	908,965
9	SLALOM LLC	906,342
10	SUMMIT LAW GROUP PLLC	898,163
11	DJS ELECTRICAL INC	861,873
12	LAWHEAD ARCHITECTS PS	835,294
13	AXELERATE LLC	833,663
14	NORTHWEST PIPELINE GP	822,860
15	MOODYS INVESTORS SERVICE INC	804,000
16	CREATIVE CIRCLE LLC	800,047
17	WATERSHED COMPANY	785,564
18	ZERVAS GROUP ARCHITECTS	782,374
19	TEREX UTILITIES INC	775,546
20	TECHNOLOGIX INC	771,420
21	STANDARD & POORS FINANCIAL	765,675
22	APEX SYSTEMS LLC	745,704
23	KPIT	702,864
24	DAVID C RYDER PS	689,292
25	ECOSYS MANAGEMENT LLC	685,100
26	BAKER BOTTS LLP	674,137
27	TELVENT USA LLC	668,431
28	ALTEC INDUSTRIES INC	662,491
29	AMERICAN HYDRO CORPORATION	661,287
30	DIMENSION DATA NORTH AMERICA I	660,784
31	VAN NESS FELDMAN LLP	659,932
32	BUDGET TOWING & AUTO REPAIR IN	659,516
33	UTILITIES UNDERGROUND LOCATION	655,999
34	EMERALD CITY MOVING & STORAGE	650,190
35	INDUSTRIAL AIR FLOW DYNAMICS I	632,371

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Charges for Outside Professional and Other Consultative Services (continued)

Line No.	Description (a)	Amount (in dollars) (b)
1	US FOREST SERVICE	599,545
2	FORD QUALITY FLEET CARE	597,739
3	APPLIED PROFESSIONAL SERVICES	597,246
4	SRJ INVESTMENTS INC	592,476
5	EN ENGINEERING LLC	586,466
6	THE CADMUS GROUP LLC	569,220
7	UTILITIES INTERNATIONAL INC	566,814
8	COLEHOUR & COHEN INC	547,733
9	VITAL MECHANICAL SERVICE INC	546,952
10	QUANTA UTILITY ENGINEERING	541,966
11	PROTIVITI INC	541,768
12	SHKS ARCHITECTS PS INC	518,172
13	ABB INC	516,381
14	DNV GL ENERGY INSIGHTS USA INC	515,972
15	PUTNAM ROBY WILLIAMSON	513,831
16	LONQUIST FIELD SERVICE LLC	498,270
17	AIM CONSULTING GROUP LLC	486,604
18	BAKER HUGHES OILFIELD OPERATIO	478,095
19	AIM CONSULTING	477,838
20	AIR SYSTEMS ENGINEERING INC	475,672
21	HYDRO CONSULTING & MAINTENANCE	473,376
22	FITCH RATINGS INC	467,000
23	PLANNING & MANAGEMENT SERVICES	466,099
24	SAFWAY INTERMEDIATE HOLDING LL	465,719
25	ADAPT INC	464,932
26	CASCADIAN BUILDING MAINTENANCE	464,436
27	TRAFFIC MANAGEMENT INC	459,930
28	AURITAS LLC	457,007
29	AMAZON WEB SERVICES INC	455,624
30	MAGNUM POWER LLC	446,680
31	INFORMATION SECURITY XPERTS IN	443,465
32	COPPEI CREEK INC	438,853
33	MESSAGE BROADCAST LLC	438,035
34	LUMENAL LIGHTING LLC	432,589
35	FOUNDATION STORAGE LLC	430,420

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Charges for Outside Professional and Other Consultative Services (continued)

Line No.	Description (a)	Amount (in dollars) (b)
1	UNIVERSAL FIELD SERVICES INC	428,189
2	COLUMBIAGRID INC	428,056
3	BLACKHAWK ENGAGEMENT SOLUTIONS	425,527
4	WOODBURN COMPANY	424,298
5	SECURITAS SECURITY SERVICES US	420,868
6	SUN-NET CONSULTING	419,920
7	WESTERN STATES FIRE PROTECTION	419,539
8	JACKSON MAIN ARCHITECTURE PS	414,007
9	RENASCENCE PARTNERS INC	412,260
10	FISERV	408,304
11	QUANTA TECHNOLOGY LLC	405,949
12	INSIGHT GLOBAL INC	405,829
13	SIGNATURE LANDSCAPE SERVICES L	397,331
14	TURNER CONSTRUCTION COMPANY	396,515
15	CITY OF SEATTLE	387,327
16	CONTRACT LAND STAFF LLC	386,158
17	PROFESSIONAL SERVICE INDUSTRIE	385,982
18	E M KAELIN TRUCKING	383,862
19	TED DEMERY	383,365
20	JOHNSON CONTROLS FIRE PROTECTI	376,416
21	WYSER CONSTRUCTION CO INC	370,450
22	BONNEVILLE POWER ADMINISTRATIO	370,059
23	ELECTRIC POWER RESEARCH INSTIT	369,367
24	SLR INTERNATIONAL CORP	357,451
25	BRADSON TECHNOLOGY PROFESSIONA	356,706
26	WILSON CONSTRUCTION CO	356,492
27	AES CONSULTANTS INC	354,560
28	CENTRIC CONSULTING, LLC	347,638
29	SYSTEM TRANSFER & STORAGE CO	344,724
30	OMEGA MORGAN RIGGING WA INC	342,263
31	NELSON ELECTRIC	339,744
32	SOLUTIONS NORTHWEST INC	339,330
33	SITECORE USA INC	335,919
34	KSB INC	330,411
35	TOTE MARITIME INC	326,766

