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

		12ME Dec 2011	12ME Dec 2012	12ME Dec 2013	12ME June 2014	
		RESTATED	RESTATED	RESTATED	RESTATED	COMPOUND
LINE		RESULTS OF	RESULTS OF	RESULTS OF	RESULTS OF	GROWTH
NO.	DESCRIPTION	OPERATIONS	OPERATIONS	OPERATIONS	OPERATIONS	RATE
1	COMBINED EXPENSES:					
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	
						CALCULATED
10	ACTUAL COST PER CUSTOMER	\$ 198.97	\$ 201.81	\$ 208.53	\$ 213.73	2.9%
						COMBINED ERF
11	2011 GROWN AT HISTORICAL RATE	\$ 198.97	\$ 206.07	\$ 213.44	\$ 217.25	3.6%

			2	006 GRC					2	011 GRC		
Description		Electric		Gas	(Combined]	Electric		Gas	(Combined
7 Number of years between test years								5.25		5.25		5.25
8											_	
9 Transmission & Distribution Expense	\$ 6	5,086,999	\$ 3	34,532,486	\$ 9	99,619,485	\$ 9	2,084,397	\$ 4	9,783,566	\$.	141,867,963
10 Customer Account & Services Expenses	3	7,706,383	2	25,038,278	(62,744,661	4	9,173,646	3	1,704,844		80,878,490
11 Admin & General Expenses	7	4,379,848	2	11,714,840	1.	16,094,688	9	9,871,160	4	3,995,146		143,866,305
12												
13 Total O&M	17	7,173,230	10	01,285,604	27	78,458,834	24	1,129,203	12	5,483,555	3	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

		121	ME Dec 2011	12	ME Dec 2012	12	ME Dec 2013	121	ME June 2014	
		R	ESTATED	R	RESTATED	R	RESTATED	R	RESTATED	COMPOUND
LIN	E	RI	ESULTS OF	R	ESULTS OF	R	ESULTS OF	R	ESULTS OF	GROWTH
NO	. DESCRIPTION	OF	PERATIONS	OI	PERATIONS	OI	PERATIONS	Ol	PERATIONS	RATE
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										
										CALCULATED
10	ACTUAL COST PER CUSTOMER	\$	217.79	\$	224.40	\$	235.72	\$	244.39	4.7%
										ERF KJB-16
11	2011 GROWN AT HISTORICAL RA	.' \$	217.79	\$	228.00	\$	238.69	\$	244.29	4.7%

PUGET SOUND ENERGY GAS RESULTS OF OPERATIONS COMMISSION BASIS REPORT

		12	ME Dec 2011	12	ME Dec 2012	12	ME Dec 2013	121	ME June 2014	
		R	ESTATED	R	RESTATED	R	RESTATED	R	RESTATED	COMPOUND
LINE		R	ESULTS OF	R	ESULTS OF	R	ESULTS OF	R	ESULTS OF	GROWTH
NO.	DESCRIPTION	OI	PERATIONS	Ol	PERATIONS	Ol	PERATIONS	Ol	PERATIONS	RATE
1	GAS EXPENSES:									
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	
										CALCULATED
10	ACTUAL COST PER CUSTOMER	\$	172.02	\$	169.59	\$	170.37	\$	170.96	-0.2%
										ERF KJB-16
11	2011 GROWN AT HISTORICAL RATE	\$	172.02	\$	175.77	\$	179.61	\$	181.57	2.2%

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2011

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

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2012

LINE			ACTUAL		TOTAL	RESTATED RESULTS OF		
			RESULTS OF OPERATIONS	A T	TOTAL DJUSTMENTS			
NO.			PERATIONS	AI	DJUSTMENTS	U	PERATIONS	
1	OPERATING REVENUES:							
2	SALES TO CUSTOMERS	\$	2,109,858,520	\$	(84,858,337)	\$	2,025,000,182	
3	SALES FROM RESALE-FIRM	Ψ	356,031	Ψ	413	Ψ	356,444	
4	SALES TO OTHER UTILITIES		83,564,696		-		83,564,696	
5	OTHER OPERATING REVENUES		28,441,193		(5,649,112)		22,792,081	
6	TOTAL OPERATING REVENUES		2,222,220,439		(90,507,037)		2,131,713,402	
7								
8	OPERATING REVENUE DEDUCTIONS:							
9								
10	POWER COSTS:							
11	FUEL	\$	204,955,672	\$	_	\$	204,955,672	
12	PURCHASED AND INTERCHANGED		593,961,366		(1,056,071)		592,905,294	
13	WHEELING		87,085,890		-		87,085,890	
14	RESIDENTIAL EXCHANGE		(73,554,903)		73,554,903		-	
15	TOTAL PRODUCTION EXPENSES		812,448,025		72,498,832		884,946,856	
16								
17	OTHER POWER SUPPLY EXPENSES	\$	114,593,256	\$	-	\$	114,593,256	
18	TRANSMISSION EXPENSE		19,058,040		-		19,058,040	
19	DISTRIBUTION EXPENSE		74,862,781		-		74,862,781	
20	CUSTOMER ACCOUNT EXPENSES		52,429,420		(3,208,575)		49,220,845	
21	CUSTOMER SERVICE EXPENSES		15,066,697		(13,034,565)		2,032,132	
22	CONSERVATION AMORTIZATION		85,025,496		(85,025,496)		-	
23	ADMIN & GENERAL EXPENSE		101,340,443		(2,075,577)		99,264,866	
24	DEPRECIATION		231,840,647		(187,935)		231,652,712	
25	AMORTIZATION		38,032,760		-		38,032,760	
26	AMORTIZ OF PROPERTY GAIN/LOSS		17,529,940		-		17,529,940	
27	OTHER OPERATING EXPENSES		23,135,054		(16,878,188)		6,256,866	
28	FAS 133		(119,120,362)		119,120,362		-	
29	TAXES OTHER THAN F.I.T.		208,575,784		(78,152,166)		130,423,619	
30	FEDERAL INCOME TAXES		4,271,535		(31,499,386)		(27,227,851)	
31	DEFERRED INCOME TAXES		156,258,260		(13,802,837)		142,455,423	
32	TOTAL OPERATING REV. DEDUCT.	\$	1,835,347,775	\$	(52,245,531)	\$	1,783,102,243	
33								
34	NET OPERATING INCOME	\$	386,872,664	\$	(38,261,505)	\$	348,611,159	
35								
36	RATE BASE	\$	4,886,496,592	\$	(2,728,829)	\$	4,883,767,763	
37								
38	RATE OF RETURN		7.92%				7.14%	
39								
40	RATE BASE:							
41	UTILITY PLANT IN SERVICE	\$	5,266,504,827	\$	(3,657,772)	\$	5,262,847,056	
42	DEFERRED DEBITS		431,702,107		-		431,702,107	
43	DEFERRED TAXES		(922,981,768)		928,943		(922,052,825)	
44	ALLOWANCE FOR WORKING CAPITAL		190,928,011		-		190,928,011	
45 46	OTHER TOTAL BATE BASE	•	(79,656,586)	•	(2.720.020)	•	(79,656,586)	
46	TOTAL RATE BASE	\$	4,886,496,592	\$	(2,728,829)	Ф	4,883,767,763	

