

**Electric Commission Basis Report Cover Letter  
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2017**

1.01
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		<u>Adjusted Results of Operations</u>	<u>Earnings Sharing</u>	<u>After Earnings Sharing</u>
Restated Net Operating Income	a	\$ 416,700,003	\$ (6,160,029)	\$ 410,539,974
Restated Rate Base	b	\$ 5,138,309,705	\$ -	\$ 5,138,309,705
<b>Normalized Overall Rate of Return</b>	c=a/b	<b>8.11%</b>	<b>-0.12%</b>	<b>7.99%</b>
Restated Net Operating Income	d=a	\$ 416,700,003	\$ (6,160,029)	\$ 410,539,974
Restated Interest Expense	e	\$ 153,121,629		\$ 153,121,629
Restated NOI less Restated Interest Exp	f=d-e	\$ 263,578,373	\$ (6,160,029)	\$ 257,418,344
Restated Rate Base	g=b	\$ 5,138,309,705	\$ -	\$ 5,138,309,705
Actual Equity Percent	h	49.78%		49.78%
Equity Rate Base	i=g*h	\$ 2,557,850,571	\$ -	\$ 2,557,850,571
<b>Restated Return on Actual Equity</b>	j=f/i	<b>10.30%</b>	<b>-0.24%</b>	<b>10.06%</b>

**REVISED APRIL 30, 2018**

1.02

## PUGET SOUND ENERGY

**Utility Capital Structure  
Cost of Capital and Rate of Return  
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2017**

1	(A)	(B)	(C)	(D)	(E)
2					
3					Weighted
4					Cost of
5	<u>Description</u>	<u>Amount (i)</u>	<u>Ratio</u>	<u>Cost</u>	<u>Capital</u>
6					
7	<b>Total Debt</b>	\$3,827,851,600	50.22%	5.93%	2.98%
8					
9	<b>Common Stock</b>	\$3,793,999,993	<u>49.78%</u>	9.79%	<u>4.87%</u>
10					
11	<b>Total</b>	<b><u>\$7,621,851,593</u></b>	<b><u>100.00%</u></b>		<b><u>7.85%</u></b>
12					
13					
14	(i) - Average of Month-End Balances				

1.03

**PUGET SOUND ENERGY**  
**Electric Earnings Sharing Test (Excludes Normalizing Adjustments per UE-170033 / UG-170034)**  
**Commission Basis Report**  
**FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2017**

Line No.	Description	Normalizing Adjustments to Remove										2017 Adjusted CBR Earnings Test
		2017 CBR as Filed	Temp Normalization	Temp Related Power Costs	Rate Case Expense	Bad Debt	Montana Tax	Injuries & Damages	Storm Normalization			
1	Rate Base Adjustments	\$ 5,138,309,705	\$ 5,138,309,705	\$ 5,138,309,705	\$ 5,138,309,705	\$ 5,138,309,705	\$ 5,138,309,705	\$ 5,138,309,705	\$ 5,138,309,705	\$ 5,138,309,705	\$ 5,138,309,705	\$ 5,138,309,705
2	Restated Rate Base Threshold (only 13 days at 2017 GRC ROR)	\$ 398,941,404	\$ 398,941,404	\$ 398,941,404	\$ 398,941,404	\$ 398,941,404	\$ 398,941,404	\$ 398,941,404	\$ 398,941,404	\$ 398,941,404	\$ 398,941,404	\$ 398,941,404
3	Maximum Net Operating Income	\$ 416,700,003	\$ 426,964,963	\$ (16,265,872)	\$ (397,630)	\$ 926,663	\$ (14,576)	\$ (703,879)	\$ 751,793	\$ 410,509,669	\$ 411,261,462	\$ 411,261,462
4	Normalizing Adjustments	\$ 17,758,599	\$ 28,023,559	\$ 11,757,687	\$ 11,360,057	\$ 12,286,720	\$ 12,272,144	\$ 11,568,265	\$ 12,320,058	\$ 11,568,265	\$ 12,320,058	\$ 12,320,058
5	Restated Net Operating Income (Cumulative)	\$ 17,758,599	\$ 28,023,559	\$ 11,757,687	\$ 11,360,057	\$ 12,286,720	\$ 12,272,144	\$ 11,568,265	\$ 12,320,058	\$ 11,568,265	\$ 12,320,058	\$ 12,320,058
6	Difference											
7	Excess Earnings (Cumulative)											
8	Earnings Sharing %											
9	After-Tax Earnings Sharing (Cumulative)	8,879,300	14,011,780	5,878,844	5,680,029	6,143,360	6,136,072	5,784,133	6,160,029	5,784,133	6,160,029	6,160,029
10	Conversion Factor	0.619051	0.619051	0.619051	0.619051	0.619051	0.619051	0.619051	0.619051	0.619051	0.619051	0.619051
11	Incremental Earnings Sharing for CY 2017 for Cost	\$ 14,343,406	\$ 8,290,884	\$ (13,137,748)	\$ (321,161)	\$ 748,454	\$ (11,773)	\$ (568,514)	\$ 607,213	\$ 9,950,762	\$ 9,950,762	\$ 9,950,762
12												

As Originally Filed on 3/27/2018 in UE-180280 and UE-180255 \$ 12,417,431  
 Reduction to Earnings Sharing from amount originally filed in UE-180280 \$ (2,466,669)

**REVISED APRIL 30, 2018**

**PUGET SOUND ENERGY**  
**PERIODIC ALLOCATED RESULTS OF OPERATIONS**  
**FOR THE 12 MONTHS ENDED DECEMBER 31, 2017**

(Common cost is spread based on allocation factors developed for the 12 ME 12/31/2017)

	Electric	Gas	Total Amount
1 - OPERATING REVENUES:			
2 - SALES TO CUSTOMERS	\$ 2,260,133,186	\$ 1,004,134,915	\$ 3,264,268,101
3 - SALES FOR RESALE-FIRM	354,461	-	354,461
4 - SALES TO OTHER UTILITIES	129,039,388	-	129,039,388
5 - OTHER OPERATING REVENUES	48,085,655	(6,375,543)	41,710,112
6 - TOTAL OPERATING REVENUES	\$ 2,437,612,690	\$ 997,759,372	\$ 3,435,372,062
7			
8 - OPERATING REVENUE DEDUCTIONS:			
9			
10 - POWER COSTS:			
11 - FUEL	\$ 206,275,407	\$ -	\$ 206,275,407
12 - PURCHASED AND INTERCHANGED	540,870,184	360,008,599	900,878,783
13 - WHEELING	117,598,896	-	117,598,896
14 - RESIDENTIAL EXCHANGE	(75,933,464)	-	(75,933,464)
15 - TOTAL PRODUCTION EXPENSES	\$ 788,811,023	\$ 360,008,599	\$ 1,148,819,622
16			
17 - OTHER ENERGY SUPPLY EXPENSES	\$ 125,057,644	\$ 4,380,924	\$ 129,438,569
18 - TRANSMISSION EXPENSE	20,893,816	-	20,893,816
19 - DISTRIBUTION EXPENSE	76,281,991	59,084,502	135,366,493
20 - CUSTOMER ACCTS EXPENSES	49,265,340	28,329,053	77,594,393
21 - CUSTOMER SERVICE EXPENSES	21,872,767	8,035,607	29,908,374
22 - CONSERVATION AMORTIZATION	104,947,340	16,268,880	121,216,220
23 - ADMIN & GENERAL EXPENSE	126,742,111	66,160,194	192,902,305
24 - DEPRECIATION	283,105,475	130,682,950	413,788,426
25 - AMORTIZATION	58,683,970	17,346,426	76,030,396
26 - AMORTIZ OF PROPERTY LOSS	20,885,273	-	20,885,273
27 - OTHER OPERATING EXPENSES	(82,364,984)	281,808	(82,083,176)
28 - ASC 815	30,790,455	-	30,790,455
29 - TAXES OTHER THAN INCOME TAXES	245,541,877	114,566,585	360,108,462
30 - INCOME TAXES	61,594,180	17,027,972	78,622,153
31 - DEFERRED INCOME TAXES	133,835,621	48,612,801	182,448,422
32 - TOTAL OPERATING REV. DEDUCT.	\$ 2,065,943,901	\$ 870,786,301	\$ 2,936,730,202
<b>NET OPERATING INCOME</b>	<b>\$ 371,668,789</b>	<b>\$ 126,973,070</b>	<b>\$ 498,641,859</b>