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2019	End of 2018/Q4

Charges for Outside Professional and Other Consultative Services (continued)

Line No.	Description (a)	Amount (in dollars) (b)
1	DALTON OLMSTED & FUGLEVAND	323,394
2	DIAMOND B CONSTRUCTORS INC	322,351
3	VOGT POWER INTERNATIONAL INC	317,900
4	CONNEXIONS DATA INC	316,320
5	TRI-PACIFIC SUPPLY INC	315,105
6	SOGETI USA TECHNOLOGY & ENGINE	313,360
7	CLICKSOFTWARE INC	311,258
8	VENTILATION POWER CLEANING INC	310,683
9	SNELL CRANE SERVICE INC	310,092
10	MID-DEL GROUP LLC	308,549
11	BSOLVE LLC	306,850
12	ENBALA POWER NETWORKS USA INC	305,666
13	OPEN ACCESS TECHNOLOGY	297,046
14	HASKELL CORPORATION	296,926
15	GROOME INDUSTRIAL SERVICE GROU	294,051
16	GEORGE HEISER BODY CO INC	293,942
17	WA STATE DEPT OF FISH & WILDLI	293,770
18	PW POWER SYSTEMS INC	292,148
19	ARCTIC ARROW POWERLINE GROUP L	291,839
20	DAVIS WRIGHT TREMAINE LLP	290,825
21	CANYON INDUSTRIES INC	290,026
22	AI ENGINEERING LLC	287,753
23	LIMEADE INC	287,544
24	TECHNICAL BOLTING SOLUTIONS LL	285,855
25	SCOTTMADDEN INC	283,717
26	STATES OF MATTER INC	281,198
27	CLEAREDGE PARTNERS INC	278,765
28	STRUCTURED COMMUNICATION SYSTE	269,649
29	CITY OF TACOMA	264,707
30	FEDERAL SIGNAL CORPORATION	263,540
31	ONE DIVERSIFIED LLC	263,058
32	LES SCHWAB TIRE CENTERS OF	261,683
33	COHEN VENTURES INC	260,889
34	INSIGHT STRATEGIC PARTNERS LLC	260,044
35	NEXANT INC	254,080

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
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Charges for Outside Professional and Other Consultative Services (continued)

Line No.	Description (a)	Amount (in dollars) (b)
1	KORN/FERRY INTERNATIONAL	253,237
2	LANGTON SPIETH LLC	253,054
3	CASCADE ENERGY INC	250,128
4	ENGIE INSIGHT SERVICES INC	250,036
5	Other<$250,000	41,093,391
6		
7	Total	894,242,379
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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2019	End of 2018/Q4

Transactions with Associated (Affiliated) Companies

1. Report below the information called for concerning all goods or services received from or provided to associated (affiliated) companies amounting to more than $250,000.
2. Sum under a description “Other”, all of the aforementioned goods and services amounting to $250,000 or less.
3. Total under a description “Total”, the total of all of the aforementioned goods and services.
4. Where amounts billed to or received from the associated (affiliated) company are based on an allocation process, explain in a footnote the basis of the allocation.

Line No.	Description of the Good or Service (a)	Name of Associated/Affiliated Company (b)	Account(s) Charged or Credited (c)	Amount Charged or Credited (d)
1	Goods or Services Provided by Affiliated Company			
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19				
20	Goods or Services Provided for Affiliated Company			
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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2019	End of 2018/Q4

Compressor Stations

1. Report below details concerning compressor stations. Use the following subheadings: field compressor stations, products extraction compressor stations, underground storage compressor stations, transmission compressor stations, distribution compressor stations, and other compressor stations.
2. For column (a), indicate the production areas where such stations are used. Group relatively small field compressor stations by production areas. Show the number of stations grouped. Identify any station held under a title other than full ownership. State in a footnote the name of owner or co-owner, the nature of respondent's title, and percent of ownership if jointly owned.

Line No.	Name of Station and Location (a)	Number of Units at Station (b)	Certificated Horsepower for Each Station (c)	Plant Cost (d)
1	Jackson Prairie Storage Project (Note 1)	9	34,200	54,499,417
2				
3	Note 1: Jointly owned by:			
4	33.34% Puget Sound Energy, Inc.			
5	33.33% Avista			
6	33.33% Williams Gas Pipeline			
7				
8	Column (d) represents 100% of Plant Cost			
9	PSE's 33.34% interest = $18,170,105.63			
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Compressor Stations

Designate any station that was not operated during the past year. State in a footnote whether the book cost of such station has been retired in the books of account, or what disposition of the station and its book cost are contemplated. Designate any compressor units in transmission compressor stations installed and put into operation during the year and show in a footnote each unit's size and the date the unit was placed in operation.