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2013

Power				ACTUAL				RESTATED	
OPERATING REVENUES: SALES TO CUSTOMERS \$ 2,099,413,904 \$ (57,231,659) \$ 2,042,182,245 SALES FROM RESALE-FIRM 346,760 316 347,076 SALES TO OTHER UTILITIES 16,624,733 \$ (5,075,707) 32,123,520 TOTAL OPERATING REVENUES \$ 37,199,228 (5,075,707) 32,123,520 TOTAL OPERATING REVENUES \$ 2,298,584,625 (62,307,051) 2,236,277,575 OPERATING REVENUE DEDUCTIONS:	LINE		1	RESULTS OF	7	TOTAL	1	RESULTS OF	
2 SALES TO CUSTOMERS \$ 2,099,413,904 \$ (57,231,659) \$ 2,042,182,245 3 SALES FROM RESALE-FIRM 346,760 316 347,075 4 SALES TRO OTHER UTLITIES 161,624,733 - 161,624,735 5 OTHER OPERATING REVENUES 2,298,584,625 (62,307,051) 2,236,277,575 8 OPERATING REVENUE DEDUCTIONS: 9 - - - - - - - - 2,293,584,625 (62,307,051) 2,236,277,575 - <td< th=""><th>NO.</th><th></th><th>C</th><th>PERATIONS</th><th>ADJU</th><th>JSTMENTS</th><th>C</th><th>PERATIONS</th></td<>	NO.		C	PERATIONS	ADJU	JSTMENTS	C	PERATIONS	
2 SALES TO CUSTOMERS \$ 2,099,413,904 \$ (57,231,659) \$ 2,042,182,245 3 SALES FROM RESALE-FIRM 346,760 316 347,075 4 SALES TRO OTHER UTLITIES 161,624,733 - 161,624,735 5 OTHER OPERATING REVENUES 2,298,584,625 (62,307,051) 2,236,277,575 8 OPERATING REVENUE DEDUCTIONS: 9 - - - - - - - - 2,293,584,625 (62,307,051) 2,236,277,575 - <td< td=""><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></td<>									
3 SALES FROM RESALE-FIRM 346,760 316 347,076 4 SALES TO OTHER UTILITIES 161,624,733 161,624,733 161,624,733 5 OTHER OPERATING REVENUES 2,298,584,625 (5,075,707) 2,236,277,575 7 OPERATING REVENUE DEDUCTIONS: 9 1,227,475 1,227,414 2,236,277,575 7 OPERATING REVENUE DEDUCTIONS: 9 1,297,414 554,301,467 11 FUEC \$ 261,332,288 \$ (5,408,415) 255,923,873 12 PURCHASED AND INTERCHANGED 553,004,053 1,297,414 554,301,467 13 WHEELING 94,741,839 1,297,414 554,301,467 14 RESIDENTIAL EXCHANGE (81,053,138) 81,053,138 - 15 TOTAL PRODUCTION EXPENSES 828,025,042 76,942,137 904,967,179 16 TOTHER POWER SUPPLY EXPENSES \$ 116,266,189 1,75,212,00 1,73,212,00 18 TRANSMISSION EXPENSE \$ 116,266,189 1,73,213,00 1,73,213,01 19 DISTRIBUTION EXPENSE \$ 1,806,215 (598,114)	1	OPERATING REVENUES:							
4 SALES TO OTHER UTILITIES 161,624,733 161,624,733 5 OTHER OPERATING REVENUES 37,199,228 (5,075,707) 32,123,520 7 UTIAL OPERATING REVENUES 2,298,584,625 (62,307,051) 2,236,277,575 8 OPERATING REVENUE DEDUCTIONS: ************************************	2	SALES TO CUSTOMERS	\$	2,099,413,904	\$	(57,231,659)	\$	2,042,182,245	
TOTAL OPERATING REVENUES 37,199,228 (5,075,707) 32,123,20	3	SALES FROM RESALE-FIRM		346,760		316		347,076	
TOTAL OPERATING REVENUES 2,298,584,625 (62,307,051) 2,236,277,575	4	SALES TO OTHER UTILITIES		161,624,733		-		161,624,733	
POPERATING REVENUE DEDUCTIONS: 9 1 1 1 1 1 1 1 1 1	5	OTHER OPERATING REVENUES		37,199,228		(5,075,707)		32,123,520	
POWER COSTS:	6	TOTAL OPERATING REVENUES		2,298,584,625		(62,307,051)		2,236,277,575	
POWER COSTS:	7								
POWER COSTS: FUEL	8	OPERATING REVENUE DEDUCTIONS:							
FUEL \$ 261,332,288 \$ (5,408,415) \$ 255,923,873 12 PURCHASED AND INTERCHANGED 553,004,053 1,297,414 594,301,467 3 WHEELING 94,741,839 41,297,414 594,301,467 14 RESIDENTIAL EXCHANGE (81,053,138) 81,053,138	9								
PURCHASED AND INTERCHANGED	10	POWER COSTS:							
13 WHEELING	11	FUEL	\$	261,332,288	\$	(5,408,415)	\$	255,923,873	
RESIDENTIAL EXCHANGE RESPONSE	12	PURCHASED AND INTERCHANGED		553,004,053		1,297,414		554,301,467	
TOTAL PRODUCTION EXPENSES 828,025,042 76,942,137 904,967,179 16	13	WHEELING		94,741,839		-		94,741,839	
TRANSMISSION EXPENSE	14	RESIDENTIAL EXCHANGE		(81,053,138)		81,053,138		_	
TOTHER POWER SUPPLY EXPENSES 116,266,189 116,266,189 18 TRANSMISSION EXPENSE 19,355,851 19,355,851 19 DISTRIBUTION EXPENSE 77,321,920	15	TOTAL PRODUCTION EXPENSES				76,942,137		904,967,179	
TRANSMISSION EXPENSE	16								
19 DISTRIBUTION EXPENSE 77,321,920 - 77,321,920 20 CUSTOMER ACCOUNT EXPENSES 51,168,215 (598,114) 50,570,101 21 CUSTOMER SERVICE EXPENSES 18,153,514 (16,063,031) 2,090,482 22 CONSERVATION AMORTIZATION 87,847,330 (87,833,179) 14,151 23 ADMIN & GENERAL EXPENSE 110,056,278 (3,545,224) 106,511,054 24 DEPRECIATION 253,254,942 (187,935) 253,067,007 25 AMORTIZATION 43,370,242 (187,935) 253,067,007 26 AMORTIZATION 43,370,242 (187,935) 253,067,007 27 OTHER OPERATING EXPENSES (13,481,409) 10,863,777 (2,617,633) 28 ASC 815 (98,879,652) 98,879,652 - 29 TAXES OTHER THAN F.I.T. 200,772,605 (90,826,025) 109,946,581 30 FEDERAL INCOME TAXES 1,895,287,034 (69,171,754) 115,670,803 31 DEFERRED INCOME TAXES 1,895,287,034 (69,171,754) </td <td>17</td> <td>OTHER POWER SUPPLY EXPENSES</td> <td>\$</td> <td>116,266,189</td> <td>\$</td> <td>_</td> <td>\$</td> <td>116,266,189</td>	17	OTHER POWER SUPPLY EXPENSES	\$	116,266,189	\$	_	\$	116,266,189	
20 CUSTOMER ACCOUNT EXPENSES 51,168,215 (598,114) 50,570,101 21 CUSTOMER SERVICE EXPENSES 18,153,514 (16,063,031) 2,090,482 22 CONSERVATION AMORTIZATION 87,847,330 (87,833,179) 14,151 23 ADMIN & GENERAL EXPENSE 110,056,278 (3,545,224) 106,511,054 24 DEPRECIATION 253,254,942 (187,935) 253,067,007 25 AMORTIZ OF PROPERTY GAIN/LOSS 17,213,410 - 43,370,242 26 AMORTIZ OF PROPERTY GAIN/LOSS 17,213,410 - 17,213,410 27 OTHER OPERATING EXPENSES (13,481,409) 10,863,777 (2,617,633) 28 ASC 815 (98,879,652) 98,879,652 - 29 TAXES OTHER THAN F.I.T. 200,772,605 (90,826,025) 109,946,581 30 FEDERAL INCOME TAXES 184,842,557 (69,171,754) 115,670,803 31 DEFERRED INCOME TAXES 184,842,557 (69,171,754) 115,670,803 32 TOTAL OPERATING INCOME \$ 18,952,870,934	18	TRANSMISSION EXPENSE		19,355,851		-		19,355,851	
21 CUSTOMER SERVICE EXPENSES 18,153,514 (16,063,031) 2,090,482 22 CONSERVATION AMORTIZATION 87,847,330 (87,833,179) 14,151 23 ADMIN & GENERAL EXPENSE 110,056,278 (3,545,224) 106,511,054 24 DEPRECIATION 253,254,942 (187,935) 253,067,007 25 AMORTIZATION 43,370,242 - 43,370,242 26 AMORTIZ OF PROPERTY GAIN/LOSS 17,213,410 - 17,213,410 27 OTHER OPERATING EXPENSES (13,481,409) 10,863,777 (2,617,633) 28 ASC 815 (98,879,652) 98,879,652 - 29 TAXES OTHER THAN F.I.T. 200,772,605 (90,826,025) 109,946,581 30 FEDERAL INCOME TAXES 184,842,557 (69,171,754) 115,670,803 31 DEFERRED INCOME TAXES 184,842,557 (69,171,754) 115,670,803 32 TOTAL OPERATING INCOME \$ 403,297,991 \$ (3,059,620) \$ 400,237,971 33 RATE BASE \$ 5,297,996,903 \$ (2,4	19	DISTRIBUTION EXPENSE		77,321,920		_		77,321,920	
22 CONSERVATION AMORTIZATION 87,847,330 (87,833,179) 14,151 23 ADMIN & GENERAL EXPENSE 110,056,278 (3,545,224) 106,511,054 24 DEPRECIATION 253,254,942 (187,935) 253,067,007 25 AMORTIZATION 43,370,242 - 43,370,242 26 AMORTIZ OF PROPERTY GAIN/LOSS 17,213,410 - 17,213,410 27 OTHER OPERATING EXPENSES (13,481,409) 10,863,777 (2,617,633) 28 ASC 815 (98,879,652) 98,879,652 - 29 TAXES OTHER THAN F.I.T. 200,772,605 (90,826,025) 109,946,581 30 FEDERAL INCOME TAXES 184,842,557 (69,171,754) 115,670,803 31 DEFERRED INCOME TAXES 184,842,557 (69,171,754) 115,670,803 32 TOTAL OPERATING REV. DEDUCT. 1,895,287,034 (59,247,430) 1,836,039,604 33 NET OPERATING INCOME \$0,000,467,909 (2,439,424) 5,295,557,479 34 RATE BASE \$0,000,467,909 (2,439,424) 5,295,557,479 35 RATE BASE \$0,000,467,909 (4,530,703) \$0,000,148,305	20	CUSTOMER ACCOUNT EXPENSES		51,168,215		(598,114)		50,570,101	
ADMIN & GENERAL EXPENSE 110,056,278 (3,545,224) 106,511,054	21	CUSTOMER SERVICE EXPENSES		18,153,514		(16,063,031)		2,090,482	
24 DEPRECIATION 253,254,942 (187,935) 253,067,007 25 AMORTIZATION 43,370,242 - 43,370,242 26 AMORTIZ OF PROPERTY GAIN/LOSS 17,213,410 - 17,213,410 27 OTHER OPERATING EXPENSES (13,481,409) 10,863,777 (2,617,633) 28 ASC 815 (98,879,652) 98,879,652 - 29 TAXES OTHER THAN F.I.T. 200,772,605 (90,826,025) 109,946,581 30 FEDERAL INCOME TAXES (0) 22,292,266 22,292,266 31 DEFERRED INCOME TAXES 184,842,557 (69,171,754) 115,670,803 32 TOTAL OPERATING REV. DEDUCT. \$1,895,287,034 \$ (59,247,430) \$1,836,039,604 33 NET OPERATING INCOME \$403,297,591 \$ (3,059,620) \$400,237,971 34 NET OPERATING INCOME \$5,297,996,903 \$ (2,439,424) \$5,295,557,479 37 RATE BASE \$9,004,679,008 \$ (4,530,703) \$9,000,148,305 42 ACCUMULATED DEPRECIATION (3,263,140,706)	22	CONSERVATION AMORTIZATION		87,847,330		(87,833,179)		14,151	
25 AMORTIZATION 43,370,242 - 43,370,242 26 AMORTIZ OF PROPERTY GAIN/LOSS 17,213,410 - 17,213,410 27 OTHER OPERATING EXPENSES (13,481,409) 10,863,777 (2,617,633) 28 ASC 815 (98,879,652) 98,879,652 - 29 TAXES OTHER THAN F.I.T. 200,772,605 (90,826,025) 109,946,581 30 FEDERAL INCOME TAXES (0) 22,292,266 22,292,266 31 DEFERRED INCOME TAXES 184,842,557 (69,171,754) 115,670,803 32 TOTAL OPERATING REV. DEDUCT. \$1,895,287,034 \$(59,247,430) \$1,836,039,604 33 NET OPERATING INCOME \$403,297,591 \$(3,059,620) \$400,237,971 34 NET OPERATING INCOME \$5,297,996,903 \$(2,439,424) \$5,295,557,479 36 RATE BASE \$5,297,996,903 \$(2,439,424) \$5,295,557,479 37 TAXING \$7,56% \$7,56% 38 RATE BASE: \$1,000,400 \$1,000,400 \$1,000,400	23	ADMIN & GENERAL EXPENSE		110,056,278		(3,545,224)		106,511,054	
