

**UE-121697/UG-121705**

**UE-130137/UG-130138**

**Additional Information provided with October 30, 2014 Commission Basis Report Compliance Filing**

PSE has provided O&M cost per customer consistent with the methodology utilized in the development of the K-Factor (KJB-16). The attached analysis reflects the Commission Basis Results for the non-production O&M on a cost per customer basis for the period encompassing calendar year 2011 through twelve months ending June 2014. As demonstrated on page one, the overall annual average increase in O&M is lower than the historical growth rate has slowed compared to that presented in the ERF/Decoupling proceedings at 2.9% versus 3.6%.

On page three of the analysis, the electric annual growth rate is 4.7% which is equivalent to the electric historical growth rate presented in the ERF/Decoupling proceedings. On page four of the analysis, the natural gas annual growth rate is relatively flat, which represents a decline to a cost per customer reduction of -0.2% over the 2.2% historical natural gas growth rate presented in the ERF/Decoupling proceedings.

The electric annual growth rate has not decreased more due in part to the impacts of the allocation methodology of common costs. The four-factor allocator has been trending more toward electric, primarily due to the additional production rate base added within recent years. Please see the below table of allocation factors used in each period.

Because of this shift in common costs, we have reflected the annual increases on a combined basis on page one, to better reflect the overall spending trend of the Company, which is slowed compared to the historical growth rate presented in the ERF/Decoupling proceedings. As more time in the rate plan period elapses, the impacts of PSE's efficiency initiatives reported at the August 28, 2014 Recessed Open Meeting will be realized and continue to be reflected in lower costs per customer. PSE will continue to provide this analysis in future semi-annual Commission Basis Reports filed during the rate plan period.

**PUGET SOUND ENERGY  
COMBINED RESULTS OF OPERATIONS  
COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION	12ME Dec 2011	12ME Dec 2012	12ME Dec 2013	12ME June 2014	COMPOUND GROWTH RATE
		RESTATED RESULTS OF OPERATIONS	RESTATED RESULTS OF OPERATIONS	RESTATED RESULTS OF OPERATIONS	RESTATED RESULTS OF OPERATIONS	
1	<u>COMBINED EXPENSES:</u>					
2	TRANSMISSION EXPENSE	9,530,907	19,073,045	19,383,744	19,480,111	
3	DISTRIBUTION EXPENSE	130,531,255	126,441,451	127,563,845	136,086,768	
4	CUSTOMER ACCOUNT EXPENSES	78,512,657	80,013,147	82,230,612	83,338,978	
5	CUSTOMER SERVICE EXPENSES	4,800,000	3,249,127	3,914,400	4,868,046	
6	ADMIN & GENERAL EXPENSE	142,745,361	145,172,486	154,517,147	154,901,072	
7	TOTAL EXPENSES	366,120,180	373,949,255	387,609,749	398,674,974	
8						
9	AVERAGE CUSTOMER COUNT	1,840,114	1,852,951	1,858,766	1,865,337	
10	<b>ACTUAL COST PER CUSTOMER</b>	<b>\$ 198.97</b>	<b>\$ 201.81</b>	<b>\$ 208.53</b>	<b>\$ 213.73</b>	<b>CALCULATED 2.9%</b>
11	<b>2011 GROWN AT HISTORICAL RATE</b>	<b>\$ 198.97</b>	<b>\$ 206.07</b>	<b>\$ 213.44</b>	<b>\$ 217.25</b>	<b>COMBINED ERF 3.6%</b>

Calculation of Combined Escalation Factors from ERF

Description	2006 GRC			2011 GRC		
	Electric	Gas	Combined	Electric	Gas	Combined
7 Number of years between test years				5.25	5.25	5.25
8						
9 Transmission & Distribution Expense	\$ 65,086,999	\$ 34,532,486	\$ 99,619,485	\$ 92,084,397	\$ 49,783,566	\$ 141,867,963
10 Customer Account & Services Expenses	37,706,383	25,038,278	62,744,661	49,173,646	31,704,844	80,878,490
11 Admin & General Expenses	74,379,848	41,714,840	116,094,688	99,871,160	43,995,146	143,866,305
12						
13 Total O&M	177,173,230	101,285,604	278,458,834	241,129,203	125,483,555	366,612,758
14						
15 Average Customer Count	1,004,833	678,712	1,683,546	1,075,057	750,800	1,825,856
16						
17 Average Cost per Customer	\$ 176.32	\$ 149.23	\$ 325.55	\$ 224.29	\$ 167.13	\$ 391.43
18						
19						
20 Annual Escalation Factor				4.7%	2.2%	3.6%
21						
22						