2.02

**PUGET SOUND ENERGY**  
**BALANCE SHEET**  
As of December 31, 2017

FERC Account and Description	12/31/2017	December 17 AMA
<b>*ASSETS</b>		
<b>**UTILITY PLANT</b>		
<b>***Electric Plant</b>		
101 Electric Plant in Service	9,650,535,613	9,551,417,259
102 Electric Plant Purchased or Sold	-	-
105 Electric Plant Held for Future Use	52,143,357	51,069,038
106 Comp.Construction Not Classfd.-Electric	146,752,173	71,847,761
107 Construction Work in Prog. - Electric	228,175,190	259,811,165
114 Electric Plant Acquisition Adjustments	282,791,675	282,791,675
Total Electric Plant	<u>10,360,398,008</u>	<u>10,216,936,899</u>
<b>***Gas Plant</b>		
101 Gas Plant in Service	3,648,585,013	3,544,843,423
105 Gas Plant Held for Future Use	1,436,911	1,436,902
106 Comp. Construction Not Classfd. - Gas	91,940,790	83,232,978
107 Construction Work in Progress - Gas	132,115,958	128,682,597
117.3 Gas Strd.in Resrv.& Pipln.-Noncurr.	8,654,564	360,607
Total Gas Plant	<u>3,882,733,237</u>	<u>3,758,556,506</u>
<b>***Common Plant</b>		
101 Plant in Service - Common	670,048,473	577,493,594
101.1 - Property under capital leases	1,129,252	947,015
105 Common Plant Held for Future Use	-	8,850,057
106 Comp Construction Not Classfd. - Common	36,320,795	7,254,073
107 Construction Work in Progress - Common	135,646,120	123,653,511
Total Common Plant	<u>843,144,640</u>	<u>718,198,250</u>
<b>***Accumulated Depreciation and Amortization</b>		
108 Accumulated Provision for Depreciation	(5,299,101,782)	(5,159,795,550)
111 Accumulated Provision for Amortization	(188,664,312)	(165,709,691)
115 Accm.Priv.for Amort.of Plant Acquis.Adj.	(129,645,725)	(125,425,629)
Less: Accumulated Depr and Amortizat	<u>(5,617,411,819)</u>	<u>(5,450,930,869)</u>
<b>**NET UTILITY PLANT</b>	9,468,864,066	9,251,054,744
<b>**OTHER PROPERTY AND INVESTMENTS</b>		
<b>***Other Investments</b>		
121 Nonutility Property	3,106,846	3,005,036
122 Accm.Prov.for Depr.& Amort.Non-utility P	(20,713)	(9,725)
123.1 Investment in Subsidiary Companies	25,282,008	28,041,483
124 Other Investments	48,473,452	49,316,503
<b>***Total Other Investments</b>	<u>76,841,593</u>	<u>80,353,297</u>
<b>**TOTAL OTHER PROPERTY AND INVESTMENT</b>	76,841,593	80,353,297
<b>**CURRENT ASSETS</b>		
<b>***Cash</b>		
131 Cash	24,969,139	17,049,946
134 Other Special Deposits	5,700,640	4,053,680
135 Working Funds	4,363,344	5,325,753
136 Temporary Cash Investments	-	-
<b>***Total Cash</b>	<u>35,033,123</u>	<u>26,429,379</u>
<b>***Restricted Cash</b>		
<b>***Total Restricted Cash</b>	-	-
<b>***Accounts Receivable</b>		
141 Notes Receivable	2,601,890	2,839,907
142 Customer Accounts Receivable	237,229,841	207,297,935
143 Other Accounts Receivable	94,860,942	84,180,683
146 Accounts Receiv.from Assoc. Companies	3,368,040	14,131,943
171 Interest and Dividends Receivable	-	-
173 Accrued Utility Revenues	222,186,152	159,943,819
185 Temporary Facilities	186,390	144,790
191 Unrecovered Purchased Gas Costs	(16,050,963)	(8,724,816)
<b>***Total Accounts Receivable</b>	<u>544,382,291</u>	<u>459,814,261</u>
<b>***Allowance for Doubtful Accounts</b>		
144 - Accumulated provision for uncollectible account credit	(8,900,746)	(8,861,674)
<b>***Less: Allowance for Doubtful Accounts</b>	<u>(8,900,746)</u>	<u>(8,861,674)</u>

2.02

**PUGET SOUND ENERGY**  
**BALANCE SHEET**  
As of December 31, 2017

***Materials and Supplies		
151 Fuel Stock	17,266,161	19,054,248
154 Plant Materials and Operating Supplies	107,473,644	105,467,038
156 Other Materials and Supplies	150,639	233,887
158.1 Carbon Allowances	32,064	10,134
163 Stores Expense Undistributed	(502,989)	314,966
164.1 Gas Stored - Current	31,092,338	31,426,128
164.2 Liquefied Natural Gas Stored	75,973	60,602
***Total Materials and Supplies	<u>155,587,830</u>	<u>156,567,002</u>
***Unrealized Gain-Derivative Instrumnts (ST)		
175 Invest in Derivative Instrumnts -Opt ST	22,247,016	20,498,536
176 Invest in Derivative Instrumnts-Gain ST	-	-
***Unrealized Gain on Derivatives (ST)	<u>22,247,016</u>	<u>20,498,536</u>
***Prepayments and Other Current Assets		
165 Prepayments	19,629,478	23,130,147
174 Misc.Current and Accrued Assets	14,000	3,973,479
186 Miscellaneous Deferred Debits	11,985	20,712
***Total Prepayments & Othr.Curr.Assets	<u>19,655,463</u>	<u>27,124,337</u>
Current Deferred Taxes		
Total Current Deferred Taxes	1,375,504,644	522,941,761
<b>**TOTAL CURRENT ASSETS</b>	<b>2,143,509,621</b>	<b>1,204,513,603</b>
<b>**LONG-TERM ASSETS</b>		
128 Qualified Pension Plan Funded Status	20,167,632	20,164,904
165 Long-Term Prepaid	6,830,645	13,690,865
165.8 Long-Term Prepaid Contra	(6,727,963)	(5,070,108)
165.9 Long-Term Prepaid	6,727,963	5,070,108
175 Invest in Derivative Instrumnts -Opt LT	2,157,991	4,125,216
176 Invest in Derivative Instrumnts-Gain LT	-	-
181 Unamortized Debt Expense	27,275,211	26,192,397
182.1 Extraordinary Property Losses	128,508,500	125,894,441
182.2 Unrecovered Plant & Reg Study Costs	3,786,308	2,930,974
Subtotal WUTC AFUDC	50,300,536	50,571,295
182.3 Other Regulatory Assets	462,167,825	525,215,957
183 Prelm. Survey and Investigation Charges	-	-
184 Clearing Accounts	-	(1,144,060)
186 Miscellaneous Deferred Debits	195,459,323	220,418,964
187 Def.Losses from Dispos.of Utility Plant	248,878	320,010
189 Unamortized Loss on Reacquired Debt	39,674,090	40,872,509
<b>**TOTAL LONG-TERM ASSETS</b>	<u>936,576,939</u>	<u>1,029,253,473</u>
<b>*TOTAL ASSETS</b>	<b>\$ 12,625,792,219</b>	<b>\$ 11,565,175,117</b>
<b>*CAPITALIZATION AND LIABILITIES</b>		
<b>**CURRENT LIABILITIES</b>		
230 Asset Retirement Obligations	(361,712)	(301,347)
244 FAS 133 Opt Unrealized Loss ST	(64,859,130)	(48,081,834)
245 FAS 133 Unrealized Loss ST	-	-
231 Notes Payable	(329,463,000)	(95,364,333)
232 Accounts Payable	(397,018,980)	(309,718,327)
233 Notes Payable to Associated Companies	-	-
234 Accounts Payable to Asscted Companies	-	-
235 Customer Deposits	(45,143,005)	(45,000,410)
236 Taxes Accrued	(114,841,147)	(106,812,018)
237 Interest Accrued	(47,836,634)	(58,027,737)
238 Dividends Declared	-	-
241 Tax Collections Payable	(1,436,537)	(1,694,983)
242 Misc. Current and Accrued Liabilities	(22,901,623)	(32,158,340)
243 Obligations Under Cap.Leases - Current	(509,713)	(928,689)
<b>**TOTAL CURRENT LIABILITIES</b>	<u>(1,024,371,481)</u>	<u>(698,088,019)</u>
<b>**DEFERRED TAXES</b>		
***Reg. Liability for Def.Income Tax		
283 Accum.Deferred Income Taxes - Other	(797,362)	(68,363,368)
***Total Reg.Liab.for Def.Income Tax	<u>(797,362)</u>	<u>(68,363,368)</u>
***Deferred Income Tax		
255 Accum.Deferred Investment Tax Credits	-	-
282 Accum. Def. Income Taxes - Other Prop.	(2,034,328,346)	(1,970,937,705)
283 Accum.Deferred Income Taxes - Other	(211,890,423)	(268,090,104)
***Total Deferred Income Tax	<u>(2,246,218,769)</u>	<u>(2,239,027,809)</u>