3. For column (e), include the type of fuel or power, if other than natural gas. If two types of fuel or power are used, show separate entries for natural gas and the other fuel or power.

Line No.	Expenses (except depreciation and taxes) Fuel (e)	Expenses (except depreciation and taxes) Power (f)	Expenses (except depreciation and taxes) Other (g)	Gas for Compressor Fuel in Dth (h)	Electricity for Compressor Station in kWh (i)	Operational Data Total Compressor Hours of Operation During Year (j)	Operational Data Number of Compressors Operated at Time of Station Peak (k)	Date of Station Peak (l)
1				203,133		8,945	5	02/21/2018
2								
3								
4								
5								
6								
7								
8								
9								
10								
11								
12								
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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2019	End of 2018/Q4

Gas Storage Projects

1. Report injections and withdrawals of gas for all storage projects used by respondent.

Line No.	Item (a)	Gas Belonging to Respondent (Dth) (b)	Gas Belonging to Others (Dth) (c)	Total Amount (Dth) (d)
	STORAGE OPERATIONS (in Dth)			
1	Gas Delivered to Storage			
2	January			
3	February			
4	March			
5	April			
6	May			
7	June			
8	July			
9	August			
10	September			
11	October			
12	November			
13	December			
14	TOTAL (Total of lines 2 thru 13)			
15	Gas Withdrawn from Storage			
16	January			
17	February			
18	March			
19	April			
20	May			
21	June			
22	July			
23	August			
24	September			
25	October			
26	November			
27	December			
28	TOTAL (Total of lines 16 thru 27)			

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2019	End of 2018/Q4

Gas Storage Projects

1. On line 4, enter the total storage capacity certificated by FERC.
2. Report total amount in Dth or other unit, as applicable on lines 2, 3, 4, 7. If quantity is converted from Mcf to Dth, provide conversion factor in a footnote.

Line No.	Item (a)	Total Amount (b)
	STORAGE OPERATIONS	
1	Top or Working Gas End of Year	
2	Cushion Gas (Including Native Gas)	
3	Total Gas in Reservoir (Total of line 1 and 2)	
4	Certificated Storage Capacity	
5	Number of Injection - Withdrawal Wells	
6	Number of Observation Wells	
7	Maximum Days' Withdrawal from Storage	
8	Date of Maximum Days' Withdrawal	
9	LNG Terminal Companies (in Dth)	
10	Number of Tanks	
11	Capacity of Tanks	
12	LNG Volume	
13	Received at "Ship Rail"	
14	Transferred to Tanks	
15	Withdrawn from Tanks	
16	"Boil Off" Vaporization Loss	

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2019	End of 2018/Q4

Transmission Lines

1. Report below, by state, the total miles of transmission lines of each transmission system operated by respondent at end of year.
2. Report separately any lines held under a title other than full ownership. Designate such lines with an asterisk, in column (b) and in a footnote state the name of owner, or co-owner, nature of respondent's title, and percent ownership if jointly owned.
3. Report separately any line that was not operated during the past year. Enter in a footnote the details and state whether the book cost of such a line, or any portion thereof, has been retired in the books of account, or what disposition of the line and its book costs are contemplated.
4. Report the number of miles of pipe to one decimal point.

Line No.	Designation (Identification) of Line or Group of Lines (a)	* (b)	Total Miles of Pipe (c)
1			
2			
3			
4			
5			
6			
7			
8			
9			
10	NOTE - Although reported in the past, the Jackson Prairie station lines do not meet		
11	FERC's definition of transmission lines and therefore are no longer reported on		
12	page 514.		
13			
14			
15			
16			
17			
18			
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Name of Respondent	This Report Is:	Date of Report	Year/Period of Report
Puget Sound Energy, Inc.	(1) * An Original (2) A Resubmission	(Mo, Da, Yr) 3/6/2019	End of 2018/Q4

TRANSMISSION MAINS

(Supplement to Page 514)

	Lengths of Pipe in Feet				
Type Of Material (A)	Diameter Pipe Inches (B)	Beginning Of Year (C)	Laid During Year (D)	Abandoned During Year (E)	End Of Year (F)
ST	2	0	0	0	0
ST	4	0	0	0	0
ST	6	0	0	0	0
ST	8	0	0	0	0
ST	12	0	0	0	0
ST	16	0	0	0	0
ST	20	0	0	0	0
STW	12	0	0	0	0
STW	16	0	0	0	0
STW	20	0	0	0	0
	Totals	0	0	0	0

NOTE - After review of the company's gas plant and applying definitions 29 (B) & (C) of the Uniform System of Accounts, it was determined that the company's gas mains are more appropriately classified as distribution property for accounting purposes.