**PUGET SOUND ENERGY  
ELECTRIC RESULTS OF OPERATIONS  
COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION	12ME Dec 2011	12ME Dec 2012	12ME Dec 2013	12ME June 2014	COMPOUND GROWTH RATE
		RESTATED RESULTS OF OPERATIONS	RESTATED RESULTS OF OPERATIONS	RESTATED RESULTS OF OPERATIONS	RESTATED RESULTS OF OPERATIONS	
1	TRANSMISSION EXPENSE	9,481,215	19,058,040	19,355,851	19,471,020	
2	DISTRIBUTION EXPENSE	78,245,091	74,862,781	77,321,920	85,258,266	
3	CUSTOMER ACCOUNT EXPENSES	48,140,876	49,220,845	50,570,101	51,188,462	
4	CUSTOMER SERVICE EXPENSES	3,719,955	2,032,132	2,090,482	2,141,686	
5	ADMIN & GENERAL EXPENSE	96,361,837	99,264,866	106,511,054	107,452,884	
6	TOTAL EXPENSES	235,948,974	244,438,664	255,849,409	265,512,317	
7						
8	AVERAGE CUSTOMER COUNT	1,083,403	1,089,296	1,085,381	1,086,414	
9						
10	<b>ACTUAL COST PER CUSTOMER</b>	<b>\$ 217.79</b>	<b>\$ 224.40</b>	<b>\$ 235.72</b>	<b>\$ 244.39</b>	<b>CALCULATED 4.7%</b>
11	<b>2011 GROWN AT HISTORICAL RA'</b>	<b>\$ 217.79</b>	<b>\$ 228.00</b>	<b>\$ 238.69</b>	<b>\$ 244.29</b>	<b>ERF KJB-16 4.7%</b>

**PUGET SOUND ENERGY  
GAS RESULTS OF OPERATIONS  
COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION	12ME Dec 2011	12ME Dec 2012	12ME Dec 2013	12ME June 2014	COMPOUND GROWTH RATE
		RESTATED RESULTS OF OPERATIONS	RESTATED RESULTS OF OPERATIONS	RESTATED RESULTS OF OPERATIONS	RESTATED RESULTS OF OPERATIONS	
1	<u>GAS EXPENSES:</u>					
2	TRANSMISSION EXPENSE	49,692	15,005	27,893	9,091	
3	DISTRIBUTION EXPENSE	52,286,164	51,578,669	50,241,925	50,828,502	
4	CUSTOMER ACCOUNT EXPENSES	30,371,782	30,792,302	31,660,511	32,150,516	
5	CUSTOMER SERVICE EXPENSES	1,080,045	1,216,995	1,823,918	2,726,359	
6	ADMIN & GENERAL EXPENSE	46,383,523	45,907,620	48,006,093	47,448,188	
7	TOTAL EXPENSES	130,171,206	129,510,591	131,760,339	133,162,657	
8						
9	AVERAGE CUSTOMER COUNT	756,711	763,655	773,385	778,923	
10	<b>ACTUAL COST PER CUSTOMER</b>	<b>\$ 172.02</b>	<b>\$ 169.59</b>	<b>\$ 170.37</b>	<b>\$ 170.96</b>	<b>CALCULATED -0.2%</b>
11	<b>2011 GROWN AT HISTORICAL RATE</b>	<b>\$ 172.02</b>	<b>\$ 175.77</b>	<b>\$ 179.61</b>	<b>\$ 181.57</b>	<b>ERF KJB-16 2.2%</b>

**PUGET SOUND ENERGY-ELECTRIC**  
**RESULTS OF OPERATIONS**  
**FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2011**  
**COMMISSION BASIS REPORT**

LINE NO.	ACTUAL RESULTS OF OPERATIONS	TOTAL ADJUSTMENTS	RESTATED RESULTS OF OPERATIONS
1	<u>OPERATING REVENUES:</u>		
2	\$ 2,133,846,001	\$ (94,555,772)	\$ 2,039,290,229
3	371,445	(3,453)	367,992
4	140,420,599	(2,059,961)	138,360,638
5	81,684,812	(98,845,392)	(17,160,580)
6	<u>2,356,322,857</u>	<u>(195,464,578)</u>	<u>2,160,858,279</u>
7			
8	<u>OPERATING REVENUE DEDUCTIONS:</u>		
9			
10	<u>POWER COSTS:</u>		
11	\$ 199,471,094	\$ 11,033,255	\$ 210,504,349
12	783,082,464	(24,462,121)	758,620,343
13	82,631,624	-	82,631,624
14	<u>(71,147,374)</u>	<u>71,147,374</u>	<u>(0)</u>
15	<u>994,037,808</u>	<u>57,718,508</u>	<u>1,051,756,316</u>
16			
17	\$ 114,139,604	\$ -	\$ 114,139,604
18	9,481,215	-	9,481,215
19	78,245,091	-	78,245,091
20	49,059,716	(918,840)	48,140,876
21	15,881,133	(12,161,178)	3,719,955
22	86,285,987	(86,283,603)	2,384
23	95,893,696	468,141	96,361,837
24	196,706,434	(187,935)	196,518,499
25	40,172,915	-	40,172,915
26	17,829,018	-	17,829,018
27	116,451,295	(108,921,116)	7,530,179
28	54,145,597	(54,145,597)	-
29	207,140,327	(79,411,834)	127,728,493
30	133,244	7,250,851	7,384,095
31	39,724,568	46,150,713	85,875,281
32	<u>\$ 2,115,327,648</u>	<u>\$ (230,441,891)</u>	<u>\$ 1,884,885,757</u>
33			
34	\$ 240,995,209	\$ 34,977,313	\$ 275,972,522
35			
36	\$ 4,168,735,160	\$ (3,056,780)	\$ 4,165,678,380
37			
38	5.78%		6.62%
39			
40	<u>RATE BASE:</u>		
41	\$ 4,529,037,038	\$ (3,835,962)	\$ 4,525,201,076
42	313,951,313	-	313,951,313
43	(772,206,073)	779,182	(771,426,891)
44	183,562,563	-	183,562,563
45	<u>(85,609,681)</u>	<u>-</u>	<u>(85,609,681)</u>
46	<u>\$ 4,168,735,160</u>	<u>\$ (3,056,780)</u>	<u>\$ 4,165,678,380</u>