2.02

**PUGET SOUND ENERGY**  
**BALANCE SHEET**  
**As of December 31, 2017**

**TOTAL DEFERRED TAXES	(2,247,016,131)	(2,307,391,177)
<b>**OTHER DEFERRED CREDITS</b>		
Subtotal 227 Oblig Under Cap Lease - Noncurr	(619,538,37)	(25,814,10)
Total Unrealized Loss on Derivatives -LT	(21,235,027)	(18,355,162)
228.2 Accum. Prov.for Injuries and Damages	(2,290,000)	(1,994,542)
228.3 Pension & Post Retirement Liabilities	(58,840,022)	(77,903,763)
228.4 Accum. Misc.Operating Provisions	(160,945,986)	(252,167,855)
229 Accum Provision for Rate Refunds	-	-
230 Asset Retirement Obligations (FAS 143)	(188,572,019)	(186,114,505)
252 Customer Advances for Construction	(88,764,092)	(90,558,690)
253 Other Deferred Credits	(316,010,348)	(373,795,514)
254 Other Regulatory Liabilities	(1,141,625,470)	(166,573,588)
256 Def. Gains from Dispos.of Utility Plt	(2,277,159)	(2,597,304)
257 Unamortized Gain on Reacquired Debt	-	-
**TOTAL OTHER DEFERRED CREDITS	<u>(1,981,179,662)</u>	<u>(1,170,086,737)</u>
<b>**CAPITALIZATION</b>		
<b>***SHAREHOLDER'S EQUITY</b>		
<b>****Common Equity</b>		
201 Common Stock Issued	(859,038)	(859,038)
207 Premium on Capital Stock	(478,145,250)	(478,145,250)
211 Miscellaneous Paid-in Capital	(2,804,096,691)	(2,804,096,691)
214 Capital Stock Expense	7,133,879	7,133,879
215 Appropriated Retained Earnings	(22,554,372)	(21,107,368)
216 Unappropriated Retained Earnings	(362,300,335)	(355,687,145)
216.1 Unappr.Undistrib.Subsidiary Earnings	19,215,436	16,289,294
219 Other Comprehensive Income	126,904,052	139,799,084
433 Balance Transferred from Income	(320,054,044)	(197,265,849)
438 Dividends Declared - Common Stock	227,784,248	70,550,604
439 Adjustments to Retained Earnings	5,848,610	5,848,610
****Total Common Equity	<u>(3,601,123,505)</u>	<u>(3,617,539,870)</u>
***TOTAL SHAREHOLDER'S EQUITY	(3,601,123,505)	(3,617,539,870)
<b>***REDEEMABLE SECURITIES AND LONG-TERM DEBT</b>		
****Preferred Stock - Manditorily Redeemable Capital	-	-
****Total Preferred Stock - Mand Redeem	<u>-</u>	<u>-</u>
<b>****Corporation Obligated, Mand Redeemable Preferred Stock Subscribed</b>		
****Corporation Obligated, Mand Redeem	<u>-</u>	<u>-</u>
<b>****Long-term Debt</b>		
221 Junior Subordinated Debt	(250,000,000)	(250,000,000)
221 Bonds	(3,523,860,000)	(3,523,860,000)
226 Unamort.Disct. on Long-term Debt-Debit	1,758,560	1,790,686
Long-term Debt	<u>(3,772,101,440)</u>	<u>(3,772,069,314)</u>
****Long-term Debt Total	(3,772,101,440)	(3,772,069,314)
***REDEEMABLE SECURITIES AND LTD	(3,772,101,440)	(3,772,069,314)
**TOTAL CAPITALIZATION	(7,373,224,945)	(7,389,609,184)
*TOTAL CAPITALIZATION AND LIABILITIES	<u>\$ (12,625,792,219)</u>	<u>\$ (11,565,175,117)</u>

## Puget Sound Energy

## Electric Rate Base

12/31/17

2.03

			AMA
			13 Months Ended
1	Account	Description	12/31/17
3		<b>Rate Base</b>	
4	101 / 102 / 230XXX1	Electric Plant in Service	9,372,348,863
5	101 / 253XXX3	Common Plant-Allocation to Electric	374,550,969
6	114XXX1	Electric Plant Aquisition Adjustment	282,791,675
6a	18600001 / 451 / 461	Snoqualmie Deferral -UE-130559	3,525,486
6b	18600801 / 811 / 821	Baker Deferral - UE-131387	897,791
6c	1822XXX1	White River Deferred Plant Costs	26,401,777
6d	1823XXX1	White River Deferred Relicensing & CWIP	(5,927,275)
6e	16599011 & 18232321	Prepaid Colstrip 1&2 WEC Co Coal Resrv Ded.	1,250,000
6f	18600531 / 671 / 691/791	Ferndale Deferral - UE-12843	10,547,650
6g	25300831	Hopkins II Wake Effect Settlement	-
6h	18230381/18230391	Goldendale Deferral -UE-070533	-
6i	18235521	Mint Farm Deferral	22,192,913
6j	1340xxxx	BPA Deposits	607,784
6k	18606XX	WHE Deferred Costs-UE-090704	-
6l	18231041	Prepaid Major Maint Sumas	-
6m	18230351	Chelan PUD Contract Initiation	120,095,608
6n	18220091	Upper Baker - Unrecovered Plant & Reg. Study Costs	-
6o	18232301 & 311 & 331	LSR Deposit Carry Charge & Deferral UE-100882	78,402,305
6p	18220101	Electron Unrecovered Loss	5,482,058
7	18230041	Colstrip Common FERC Adj - Reg Asset	21,589,277
8	18230051	Accum Amortization Colstrip-Common FERC	(17,582,749)
9	18230061	Colstrip Def Depr FERC Adj - Reg	969,439
10	18230071	BPA Power Exch Invstmt - Reg Asset	113,632,921
11	18230081	BPA Power Exch Inv Amortization - Reg Asset	(113,192,143)
12	18230031	Electric - Def AFUDC - Regulatory Asset	50,211,687
13	1861051	Capitalized OH	-
14	10500001	Electric - Plant Held for Future Use	51,069,038
15	10500003	Common Plant Held for Fut Use-Alloc to Electric	5,804,752
16	10600501	Electric - Const Completed Non Classified	71,847,761
16a	10600503	Common - Const Completed Non Classified	4,757,946
17	108XXX1	Elec-Accum Depreciation	(3,632,172,472)
18	108XXX3	Common Accum Depr-Allocation to Electric	(77,621,036)
19	111XXX1	Elec-Accum Amortization	(43,715,250)
20	11100003	Common Accum Amort-Allocation to Electric	(74,579,909)
21	115XXX1	Accum Amort Acq Adj - Electric	(125,425,629)
22	22840331,341, 19003011,25400491	Snoqualmie & Baker Treasury Grants	(95,320,433)
22a	108XX999	Treasury Grant Accounts 1700033 GRC	(3,977,484)
23	19000041	CIAC after 10/8/76 - Accum Def Income Tax	-
24	19000051	CIAC - 1986 Changes - Accum Def Income Tax	-
25	19000061	CIAC - 7/1/87 - Accum Def Income Tax	-
26	19000093	Vacation Pay - Accum Def Inc Taxes	-
26a	19000121	Cabot Gas Contract - Accum Def Inc Taxe	-
26b	19000151	DFIT - Westcoast Capacity Assignment - Electric	183,013
26c	19000711	DFIT- BNP Electric	250,892
27	19000191	RB-Consv Pre91 Tax Settlmt - Accum Def Inc Tax	-
27.1	19000701	DFFIT SSCM INT - ELEC	-