Name of Respondent	This Report Is:		Date of Report	Year of Report	
Puget Sound Energy, Inc.	(1) * An Original (2) A Resubmission		(Mo, Da, Yr) 3/4/2019	12/31/2018	

DISTRIBUTION MAINS

(Supplement to Page 514)

Kind Of Material (A)	Lengths of Pipe in Feet						
	Diameter Pipe Inches (B)	Beginning Of Year (C)	Laid During Year (D)	Abandoned During Year (E)	Transferred During Year (F)	End Of Year (G)	Ending balance per PP Report 1115
CI	03.000	-	-	-	-	-	-
CI	04.000	-	-	-	-	-	-
CI	06.000	-	-	-	-	-	-
CI	08.000	-	-	-	-	-	-
CI	10.000	-	-	-	-	-	-
CI	12.000	-	-	-	-	-	-
CI	16.000	-	-	-	-	-	-
CI	20-24	-	-	-	-	-	-
Total Cast Iron		-	-	-	-	-	-
PE	01.125	80,998	170	1,261	-	79,907	79,907
PE	01.250	2,413,439	3,017	5,406	-	2,411,050	2,411,050
PE	02.000	18,686,327	525,213	11,167	16	19,200,389	19,200,389
PE	03.000	62,856	-	-	-	62,856	62,856
PE	04.000	5,869,483	107,143	28,147	3	5,948,482	5,948,482
PE	06.000	2,679,581	53,181	1,512	10	2,731,260	2,731,260
PE	08.000	831,212	36,670	5,120	-	862,762	862,762
PE	1.250-2	17,068,343	-	134,521	-	16,933,822	16,933,822
Total Plastic		47,692,239	725,394	187,134	29	48,230,528	48,230,528
ST (Bare Steel)	0.750-2.50	-	-	-	-	-	-
ST	03.000	-	-	-	-	-	-
ST	4.000-5	-	-	-	-	-	-
ST	06.000	-	-	-	-	-	-
ST	8.000-10	-	-	-	-	-	-
ST	12.000	-	-	-	-	-	-
ST	14.000-16	-	-	-	-	-	-
ST	16.000	-	-	-	-	-	-
ST	20.000	-	-	-	-	-	-
Total Bare Steel		-	-	-	-	-	-
STW (Steel Wrap)	0.750-01.750	7,935,305	199	2,722	(41)	7,932,741	7,932,741
STW	01.250	5,139,721	26	775	-	5,138,972	5,138,972
STW	02.000	3,621,661	1,139	42,722	779	3,580,857	3,580,857
STW	03.000	12,171	-	-	-	12,171	12,171
STW	04.000	1,299,350	543	2,343	-	1,297,550	1,297,550
STW	4.000-5	1,513,215	-	6,226	-	1,506,989	1,506,989
STW	06.000	1,890,753	1,501	746	303	1,891,811	1,891,811
STW	08.000	611,651	5,572	110	-	617,113	617,113
STW	8.000-10	180,231	-	-	-	180,231	180,231
STW	12.000	733,617	9,919	-	-	743,536	743,536
STW	14.000-16	6,696	-	-	-	6,696	6,696
STW	16.000	820,752	1,800	-	-	822,552	822,552
STW	20.000	39,242	-	-	-	39,242	39,242
Total Steel Wrap		23,804,365	20,699	55,644	1,041	23,770,461	23,770,461
Total Steel		23,804,365	20,699	55,644	1,041	23,770,461	23,770,461
Combined Total		71,496,604	746,093	242,778	1,070	72,000,989	72,000,989

Name of Responder	This Report Is;	Date of Report	Year of Report
Puget Sound Energy,	(1) * An Original (2) A Resubmission	(Mo, Da, Yr) 03/13/2019	End of 2018/Q4

SERVICE PIPES FERC 380- GAS

(Supplement to Page 514)