26 AMORTIZ OF PROPERTY GAIN/LOSS 17,213,410 - 17,213,410 27 OTHER OPERATING EXPENSES (13,481,409) 10,863,777 (2,617,633) 28 ASC 815 (98,879,652) 98,879,652 - 29 TAXES OTHER THAN F.I.T. 200,772,605 (90,826,025) 109,946,581 30 FEDERAL INCOME TAXES (0) 22,292,266 22,292,266 31 DEFERRED INCOME TAXES 184,842,557 (69,171,754) 115,670,803 32 TOTAL OPERATING REV. DEDUCT. \$1,895,287,034 \$ (59,247,430) \$ 1,836,039,604 33 NET OPERATING INCOME \$403,297,591 \$ (3,059,620) \$ 400,237,971 36 RATE BASE \$ 5,297,996,903 \$ (2,439,424) \$ 5,295,557,479 37 7.56% 38 RATE OF RETURN 7.61% 7.56% 40 RATE BASE: 41 GROSS UTILITY PLANT IN SERVICE \$ 9,004,679,008 \$ (4,530,703) \$ 9,000,148,305 42 ACCUMULATED DEPRECIATION (3,263,140,706) 1,060,866 (3,262,079,839) 43 DEFERRED TAXES (1,028,589,439) </td <td>24</td> <td>DEPRECIATION</td> <td></td> <td>253,254,942</td> <td></td> <td>(187,935)</td> <td></td> <td>253,067,007</td>	24	DEPRECIATION		253,254,942		(187,935)		253,067,007	
27 OTHER OPERATING EXPENSES (13,481,409) 10,863,777 (2,617,633) 28 ASC 815 (98,879,652) 98,879,652 - 29 TAXES OTHER THAN F.I.T. 200,772,605 (90,826,025) 109,946,581 30 FEDERAL INCOME TAXES (0) 22,292,266 22,292,266 31 DEFERRED INCOME TAXES 184,842,557 (69,171,754) 115,670,803 32 TOTAL OPERATING INCOME \$1,895,287,034 \$ (59,247,430) \$1,836,039,604 33 NET OPERATING INCOME \$403,297,591 \$ (3,059,620) \$400,237,971 36 RATE BASE \$5,297,996,903 \$ (2,439,424) \$ 5,295,557,479 37 *** ***	25	AMORTIZATION		43,370,242		-		43,370,242	
28 ASC 815 (98,879,652) 98,879,652 - 29 TAXES OTHER THAN F.I.T. 200,772,605 (90,826,025) 109,946,581 30 FEDERAL INCOME TAXES (0) 22,292,266 22,292,266 31 DEFERRED INCOME TAXES 184,842,557 (69,171,754) 115,670,803 32 TOTAL OPERATING REV. DEDUCT. \$1,895,287,034 \$ (59,247,430) \$1,836,039,604 33 34 NET OPERATING INCOME \$403,297,591 \$ (3,059,620) \$400,237,971 35 36 RATE BASE \$5,297,996,903 \$ (2,439,424) \$5,295,557,479 37 38 RATE OF RETURN 7.61% 7.56% 40 RATE BASE: 41 GROSS UTILITY PLANT IN SERVICE \$9,004,679,008 \$ (4,530,703) \$9,000,148,305 42 ACCUMULATED DEPRECIATION (3,263,140,706) 1,060,866 (3,262,079,839) 43 DEFERRED DEBITS 438,697,645 - 438,697,645 44 DEFERRED TAXES (1,028,589,439) 1,030,413 (1,027,559,027) 45 ALLOWANCE FOR WORKING CAPITAL 216,328,823 46 OTHER (69,978,428) - 216,328,823	26	AMORTIZ OF PROPERTY GAIN/LOSS		17,213,410		-		17,213,410	
29 TAXES OTHER THAN F.I.T. 200,772,605 (90,826,025) 109,946,581 30 FEDERAL INCOME TAXES (0) 22,292,266 22,292,266 31 DEFERRED INCOME TAXES 184,842,557 (69,171,754) 115,670,803 32 TOTAL OPERATING REV. DEDUCT. \$ 1,895,287,034 \$ (59,247,430) \$ 1,836,039,604 33 NET OPERATING INCOME \$ 403,297,591 \$ (3,059,620) \$ 400,237,971 35 RATE BASE \$ 5,297,996,903 \$ (2,439,424) \$ 5,295,557,479 37 RATE OF RETURN 7.61% 7.56% 39 RATE BASE: \$ 9,004,679,008 \$ (4,530,703) \$ 9,000,148,305 40 RCUMULATED DEPRECIATION (3,263,140,706) 1,060,866 (3,262,079,839) 43 DEFERRED DEBITS 438,697,645 - 438,697,645 44 DEFERRED TAXES (1,028,589,439) 1,030,413 (1,027,559,027) 45 ALLOWANCE FOR WORKING CAPITAL 216,328,823 - 216,328,823 46 OTHER (69,978,428) - <	27	OTHER OPERATING EXPENSES		(13,481,409)		10,863,777		(2,617,633)	
Total operating income taxes 184,842,557 (69,171,754) 115,670,803	28	ASC 815		(98,879,652)		98,879,652		-	
DEFERRED INCOME TAXES 184,842,557 (69,171,754) 115,670,803 (75,247,430) 1,836,039,604 (75,247,430) 1,836,039,604 (75,247,430) 1,836,039,604 (75,247,430) 1,836,039,604 (75,247,430) 1,836,039,604 (75,247,430) 1,836,039,604 (75,247,430) 1,836,039,604 (75,247,430) 1,836,039,604 (75,247,430) 1,836,039,604 (75,247,430) 1,836,039,604 (75,247,430) 1,836,039,604 (75,247,430) 1,002,37,971 (75,247,430) 1	29	TAXES OTHER THAN F.I.T.		200,772,605		(90,826,025)		109,946,581	
TOTAL OPERATING REV. DEDUCT. \$ 1,895,287,034 \$ (59,247,430) \$ 1,836,039,604 33 34 NET OPERATING INCOME \$ 403,297,591 \$ (3,059,620) \$ 400,237,971 35 36 RATE BASE \$ 5,297,996,903 \$ (2,439,424) \$ 5,295,557,479 37 38 RATE OF RETURN 7.61% RATE BASE: 41 GROSS UTILITY PLANT IN SERVICE 42 ACCUMULATED DEPRECIATION (3,263,140,706) 43 DEFERRED DEBITS 438,697,645 44 DEFERRED TAXES (1,028,589,439) 45 ALLOWANCE FOR WORKING CAPITAL (69,978,428) 40 (59,247,430) \$ 1,836,039,604 40 (3,059,620) \$ 400,237,971 40 (2,439,424) \$ 5,295,557,479 40 (2,439,424) \$ 5,295,557,479 40 (2,439,424) \$ 5,295,557,479 40 (2,439,424) \$ 5,295,557,479 4 (4,530,703) \$ 9,000,148,305 4 (4,	30	FEDERAL INCOME TAXES		(0)		22,292,266		22,292,266	
33 34 NET OPERATING INCOME \$ 403,297,591 \$ (3,059,620) \$ 400,237,971 35 36 RATE BASE \$ 5,297,996,903 \$ (2,439,424) \$ 5,295,557,479 37 38 RATE OF RETURN 7.61% 7.56% 39 40 RATE BASE: 41 GROSS UTILITY PLANT IN SERVICE \$ 9,004,679,008 \$ (4,530,703) \$ 9,000,148,305 42 ACCUMULATED DEPRECIATION (3,263,140,706) 1,060,866 (3,262,079,839) 43 DEFERRED DEBITS 438,697,645 - 438,697,645 44 DEFERRED TAXES (1,028,589,439) 1,030,413 (1,027,559,027) 45 ALLOWANCE FOR WORKING CAPITAL 216,328,823 46 OTHER (69,978,428) - (69,978,428)	31					(69,171,754)			
34 NET OPERATING INCOME \$ 403,297,591 \$ (3,059,620) \$ 400,237,971 35 \$ 5,297,996,903 \$ (2,439,424) \$ 5,295,557,479 37 \$ 7,61% \$ 7.56% 39 \$ 9,004,679,008 \$ (4,530,703) \$ 9,000,148,305 40 RATE BASE: \$ 9,004,679,008 \$ (4,530,703) \$ 9,000,148,305 42 ACCUMULATED DEPRECIATION \$ (3,263,140,706) \$ 1,060,866 \$ (3,262,079,839) 43 DEFERRED DEBITS \$ 438,697,645 \$ \$ \$ \$ 438,697,645 44 DEFERRED TAXES \$ (1,028,589,439) \$ 1,030,413 \$ (1,027,559,027) 45 ALLOWANCE FOR WORKING CAPITAL \$ 216,328,823 \$ \$ \$ 216,328,823 46 OTHER \$ (69,978,428) \$ \$ \$ \$ (69,978,428)	32	TOTAL OPERATING REV. DEDUCT.	\$	1,895,287,034	\$	(59,247,430)	\$	1,836,039,604	
35	33								
36 RATE BASE \$ 5,297,996,903 \$ (2,439,424) \$ 5,295,557,479 37 7.61% 7.56% 39 7.56% 40 RATE BASE: 41 GROSS UTILITY PLANT IN SERVICE \$ 9,004,679,008 \$ (4,530,703) \$ 9,000,148,305 42 ACCUMULATED DEPRECIATION (3,263,140,706) 1,060,866 (3,262,079,839) 43 DEFERRED DEBITS 438,697,645 - 438,697,645 44 DEFERRED TAXES (1,028,589,439) 1,030,413 (1,027,559,027) 45 ALLOWANCE FOR WORKING CAPITAL 216,328,823 - 216,328,823 46 OTHER (69,978,428) - (69,978,428)	34	NET OPERATING INCOME	\$	403,297,591	\$	(3,059,620)	\$	400,237,971	
37 38 RATE OF RETURN 39 40 RATE BASE: 41 GROSS UTILITY PLANT IN SERVICE \$ 9,004,679,008 \$ (4,530,703) \$ 9,000,148,305 42 ACCUMULATED DEPRECIATION (3,263,140,706) 1,060,866 (3,262,079,839) 43 DEFERRED DEBITS 438,697,645 - 438,697,645 44 DEFERRED TAXES (1,028,589,439) 1,030,413 (1,027,559,027) 45 ALLOWANCE FOR WORKING CAPITAL 216,328,823 - 216,328,823 46 OTHER (69,978,428) - (69,978,428)	35								
38 RATE OF RETURN 7.61% 7.56% 39 40 RATE BASE: *** 41 GROSS UTILITY PLANT IN SERVICE \$ 9,004,679,008 \$ (4,530,703) \$ 9,000,148,305 42 ACCUMULATED DEPRECIATION (3,263,140,706) 1,060,866 (3,262,079,839) 43 DEFERRED DEBITS 438,697,645 - 438,697,645 44 DEFERRED TAXES (1,028,589,439) 1,030,413 (1,027,559,027) 45 ALLOWANCE FOR WORKING CAPITAL 216,328,823 - 216,328,823 46 OTHER (69,978,428) - (69,978,428)	36	RATE BASE	\$	5,297,996,903	\$	(2,439,424)	\$	5,295,557,479	
39 40 RATE BASE: 41 GROSS UTILITY PLANT IN SERVICE \$ 9,004,679,008 \$ (4,530,703) \$ 9,000,148,305 42 ACCUMULATED DEPRECIATION (3,263,140,706) 1,060,866 (3,262,079,839) 43 DEFERRED DEBITS 438,697,645 - 438,697,645 44 DEFERRED TAXES (1,028,589,439) 1,030,413 (1,027,559,027) 45 ALLOWANCE FOR WORKING CAPITAL 216,328,823 - 216,328,823 46 OTHER (69,978,428) - (69,978,428)	37								
40 RATE BASE: 41 GROSS UTILITY PLANT IN SERVICE \$ 9,004,679,008 \$ (4,530,703) \$ 9,000,148,305 42 ACCUMULATED DEPRECIATION (3,263,140,706) 1,060,866 (3,262,079,839) 43 DEFERRED DEBITS 438,697,645 - 438,697,645 44 DEFERRED TAXES (1,028,589,439) 1,030,413 (1,027,559,027) 45 ALLOWANCE FOR WORKING CAPITAL 216,328,823 - 216,328,823 46 OTHER (69,978,428) - (69,978,428)	38	RATE OF RETURN		7.61%				7.56%	
41 GROSS UTILITY PLANT IN SERVICE \$ 9,004,679,008 \$ (4,530,703) \$ 9,000,148,305 42 ACCUMULATED DEPRECIATION (3,263,140,706) 1,060,866 (3,262,079,839) 43 DEFERRED DEBITS 438,697,645 - 438,697,645 44 DEFERRED TAXES (1,028,589,439) 1,030,413 (1,027,559,027) 45 ALLOWANCE FOR WORKING CAPITAL 216,328,823 - 216,328,823 46 OTHER (69,978,428) - (69,978,428)	39								
42 ACCUMULATED DEPRECIATION (3,263,140,706) 1,060,866 (3,262,079,839) 43 DEFERRED DEBITS 438,697,645 - 438,697,645 44 DEFERRED TAXES (1,028,589,439) 1,030,413 (1,027,559,027) 45 ALLOWANCE FOR WORKING CAPITAL 216,328,823 - 216,328,823 46 OTHER (69,978,428) - (69,978,428)	40	RATE BASE:							
43 DEFERRED DEBITS 438,697,645 - 438,697,645 44 DEFERRED TAXES (1,028,589,439) 1,030,413 (1,027,559,027) 45 ALLOWANCE FOR WORKING CAPITAL 216,328,823 - 216,328,823 46 OTHER (69,978,428) - (69,978,428)	41	GROSS UTILITY PLANT IN SERVICE	\$	9,004,679,008	\$	(4,530,703)	\$	9,000,148,305	
44 DEFERRED TAXES (1,028,589,439) 1,030,413 (1,027,559,027) 45 ALLOWANCE FOR WORKING CAPITAL 216,328,823 - 216,328,823 46 OTHER (69,978,428) - (69,978,428)	42	ACCUMULATED DEPRECIATION		(3,263,140,706)		1,060,866		(3,262,079,839)	
45 ALLOWANCE FOR WORKING CAPITAL 216,328,823 - 216,328,823 46 OTHER (69,978,428) - (69,978,428)	43	DEFERRED DEBITS		438,697,645		-		438,697,645	
46 OTHER (69,978,428) - (69,978,428)	44	DEFERRED TAXES		(1,028,589,439)		1,030,413		(1,027,559,027)	
	45	ALLOWANCE FOR WORKING CAPITAL		216,328,823		-		216,328,823	
47 TOTAL RATE BASE \$ 5,297,996,903 \$ (2,439,424) \$ 5,295,557,479						-			
	47	TOTAL RATE BASE	\$	5,297,996,903	\$	(2,439,424)	\$	5,295,557,479	