**Puget Sound Energy**  
**Electric Rate Base**  
**12/31/17**

2.03

			<b>AMA</b>
			13 Months Ended
1	Account	Description	12/31/17
28	235XXXX1	Customer Deposits - Electric	(7,238,686)
28a	23500003	Customer Deposits - Common	(24,767,915)
29	25400081	Residential Exchange	-
29.1	25400191& 25400201	Westcoast Pipeline Capacity Regulatory Liabilities	(1,239,729)
30	252XXXX1	Cust Advances for Construction	(68,759,196)
31	28200101	Major Projects - Property Tax Expense	-
32	28200111	Def Inc Tax - Pre 1981 Additions	-
33	28200121, 161/28300341	Def Inc Tax - Post 1980 Additions	(1,346,151,464)
34	28200131	Colstrip 3 & 4 Deferred Inc Tax	(6,925)
35	28200141	Excess Def Taxes - Centralia Sale	-
35-1	28200151	Def FIT Indirect Cost Adj - Electric	-
35a	283XXXXX	Electric Portion of Common Deferred Taxes	(46,824,980)
35a2	19000433	NOL Carryforward	14,522,291
36	28300161	Def Inc Tax - Energy Conservation & FAS 133	-
37	28300261	Def FIT Bond Redemption Costs	-
37a	28300091	Accum Def Inc Tax - Snoqualmie	(1,277,251)
37b	28300741	Accum Def Inc Tax - Baker	(314,227)
37c	28300011	Def FIT - White River Water Right	(7,166,076)
37d	28300731	Accum Def Inc Tax - Ferndale	(3,691,677)
37e	28300431	Deferred Taxes WNP#3	(31,471)
37f	19000441	Deferred FIT FAS 143 Whitehorn 2 &3	9,927,939
37g	19000553	Common DFIT Summit Purchase Opt Buyout - Elec	60,475
37h	19000561	Def FIT - Wind Loss Settlement Agreemen	-
37i	28302061	DFIT - Electron Unrecovered Loss	(1,918,720)
37j	28300601\28300611\28300661	DFIT Mint Fam Costs-UE-090704	(7,767,520)
37k	28300631\28300641\28300671	DFIT Wild Horse Costs-UE-090704	-
37l	28300561	DFIT - Interest Chelan PUD Reg Asset	(13,304,635)
37m	28300081 & 28300721	DFIT BPA Prepayment & LSR	(4,799,590)
38	124001X1	Conservation Rate Base	-
39	18230181	1995 Conservation Trust Rate Base	-
40			
41	Working Capital- Rate Base		220,982,638
42	Rate Base		5,140,130,505
43			
44	Electric Rate Base Change		5,140,130,505
45			
46	Gross Utility Plant in Service		10,163,171,006
47	Less Accum Dep and Amort		(3,957,491,780)
48	Deferred Debits and Credits		222,544,365
49	Deferred Taxes		(1,408,309,927)
50	Allowance for Working Capital		220,982,638
51	Customer Deposits/Advances		(100,765,797)
52	Total Rate Base		5,140,130,505

2.04

**Summary Working Capital  
Comparison Between PSE Original and December 2017 With New Coding**

Line No.	Description	Dec-17 With New Accounts and Coding
1	Average Invested Capital	
2		
3	Total Average Invested Capital	\$ 7,580,497,834
4		
5	Investments	
6		
7	Total Electric Rate Base and Operating	4,919,147,866
8		
9	Total Gas Rate Base and Operating	1,725,343,469
10		
11	Total Electric and Gas Investment (lines 7 + 9)	6,644,491,335
12		
13	Total Non Operating Investments	610,108,468
14		
15	Total Average Investments (Lines 11+13)	7,254,599,803
16		
17	Investor Supplied Working Capital	\$ 325,898,031
18		
19	Total Average Investments (Lines 11+13)	7,254,599,803
20	Remove CWIP	
21	Net Investment	7,254,599,803
22		
23	Total Non-Operating Investments(Line 13)	610,108,468
24	Remove CWIP	
25	Net Non-Operating Investments	610,108,468
26		
27	<b>Working Capital Spread</b>	
28	<b>Electric</b>	<b>\$ 220,982,638</b>
29		67.81%
30	<b>Gas</b>	<b>\$ 77,507,520</b>
31		23.78%
32	<b>Non-Utility</b>	<b>\$ 27,407,873</b>
33		8.41%

**PUGET SOUND ENERGY-ELECTRIC & GAS**  
**FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2017**  
**ALLOCATION METHODS**

Method	Description		Electric	Gas	Total
1	* <b><u>12 Month Average Number of Customers</u></b>	12/31/2017	1,135,044	819,336	1,954,380
	Percent		<b>58.08%</b>	<b>41.92%</b>	100.00%
2	* <b><u>Joint Meter Reading Customers</u></b>	12/31/2017	768,686	459,527	1,228,213
	Percent		<b>62.59%</b>	<b>37.41%</b>	100.00%
3	* <b><u>Non-Production Plant</u></b>				
	Distribution	12/31/2017	\$ 3,725,822,720	\$ 3,504,295,642	\$ 7,230,118,362
	Transmission	12/31/2017	1,488,784,963	-	1,488,784,963
	Direct General Plant	12/31/2017	228,577,774	34,398,937	262,976,711
	Total		<b>\$ 5,443,185,457</b>	<b>\$ 3,538,694,579</b>	<b>\$ 8,981,880,036</b>
Percent		<b>60.60%</b>	<b>39.40%</b>	100.00%	
4	* <b><u>4-Factor Allocator</u></b>				
	Number of Customers	12/31/2017	1,135,044	819,336	1,954,380
	Percent		58.08%	41.92%	100.00%
	Labor - Direct Charge to O&M	12/31/2017	41,991,177	23,528,352	\$ 65,519,529
	Percent		64.09%	35.91%	100.00%
	T&D O&M Expense (Less Labor)	12/31/2017	78,860,314	38,229,867	\$ 117,090,181
	Percent		67.35%	32.65%	100.00%
	Net Classified Plant (Excluding General (Common) Plant)	12/31/2017	5,692,483,657	2,123,904,942	7,816,388,599
	Percent		72.83%	27.17%	100.00%
	Total Percentages		262.34%	137.66%	400.00%
Percent		<b>65.59%</b>	<b>34.41%</b>	100.00%	
5	* <b><u>Employee Benefits</u></b>				
	Direct Labor Accts 500-935	12/31/2017	46,240,566	25,604,402	71,844,968
	Total		<b>\$ 46,240,566</b>	<b>\$ 25,604,402</b>	<b>\$ 71,844,968</b>
Percent		<b>64.36%</b>	<b>35.64%</b>	100.00%	

REVISED APRIL 30, 2018

Summary-1

**PUGET SOUND ENERGY-ELECTRIC  
RESULTS OF OPERATIONS  
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2017  
COMMISSION BASIS REPORT**