Type of Service			Number of services					
Type of Material (A)	Type of Service Facility (B)	Pipe Inches (C)	Beginning Of Year (D)	Added (E)	Retired (F)	Transferred (G)	End Of Year (H)	Average Length Feet (I)
KR	EXTN	.50 - 2.00	0	0	0	0	0	
KR	STUB	.50 - 2.00	0	0	0	0	0	
TOTAL KR			0	0	0	0	0	
PE	EUF	0.625	1	0	0	0	1	
PE	EXTN	0.625	535,437	108	1,618	0	533,927	30
PE	STUB	0.625	512,146	99	1,674	0	510,571	
PE	TWIN	0.625	15,951	4	349	0	15,606	
PE	RISER	0.625	0	13	1,467	550,542	549,088	
PE	EUF	1.125	62	0	1	0	61	
PE	EXTN	1.125	108,955	12,466	233	0	121,188	21
PE	STUB	1.125	101,279	10,595	162	0	111,712	
PE	TWIN	1.125	3,621	324	9	0	3,936	
PE	RISER	1.125	0	2,603	159	119,989	122,433	
PE	EUF	1.25	102	28	0	0	130	
PE	EXTN	1.25	22,890	669	190	0	23,369	61
PE	STUB	1.25	23,563	691	164	0	24,090	
PE	TWIN	1.25	198	52	15	0	235	
PE	RISER	1.25	0	188	114	23,607	23,681	
PE	EUF	2	59	10	6	0	63	
PE	EXTN	2	11,644	345	47	0	11,942	57
PE	STUB	2	10,799	357	40	0	11,116	
PE	TWIN	2	5	0	0	0	5	
PE	RISER	2	0	89	23	11,925	11,991	
PE	EUF	4	16	0	0	0	16	
PE	EXTN	4	1,749	11	3	0	1,757	248
PE	STUB	4	1,883	15	8	0	1,890	
PE	TWIN	4	0	0	0	0	0	
PE	RISER	4	0	3	2	1,785	1,786	
PE	EUF	6	0	0	0	0	0	
PE	EXTN	6	29	0	0	0	29	
PE	STUB	6	38	0	1	0	37	
PE	TWIN	6	0	0	0	0	0	
PE	RISER	6	0	0	0	29	29	
PE	EXTN	8	0	0	0	0	0	
PE	STUB	8	0	0	0	0	0	
TOTAL PE			1,350,427	28,670	6,285	707,877	2,080,689	
ST	EXTN	.750-1	0	0	0	0	0	
ST	STUB	.750-1	0	0	0	0	0	
ST	EXTN	1.250-2	0	0	0	0	0	
ST	STUB	1.250-2	0	0	0	0	0	
ST	EXTN	3-4	0	0	0	0	0	
ST	STUB	3-4	0	0	0	0	0	
ST	EXTN	6	0	0	0	0	0	
ST	STUB	6	0	0	0	0	0	
ST	EXTN	8	0	0	0	0	0	
ST	STUB	8	0	0	0	0	0	
ST	EXTN	12	0	0	0	0	0	
ST	STUB	12	0	0	0	0	0	
TOTAL ST			0	0	0	0	0	
STW	EUF	0.75	0	0	0	0	0	
STW	EXTN	0.75	64,420	0	1,068	0	63,352	
STW	STUB	0.75	67,478	0	1,036	0	66,442	
STW	RISER	0.75	0	0	607	63,823	63,216	
STW	EXTN	0.5	0	0	0	0	0	
STW	EUF	1	0	0	0	0	0	
STW	EXTN	1	47,812	0	29	0	47,783	3,752
STW	STUB	1	47,885	1	20	0	47,866	
STW	RISER	1	0	0	11	47,797	47,786	
STW	EXTN	.750-1	0	0	0	0	0	
STW	STUB	.750-1	0	0	0	0	0	
STW	EUF	1.25	0	0	0	0	0	
STW	EXTN	1.25	7,904	2	111	0	7,795	581
STW	STUB	1.25	8,307	3	89	0	8,221	
STW	RISER	1.25	0	2	98	7,862	7,766	
STW	EXTN	1.250-2	0	0	0	0	0	
STW	STUB	1.250-2	0	0	0	0	0	
STW	EUF	2	0	0	0	0	0	
STW	EXTN	2	6,367	14	39	0	6,342	113
STW	STUB	2	6,396	6	32	0	6,370	
STW	RISER	2	0	8	31	6,354	6,331	
STW	EXTN	3	248	0	0	0	248	
STW	STUB	3	252	0	0	0	252	
STW	RISER	3	0	0	0	248	248	
STW	EUF	4	0	0	0	0	0	
STW	EXTN	4	31	0	2	0	29	
STW	STUB	4	23	6	0	0	29	
STW	RISER	4	0	0	0	30	30	
STW	EXTN	3-4	0	0	0	0	0	
STW	STUB	3-4	0	0	0	0	0	
STW	EUF	6	2	0	0	0	2	
STW	EXTN	6	32	0	1	0	31	
STW	STUB	6	32	0	1	0	31	
STW	RISER	6	0	0	1	36	35	
STW	EUF	8	0	0	0	0	0	
STW	EXTN	8	15	0	0	0	15	
STW	STUB	8	14	0	0	0	14	
STW	RISER	8	0	0	0	15	15	
STW	EXTN	12	0	0	0	0	0	
STW	STUB	12	0	0	0	0	0	
TOTAL STW			257,218	42	3,176	126,165	380,249	
		Total*	1,607,645	28,712	9,461	834,042	2,460,938	

Type of Material	Type of Service Facility	Pipe Inches	
PE = Plastic	EXTN = Extensic	.500 = 1/2	1.125 = 1 1/8
ST = Steel Bare	STUB = Stub	.625 = 5/8	1.250 = 1 1/4
STW = Steel Wrap	TWIN = Twin		
KR = Copper	EUF = Extended Utility Facility		

Total* - indicates total pipes not number of services (services can be a combination of STUB, EXTN, EUF & TWIN pipes)

NOTE 1

MPE beginning balances, additions and retirements combined with PE balances for each size.

RISER IS ADDED IN 2018

Name of Respondent:	This Report Is:	Date of Report:	Year of Report:
Puget Sound Energy, Inc.	(1) * An Original (2) A Resubmission	March 8, 2019	2018/Q4

CUSTOMER METERS FERC 381 & 385
(Supplement to Page 514)