**PUGET SOUND ENERGY-ELECTRIC**  
**RESULTS OF OPERATIONS**  
**FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2012**  
**COMMISSION BASIS REPORT**

LINE NO.	ACTUAL RESULTS OF OPERATIONS	TOTAL ADJUSTMENTS	RESTATED RESULTS OF OPERATIONS
1	<u>OPERATING REVENUES:</u>		
2	\$ 2,109,858,520	\$ (84,858,337)	\$ 2,025,000,182
3	356,031	413	356,444
4	83,564,696	-	83,564,696
5	28,441,193	(5,649,112)	22,792,081
6	2,222,220,439	(90,507,037)	2,131,713,402
7			
8	<u>OPERATING REVENUE DEDUCTIONS:</u>		
9			
10	<u>POWER COSTS:</u>		
11	\$ 204,955,672	\$ -	\$ 204,955,672
12	593,961,366	(1,056,071)	592,905,294
13	87,085,890	-	87,085,890
14	(73,554,903)	73,554,903	-
15	812,448,025	72,498,832	884,946,856
16			
17	\$ 114,593,256	\$ -	\$ 114,593,256
18	19,058,040	-	19,058,040
19	74,862,781	-	74,862,781
20	52,429,420	(3,208,575)	49,220,845
21	15,066,697	(13,034,565)	2,032,132
22	85,025,496	(85,025,496)	-
23	101,340,443	(2,075,577)	99,264,866
24	231,840,647	(187,935)	231,652,712
25	38,032,760	-	38,032,760
26	17,529,940	-	17,529,940
27	23,135,054	(16,878,188)	6,256,866
28	(119,120,362)	119,120,362	-
29	208,575,784	(78,152,166)	130,423,619
30	4,271,535	(31,499,386)	(27,227,851)
31	156,258,260	(13,802,837)	142,455,423
32	\$ 1,835,347,775	\$ (52,245,531)	\$ 1,783,102,243
33			
34	\$ 386,872,664	\$ (38,261,505)	\$ 348,611,159
35			
36	\$ 4,886,496,592	\$ (2,728,829)	\$ 4,883,767,763
37			
38	7.92%		7.14%
39			
40	<u>RATE BASE:</u>		
41	\$ 5,266,504,827	\$ (3,657,772)	\$ 5,262,847,056
42	431,702,107	-	431,702,107
43	(922,981,768)	928,943	(922,052,825)
44	190,928,011	-	190,928,011
45	(79,656,586)	-	(79,656,586)
46	\$ 4,886,496,592	\$ (2,728,829)	\$ 4,883,767,763

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

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



**PUGET SOUND ENERGY-ELECTRIC**  
**RESULTS OF OPERATIONS**  
**FOR THE TWELVE MONTHS ENDED JUNE 30, 2014**  
**COMMISSION BASIS REPORT**

LINE NO.	ACTUAL RESULTS OF OPERATIONS	TOTAL ADJUSTMENTS	RESTATED RESULTS OF OPERATIONS
1	<u>OPERATING REVENUES:</u>		
2	\$ 2,084,321,770	\$ (50,195,172)	\$ 2,034,126,598
3	349,909	1,387	351,296
4	152,683,961	-	152,683,961
5	83,069,942	(12,479,539)	70,590,403
6	<u>2,320,425,582</u>	<u>(62,673,324)</u>	<u>2,257,752,258</u>
7			
8	OPERATING REVENUE DEDUCTIONS:		
9			
10	<u>POWER COSTS:</u>		
11	\$ 271,740,686	\$ (100,884)	\$ 271,639,802
12	542,462,295	(12,305,290)	530,157,005
13	102,047,887	-	102,047,887
14	<u>(97,162,538)</u>	<u>97,162,538</u>	<u>-</u>
15	819,088,329	84,756,364	903,844,693
16			
17	\$ 115,898,327	\$ -	\$ 115,898,327
18	19,471,020	-	19,471,020
19	85,258,266	-	85,258,266
20	58,626,737	(7,438,275)	51,188,462
21	18,796,581	(16,654,895)	2,141,686
22	90,243,004	(90,228,853)	14,151
23	110,048,638	(2,595,754)	107,452,884
24	258,202,605	(187,950)	258,014,655
25	46,515,560	-	46,515,560
26	17,213,410	-	17,213,410
27	(5,363,592)	11,269,283	5,905,692
28	(77,878,862)	77,878,862	-
29	211,551,213	(122,128,873)	89,422,340
30	(0)	83,921,764	83,921,764
31	170,934,365	(117,573,578)	53,360,787
32	<u>\$ 1,938,605,600</u>	<u>\$ (98,981,905)</u>	<u>\$ 1,839,623,695</u>
33			
34	\$ 381,819,981	\$ 36,308,581	\$ 418,128,562
35			
36	\$ 5,404,113,600	\$ (2,392,290)	\$ 5,401,721,310
37			
38	7.07%		7.74%
39			
40	RATE BASE:		
41	\$ 9,308,159,177	\$ (4,530,703)	\$ 9,303,628,474
42	(3,362,527,859)	1,060,869	(3,361,466,990)
43	409,992,992	-	409,992,992
44	(1,095,451,827)	1,077,544	(1,094,374,283)
45	209,355,587	-	209,355,587
46	<u>(65,414,470)</u>	<u>-</u>	<u>(65,414,470)</u>
47	<u>\$ 5,404,113,600</u>	<u>\$ (2,392,290)</u>	<u>\$ 5,401,721,310</u>