LINE NO.	ACTUAL RESULTS OF OPERATIONS	TOTAL ADJUSTMENTS	RESTATED RESULTS OF OPERATIONS
1	<u>OPERATING REVENUES:</u>		
2	\$ 2,260,133,186	\$ (195,254,976)	\$ 2,064,878,210
3	354,461	(2,819)	351,642
4	129,039,388	-	129,039,388
5	48,085,655	28,731,676	76,817,331
6	<u>2,437,612,690</u>	<u>(166,526,119)</u>	<u>2,271,086,571</u>
7			
8	OPERATING REVENUE DEDUCTIONS:		
9			
10	<u>POWER COSTS:</u>		
11	\$ 206,275,407	\$ (1,063,362)	\$ 205,212,044
12	540,870,184	(17,694,762)	523,175,422
13	117,598,896	-	117,598,896
14	<u>(75,933,464)</u>	<u>75,933,464</u>	<u>-</u>
15	<u>788,811,023</u>	<u>57,175,339</u>	<u>845,986,362</u>
16			
17	\$ 125,057,644	\$ -	\$ 125,057,644
18	20,893,816	(127,605)	20,766,211
19	76,281,991	1,281,211	77,563,202
20	49,265,340	383,131	49,648,471
21	21,872,767	(19,111,504)	2,761,263
22	104,947,340	(104,947,340)	-
23	126,742,111	(690,673)	126,051,438
24	283,105,475	(188,181)	282,917,294
25	58,683,970	-	58,683,970
26	20,885,273	-	20,885,273
27	(82,364,984)	88,028,539	5,663,554
28	30,790,455	(30,790,455)	-
29	245,541,877	(152,910,323)	92,631,554
30	61,594,180	(12,217,621)	49,376,559
31	133,835,621	(37,441,849)	96,393,772
32	<u>\$ 2,065,943,901</u>	<u>\$ (211,557,333)</u>	<u>\$ 1,854,386,568</u>
33			
34	\$ 371,668,789	\$ 45,031,214	\$ 416,700,003
35			
36	\$ 5,140,130,505	\$ (1,820,799)	\$ 5,138,309,705
37			
38	RATE OF RETURN	7.23%	8.11%
39			
40	RATE BASE:		
41	\$ 10,163,171,006	\$ (4,539,303)	\$ 10,158,631,703
42	(3,957,491,780)	1,813,298	(3,955,678,482)
43	222,544,365	-	222,544,365
44	(1,408,309,927)	905,206	(1,407,404,722)
45	220,982,638	-	220,982,638
46	<u>(100,765,797)</u>	<u>-</u>	<u>(100,765,797)</u>
47	<u>\$ 5,140,130,505</u>	<u>\$ (1,820,799)</u>	<u>\$ 5,138,309,705</u>



REVISED APRIL 30, 2018

Summary-3

PUGET SOUND ENERGY-ELECTRIC  
STATEMENT OF OPERATING INCOME AND ADJUSTMENTS  
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2017  
COMMISSION BASIS REPORT

LINE NO.	INCENTIVE PAY 3.09	EXCISE TAX & FILING FEE 3.10	D&O INSURANCE 3.11	MONTANA ENERGY 3.12	INTEREST ON CUST DEPOSITS 3.13	ASC 815 3.14	PENSION PLAN 3.15	DAMAGES 3.16	INJURIES & WILD HORSE 3.17	STORM NORMALIZATION 3.18	MISC ADJUSTMENTS 3.19	TOTAL ADJUSTMENTS
1	OPERATING REVENUES											
2	SALES TO CUSTOMERS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (195,254,976)
3	SALES FROM RESALE-FIRM											(2,819)
4	SALES TO OTHER UTILITIES											-
5	OTHER OPERATING REVENUES											-
6	TOTAL OPERATING REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 28,731,676
7	OPERATING REVENUE DEDUCTIONS:											\$ (166,526,119)
9	POWER COSTS:											
10	FUEL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,063,362)
11	PURCHASED AND INTERCHANGED											(17,694,762)
12	WHEELING											-
13	RESIDENTIAL EXCHANGE											-
14	TOTAL PRODUCTION EXPENSES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 75,933,464
15	OTHER POWER SUPPLY EXPENSES											
16	TRANSMISSION EXPENSE									(124,605)	(3,000)	\$ (127,605)
17	DISTRIBUTION EXPENSE									1,281,211		1,281,211
18	CUSTOMER ACCTS EXPENSES											383,131
19	CUSTOMER SERVICE EXPENSES											(19,111,504)
20	CONSERVATION AMORTIZATION											(104,947,340)
21	ADMIN & GENERAL EXPENSE	(1,044,811)	(3,046)	(8,273)			2,439,930	(1,082,891)	(188,181)		(456)	(690,673)
22	DEPRECIATION											(188,181)
23	AMORTIZATION											-
24	AMORTIZ OF PROPERTY GAIN/LOSS											-
25	OTHER OPERATING EXPENSES											88,028,539
26	ASC 815	(54,418)	14,281			(30,790,455)						(30,790,455)
27	TAXES OTHER THAN F.I.T.	384,730	(3,932)	2,896			(853,975)	379,012	65,863		1,210	(152,910,323)
28	FEDERAL INCOME TAXES									(404,812)		(12,217,621)
29	DEFERRED INCOME TAXES											(37,441,849)
30	TOTAL OPERATING REV. DEDUCT.	\$ (714,499)	\$ 7,303	\$ (5,378)	\$ (14,576)	\$ 10,776,659	\$ 1,585,954	\$ (703,879)	\$ (122,318)	\$ 751,793	\$ (2,247)	\$ (211,557,333)
31	NET OPERATING INCOME	\$ 714,499	\$ (7,303)	\$ 5,378	\$ 14,576	\$ 20,013,796	\$ (1,585,954)	\$ 703,879	\$ 122,318	\$ (751,793)	\$ 2,247	\$ 45,031,214
32	RATE BASE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,820,799)	\$ -	\$ -	\$ (1,820,799)
33	RATE OF RETURN											
34	RATE BASE:											
35	GROSS UTILITY PLANT IN SERVICE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (4,539,303)
36	ACCUMULATED DEPRECIATION											1,813,298
37	DEFERRED DEBITS											-
38	DEFERRED TAXES											905,206
39	ALLOWANCE FOR WORKING CAPITAL											-
40	OTHER											-
41	TOTAL RATE BASE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,820,799)	\$ -	\$ -	\$ (1,820,799)

Cf1 3.01

**PUGET SOUND ENERGY-ELECTRIC**  
**TEMPERATURE NORMALIZATION**  
**FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2017**  
**COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION				
1	<u>TEMPERATURE NORMALIZATION ADJUSTMENT:</u>				
2		ACTUAL	TEMP ADJ	KWH	ADJ FOR LOSSES
3		<u>GPI KWH</u>	<u>GPI KWH</u>	<u>CHANGE</u>	<u>Jan-Aug=7.3%; Sep-Dec=7.1%</u>
4	Jan-17	2,485,902,740	2,371,642,243	(114,260,497)	(105,919,481)
5	Feb-17	2,052,421,733	1,995,724,785	(56,696,948)	(52,558,071)
6	Mar-17	2,094,841,272	2,085,750,025	(9,091,247)	(8,427,586)
7	Apr-17	1,766,732,131	1,777,985,845	11,253,714	10,432,193
8	May-17	1,719,520,881	1,714,445,104	(5,075,777)	(4,705,246)
9	Jun-17	1,578,536,053	1,570,498,497	(8,037,556)	(7,450,814)
10	Jul-17	1,674,840,812	1,664,208,710	(10,632,102)	(9,855,958)
11	Aug-17	1,762,350,614	1,707,950,111	(54,400,503)	(50,429,266)
12	Sep-17	1,614,649,543	1,599,497,226	(15,152,317)	(14,076,502)
13	Oct-17	1,788,067,702	1,786,246,326	(1,821,376)	(1,692,058)
14	Nov-17	2,006,678,704	2,027,309,151	20,630,447	19,165,686
15	Dec-17	2,389,752,569	2,362,763,968	(26,988,601)	(25,072,410)
16		<u>22,934,294,754</u>	<u>22,664,021,991</u>	<u>(270,272,763)</u>	<u>(250,589,515)</u>
17					
18	REVENUE ADJUST Schedule 7			(190,393,582)	\$ (12,844,310)
19	Schedule 24			(27,451,218)	\$ (1,713,363)
20	Schedule 25			(17,662,449)	\$ (1,100,547)
21	Schedule 26			(6,537,875)	\$ (423,669)
22	Schedule 29			(360,746)	\$ (22,835)
23	Schedule 31			(3,214,179)	\$ (187,348)
24	Schedule 43			(2,310,220)	\$ (149,471)
25	Schedule 40			(2,578,988)	\$ (144,968)
26	Firm Resale			(80,257)	\$ (2,819)
27	INCREASE (DECREASE) SALES TO CUSTOMERS			<u>(250,589,515)</u>	\$ (16,589,330) \$ (16,589,330)
28					
29	UNCOLLECTIBLES @			0.0077210	\$ (128,086)
30	ANNUAL FILING FEE @			0.0020000	<u>(33,179)</u>
31	INCREASE (DECREASE) EXPENSE				(161,265)
32					
33	STATE UTILITY TAX @			0.0383270	\$ <u>(635,819)</u>
34	INCREASE (DECREASE) TAXES OTHER				<u>(635,819)</u>
35					
36	INCREASE (DECREASE) OPERATING INCOME				(15,792,246)
37					
38	INCREASE (DECREASE) FIT @			35%	<u>(5,527,286)</u>
39	INCREASE (DECREASE) NOI				<u><u>\$ (10,264,960)</u></u>