Size of Meter (Class) (A)	(1) Type of Meter (B)	(2) Make of Meter (C)	Capacity of Meter (D)	Number of Meters: Beginning of Year (E)	Added (F)	Retired (G)	End of Year (H)
100	A	R,Am,Sp	100-199	105,403		2,402	103,001
200	A	R,Am,Sp,Sch,Eq	200-299	721,483	17,260	6,521	732,222
300	A	Am	300-399	26		1	25
400	A	Sp,Am	400-599	60,337	7,066	635	66,768
600	A	Sp	600-699	4,438	1,328	90	5,676
700	A	R	700-749	2,341			2,341
800	A,R	Am,R,Dr	800-999	1,262			1,262
1000	A	Am	1000-1199	27,130		325	26,805
1200	A	Am	1200-1399	16		4	12
1400	A	Am	1400-1499	884	8	153	739
1500	R,RTC	Dr	1500-2299	61		1	60
2300	A	Am	2300-2999	1,090	6	223	873
3000	IC,R,RTC,A	Am,R,Dr	3000-4999	2,768	66	962	1,872
5000	A,R,RTC	Am,R,Dr	5000-6999	3,086	25	895	2,216
7000	R,RTC	Dr,Rm	7000-9999	1,031	26	296	761
10000	R,RTC	Am,R,Dr	10000-10999	43			43
11000	R,RTC	Dr	11000-15999	908		303	605
16000	R,T,RTC	Am,R	16000-17999	554	30	168	416
18000	T	Am,R	18000-22999	7		5	2
23000	R	Am,Dr	23000-24999	111	7	31	87
25000	R,T	Am,R,Dr	25000-29999	1			1
30000/6"	T	Am,R,Dr	30000-34999	91		1	90
35000	R,T	Am,R,Dr	35000-37999	1			1
38000	R	Dr	38000-59999	9	5		14
60000	T	Am,R	60000-139999	83		42	41
140000	T	Am,R,Dr	140000-149999	1			1
150000	T	Am	150000	24		7	17
				933,189	**25,827**	**13,065**	**945,951**

(1)--Meter Type Codes	(2)--Make of Meter	
A--Aluminum	Am--American	Sch--Schlumberger
IC--Iron Case	Eq--Equimeter	Sp--Sprague
R--Rotary	Dr--Dresser	
RTC--Rty.Temp.Comp	R--Rockwell	
T--Turbine	Rm--Romet	

NOTE:
Misc. - Meter Install, Lg IND (Class >1000) has a year end quantity of 1,683.

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2019	End of 2018/Q4

Transmission System Peak Deliveries

1. Report below the total transmission system deliveries of gas (in Dth), excluding deliveries to storage, for the period of system peak deliveries indicated below, during the 12 months embracing the heating season overlapping the year's end for which this report is submitted. The season's peak normally will be reached before the due date of this report, April 30, which permits inclusion of the peak information required on this page. Add rows as necessary to report all data. Number additional rows 6.01, 6.02, etc.

Line No.	Description	Dth of Gas Delivered to Interstate Pipelines (b)	Dth of Gas Delivered to Others (c)	Total (b) + (c) (d)
	SECTION A: SINGLE DAY PEAK DELIVERIES			
1	Date:			
2	Volumes of Gas Transported			
3	No-Notice Transportation			
4	Other Firm Transportation			
5	Interruptible Transportation			
6	Other (Describe) (footnote details)			
7	TOTAL			
8	Volumes of gas Withdrawn form Storage under Storage Contract			
9	No-Notice Storage			
10	Other Firm Storage			
11	Interruptible Storage			
12	Other (Describe) (footnote details)			
13	TOTAL			
14	Other Operational Activities			
15	Gas Withdrawn from Storage for System Operations			
16	Reduction in Line Pack			
17	Other (Describe) (footnote details)			
18	TOTAL			
19	SECTION B: CONSECUTIVE THREE-DAY PEAK DELIVERIES			
20	Dates:			
21	Volumes of Gas Transported			
22	No-Notice Transportation			
23	Other Firm Transportation			
24	Interruptible Transportation			
25	Other (Describe) (footnote details)			
26	TOTAL			
27	Volumes of Gas Withdrawn from Storage under Storage Contract			
28	No-Notice Storage			
29	Other Firm Storage			
30	Interruptible Storage			
31	Other (Describe) (footnote details)			
32	TOTAL			
33	Other Operational Activities			
34	Gas Withdrawn from Storage for System Operations			
35	Reduction in Line Pack			
36	Other (Describe) (footnote details)			
37	TOTAL			

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2019	End of 2018/Q4

Auxiliary Peaking Facilities

1. Report below auxiliary facilities of the respondent for meeting seasonal peak demands on the respondent's system, such as underground storage projects, liquefied petroleum gas installations, gas liquefaction plants, oil gas sets, etc.
2. For column (c), for underground storage projects, report the delivery capacity on February 1 of the heating season overlapping the year-end for which this report is submitted. For other facilities, report the rated maximum daily delivery capacities.
3. For column (d), include or exclude (as appropriate) the cost of any plant used jointly with another facility on the basis of predominant use, unless the auxiliary peaking facility is a separate plant as contemplated by general instruction 12 of the Uniform System of Accounts.