**PUGET SOUND ENERGY  
ANNUAL GROWTH RATE BASED ON GRC COMPLIANCE FILING WORKPAPERS  
ELECTRIC OPERATIONS**

Test Year	2004 GRC	2006 GRC	2007 GRC	2009 GRC	2011 GRC	% Annual Growth in O&M			
	Sep-03	Sep-05	Sep-07	Dec-08 (Note 1)	Dec-10 (Note 1)	2004GRC - 2011GRC	2006GRC - 2011GRC	2007GRC - 2011GRC	2009GRC - 2011GRC
1 <b>Load (input tab)</b>						7.25	5.25	3.25	2.00
2 Electric	19,334,018,640	20,339,226,968	21,283,655,838	21,821,673,792	21,143,300,002	1.2%	0.7%	-0.2%	-1.6%
3									
4 <b>Electric Expenses</b>									
5 Other Power Supply Expense	52,551,925	77,648,296	96,183,223	107,091,100	124,341,933	12.6%	9.4%	8.2%	7.8%
6 PCA Transmission	485,960	862,248	1,136,455	1,523,617	1,419,635	15.9%	10.0%	7.1%	-3.5%
7 Transmission & Distribution Expense	63,736,286	65,086,999	75,095,489	82,334,864	92,084,397	5.2%	6.8%	6.5%	5.8%
8 Customer Account & Services	37,542,803	37,706,383	41,878,822	44,367,720	49,173,646	3.8%	5.2%	5.1%	5.3%
9 Admin & General Expenses	70,951,920	74,379,848	81,986,794	89,886,009	99,871,160	4.8%	5.8%	6.3%	5.4%
10 Total Electric Expenses	225,268,893	255,683,774	296,280,783	325,203,310	366,890,771	7.0%	7.1%	6.8%	6.2%
11 Electric Non-pca related	172,231,009	177,173,230	198,961,105	216,588,593	241,129,203	4.8%	6.0%	6.1%	5.5%
12 <b>Electric Depreciation</b>									
13 Production	37,335,853	59,620,924	51,741,842	50,072,838	93,722,074	13.5%	9.0%	20.1%	36.8%
14 PCA Transmission	4,859,223	4,861,051	3,805,774	4,056,906	3,843,499	-3.2%	-4.4%	0.3%	-2.7%
15 Transmission & Distribution	71,715,862	76,838,397	87,146,104	92,434,248	101,680,414	4.9%	5.5%	4.9%	4.9%
16 General , Intangible	11,381,296	10,068,281	19,226,023	15,196,346	20,477,642	8.4%	14.5%	2.0%	16.1%
17 Non-Tracker	-	-	-	13,993,264	-	0.0%	0.0%	0.0%	0.0%
18 Electric Depreciation	125,292,233	151,388,653	161,919,743	175,753,602	219,723,630	8.1%	7.4%	9.8%	11.8%
19 Total T&D and General	83,097,158	86,906,678	106,372,127	107,630,594	122,158,056	5.5%	6.7%	4.3%	6.5%
20									
21 <b>Electric Amortization</b>									
22 Production	4,713,860	3,004,881	5,612,906	11,298,008	11,275,733	12.8%	28.6%	23.9%	-0.1%
23 Transmission & Distribution	-	-	-	-	-	0.0%	0.0%	0.0%	0.0%
24 General , Intangible	19,142,502	19,349,756	25,514,388	28,304,530	25,477,630	4.0%	5.4%	0.0%	-5.1%
25 Non-Tracker	1,498,249	2,793,718	1,805,160	2,112,845	3,194,525	0.0%	0.0%	0.0%	0.0%
26 Electric Amortization	25,354,610	25,148,354	32,932,455	41,715,383	39,947,889	6.5%	9.2%	6.1%	-2.1%
27 Total T&D and General	19,142,502	19,349,756	25,514,388	28,304,530	25,477,630	4.0%	5.4%	0.0%	-5.1%
28									
29 T&D/General Depn & Amort (ln19 +	102,239,659	106,256,434	131,886,516	135,935,123	147,635,687	5.2%	6.5%	3.5%	4.2%
30									
31 <b>Electric Ratebase</b>									
32 Production	751,245,624	1,234,946,228	1,246,912,240	1,583,950,372	2,330,849,778	16.9%	12.9%	21.2%	21.3%
33 PCA Transmission	120,648,501	113,206,055	107,422,863	102,337,940	94,699,228	-3.3%	-3.3%	-3.8%	-3.8%
34 Transmission & Distribution (Note 1)	1,408,241,596	1,395,944,754	1,641,251,984	1,922,288,883	2,172,658,792	6.2%	8.8%	9.0%	6.3%
35 General , Intangible , Other (Note 1)	221,758,096	203,380,656	180,138,722	-	-	-100.0%	-100.0%	-100.0%	0.0%
36 Non-Tracker	42,776,224	29,838,500	127,847,726	188,037,777	255,040,634	0.0%	0.0%	0.0%	0.0%
37 Electric Ratebase	2,544,670,041	2,977,316,193	3,303,573,535	3,796,614,971	4,853,248,431	9.3%	9.8%	12.6%	13.1%
38 Total T&D and General	1,629,999,692	1,599,325,411	1,821,390,706	1,922,288,883	2,172,658,792	4.0%	6.0%	5.6%	6.3%