Af1 3.02

**PUGET SOUND ENERGY-ELECTRIC**  
**REVENUE & EXPENSE RESTATING**  
**FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2017**  
**COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION	AMOUNT	ADJUSTMENT
1	<b>SALES TO CUSTOMERS:</b>		
2	REMOVE MERGER RATE CREDIT SCH 132	6,384,801	
3	REMOVE TEST YEAR EARNINGS SHARING ACCRUAL	(1,112,107)	
4	REMOVE SCHEDULE 95A TREASURY GRANTS	<u>51,942,317</u>	
5			
6	INCREASE (DECREASE) SALES TO CUSTOMERS	<u>57,215,011</u>	
7			
8	INCREASE (DECREASE) REVENUES		
9			\$ 57,215,011
10	UNCOLLECTIBLES @	0.0077210 \$ 441,757	
11	ANNUAL FILING FEE @	0.0020000 <u>114,430</u>	
12	INCREASE (DECREASE) EXPENSE		
13			556,187
14	STATE UTILITY TAX @	0.0384350 \$ <u>2,199,059</u>	
15	INCREASE (DECREASE) TAXES OTHER		
16			2,199,059
17			
18			
19	<b>OTHER OPERATING EXPENSES:</b>		
20	REMOVE SCHEDULE 95A TREASURY GRANTS		
21	AMORTIZATION OF INTEREST AND GRANTS	36,820,284	
22	REMOVE ACCRUAL FOR FUTURE PTC LIABILITY		
23	(ACTUAL PTC'S REMOVED IN FIT ADJUSTMENT NO. 3.06)	<u>51,208,248</u>	
24	INCREASE (DECREASE) OPERATING EXPENSES		
25			<u>88,028,532</u>
26			
27	INCREASE (DECREASE) OPERATING INCOME BEFORE FIT		(33,568,766)
28		35%	
29	INCREASE (DECREASE) FIT @		<u>(11,749,068)</u>
30			
31	INCREASE (DECREASE) NOI		<u>\$ (21,819,698)</u>

Adj. 3.03

**PUGET SOUND ENERGY-ELECTRIC**  
**POWER COSTS**  
**FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2017**  
**COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION	ACTUAL	RESTATED	INCREASE (DECREASE)
1	PRODUCTION EXPENSES:			
2	FUEL	\$ 206,275,407	\$ 205,212,044	\$ (1,063,362)
3	PURCHASED AND INTERCHANGED	540,870,184	\$ 525,504,121	(15,366,063)
4	WHEELING	117,598,896	\$ 117,598,896	-
5	SALES TO OTHER UTILITIES	(129,039,388)	\$ (129,039,388)	-
6	PURCHASES/SALES OF NON-CORE GAS & OTHER REV	(8,809,643)	\$ (8,809,643)	-
7	SUBTOTAL - POWER COSTS TO BE ADJUSTED	\$ 726,895,456	\$ 710,466,031	\$ (16,429,426)
8				
9	INCREASE(DECREASE) INCOME			\$ 16,429,426
10				
11	INCREASE(DECREASE) FIT @	35%		5,750,299
12	INCREASE(DECREASE) NOI			<u>\$ 10,679,127</u>
13				
14				
15				
16				
17	<b>POWER COSTS ADJUSTMENT W/O NORMALIZATION FOR EARNINGS SHARING ONLY:</b>			
18	PRODUCTION EXPENSES:			
19	FUEL	\$ 206,275,407	\$ 205,212,044	\$ (1,063,362)
20	PURCHASED AND INTERCHANGED	540,870,184	\$ 550,528,539	9,658,355
21	WHEELING	117,598,896	\$ 117,598,896	-
22	SALES TO OTHER UTILITIES	(129,039,388)	\$ (129,039,388)	-
23	PURCHASES/SALES OF NON-CORE GAS & OTHER REV	(8,809,643)	\$ (8,809,643)	-
24	SUBTOTAL - POWER COSTS TO BE ADJUSTED	\$ 726,895,456	\$ 735,490,449	\$ 8,594,992
25				
26	INCREASE(DECREASE) INCOME			\$ (8,594,992)
27				
28	INCREASE(DECREASE) FIT @	35%		(3,008,247)
29	INCREASE(DECREASE) NOI			<u>\$ (5,586,745)</u>
30				
31	DIFFERENCE IN NOI DUE TO REMOVING NORMALIZING ITEMS			<u>\$ 16,265,872</u>

**REVISED APRIL 30, 2018**

Af1 3.04

**PUGET SOUND ENERGY-ELECTRIC**  
**FEDERAL INCOME TAX**  
**FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2017**  
**COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION	AMOUNT
1	TAXABLE INCOME	\$ 329,384,100
2		
3	FEDERAL INCOME TAX @	115,284,435
4	CURRENTLY PAYABLE	<u>115,284,435</u>
5		
6	DEFERRED FIT - DEBIT	85,617,106
7	DEFERRED FIT - OTHER	
8	TOTAL RESTATED FIT	<u>85,617,106</u>
9	FIT PER BOOKS:	
10	CURRENTLY PAYABLE	61,594,180
11	DEFERRED FIT - DEBIT	718,619,125
12	DEFERRED FIT - CREDIT	(584,783,510)
13	DEFERRED FIT - INV TAX CREDIT, NET OF AMORT.	<u>\$0</u>
14	TOTAL CHARGED TO EXPENSE	195,429,795
15		
16	INCREASE(DECREASE) FIT	53,690,255
17	INCREASE(DECREASE) DEFERRED FIT	<u>(48,218,509)</u>
18	INCREASE(DECREASE) NOI	<u><u>\$ (5,471,746)</u></u>

Adj. 3.05
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**PUGET SOUND ENERGY-ELECTRIC**  
**TAX BENEFIT OF RESTATED INTEREST**  
**FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2017**  
**COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION	AMOUNT
1	RATE BASE	\$ 5,138,309,705
2		
3	WEIGHTED COST OF DEBT	<u>2.98%</u>
4	RESTATED INTEREST	<u>\$ 153,121,629</u>
5		
6		
7		
8		
9	INCREASE (DECREASE) INCOME	<u>\$ (153,121,629)</u>
10		
11	INCREASE (DECREASE) FIT @	35% \$ (53,592,570)
12		
13	INCREASE (DECREASE) NOI	<u><u>\$ 53,592,570</u></u>