Line No.	Location of Facility (a)	Type of Facility (b)	Maximum Daily Delivery Capacity of Facility Dth (c)	Cost of Facility (in dollars) (d)	Was Facility Operated on Day of Highest Transmission Peak Delivery?
1	SWARR STATION - RENTON	PROPANE AIR	30,000	5,999,767	No
2	DIERINGER/NORTH TACOMA STATION	PROPANE AIR		763,153	No
3	LNG SATELLITE - GIG HARBOR	LNG	16,082	14,523,117	No
4	JACKSON PRAIRIE - CHEHALIS	UNDERGROUND STORAGE	1,196,000	47,830,755	Yes
5					
6					
7	PSE's Non - Recoverable Cushion Gas				
8	is valued at $4,185,430.83 and is				
9	included within the amount listed in 4d				
10					
11	Schedule Page # 519 Line No 4,Column: d				
12	Cost is shown for PSEs 1/3 share of				
13	entire plant that is jointly owned by:				
14	33.34% Puget Sound Energy Inc.				
15	33.33% Avista				
16	33.33% Williams Gas Pipeline				
17					
18					
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30					

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2019	End of 2018/Q4

Gas Account - Natural Gas

1. The purpose of this schedule is to account for the quantity of natural gas received and delivered by the respondent.
2. Natural gas means either natural gas unmixed or any mixture of natural and manufactured gas.
3. Enter in column (c) the year to date Dth as reported in the schedules indicated for the items of receipts and deliveries.
4. Enter in column (d) the respective quarter's Dth as reported in the schedules indicated for the items of receipts and deliveries.
5. Indicate in a footnote the quantities of bundled sales and transportation gas and specify the line on which such quantities are listed.
6. If the respondent operates two or more systems which are not interconnected, submit separate pages for this purpose.
7. Indicate by footnote the quantities of gas not subject to Commission regulation which did not incur FERC regulatory costs by showing (1) the local distribution volumes another jurisdictional pipeline delivered to the local distribution company portion of the reporting pipeline (2) the quantities that the reporting pipeline transported or sold through its local distribution facilities or intrastate facilities and which the reporting pipeline received through gathering facilities or intrastate facilities, but not through any of the interstate portion of the reporting pipeline, and (3) the gathering line quantities that were not destined for interstate market or that were not transported through any interstate portion of the reporting pipeline.
8. Indicate in a footnote the specific gas purchase expense account(s) and related to which the aggregate volumes reported on line No. 3 relate.
9. Indicate in a footnote (1) the system supply quantities of gas that are stored by the reporting pipeline, during the reporting year and also reported as sales,transportation and compression volumes by the reporting pipeline during the same reporting year, (2) the system supply quantities of gas that are stored by the reporting pipeline during the reporting year which the reporting pipeline intends to sell or transport in a future reporting year, and (3) contract storage quantities.
10. Also indicate the volumes of pipeline production field sales that are included in both the company's total sales figure and the company's total transportation figure. Add additional information as necessary to the footnotes.

Line No.	Item (a)	Ref. Page No. of (FERC Form Nos. 2/2-A) (b)	Total Amount of Dth Year to Date (c)	Current Three Months Ended Amount of Dth Quarterly Only (d)
01	Name of System:			
2	GAS RECEIVED			
3	Gas Purchases (Accounts 800-805)		92,664,187	25,814,089
4	Gas of Others Received for Gathering (Account 489.1)	303		
5	Gas of Others Received for Transmission (Account 489.2)	305		
6	Gas of Others Received for Distribution (Account 489.3)	301	23,073,456	5,866,079
7	Gas of Others Received for Contract Storage (Account 489.4)	307		
8	Gas of Others Received for Production/Extraction/Processing (Account 490 and 491)			
9	Exchanged Gas Received from Others (Account 806)	328		
10	Gas Received as Imbalances (Account 806)	328		
11	Receipts of Respondent's Gas Transported by Others (Account 858)	332		
12	Other Gas Withdrawn from Storage (Explain)		16,601,784	7,478,165
13	Gas Received from Shippers as Compressor Station Fuel			
14	Gas Received from Shippers as Lost and Unaccounted for			
15	Other Receipts (Specify) (footnote details)			
16	Total Receipts (Total of lines 3 thru 15)		132,339,427	39,158,333
17	GAS DELIVERED			
18	Gas Sales (Accounts 480-484)		90,720,519	29,639,499
19	Deliveries of Gas Gathered for Others (Account 489.1)	303		
20	Deliveries of Gas Transported for Others (Account 489.2)	305		
21	Deliveries of Gas Distributed for Others (Account 489.3)	301	23,073,456	5,866,079
22	Deliveries of Contract Storage Gas (Account 489.4)	307		
23	Gas of Others Delivered for Production/Extraction/Processing (Account 490 and 491)			
24	Exchange Gas Delivered to Others (Account 806)	328		
25	Gas Delivered as Imbalances (Account 806)	328		
26	Deliveries of Gas to Others for Transportation (Account 858)	332		
27	Other Gas Delivered to Storage (Explain)		18,895,341	3,107,794
28	Gas Used for Compressor Station Fuel	509	406,975	129,388
29	Other Deliveries and Gas Used for Other Operations		279,352	85,731
30	Total Deliveries (Total of lines 18 thru 29)		133,375,643	38,828,491
31	GAS LOSSES AND GAS UNACCOUNTED FOR			
32	Gas Losses and Gas Unaccounted For		(1,036,216)	329,842
33	TOTALS			
34	Total Deliveries, Gas Losses & Unaccounted For (Total of lines 30 and 32)		132,339,427	39,158,333

FOOTNOTE DATA

Schedule Page: 520 Line No.: 32 Column: c

PSE notes that distribution losses result from immaterial losses of inventory during deliveries and withdrawal of gas.

Schedule Page: 520 Line No.: 32 Column: d

PSE notes that distribution losses result from immaterial losses of inventory during deliveries and withdrawal of gas.