Average Customer Count from GRC (2)		1,004,833	1,041,219	1,060,704	1,075,057	1.3%
Cost per customer:						
39 Depn	\$	86.49	\$ 102.16	\$ 101.47	\$ 113.63	5.3%
40 Ratebase	\$	1,591.63	\$ 1,749.29	\$ 1,812.28	\$ 2,020.97	4.7%
41 Operating Expense	\$	176.32	\$ 191.08	\$ 204.19	\$ 224.29	4.7%

(Note 1) For the 2009 GRC, 2011 GRC and 2011 CBR, General, Intangible and Other plant is included on line 35.

(Note 2) Customer Counts from PSE's Response to Public Counsel Data Request 78, Attachments A

**PUGET SOUND ENERGY-GAS**  
**RESULTS OF OPERATIONS**  
**FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2011**  
**COMMISSION BASIS REPORT**

LINE NO.	ACTUAL RESULTS OF OPERATIONS	TOTAL ADJUSTMENTS	RESTATED RESULTS OF OPERATIONS
1	OPERATING REVENUES:		
2	\$ 1,103,913,121	\$ (58,108,884)	\$ 1,045,804,237
3	51,136,280	(51,136,280)	(0)
4	13,800,168	0	13,800,168
5	<u>\$ 1,168,849,569</u>	<u>\$ (109,245,164)</u>	<u>\$ 1,059,604,405</u>
6			
7			
8	OPERATING REVENUE DEDUCTIONS:		
9			
10	GAS COSTS:		
11			
12	\$ 622,087,912	\$ (16,372,111)	\$ 605,715,801
13			
14	<u>\$ 622,087,912</u>	<u>\$ (16,372,111)</u>	<u>\$ 605,715,801</u>
15			
16	\$ 1,575,816	\$ -	\$ 1,575,816
17	49,692	-	49,692
18	52,286,164	-	52,286,164
19	30,505,504	(133,722)	30,371,782
20	5,018,076	(3,938,031)	1,080,045
21	21,360,371	(21,360,371)	0
22	46,749,178	(365,655)	46,383,523
23	102,889,642	0	102,889,642
24	12,487,218	-	12,487,218
25	-	-	-
26	(151,356)	-	(151,356)
27	115,819,431	(53,493,757)	62,325,674
28	519,801	1,697,902	2,217,703
29	25,140,413	5,683,836	30,824,249
30	<u>\$ 414,249,950</u>	<u>\$ (71,909,798)</u>	<u>\$ 342,340,152</u>
31			
32	\$ 132,511,707	\$ (20,963,255)	\$ 111,548,452
33			
34	\$ 1,644,558,987	\$ 0	\$ 1,644,558,987
35			
36	8.06%		6.78%
37			
38	RATE BASE:		
39	\$ 2,877,011,061	\$ -	\$ 2,877,011,061
40	(975,934,226)	-	(975,934,226)
41	(298,016,915)	-	(298,016,915)
42	(28,225,299)	-	(28,225,299)
43	<u>\$ 1,574,834,621</u>	<u>\$ -</u>	<u>\$ 1,574,834,621</u>
44	69,724,366	-	69,724,366
45	<u>\$ 1,644,558,987</u>	<u>\$ -</u>	<u>\$ 1,644,558,987</u>

**PUGET SOUND ENERGY-GAS**  
**RESULTS OF OPERATIONS**  
**FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2012**  
**COMMISSION BASIS REPORT**