Af13.06

**PUGET SOUND ENERGY-ELECTRIC**  
**PASS-THROUGH REVENUE & EXPENSE**  
**FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2017**  
**COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION	AMOUNT	ADJUSTMENT
1	<u>REMOVE REVENUES ASSOCIATED WITH RIDERS:</u>		
2	CONSERVATION RIDER - SCHEDULE 120		\$ 109,964,008
3	PROPERTY TAX TRACKER - SCHEDULE 140		64,932,640
4	MUNICIPAL TAXES - SCHEDULE 81		88,133,151
5	LOW INCOME RIDER - SCHEDULE 129		17,984,435
6	RESIDENTIAL EXCHANGE - SCH 194		(79,563,217)
7	REC PROCEEDS - SCH 137 REC AND BIOGAS PROCEEDS		(1,039)
8	EXPENSE OFFSET FOR SCH 137 REC AND BIOGAS PROCEEDS		2,751
9	DECOUPLING SCH 142 REVENUE		31,512,602
10	DECOUPLING SCH 142 SURCHARGE AMORT EXPENSE		(30,074,966)
11	GREEN POWER - SCH 135/136		4,032,737
12	GREEN POWER - SCH 135/136 ELIMINATE OVER EXPENSED		228,432
13	REMOVE JPUD GAIN ON SALE SCH 133		266
14	TOTAL (INCREASE) DECREASE REVENUES		<u>\$ 207,151,800</u>
15			
16	<u>DECREASE REVENUE SENSITIVE ITEMS FOR DECREASE IN REVENUES:</u>		
17	BAD DEBTS	0.77210%	\$ (1,588,298)
18	ANNUAL FILING FEE	0.20000%	(411,423)
19	STATE UTILITY TAX	3.84350%	(7,906,518)
20	TOTAL		<u>\$ (9,906,239)</u>
21			
22	<u>REMOVE EXPENSES ASSOCIATED WITH RIDERS</u>		
23	CONSERVATION AMORTIZATON - SCHEDULE 120		\$ (104,947,340)
24	PROPERTY TAX AMORTIZATION EXP - SCHEDULE 140		(61,970,348)
25	MUNICIPAL TAXES - SCHEDULE 81		(84,520,344)
26	LOW INCOME AMORTIZATION - SCHEDULE 129		(17,163,967)
27	RESIDENTIAL EXCHANGE - SCH 194		75,933,464
28	AMORT ON INTEREST ON REC PROCEEDS - SCH 137		7
29	GREEN POWER - SCH 135/136 TAGS CHARGED TO 557		(2,328,699)
30	GREEN POWER - SCH 135/136 CHARGED TO 908/909		(1,947,537)
31	GREEN POWER - SCH 135/136 BENEFITS PORTION OF ADMIN		(49,214)
32	GREEN POWER - SCH 135/136 TAXES PORTION OF ADMIN		(13,792)
33	REMOVE JPUD AMORT EXPENSE SCH 133		-
34	TOTAL INCREASE (DECREASE) EXPENSE		<u>\$ (197,007,769)</u>
35			
36	INCREASE (DECREASE) OPERATING INCOME BEFORE FIT		\$ (237,792)
37	INCREASE (DECREASE) FIT		<u>(83,227)</u>
38	INCREASE (DECREASE) NOI		<u><u>\$ (154,565)</u></u>

Af1 3.07

**PUGET SOUND ENERGY-ELECTRIC**  
**RATE CASE EXPENSES**  
**FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2017**  
**COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION	AMOUNT	
1	EXPENSES TO BE NORMALIZED		
2			
3			
4	2017 AND 2011 GRC EXPENSES TO BE NORMALIZED	\$ 1,101,000	
5			
6	ANNUAL NORMALIZATION (LINE 4 ÷ 2 YEARS)	550,500	
7	LESS TEST YEAR EXPENSE	1,230,489	
8	INCREASE (DECREASE) EXPENSE	\$ (679,989)	(679,989)
9			
10	2014 AND 2013 PCORC EXPENSES TO BE NORMALIZED	\$ 273,000	
11			
12	ANNUAL NORMALIZATION (LINE 10 ÷ 4 YEARS)	68,250	
13	LESS TEST YEAR EXPENSE	-	
14	INCREASE (DECREASE) EXPENSE	\$ 68,250	\$ 68,250
15			
16			
17	TOTAL INCREASE (DECREASE) EXPENSE		\$ (611,739)
18			
19	INCREASE(DECREASE) FIT @	35%	214,109
20	INCREASE(DECREASE) NOI		\$ 397,630

PUGET SOUND ENERGY-ELECTRIC  
**BAD DEBTS**  
 FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2017  
 COMMISSION BASIS REPORT

LINE NO.	YEAR	NET	GROSS	SALES FOR	OTHER	SALES FOR	NET	PERCENT
		WRITEOFF'S	REVENUES	RESALE OTHER	OPERATING REVENUE	RESALE FIRM	REVENUES	WRITEOFFS TO REVENUE
		December	August	August	August	August	August	
1	12 ME 12/01/2013 AND 8/31/2013	\$ 14,147,611	\$ 2,136,090,988	\$ 39,991,496	\$ 7,882,218	\$ 343,586	\$ 2,087,873,688	0.6776%
2	12 ME 12/01/2016 AND 8/31/2016	\$ 17,232,326	\$ 2,221,903,291	\$ 54,786,787	\$ 16,912,199	\$ 324,713	2,149,879,591	0.8015%
3	12 ME 12/01/2017 AND 8/31/2017	\$ 18,726,589	\$ 2,331,385,777	\$ 50,098,528	\$ 43,765,107	\$ 352,068	2,237,170,074	0.8371%
4								
5	3-YR AVERAGE OF NET WRITE OFF RATE							0.7721%
6								
7	REPORTING PERIOD REVENUES		2,437,612,690	129,039,388	48,085,655	354,461	\$ 2,260,133,186	
8								
9								
10	PROFORMA BAD DEBT RATE						<u>0.7721%</u>	
11	PROFORMA BAD DEBTS						17,450,488	
12								
13	UNCOLLECTIBLES CHARGED TO EXPENSE IN TEST YEAR						<u>16,024,854</u>	
14	INCREASE (DECREASE) EXPENSE							\$ 1,425,635
15								
16	INCREASE (DECREASE) NOI							\$ (1,425,635)
17	INCREASE (DECREASE) FIT							35% <u>(498,972)</u>
18	INCREASE (DECREASE) NOI							<u>\$ (926,663)</u>

Af1 3.09

**PUGET SOUND ENERGY-ELECTRIC**  
**INCENTIVE PLAN**  
**FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2017**  
**COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION	ACTUAL	RESTATED	ADJUSTMENT
1	TOTAL INCENTIVE / MERIT PAY	\$ 9,099,305	\$ 8,054,494	\$ (1,044,811)
2				
3	PAYROLL TAXES ASSOCI WITH MERIT PAY	\$ 473,928	\$ 419,510	\$ (54,418)
4	INCREASE(DECREASE ) IN EXPENSE	\$ 9,573,233	\$ 8,474,004	\$ (1,099,229)
5				
6	INCREASE (DECREASE) INCOME			1,099,229
7	INCREASE (DECREASE) FIT @		35%	384,730
8				
9	INCREASE (DECREASE) NOI			<u><u>\$ 714,499</u></u>

Adj 3.10

**PUGET SOUND ENERGY-ELECTRIC**  
**EXCISE TAX & FILING FEE**  
**FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2017**  
**COMMISSION BASIS REPORT**

LINE NO. DESCRIPTION	AMOUNT
1 <b>RESTATED EXCISE TAXES</b>	\$ 88,909,545
2 CHARGED TO EXPENSE FOR TEST YEAR	\$ 88,895,264
3 INCREASE(DECREASE) EXCISE TAX	\$ 14,281
4	
5 <b>RESTATED WUTC FILING FEE</b>	\$ 4,561,726
6 CHARGED TO EXPENSE FOR TEST YEAR	4,564,772
7 INCREASE(DECREASE) WUTC FILING FEE	\$ (3,046)
8	
9 INCREASE(DECREASE) EXPENSE	\$ 11,235
10	
11 INCREASE(DECREASE) OPERATING INCOME	\$ (11,235)
12	
13 INCREASE(DECREASE) FIT	35% \$ (3,932)
14	
15 INCREASE(DECREASE) NOI	<u>\$ (7,303)</u>

Adj 3.11

**PUGET SOUND ENERGY-ELECTRIC**  
**D&O INSURANCE**  
**FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2017**  
**COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION	TEST YEAR	RESTATED	ADJUSTMENT
1	D & O INS. CHG EXPENSE	\$ 90,357	\$ 82,084	\$ (8,273)
2				
3	INCREASE (DECREASE) IN EXPENSE	\$ 90,357	\$ 82,084	\$ (8,273)
4				
5	INCREASE (DECREASE) OPERATING INCOME			8,273
6				
7	INCREASE (DECREASE) FIT @		35%	2,896
8				
9	INCREASE (DECREASE) NOI			<u>\$ 5,378</u>