FOR THE TWELVE MONTHS ENDED JUNE 30, 2014

LINE NO.			ACTUAL RESULTS OF OPERATIONS	ΑD	TOTAL JUSTMENTS		RESTATED RESULTS OF DPERATIONS
1	OPERATING REVENUES:						
2	SALES TO CUSTOMERS	\$	2,084,321,770	\$	(50,195,172)	\$	2,034,126,598
3	SALES FROM RESALE-FIRM		349,909		1,387		351,296
4	SALES TO OTHER UTILITIES		152,683,961		-		152,683,961
5	OTHER OPERATING REVENUES		83,069,942		(12,479,539)		70,590,403
6	TOTAL OPERATING REVENUES		2,320,425,582		(62,673,324)		2,257,752,258
7							
8 9	OPERATING REVENUE DEDUCTIONS:						
10	POWER COSTS:						
11	FUEL	\$	271,740,686	\$	(100,884)	\$	271,639,802
12	PURCHASED AND INTERCHANGED		542,462,295		(12,305,290)		530,157,005
13	WHEELING		102,047,887		-		102,047,887
14	RESIDENTIAL EXCHANGE		(97,162,538)		97,162,538		-
15	TOTAL PRODUCTION EXPENSES		819,088,329		84,756,364		903,844,693
16							
17	OTHER POWER SUPPLY EXPENSES	\$	115,898,327	\$	-	\$	115,898,327
18	TRANSMISSION EXPENSE		19,471,020		-		19,471,020
19	DISTRIBUTION EXPENSE		85,258,266		-		85,258,266
20	CUSTOMER ACCOUNT EXPENSES		58,626,737		(7,438,275)		51,188,462
21	CUSTOMER SERVICE EXPENSES		18,796,581		(16,654,895)		2,141,686
22	CONSERVATION AMORTIZATION		90,243,004		(90,228,853)		14,151
23	ADMIN & GENERAL EXPENSE		110,048,638		(2,595,754)		107,452,884
24	DEPRECIATION		258,202,605		(187,950)		258,014,655
25	AMORTIZATION		46,515,560		-		46,515,560
26	AMORTIZ OF PROPERTY GAIN/LOSS		17,213,410		11 260 202		17,213,410
27	OTHER OPERATING EXPENSES		(5,363,592)		11,269,283		5,905,692
28	ASC 815		(77,878,862)		77,878,862		90 422 240
29	TAXES OTHER THAN F.I.T.		211,551,213		(122,128,873)		89,422,340
30 31	FEDERAL INCOME TAXES DEFERRED INCOME TAXES		(0) 170,934,365		83,921,764 (117,573,578)		83,921,764 53,360,787
32	TOTAL OPERATING REV. DEDUCT.	\$	1,938,605,600	\$	(98,981,905)	¢	1,839,623,695
33		_					
34	NET OPERATING INCOME	\$	381,819,981	\$	36,308,581	\$	418,128,562
35	DATE DAGE	d.	5 404 112 600	d.	(2.202.200)	Ф	5 401 701 210
	RATE BASE	\$	5,404,113,600	\$	(2,392,290)	\$	5,401,721,310
37 38	RATE OF RETURN		7.07%				7.74%
39	RATE OF RETURN		7.07%				7.74%
40	RATE BASE:						
41	GROSS UTILITY PLANT IN SERVICE	\$	9,308,159,177	\$	(4,530,703)	\$	9,303,628,474
42	ACCUMULATED DEPRECIATION	Ψ	(3,362,527,859)	Ψ	1,060,869	Ψ	(3,361,466,990)
43	DEFERRED DEBITS		409,992,992		1,000,007		409,992,992
44	DEFERRED TAXES		(1,095,451,827)		1,077,544		(1,094,374,283)
45	ALLOWANCE FOR WORKING CAPITAL		209,355,587		-		209,355,587
46	OTHER		(65,414,470)		_		(65,414,470)
47	TOTAL RATE BASE	\$	5,404,113,600	\$	(2,392,290)	\$	5,401,721,310
• •		<u> </u>	.,, 2, 0 0 0	-	· ·,- · -,- · · /	~	, . ,,,