LINE NO.	ACTUAL RESULTS OF OPERATIONS	TOTAL ADJUSTMENTS	RESTATED RESULTS OF OPERATIONS
1	<u>OPERATING REVENUES:</u>		
2	\$ 1,025,609,280	\$ (8,912,831)	\$ 1,016,696,449
3	47,404,128	(47,495,230)	(91,102)
4	13,081,634	1,338,108	14,419,742
5	<u>\$ 1,086,095,042</u>	<u>\$ (55,069,953)</u>	<u>\$ 1,031,025,089</u>
6			
7			
8	OPERATING REVENUE DEDUCTIONS:		
9			
10	GAS COSTS:		
11			
12	\$ 538,611,726	\$ 22,202,143	\$ 560,813,869
13			
14	<u>\$ 538,611,726</u>	<u>\$ 22,202,143</u>	<u>\$ 560,813,869</u>
15			
16	\$ 1,880,545	\$ (187,712)	\$ 1,692,834
17	15,005	-	15,005
18	51,578,669	-	51,578,669
19	31,656,774	(864,471)	30,792,302
20	5,083,991	(3,866,995)	1,216,995
21	29,151,769	(29,151,769)	-
22	46,295,558	(387,938)	45,907,620
23	106,110,895	0	106,110,895
24	11,340,567	-	11,340,567
25	-	-	-
26	(84,402)	39,032	(45,370)
27	110,283,062	(47,958,528)	62,324,534
28	(3,749)	9,883,483	9,879,734
29	43,443,293	(14,476,559)	28,966,734
30	<u>\$ 436,751,977</u>	<u>\$ (86,971,458)</u>	<u>\$ 349,780,519</u>
31			
32	\$ 110,731,339	\$ 9,699,361	\$ 120,430,701
33			
34	\$ 1,613,676,825	\$ 0	\$ 1,613,676,825
35			
36	6.86%		7.46%
37			
38	RATE BASE:		
39	\$ 2,987,268,617	\$ -	\$ 2,987,268,617
40	(1,061,251,690)	-	(1,061,251,690)
41	(340,520,078)	-	(340,520,078)
42	(33,308,796)	-	(33,308,796)
43	<u>\$ 1,552,188,053</u>	<u>\$ -</u>	<u>\$ 1,552,188,053</u>
44	61,488,772	-	61,488,772
45	<u>\$ 1,613,676,825</u>	<u>\$ -</u>	<u>\$ 1,613,676,825</u>

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

LINE NO.	ACTUAL RESULTS OF OPERATIONS	TOTAL ADJUSTMENTS	RESTATED RESULTS OF OPERATIONS
1	<u>OPERATING REVENUES:</u>		
2	\$ 973,799,147	\$ 12,154,072	\$ 985,953,220
3	45,673,733	(46,057,432)	(383,699)
4	8,883,654	(13,000)	8,870,653
5	\$ 1,028,356,534	\$ (33,916,360)	\$ 994,440,174
6			
7			
8	<u>OPERATING REVENUE DEDUCTIONS:</u>		
9			
10	<u>GAS COSTS:</u>		
11			
12	\$ 488,200,942	\$ 35,671,711	\$ 523,872,653
13			
14	\$ 488,200,942	\$ 35,671,711	\$ 523,872,653
15			
16	\$ 1,977,214	\$ (171,076)	\$ 1,806,138
17	27,893	-	27,893
18	50,241,925	-	50,241,925
19	31,145,186	515,325	31,660,511
20	6,746,445	(4,922,528)	1,823,918
21	18,049,695	(18,049,695)	-
22	48,818,035	(811,942)	48,006,093
23	111,068,605	0	111,068,605
24	12,058,227	-	12,058,227
25	-	-	-
26	(45,370)	3,182,862	3,137,492
27	101,993,080	(53,532,967)	48,460,113
28	-	3,237,969	3,237,969
29	57,027,596	(19,273,683)	37,753,914
30	\$ 439,108,531	\$ (89,825,734)	\$ 349,282,797
31			
32	\$ 101,047,061	\$ 20,237,663	\$ 121,284,724
33			
34	\$ 1,651,590,190	\$0	\$ 1,651,590,190
35			
36	6.12%		7.34%
37			
38	<u>RATE BASE:</u>		
39	\$ 3,152,000,388	\$ -	\$ 3,152,000,388
40	(1,143,008,342)	-	(1,143,008,342)
41	(394,996,926)	-	(394,996,926)
42	(30,103,192)	-	(30,103,192)
43	\$ 1,583,891,928	\$ -	\$ 1,583,891,928
44	67,698,261	-	67,698,261
45	\$ 1,651,590,190	\$ -	\$ 1,651,590,190