Adj 3.12

**PUGET SOUND ENERGY-ELECTRIC**  
**MONTANA ENERGY TAX**  
**FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2017**  
**COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION	AMOUNT
1	ACTUAL KWH	4,463,705,000
2	TRANSMISSION LINE LOSS % FOR WECC	0.05
3	WETT TAX RATE	0.00015
4	WETT TAX	\$ 636,078
5		
6	EEELT TAX RATE	0.0002
7	EEELT TAX	\$ 892,741
8		
9	RESTATED ENERGY TAX	1,528,819
10	CHARGED TO EXPENSE	1,551,244
11	INCREASE (DECREASE) INCOME	\$ 22,425
12		
13	INCREASE (DECREASE) FIT @ 35%	7,849
14	INCREASE (DECREASE) NOI	<u><u>\$ 14,576</u></u>

Adj 3.13
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**PUGET SOUND ENERGY-ELECTRIC**  
**INTEREST ON CUSTOMER DEPOSITS**  
**FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2017**  
**COMMISSION BASIS REPORT**

LINE			
NO.	DESCRIPTION		AMOUNT
1	INTEREST EXPENSE FOR TEST YEAR	\$	232,123
2			
3			
4	INCREASE (DECREASE) NOI	\$	<u><u>(232,123)</u></u>

Adj 3.14

**PUGET SOUND ENERGY-ELECTRIC**  
**ASC 815**  
**FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2017**  
**COMMISSION BASIS REPORT**

LINE NO.		ACTUAL	RESTATED	ADJUSTMENT
1	ASC 815 OPERATING EXPENSE	\$ 30,790,455	\$ -	\$ (30,790,455)
2				
3	INCREASE (DECREASE) IN EXPENSE	\$ 30,790,455	\$ -	\$ (30,790,455)
4				
5	INCREASE (DECREASE) OPERATING INCOME			30,790,455
6				
7	INCREASE (DECREASE) DEFERRED FIT @	35%		10,776,659
8				
9	INCREASE (DECREASE) NOI			<u>\$ 20,013,796</u>

Adj 3.15
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**PUGET SOUND ENERGY-ELECTRIC**  
**PENSION PLAN**  
**FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2017**  
**COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION	ACTUAL	RESTATED	ADJUSTMENT
1	QUALIFIED RETIREMENT FUND	\$ 3,964,122	\$ 6,404,052	\$ 2,439,930
2				
3	INCREASE (DECREASE ) IN EXPENSE	\$ 3,964,122	\$ 6,404,052	\$ 2,439,930
4				
5	INCREASE (DECREASE) INCOME			(2,439,930)
6	INCREASE (DECREASE) FIT @		35%	(853,975)
7				
8	INCREASE (DECREASE) NOI			<u><u>\$ (1,585,954)</u></u>

Adj 3.16

**PUGET SOUND ENERGY-ELECTRIC**  
**INJURIES AND DAMAGES**  
**FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2017**  
**COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION	ACTUAL	RESTATED	ADJUSTMENT
1	INJURIES & DAMAGES ACCRUALS	\$ 50,698	\$ 76,899	\$ 26,201
2	INJURIES & DAMAGES PAYMENTS IN EXCESS OF ACCRUALS	2,010,726	901,633	(1,109,092)
3	INCREASE/(DECREASE) IN EXPENSE	2,061,424	978,533	(1,082,891)
4				
5	INCREASE/(DECREASE) IN OPERATING EXPENSE (LINE 3)			\$ (1,082,891)
6	INCREASE (DECREASE) FIT @		35%	379,012
7				
8	INCREASE (DECREASE) NOI			\$ 703,879

Adj 3.17

**PUGET SOUND ENERGY-ELECTRIC**  
**WILD HORSE SOLAR**  
**FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2017**  
**COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION	ACTUAL	RESTATED	ADJUSTMENT
1	<u>WILD HORSE SOLAR RATEBASE (AMA)</u>			
2	<u>UTILITY PLANT RATEBASE</u>			
3	PLANT BALANCE	\$ 4,539,303		\$ (4,539,303)
4	ACCUM DEPRECIATION	\$ (1,813,298)		1,813,298
5	DEFERRED INCOME TAX LIABILITY	\$ (905,206)		905,206
6	NET WH SOLAR PLANT RATEBASE	1,820,799	0	(1,820,799)
7				
8	<u>WILD HORSE SOLAR OPERATING EXPENSE</u>			
9	DEPRECIATION EXPENSE	188,181		(188,181)
10	INCREASE (DECREASE ) EXPENSE	\$ 188,181	\$ -	\$ (188,181)
11				
12	INCREASE (DECREASE) FIT @		35%	65,863
13	INCREASE (DECREASE) NOI			\$ 122,318

**PUGET SOUND ENERGY-ELECTRIC**  
**STORM NORMALIZATION**  
**FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2017**  
**COMMISSION BASIS REPORT**

LINE NO. DESCRIPTION	Transmission	Distribution	Total
1 ACTUAL O&M:			
2 TWELVE MONTHS ENDED 12/31/12	\$ 319,262	\$ 10,754,358	\$ 11,073,620
3 TWELVE MONTHS ENDED 12/31/13	349,351	9,163,882	9,513,232
4 TWELVE MONTHS ENDED 12/31/14	505,311	11,176,183	11,681,493
5 TWELVE MONTHS ENDED 12/31/15	588,383	10,572,644	11,161,028
6 TWELVE MONTHS ENDED 12/31/16	292,661	9,249,534	9,542,195
7 TWELVE MONTHS ENDED 12/31/17	560,520	8,645,868	9,206,387
8 TOTAL NORMAL STORMS	2,615,487	59,562,469	62,177,955
9			
10 SIX-YEAR AVERAGE STORM EXPENSE FOR RATE YEAR (LINE 8 ÷ 6 Y	435,914.48	9,927,078	10,362,993
11			
12 <u>CHARGED TO EXPENSE 12 MONTH ENDED 12/31/17</u>			
13 STORM DAMAGE EXPENSE (LINE 7)	560,520	8,645,868	9,206,387
14			
15 INCREASE (DECREASE) OPERATING EXPENSE (LINE 10-LINE 13)	(124,605)	1,281,211	1,156,605
16			
17 INCREASE (DECREASE) FIT @ 35% (LINE 15 X 35%)			(404,812)
18			
19 INCREASE (DECREASE) NOI			\$ 751,793

**PUGET SOUND ENERGY-ELECTRIC**  
**MISCELLANEOUS ADJUSTMENTS**  
**FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2017**  
**COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION	ACTUAL	RESTATED	ADJUSTMENT
1	OPERATING EXPENSES			
2	EXPENSE	\$ 3,000		\$ (3,000)
3	EXPENSES	\$ 456		\$ (456)
4				
5				
6				
7	INCREASE(DECREASE ) IN EXPENSE	\$ 3,456	\$ -	\$ (3,456)
8				
9	TOTAL INCREASE(DECREASE) IN EXPENSE			(3,456)
10	INCREASE (DECREASE) FIT @ 35%		35.00%	1,210
11				
12	INCREASE (DECREASE) NOI			\$ 2,247

Adj 4.01

**PUGET SOUND ENERGY-ELECTRIC**  
**CONVERSION FACTOR**  
**FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2017**  
**COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION	RATE
1	BAD DEBTS	0.007721
2	ANNUAL FILING FEE	0.002000
3	STATE UTILITY TAX ( ( 1 - LINE 1 ) * 3.8734% )	3.8734% <u>0.038435</u>
4		
5	SUM OF TAXES OTHER	0.048156
6		
7	CONVERSION FACTOR EXCLUDING FEDERAL INCOME TAX ( 1 - LINE 5 )	0.951844
8	FEDERAL INCOME TAX ( ( 1 - LINE 5 ) * 35% )	35% <u>0.333145</u>
9	CONVERSION FACTOR ( 1 - LINE 8 )	<u><u><b>0.618699</b></u></u>