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

		2004 GRC	2006 GRC	2007 GRC	2009 GRC	2011 GRC	<u>%</u>	% Annual Growth in O&M		
	Test Year	<u>Sep-03</u>	<u>Sep-05</u>	<u>Sep-07</u>	<u>Dec-08</u> (Note 1)	<u>Dec-10</u> (Note 1)	2004GRC - 2011GRC 7.25	2006GRC - 2011GRC 5.25	2007GRC - 2011GRC 3.25	
1	Load (input tab)									
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	Electric Expenses	F2 FF4 02F	77 (40 200	06 102 222	107.001.100	124 244 022	12.00/	0.40/	0.20/	7.00/
5 6	Other Power Supply Expense PCA Transmission	52,551,925 485,960	77,648,296 862,248	96,183,223 1,136,455	107,091,100 1,523,617	124,341,933 1,419,635	12.6% 15.9%		8.2% 7.1%	7.8% -3.5%
7	Transmission & Distribution Expense	63,736,286	65,086,999	75,095,489	82,334,864	92,084,397	5.2%		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	•	172,231,009	177,173,230	198,961,105	216,588,593	241,129,203	4.8%	6.0%	6.1%	5.5%
12	Flankia Danus intian									
13	Electric Depreciation 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%		0.3%	-2.7%
15	Transmission & Distribution	71,715,862	76,838,397	87,146,104	92,434,248	101,680,414	4.9%			4.9%
16	General , Intangible	11,381,296	10,068,281	19,226,023	15,196,346	20,477,642	8.4%			16.1%
17	•	-	, , , <u>-</u>	-	13,993,264	-	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	Electric Amortization									
22	Production	4,713,860	3,004,881	5,612,906	11,298,008	11,275,733	12.8%		23.9%	-0.1%
23	Transmission &Distribution	-	-	-	-	-	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%			-5.1%
25	Non-Tracker Electric Amortization	1,498,249	2,793,718	1,805,160	2,112,845	3,194,525	0.0%	0.0%	0.0%	0.0%
26 27	Total T&D and General	25,354,610 19,142,502	25,148,354 19,349,756	32,932,455 25,514,388	41,715,383 28,304,530	39,947,889 25,477,630	6.5% 4.0%	9.2% 5.4%	6.1% 0.0%	-2.1% -5.1%
28	Total T&D and General	19,142,302	13,343,730	23,314,388	28,304,330	23,477,030	4.070	3.470	0.070	-3.1/0
29	T&D/General Depn & Amort (In19 +	102,239,659	106,256,434	131,886,516	135,935,123	147,635,687	5.2%	6.5%	3.5%	4.2%
30	rais, samerar s spirar inner (inner	,,				,,	0.270	5.075	0.070	
31	Electric Ratebase									
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		42,776,224	29,838,500	127,847,726	188,037,777	255,040,634	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%		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						i			
I	(2)		1,004,833	1,041,219	1,060,704	1,075,057		1.3%		
	Cost per customer:		1,007,033	1,071,213	1,000,704	1,073,037		1.5/0		
39	Depn		\$ 86.49	\$ 102.16	\$ 101.47	\$ 113.63	į	5.3%	I	
	Ratebase		\$ 1,591.63	•	•	•		4.7%		
	Operating Expense		\$ 1,551.05					4.7%		
1	- 1- 2- 2- 2- 2- 2- 2- 2- 2- 2- 2- 2- 2- 2-		, 1.0.52	, 131.30	, 2013	, 2223		,0		
Ь										

(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

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2011

LINE NO.		ACTUAL RESULTS OF OPERATIONS			TOTAL ADJUSTMENTS	RESTATED RESULTS OF OPERATIONS		
1101			2222222		200211121112		71 224 17 10 110	
1	OPERATING REVENUES:							
2	SALES TO CUSTOMERS	\$	1,103,913,121	\$	(58,108,884)	\$	1,045,804,237	
3	MUNICIPAL ADDITIONS		51,136,280		(51,136,280)		(0)	
4	OTHER OPERATING REVENUES		13,800,168		0		13,800,168	
5	TOTAL OPERATING REVENUES	\$	1,168,849,569	\$	(109,245,164)	\$	1,059,604,405	
6 7								
8	OPERATING REVENUE DEDUCTIONS:							
9	G L G G G G T G							
10	GAS COSTS:							
11	NVD GWA GED. GA G	Φ.	<00 007 010	ф	(1 < 0.50 111)	ф	<05.515.001	
12	PURCHASED GAS	\$	622,087,912	\$	(16,372,111)	\$	605,715,801	
13	TOTAL PROPUGETON EXPENSES	ф.	<22 007 012	ф	(16.050.111)	ф	605 515 001	
14	TOTAL PRODUCTION EXPENSES	\$	622,087,912	\$	(16,372,111)	\$	605,715,801	
15	OTHER DOWER CLIRK V EVRENCES	Ф	1 575 016	¢.		d.	1 575 017	
16	OTHER POWER SUPPLY EXPENSES	\$	1,575,816	\$	-	\$	1,575,816	
17	TRANSMISSION EXPENSE		49,692		-		49,692	
18	DISTRIBUTION EXPENSE		52,286,164		(133,722)		52,286,164	
19	CUSTOMER ACCOUNT EXPENSES CUSTOMER SERVICE EXPENSES		30,505,504		` ' '		30,371,782	
20			5,018,076		(3,938,031)		1,080,045	
21	CONSERVATION AMORTIZATION		21,360,371		(21,360,371)		0	
22 23	ADMIN & GENERAL EXPENSE DEPRECIATION		46,749,178 102,889,642		(365,655)		46,383,523 102,889,642	
					U			
24 25	AMORTIZATION AMORTIZATION OF PROPERTY LOSS		12,487,218		-		12,487,218	
26	OTHER OPERATING EXPENSES		(151,356)		-		(151 256)	
27	TAXES OTHER THAN F.I.T.		115,819,431		(53,493,757)		(151,356) 62,325,674	
28	FEDERAL INCOME TAXES		519,801		1,697,902		2,217,703	
29	DEFERRED INCOME TAXES		25,140,413		5,683,836		30,824,249	
30	TOTAL OPERATING REV. DEDUCT.	\$	414,249,950	\$	(71,909,798)	\$	342,340,152	
31	TOTAL OF EXATING REV. DEDUCT.	ψ	414,249,930	Ψ	(71,909,798)	ψ	342,340,132	
32	NET OPERATING INCOME	\$	132,511,707	\$	(20,963,255)	\$	111,548,452	
33	NET OF ERATING INCOME	Ψ	132,311,707	Ψ	(20,703,233)	Ψ	111,540,452	
34	RATE BASE	\$	1,644,558,987		\$0	\$	1,644,558,987	
35	KATE DI GE	Ψ	1,044,550,507		ΨΟ	Ψ	1,044,550,507	
36	RATE OF RETURN		8.06%				6.78%	
37			2.2.2.7					
38	RATE BASE:							
39	UTILITY PLANT IN SERVICE AND OTHER ASSETS	\$	2,877,011,061	\$	_	\$	2,877,011,061	
40	ACCUMULATED DEPRECIATION	_	(975,934,226)	-	_	-	(975,934,226)	
41	ACCUMULATED DEFERRED FIT - LIBERALIZED		(298,016,915)		_		(298,016,915)	
42	DEPRECIATION AND OTHER LIABILITIES		(28,225,299)		-		(28,225,299)	
43	TOTAL NET INVESTMENT	\$	1,574,834,621	\$	-	\$	1,574,834,621	
44	ALLOWANCE FOR WORKING CAPITAL		69,724,366		-		69,724,366	
45	TOTAL RATE BASE	\$	1,644,558,987	\$	-	\$	1,644,558,987	