**PUGET SOUND ENERGY-GAS  
RESULTS OF OPERATIONS  
FOR THE TWELVE MONTHS ENDED JUNE 30, 2014  
COMMISSION BASIS REPORT**

LINE NO.	ACTUAL RESULTS OF OPERATIONS	TOTAL ADJUSTMENTS	RESTATED RESULTS OF OPERATIONS
1	<u>OPERATING REVENUES:</u>		
2	\$ 1,017,530,868	\$ (16,513,923)	\$ 1,001,016,944
3	(378,993)	(46,038,421)	(46,417,415)
4	17,089,046	1,182,964	18,272,010
5	<u>\$ 1,034,240,920</u>	<u>\$ (61,369,380)</u>	<u>\$ 972,871,540</u>
6			
7			
8	OPERATING REVENUE DEDUCTIONS:		
9			
10	GAS COSTS:		
11			
12	\$ 486,308,838	\$ 14,829,775	\$ 501,138,613
13			
14	<u>\$ 486,308,838</u>	<u>\$ 14,829,775</u>	<u>\$ 501,138,613</u>
15			
16	\$ 1,885,023	\$ (136,431)	\$ 1,748,592
17	9,091	-	9,091
18	50,828,502	-	50,828,502
19	34,008,732	(1,858,216)	32,150,516
20	8,055,854	(5,329,495)	2,726,359
21	10,585,647	(10,585,647)	-
22	47,843,439	(395,251)	47,448,188
23	111,287,000	0	111,287,000
24	12,307,894	-	12,307,894
25	-	-	-
26	(45,370)	-	(45,370)
27	106,034,478	(64,748,672)	41,285,806
28	-	13,082,656	13,082,656
29	59,475,632	(28,083,348)	31,392,284
30	<u>\$ 442,275,924</u>	<u>\$ (98,054,404)</u>	<u>\$ 344,221,519</u>
31			
32	\$ 105,656,159	\$ 21,855,249	\$ 127,511,408
33			
34	\$ 1,667,574,543	\$ 0	\$ 1,667,574,543
35			
36	6.34%		7.65%
37			
38	RATE BASE:		
39	\$ 3,220,760,222	\$ -	\$ 3,220,760,222
40	(1,180,875,156)	-	(1,180,875,156)
41	(412,732,842)	-	(412,732,842)
42	(24,927,294)	-	(24,927,294)
43	<u>\$ 1,602,224,930</u>	<u>\$ -</u>	<u>\$ 1,602,224,930</u>
44	65,349,614	-	65,349,614
45	<u><u>\$ 1,667,574,543</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,667,574,543</u></u>

**PUGET SOUND ENERGY**  
**ANNUAL GROWTH RATE BASED ON GRC COMPLIANCE FILING WORKPAPERS**  
**NATURAL GAS OPERATIONS**

	2004 GRC	2006 GRC	2007 GRC	2009 GRC	2011 GRC	% Annual Growth in O&M			
	Sep-03	Sep-05	Sep-07	Dec-08	Dec-10	2004GRC - 2011GRC	2006GRC - 2011GRC	2007GRC - 2011GRC	2009GRC - 2011GRC
1 Test Year						7.25	5.25	3.25	2.0
2									
3 Load									
4 Gas	1,033,465,074	1,038,450,901	1,084,208,169	1,120,309,121	1,072,668,096	0.5%	0.6%	-0.3%	-2.1%
5									
6 Gas Expenses									
7 Other Power Supply Expense	1,162,087	1,555,800	1,769,111	1,881,592	1,959,232	7.5%	4.5%	3.2%	2.0%
8 Transmission & Distribution Expense	26,259,234	34,532,486	43,207,192	52,101,244	49,783,566	9.2%	7.2%	4.5%	-2.2%
9 Customer Account & Services Expenses	23,088,164	25,038,278	27,397,683	29,110,812	31,704,844	4.5%	4.6%	4.6%	4.4%
10 Admin & General Expenses	32,698,303	41,714,840	40,022,534	43,076,879	43,995,146	4.2%	1.0%	3.0%	1.1%
11 Total Gas Expenses	83,207,788	102,841,404	112,396,520	126,170,527	127,442,788	6.1%	4.2%	3.9%	0.5%
Non-power supply related	82,045,701	101,285,604	110,627,409	124,288,935	125,483,555	6.0%	4.2%	4.0%	0.5%
12									
13 Electric Non-pca related									
14 Production & Gas Storage	1,076,351	1,294,251	934,365	1,011,473	1,278,337	2.4%	-0.2%	10.1%	12.4%
15 Transmission & Distribution	52,617,414	59,340,713	75,944,262	80,729,161	85,358,207	6.9%	7.2%	3.7%	2.8%
16 General , Intangible , Other	4,182,553	4,321,030	10,051,696	7,109,187	9,195,128	11.5%	15.5%	-2.7%	13.7%
17 Gas Depreciation	57,876,318	64,955,994	86,930,323	88,849,821	95,831,672	7.2%	7.7%	3.0%	3.9%
18 Less Prod, Storage, LNG	1,076,351	1,294,251	934,365	1,011,473	1,278,337	2.4%	-0.2%	10.1%	12.4%
19 Net Gas Depreciation (In17 - In18)	56,799,967	63,661,743	85,995,958	87,838,349	94,553,335	7.3%	7.8%	3.0%	3.8%
21									
22 Gas Amortization									
23 Production & Gas Storage	-	-	-	-	-	0.0%	0.0%	0.0%	0.0%
24 Transmission & Distribution	21,162	82,646	303,738	403,917	219,232	38.1%	20.4%	-9.5%	-26.3%
25 General , Intangible , Other	9,579,622	11,220,066	13,783,889	15,214,871	12,558,889	3.8%	2.2%	-2.8%	-9.1%
26 Gas Amortization	9,600,784	11,302,712	14,087,627	15,618,788	12,778,120	4.0%	2.4%	-3.0%	-9.5%
27									
28 T&D/General Depn & Amort (In19 + In26)	66,400,751	74,964,455	100,083,585	103,457,137	107,331,456	6.8%	7.1%	2.2%	1.9%
29									
30 Gas Ratebase									
31 Production & Gas Storage	22,042,681	25,973,805	27,896,986	27,244,685	39,751,535	8.5%	8.4%	11.5%	20.8%
32 Transmission & Distribution	925,750,507	1,037,271,755	1,191,070,429	1,301,847,809	1,414,064,871	6.0%	6.1%	5.4%	4.2%
33 General , Intangible , Other	118,543,578	106,130,161	90,793,405	85,446,599	101,077,864	-2.2%	-0.9%	3.4%	8.8%
34 Working Capital	1,345,790	10,976,022	37,506,872	52,980,352	78,334,208	75.2%	45.4%	25.4%	21.6%
35 Gas Ratebase	1,067,682,556	1,180,351,743	1,347,267,693	1,467,519,443	1,633,228,478	6.0%	6.4%	6.1%	5.5%
36 Less Production related	(22,042,681)	(25,973,805)	(27,896,986)	(27,244,685)	(39,751,535)				
37 Less Working Capital	(1,345,790)	(10,976,022)	(37,506,872)	(52,980,352)	(78,334,208)				
38 Total T&D and General	1,044,294,085	1,143,401,915	1,281,863,835	1,387,294,407	1,515,142,736	5.3%	5.5%	5.3%	4.5%