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2019	End of 2018/Q4

Shipper Supplied Gas for the Current Quarter

1. Report monthly (1) shipper supplied gas for the current quarter and gas consumed in pipeline operations, (2) the disposition of any excess, the accounting recognition given to such disposition and the specific account(s) charged or credited, and (3) the source of gas used to meet any deficiency, the accounting recognition given to the gas used to meet the deficiency, including the accounting basis of the gas and the specific account(s) charged or credited.
2. On lines 7, 14, 22 and 30 report only the dekatherms of gas provided by shippers under tariff terms and conditions for gathering , production/ extraction/processing, transmission, distribution and storage service and the use of that gas for compressor fuel, other operational purposes and lost and unaccounted for. The dekatherms must be broken out by functional categories on Lines 2-6, 9-13, 16-21 and 24-29. The dekatherms must be reported in column (d) unless the company has discounted or negotiated rates which should be reported in columns (b) and (c).
3. On lines 7, 14, 22 and 30 report only the dollar amounts of gas provided by shippers under tariff terms and conditions for gathering, production/ extraction/processing, transmission, distribution and storage service and the use of that gas for compressor fuel, other operational purposes and lost and unaccounted for. The dollar amounts must be broken out by functional categories on Lines 2-6, 9-13, 16-21 and 23-29. The dollar amounts must be reported in column (h) unless the company has discounted or negotiated rates which should be reported in columns (f) and (g). The accounting should disclose the account(s) debited and credited in columns (m) and (n).
4. Indicate in a footnote the basis for valuing the gas reported in Columns (f), (g) and (h).
5. Report in columns (j), (k) and (l) the amount of fuel waived, discounted or reduced as part of a negotiated rate agreement.
6. On lines 32-37 report the dekatherms and dollar value of the excess or deficiency in shipper supplied gas broken out by functional category and whether recourse rate, discounted or negotiated rate.
7. On lines 39 through 51 report the dekatherms, the dollar amount and the account(s) credited in Column (o) for the dispositions of gas listed in column (a).
8. On lines 53 through 65 report the dekatherms, the dollar amount and the account(s) debited in Column (n) for the sources of gas reported in column (a).
9. On lines 66 and 67, report forwardhaul and backhaul volume in Dths of throughput.
10. Where appropriate, provide a full explanation of the allocation process used in reported numbers in a footnote.

Line No.	Item (a)	Month 1 Discounted rate Dth (b)	Month 1 Negotiated Rate Dth (c)	Month 1 Recourse Rate Dth (d)	Month 1 Total Dth (e)
1	SHIPPER SUPPLIED GAS (LINES 13 AND 14 , PAGE 520)				
2	Gathering				
3	Production/Extraction/Processing				
4	Transmission				
5	Distribution				
6	Storage				
7	Total Shipper Supplied Gas				
8	LESS GAS USED FOR COMPRESSOR STATION FUEL (LINE 28, PAGE 520)				
9	Gathering				
10	Production/Extraction/Processing				
11	Transmission				
12	Distribution				
13	Storage				
14	Total gas used in compressors				
15	LESS GAS USED FOR OTHER DELIVERIES AND GAS USED FOR OTHER OPERATIONS (LINE 29, PAGE 520) (Footnote)				
16	Gathering				
17	Production/Extraction/Processing				
18	Transmission				
19	Distribution				
20	Storage				
21	Other Deliveries (specify) (footnote details)				
22	Total Gas Used For Other Deliveries And Gas Used For Other Operations				
23	LESS GAS LOST AND UNACCOUNTED FOR (LINE 32, PAGE 520)				
24	Gathering				
25	Production/Extraction/Processing				
26	Transmission				
27	Distribution				
28	Storage				
29	Other Losses (specify) (footnote details)				
30	Total Gas Lost And Unaccounted For				

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) X An Original (2) __ A Resubmission	04/15/2019	2018/Q4

System Maps

1. Furnish five copies of a system map (one with each filed copy of this report) of the facilities operated by the respondent for the production, gathering, transportation, and sale of natural gas. New maps need not be furnished if no important change has occurred in the facilities operated by the respondent since the date of the maps furnished with a previous year's annual report. If, however, maps are not furnished for this reason, reference should be made in the space below to the year's annual report with which the maps were furnished.
2. Indicate the following information on the maps:
   (a) Transmission lines.
   (b) Incremental facilities.
   (c) Location of gathering areas.
   (d) Location of zones and rate areas.
   (e) Location of storage fields.
   (f) Location of natural gas fields.
   (g) Location of compressor stations.
   (h) Normal direction of gas flow (indicated by arrows).
   (i) Size of pipe.
   (j) Location of products extraction plants, stabilization plants, purification plants, recycling areas, etc.
   (k) Principal communities receiving service through the respondent's pipeline.
3. In addition, show on each map: graphic scale of the map; date of the facts the map purports to show; a legend giving all symbols and abbreviations used; designations of facilities leased to or from another company, giving name of such other company.
4. Maps not larger than 24 inches square are desired. If necessary, however, submit larger maps to show essential information. Fold the maps to a size not larger then this report. Bind the maps to the report.

The map has been updated with a few new locations, service territory, new icons, and a new legend.