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2012

	LINE NO.			ACTUAL RESULTS OF OPERATIONS	TOTAL ADJUSTMENTS			RESTATED RESULTS OF OPERATIONS		
MUNICIPAL ADDITIONS	1	OPERATING REVENUES:								
OTHER OPERATING REVENUES	2	SALES TO CUSTOMERS	\$	1,025,609,280	\$	(8,912,831)	\$	1,016,696,449		
	3	MUNICIPAL ADDITIONS								
	4	OTHER OPERATING REVENUES		13,081,634		1,338,108		14,419,742		
Page	5	TOTAL OPERATING REVENUES	\$	1,086,095,042	\$	(55,069,953)	\$	1,031,025,089		
Page										
CAS COSTS:	8	OPERATING REVENUE DEDUCTIONS:								
PURCHASED GAS \$ 338,611,726 \$ 22,202,143 \$ 560,813,869 TOTAL PRODUCTION EXPENSES \$ 338,611,726 \$ 22,202,143 \$ 560,813,869 TOTAL PRODUCTION EXPENSES \$ 338,611,726 \$ 22,202,143 \$ 560,813,869 TOTAL PRODUCTION EXPENSES \$ 1,880,545 \$ (187,712 \$ 1,692,834 TOTAL PRODUCTION EXPENSES \$ 1,880,545 \$ (187,712 \$ 1,692,834 TOTAL PRODUCTION EXPENSES \$ 1,580,655 \$ (187,712 \$ 1,692,834 TOTAL STRIBUTION EXPENSE \$ 1,500,50 \$ (864,471 \$ 30,792,302 CUSTOMER SERVICE EXPENSES \$ 3,686,995 \$ (3,866,995 \$ 1,216,995 CUSTOMER SERVICE EXPENSES \$ 5,083,991 \$ (3,866,995 \$ 1,216,995 CONSERVATION AMORTIZATION \$ 29,151,769 \$ (29,151,769 \$ 1,216,995 DEPRECIATION OR PROPERTY LOSS \$ (387,938 45,907,620 AMORTIZATION OF PROPERTY LOSS \$ (387,938 45,907,620 AMORTIZATION OF PROPERTY LOSS \$ (44,905,58 46,537) TOTAL OPERATING EXPENSES \$ (34,402) \$ (47,988,288 9,879,734 DEFRECIATION EXPENSES \$ (34,402) \$ (47,988,288 9,879,734 DEFRECIATION GETALES \$ (3,749 9,883,483 9,879,734 DEFRECIATION GETALES \$ (3,749 9,883,483 9,879,734 TOTAL OPERATING EXPENSES \$ (3,749 9,883,483 9,879,734 TOTAL OPERATING EXPENSES \$ (3,749 9,883,483 9,879,734 TOTAL OPERATING EXPENSES \$ (3,749 9,883,483 9,879,734 TOTAL OPERATING INCOME TAXES \$ (3,749 9,883,483 9,879,734 TOTAL OPERATING INCOME TAXES \$ (3,749 9,893,483 9,879,734 TOTAL OPERATING EXPENSES \$ (3,749 9,893,4	9									
PURCHASED GAS	10	GAS COSTS:								
TOTAL PRODUCTION EXPENSES	11									
TOTAL PRODUCTION EXPENSES \$33,611,726 \$ 22,202,143 \$60,813,869 TOTAL PROWER SUPPLY EXPENSES \$1,880,545 \$ (187,712) \$ 1,692,834 TRANSMISSION EXPENSE \$1,500 \$ - \$ 15,005 DISTRIBUTION EXPENSE \$1,578,669 \$ - \$ 51,578,669 CUSTOMER ACCOUNT EXPENSES \$31,656,774 \$(864,471) \$30,792,302 CUSTOMER ACCOUNT EXPENSES \$5,083,991 \$(3,866,995) \$1,216,995 CONSERVATION AMORTIZATION \$29,151,769 \$(29,151,769) \$ - \$ - \$ 22 ADMIN & GENERAL EXPENSE \$46,295,558 \$(387,938) \$45,907,620 23 DEPRECIATION \$106,110,895 \$0 \$106,110,895 24 AMORTIZATION OF PROPERTY LOSS \$ - \$ \$1,340,567 25 AMORTIZATION OF PROPERTY LOSS \$ - \$ \$1,340,567 26 OTHER OPERATING EXPENSES \$(84,402) \$39,032 \$(45,370) 27 TAXES OTHER THAN F.I.T. \$110,283,062 \$(47,958,528) \$62,324,534 28 FEDERAL INCOME TAXES \$43,443,293 \$(14,476,559) \$2,896,734 29 DEFERED INCOME TAXES \$43,443,293 \$(14,476,559) \$2,896,734 30 TOTAL OPERATING REV DEDUCT. \$436,751,977 \$(86,971,458) \$349,780,519 31 OTHAL OPERATING REV DEDUCT. \$436,751,977 \$(86,971,458) \$349,780,519 32 NET OPERATING INCOME \$110,731,339 \$9,699,361 \$120,430,701 33 RATE BASE \$1,613,676,825 \$0 \$1,613,676,825 34 RATE BASE \$2,987,268,617 \$ \$ \$ \$ 2,987,268,617 35 ARTE DEPRECIATION \$(1,61,251,690) \$ \$ \$ \$ 2,987,268,617 36 ACCUMULATED DEPRECIATION \$(1,61,251,690) \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	12	PURCHASED GAS	\$	538,611,726	\$	22,202,143	\$	560,813,869		
OTHER POWER SUPPLY EXPENSES	13									
TRANSMISSION EXPENSE	14	TOTAL PRODUCTION EXPENSES	\$	538,611,726	\$	22,202,143	\$	560,813,869		
TRANSMISSION EXPENSE	15									
DISTRIBUTION EXPENSE 51,578,669	16	OTHER POWER SUPPLY EXPENSES	\$	1,880,545	\$	(187,712)	\$	1,692,834		
19 CUSTOMER ACCOUNT EXPENSES 31,656,774 (864,471) 30,792,302 20 CUSTOMER SERVICE EXPENSES 5,083,991 (3,866,995) 1,216,995 21 CONSERVATION AMORTIZATION 29,151,769 (29,151,769) - 22 ADMIN & GENERAL EXPENSE 46,295,558 (387,938) 45,907,620 23 DEPRECIATION 106,110,895 0 106,110,895 24 AMORTIZATION OF PROPERTY LOSS - - - - - 25 AMORTIZATION OF PROPERTY LOSS - 39,032 (45,370) 26 OTHER OPERATING EXPENSES (84,402) 39,032 (45,370) 27 TAXES OTHER THAN F.I.T. 110,283,062 (47,958,528) 62,324,534 28 FEDERAL INCOME TAXES (3,349) 9,883,483 9,879,734 29 DEFERRED INCOME TAXES 3(3,479) 9,893,481 9,879,666,734 30 TOTAL OPERATING INCOME \$110,731,339 \$ 9,699,361 \$ 120,430,701 31 RATE BASE \$1,613,676,825 <td< td=""><td>17</td><td>TRANSMISSION EXPENSE</td><td></td><td>15,005</td><td></td><td>-</td><td></td><td>15,005</td></td<>	17	TRANSMISSION EXPENSE		15,005		-		15,005		
20 CUSTOMER SERVICE EXPENSES 5,083,991 (3,866,995) 1,216,995 21 CONSERVATION AMORTIZATION 29,151,769 (29,151,769) - 22 ADMIN & GENERAL EXPENSE 46,295,558 (387,938) 45,907,620 23 DEPRECIATION 106,110,895 0 106,110,895 24 AMORTIZATION OF PROPERTY LOSS - - - - 25 OTHER OPERATING EXPENSES (84,402) 39,032 (45,370) 27 TAXES OTHER THAN F.I.T. 110,283,062 (47,958,528) 62,324,534 28 FEDERAL INCOME TAXES (3,749) 9,883,483 9,879,734 29 DEFERRED INCOME TAXES 43,443,293 (14,476,559) 28,966,734 30 TOTAL OPERATING REV. DEDUCT. \$10,731,339 9,699,361 \$120,430,701 31 RATE BASE \$1,613,676,825 \$0 \$1,613,676,825 32 RATE OF RETURN 6,869 \$0 \$2,987,268,617 33 RATE BASE \$2,987,268,617 \$0 \$0 <t< td=""><td></td><td></td><td></td><td></td><td></td><td>-</td><td></td><td></td></t<>						-				
21 CONSERVATION AMORTIZATION 29,151,769 (29,151,769)		CUSTOMER ACCOUNT EXPENSES		31,656,774		(864,471)				
22 ADMIN & GENERAL EXPENSE 46,295,558 (387,938) 45,907,620 23 DEPRECIATION 106,110,895 0 106,110,895 24 AMORTIZATION 11,340,567 - - 11,340,567 25 AMORTIZATION OF PROPERTY LOSS - - - - - 26 OTHER OPERATING EXPENSES (84,402) 39,032 (45,370) 27 TAXES OTHER THAN F.I.T. 110,233,062 (47,958,528) 62,324,534 28 EEDERAL INCOME TAXES (3,749) 9,883,483 9,879,734 29 DEFERRED INCOME TAXES 43,443,293 (14,476,559) 28,966,734 30 TOTAL OPERATING INCOME \$ 110,731,339 \$ 9,699,361 \$ 120,430,701 31 RATE BASE \$ 1,613,676,825 \$ 9,699,361 \$ 120,430,701 33 RATE BASE \$ 2,987,268,617 \$ 9,699,361 \$ 1,613,676,825 34 RATE BASE \$ 2,987,268,617 \$ 9,699,361 \$ 2,987,268,617 35 TUTILITY PLANT IN SERVICE AND OTHER ASSETS								1,216,995		
23 DEPRECIATION 106,110,895 0 106,110,895 24 AMORTIZATION 11,340,567 - 11,340,567 25 AMORTIZATION OF PROPERTY LOSS - - - 26 OTHER OPERATING EXPENSES (84,402) 39,032 (45,370) 27 TAXES OTHER THAN F.I.T. 110,283,062 (47,958,528) 62,324,534 28 FEDERAL INCOME TAXES (3,749) 9,883,483 9,879,734 29 DEFERRED INCOME TAXES 43,443,293 (14,476,559) 28,966,734 30 TOTAL OPERATING REV. DEDUCT. \$ 436,751,977 \$ (86,971,458) \$ 349,780,519 31 NET OPERATING INCOME \$ 110,731,339 \$ 9,699,361 \$ 120,430,701 32 RATE BASE \$ 1,613,676,825 \$ 0 \$ 1,613,676,825 34 RATE BASE \$ 2,987,268,617 \$ 0 \$ 2,987,268,617 35 RATE BASE \$ 2,987,268,617 \$ 0 \$ 2,987,268,617 36 ACCUMULATED DEPRECIATION (1,061,251,690) \$ 1,061,251,690 \$ 2,987,268,								-		
24 AMORTIZATION 11,340,567 - 11,340,567 25 AMORTIZATION OF PROPERTY LOSS - - - - 26 OTHER OPERATING EXPENSES (84,402) 39,032 (45,370) 27 TAXES OTHER THAN F.I.T. 110,283,062 (47,958,528) 62,324,534 28 FEDERAL INCOME TAXES (3,749) 9,883,483 9,879,734 29 DEFERRED INCOME TAXES 43,443,293 (14,476,559) 28,966,734 30 TOTAL OPERATING INCOME \$ 110,731,339 \$ 9,699,361 \$ 120,430,701 31 RATE OF RETURN 6.866 \$ 9,699,361 \$ 120,430,701 34 RATE OF RETURN 6.866 \$ 9,699,361 \$ 1,613,676,825 35 RATE BASE \$ 1,613,676,825 \$ 0 \$ 1,613,676,825 36 RATE OF RETURN 6.866 \$ 5 \$ 2,987,268,617 \$ 5 \$ 2,987,268,617 37 VIILITY PLANT IN SERVICE AND OTHER ASSETS \$ 2,987,268,617 \$ 5 \$ 2,987,268,617 \$ 6,000 \$ 1,061,251,690 \$ 1,061,251,69										
25 AMORTIZATION OF PROPERTY LOSS						0				