(Note 1) The 2007 GRC depreciation results shown on line 19, included a \$9.3M adjustment resulting from the 07 Depreciation study approved in that filing. Had the adjustment occurred in the 2006 GRC, the compound growth factor for the 2006 to 2011 period would have been 5.1%

2006 Gas Depreciation	63,661,743	
2007 GRC Depreciation Adjustment	9,262,448	
	72,924,191	5.1%

Average Customer Count from GRC (2)	678,712	717,732	737,836	750,800	1.9%
Cost per customer:					
39 Depn	\$ 107.44	\$ 119.82	\$ 119.05	\$ 125.94	3.1%
40 Ratebase	\$ 1,684.66	\$ 1,785.99	\$ 1,880.22	\$ 2,018.04	3.5%
41 Operating Expense	\$ 149.23	\$ 154.13	\$ 168.45	\$ 167.13	2.2%
Total Ratebase (In 35)	\$ 1,739.10	\$ 1,877.12	\$ 1,988.95	\$ 2,175.32	4.4%

(Note 2) Customer Counts from PSE's Response to Public Counsel Data Request 78, Attachments B

<b>PUGET SOUND ENERGY ALLOCATION ANALYSIS</b>					
Line No.		2011 CBR 12/31/11	2012 CBR 12/31/12	2013 CBR 12/31/13	2014 CBR 06/30/14
1	<b>12 Month Average Number of Customers</b>				
2	Gas	41.12%	41.21%	41.61%	41.76%
3	Electric	58.88%	58.79%	58.39%	58.24%
4	Total	100.00%	100.00%	100.00%	100.00%
5					
6					
7	<b>Joint Meter Reading Customers</b>				
8	Gas	36.70%	36.78%	37.52%	37.62%
9	Electric	63.30%	63.22%	62.48%	62.38%
10	Total	100.00%	100.00%	100.00%	100.00%
11					
12	<b>Non-Production Plant</b>				
13					
17	Gas	38.87%	38.37%	38.74%	38.97%
21	Electric	61.13%	61.63%	61.26%	61.03%
25	Total	100.00%	100.00%	100.00%	100.00%
26					
27	<b>FOUR FACTOR ALLOCATOR</b>				
28					
29	CUSTOMER COUNT				
30	Gas	41.12%	41.21%	41.61%	41.76%
31	Electric	58.88%	58.79%	58.39%	58.24%
32	Total	100.00%	100.00%	100.00%	100.00%
33					
34	LABOR - DIRECT CHARGE TO O&M				
35	Gas	33.44%	32.50%	31.28%	29.84%
36	Electric	66.56%	67.50%	68.72%	70.16%
37	Total	100.00%	100.00%	100.00%	100.00%
38					
39	T&D OPERATIONS & MAINTENANCE EXPENSE (LESS LABOR)				
40	Gas	31.34%	29.86%	28.78%	27.64%
41	Electric	68.66%	70.14%	71.22%	72.36%
42	Total	100.00%	100.00%	100.00%	100.00%
43					
44	CLASSIFIED PLANT				
45	Gas	30.31%	28.00%	26.42%	25.87%
46	Electric	69.69%	72.00%	73.58%	74.13%
47	Total	100.00%	100.00%	100.00%	100.00%
48					
49	FOUR FACTOR ALLOCATOR				
50	Gas	34.05%	32.89%	32.02%	31.28%
51	Electric	65.95%	67.11%	67.98%	68.72%
52	Total	100.00%	100.00%	100.00%	100.00%
53					
54	<b>LABOR BENEFITS</b>				
55	Gas	33.28%	33.12%	31.70%	30.54%
56	Electric	66.72%	66.88%	68.30%	69.46%
57	Total	100.00%	100.00%	100.00%	100.00%
58					