26 OTHER OPERATING EXPENSES (84,402) 39,032 (45,370) 27 TAXES OTHER THAN F.I.T. 110,283,062 (47,958,528) 62,324,534 28 FEDERAL INCOME TAXES (3,749) 9,883,483 9,879,734 29 DEFERRED INCOME TAXES 43,443,293 (14,476,559) 28,966,734 30 TOTAL OPERATING REV. DEDUCT. \$436,751,977 \$ (86,971,458) 349,780,519 31 NET OPERATING INCOME \$110,731,339 \$ 9,699,361 \$ 120,430,701 33 RATE BASE \$1,613,676,825 \$0 \$ 1,613,676,825 36 RATE OF RETURN 6.86% \$ 7,46% 37 TOTAL SPETURN \$ 2,987,268,617 \$ 2,987,268,617 40 ACCUMULATED DEPRECIATION (1,061,251,690) \$ 2,987,268,617 41 ACCUMULATED DEFERRED FIT - LIBERALIZED (340,520,078) \$ 2,987,268,617 42 DEPRECIATION AND OTHER LIABILITIES (33,308,796) \$ 3,3308,796 43 TOTAL NET INVESTMENT \$ 1,552,188,053 \$ \$ 1,552,188,053 44 ALLOWANC				11,340,567		-		11,340,567		
27 TAXES OTHER THAN F.I.T. 110,283,062 (47,958,528) 62,324,534 28 FEDERAL INCOME TAXES (3,749) 9,883,483 9,879,734 29 DEFERRED INCOME TAXES 43,443,293 (14,476,559) 28,966,734 30 TOTAL OPERATING REV. DEDUCT. \$ 436,751,977 \$ (86,971,458) \$ 349,780,519 31 NET OPERATING INCOME \$ 110,731,339 \$ 9,699,361 \$ 120,430,701 33 RATE BASE \$ 1,613,676,825 \$0 \$ 1,613,676,825 36 RATE OF RETURN 6.86% 7.46% 37 TOTAL OPERATING INCOME \$ 2,987,268,617 \$ 2,987,268,617 38 RATE BASE \$ 2,987,268,617 \$ 5 2,987,268,617 39 UTILITY PLANT IN SERVICE AND OTHER ASSETS \$ 2,987,268,617 \$ 5 \$ 5 2,987,268,617 \$ 6 \$ 6 \$ 2,987,268,617 \$ 6 \$ 6 \$ 6 \$ 6 \$ 6 \$ 6 \$ 6 \$ 6 \$ 6 \$ 6 \$ 6 \$ 6 \$ 6 \$ 6 \$ 6 \$ 6 \$ 6 \$ 6 <td></td> <td></td> <td></td> <td>-</td> <td></td> <td>-</td> <td></td> <td>- (45.250)</td>				-		-		- (45.250)		
28 FEDERAL INCOME TAXES (3,749) 9,883,483 9,879,734 29 DEFERRED INCOME TAXES 43,443,293 (14,476,559) 28,966,734 30 TOTAL OPERATING REV. DEDUCT. \$436,751,977 \$ (86,971,458) \$349,780,519 31 NET OPERATING INCOME \$110,731,339 \$ 9,699,361 \$120,430,701 33 RATE BASE \$1,613,676,825 \$0 \$1,613,676,825 36 RATE OF RETURN 6.86% 7.46% 37 TILITY PLANT IN SERVICE AND OTHER ASSETS \$2,987,268,617 \$ - \$2,987,268,617 40 ACCUMULATED DEPRECIATION (1,061,251,690) - (1,061,251,690) 41 ACCUMULATED DEFERRED FIT - LIBERALIZED (340,520,078) - (340,520,078) 42 DEPRECIATION AND OTHER LIABILITIES (33,308,796) - (33,308,796) 43 TOTAL NET INVESTMENT \$1,552,188,053 \$ - \$1,552,188,053 44 ALLOWANCE FOR WORKING CAPITAL 61,488,772 - 61,488,772 - 61,488,772						· · · · · · · · · · · · · · · · · · ·				
DEFERRED INCOME TAXES 43,443,293 (14,476,559) 28,966,734 30 TOTAL OPERATING REV. DEDUCT. \$ 436,751,977 \$ (86,971,458) \$ 349,780,519 31				* *						
30 TOTAL OPERATING REV. DEDUCT. \$ 436,751,977 \$ (86,971,458) \$ 349,780,519 31 NET OPERATING INCOME \$ 110,731,339 \$ 9,699,361 \$ 120,430,701 33 RATE BASE \$ 1,613,676,825 \$0 \$ 1,613,676,825 35 RATE OF RETURN 6.86% 7.46% 37 TOTAL OPERATING INCOME \$ 2,987,268,617 \$ 2,987,268,617 36 RATE BASE: \$ 2,987,268,617 \$ - \$ 2,987,268,617 37 TOTAL NET INVESTMENT (1,061,251,690) - (1,061,251,690) 41 ACCUMULATED DEFERRED FIT - LIBERALIZED (340,520,078) - (340,520,078) 42 DEPRECIATION AND OTHER LIABILITIES (33,308,796) - (340,520,078) 43 TOTAL NET INVESTMENT \$ 1,552,188,053 \$ - \$ 1,552,188,053 44 ALLOWANCE FOR WORKING CAPITAL 61,488,772 - 61,488,772										
NET OPERATING INCOME \$ 110,731,339 \$ 9,699,361 \$ 120,430,701			•		¢.		¢.			
32 NET OPERATING INCOME \$ 110,731,339 \$ 9,699,361 \$ 120,430,701 33 RATE BASE \$ 1,613,676,825 \$0 \$ 1,613,676,825 35 RATE OF RETURN 6.86% 7.46% 37 **** ***** ***** ***** 38 RATE BASE: ***** **** ***** ***** ***** ***** ***** ***** *****		TOTAL OPERATING REV. DEDUCT.	3	430,731,977	Þ	(80,9/1,438)	Þ	349,780,319		
33 34 RATE BASE \$ 1,613,676,825 \$0 \$ 1,613,676,825 35 36 RATE OF RETURN 6.86% 7.46% 37 38 RATE BASE: 39 UTILITY PLANT IN SERVICE AND OTHER ASSETS \$ 2,987,268,617 \$ - \$ 2,987,268,617 40 ACCUMULATED DEPRECIATION (1,061,251,690) - (1,061,251,690) 41 ACCUMULATED DEFERRED FIT - LIBERALIZED (340,520,078) - (340,520,078) 42 DEPRECIATION AND OTHER LIABILITIES (33,308,796) - (33,308,796) 43 TOTAL NET INVESTMENT \$ 1,552,188,053 \$ - \$ 1,552,188,053 44 ALLOWANCE FOR WORKING CAPITAL 61,488,772 - 61,488,772		NET OPER ATING INCOME	•	110 731 330	Φ.	0 600 361	\$	120 430 701		
34 RATE BASE \$ 1,613,676,825 \$0 \$ 1,613,676,825 35 RATE OF RETURN 6.86% 7.46% 37 TOTAL NET INVESTMENT \$ 2,987,268,617 \$ - \$ 2,987,268,617 40 ACCUMULATED DEPRECIATION (1,061,251,690) - (1,061,251,690) 41 ACCUMULATED DEFERRED FIT - LIBERALIZED (340,520,078) - (340,520,078) 42 DEPRECIATION AND OTHER LIABILITIES (33,308,796) - (33,308,796) 43 TOTAL NET INVESTMENT \$ 1,552,188,053 - \$ 1,552,188,053 44 ALLOWANCE FOR WORKING CAPITAL 61,488,772 - 61,488,772		NET OF EKATING INCOME	Ψ	110,731,339	Ψ	7,077,301	ψ	120,430,701		
35 36 RATE OF RETURN 37 38 RATE BASE: 39 UTILITY PLANT IN SERVICE AND OTHER ASSETS \$ 2,987,268,617 \$ - \$ 2,987,268,617 \$ (1,061,251,690) - (1,061,251,690) - (1,061,251,690) + (1,061,251,690) - (340,520,078) + (2,020,078) + (2		RATE BASE	\$	1.613.676.825		\$0	\$	1.613.676.825		
36 RATE OF RETURN 6.86% 7.46% 37 7.46% 38 RATE BASE: \$ 2,987,268,617 \$ \$ 2,987,268,617 40 ACCUMULATED DEPRECIATION (1,061,251,690) \$ (1,061,251,690) 41 ACCUMULATED DEFERRED FIT - LIBERALIZED (340,520,078) \$ (340,520,078) 42 DEPRECIATION AND OTHER LIABILITIES (33,308,796) \$ (33,308,796) 43 TOTAL NET INVESTMENT \$ 1,552,188,053 \$ \$ 1,552,188,053 44 ALLOWANCE FOR WORKING CAPITAL 61,488,772 \$ 61,488,772			•	-,0,0,0		7.	-	-,,,		
37 38 RATE BASE: 39 UTILITY PLANT IN SERVICE AND OTHER ASSETS \$ 2,987,268,617 \$ - \$ 2,987,268,617 40 ACCUMULATED DEPRECIATION (1,061,251,690) - (1,061,251,690) 41 ACCUMULATED DEFERRED FIT - LIBERALIZED (340,520,078) - (340,520,078) 42 DEPRECIATION AND OTHER LIABILITIES (33,308,796) - (33,308,796) 43 TOTAL NET INVESTMENT \$ 1,552,188,053 \$ - \$ 1,552,188,053 44 ALLOWANCE FOR WORKING CAPITAL 61,488,772 - 61,488,772		RATE OF RETURN		6.86%				7.46%		
38 RATE BASE: 39 UTILITY PLANT IN SERVICE AND OTHER ASSETS \$ 2,987,268,617 \$ - \$ 2,987,268,617 40 ACCUMULATED DEPRECIATION (1,061,251,690) - (1,061,251,690) 41 ACCUMULATED DEFERRED FIT - LIBERALIZED (340,520,078) - (340,520,078) 42 DEPRECIATION AND OTHER LIABILITIES (33,308,796) - (33,308,796) 43 TOTAL NET INVESTMENT \$ 1,552,188,053 \$ - \$ 1,552,188,053 44 ALLOWANCE FOR WORKING CAPITAL 61,488,772 - 61,488,772								,		
39 UTILITY PLANT IN SERVICE AND OTHER ASSETS \$ 2,987,268,617 \$ - \$ 2,987,268,617 40 ACCUMULATED DEPRECIATION (1,061,251,690) - (1,061,251,690) 41 ACCUMULATED DEFERRED FIT - LIBERALIZED (340,520,078) - (340,520,078) 42 DEPRECIATION AND OTHER LIABILITIES (33,308,796) - (33,308,796) 43 TOTAL NET INVESTMENT \$ 1,552,188,053 \$ - \$ 1,552,188,053 44 ALLOWANCE FOR WORKING CAPITAL 61,488,772 - 61,488,772		RATE BASE:								
40 ACCUMULATED DEPRECIATION (1,061,251,690) - (1,061,251,690) 41 ACCUMULATED DEFERRED FIT - LIBERALIZED (340,520,078) - (340,520,078) 42 DEPRECIATION AND OTHER LIABILITIES (33,308,796) - (33,308,796) 43 TOTAL NET INVESTMENT \$ 1,552,188,053 \$ - \$ 1,552,188,053 44 ALLOWANCE FOR WORKING CAPITAL 61,488,772 - 61,488,772			\$	2,987,268,617	\$	-	\$	2,987,268,617		
41 ACCUMULATED DEFERRED FIT - LIBERALIZED (340,520,078) - (340,520,078) 42 DEPRECIATION AND OTHER LIABILITIES (33,308,796) - (33,308,796) 43 TOTAL NET INVESTMENT \$ 1,552,188,053 \$ - \$ 1,552,188,053 44 ALLOWANCE FOR WORKING CAPITAL 61,488,772 - 61,488,772		ACCUMULATED DEPRECIATION				-				
42 DEPRECIATION AND OTHER LIABILITIES (33,308,796) - (33,308,796) 43 TOTAL NET INVESTMENT \$ 1,552,188,053 - \$ 1,552,188,053 44 ALLOWANCE FOR WORKING CAPITAL 61,488,772 - 61,488,772						-				
44 ALLOWANCE FOR WORKING CAPITAL 61,488,772 - 61,488,772	42	DEPRECIATION AND OTHER LIABILITIES						(33,308,796)		
	43	TOTAL NET INVESTMENT	\$	1,552,188,053	\$	-	\$	1,552,188,053		
45 TOTAL RATE BASE \$ 1,613,676,825 \$ - \$ 1,613,676,825	44	ALLOWANCE FOR WORKING CAPITAL		61,488,772						
	45	TOTAL RATE BASE	\$	1,613,676,825	\$	-	\$	1,613,676,825		

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2013

NO.			ACTUAL RESULTS OF DERATIONS	A	TOTAL ADJUSTMENTS	RESTATED RESULTS OF OPERATIONS	
1	OPERATING REVENUES:						
2	SALES TO CUSTOMERS	\$	973,799,147	\$	12,154,072	\$	985,953,220
3	MUNICIPAL ADDITIONS	Ψ	45,673,733	Ψ	(46,057,432)	Ψ	(383,699)
4	OTHER OPERATING REVENUES		8,883,654		(13,000)		8,870,653
5	TOTAL OPERATING REVENUES		1,028,356,534	\$	(33,916,360)	\$	994,440,174
6	TOTAL OF ENTITIVO NEVENUES	Ψ	1,020,000,001	Ψ	(33,710,300)	Ψ	<i>>></i> 1,110,171
7							
8	OPERATING REVENUE DEDUCTIONS:						
9	of Eldiffico REVERGE DED Germond.						
10	GAS COSTS:						
11	GAS COSTS.						
12	PURCHASED GAS	\$	488,200,942	\$	35,671,711	\$	523,872,653
13		Ψ	.00,200,5 .2	Ψ	00,071,711	Ψ	020,072,000
14	TOTAL PRODUCTION EXPENSES	\$	488,200,942	\$	35,671,711	\$	523,872,653
15	TOTAL TROBUGATION EAR ENDES	Ψ	100,200,712	Ψ	33,071,711	Ψ	323,072,033
16	OTHER POWER SUPPLY EXPENSES	\$	1,977,214	\$	(171,076)	\$	1,806,138
17	TRANSMISSION EXPENSE	Ψ	27,893	Ψ	(171,070)	Ψ	27,893
18	DISTRIBUTION EXPENSE		50,241,925		_		50,241,925
19	CUSTOMER ACCOUNT EXPENSES		31,145,186		515,325		31,660,511
20	CUSTOMER SERVICE EXPENSES		6,746,445		(4,922,528)		1,823,918
21	CONSERVATION AMORTIZATION		18,049,695		(18,049,695)		1,023,710
22	ADMIN & GENERAL EXPENSE		48,818,035		(811,942)		48,006,093
23	DEPRECIATION		111,068,605		(811,942)		111,068,605
24	AMORTIZATION		12,058,227		-		12,058,227
25	AMORTIZATION OF PROPERTY LOSS		-		_		-
26	OTHER OPERATING EXPENSES		(45,370)		3,182,862		3,137,492
27	TAXES OTHER THAN F.I.T.		101,993,080		(53,532,967)		48,460,113
28	FEDERAL INCOME TAXES		101,555,000		3,237,969		3,237,969
29	DEFERRED INCOME TAXES		57,027,596		(19,273,683)		37,753,914
30	TOTAL OPERATING REV. DEDUCT.	\$	439,108,531	\$	(89,825,734)	\$	349,282,797
31	TOTAL OF ENTITIVO NEV. BEBUCET.	Ψ	137,100,331	Ψ	(0),020,731)	Ψ	319,202,797
32	NET OPERATING INCOME	\$	101,047,061	\$	20,237,663	\$	121,284,724
33		Ψ	101,017,001	Ψ	20,257,005	Ψ	121,20 1,721
34	RATE BASE	\$	1,651,590,190		\$0	\$	1,651,590,190
35		Ψ	1,001,000,100		40	Ψ	1,001,000,100
36	RATE OF RETURN		6.12%				7.34%
37							
38	RATE BASE:						
39	UTILITY PLANT IN SERVICE AND OTHER ASSETS	\$	3,152,000,388	\$	_	\$	3,152,000,388
40	ACCUMULATED DEPRECIATION	-	(1,143,008,342)		_		(1,143,008,342)
41	ACCUMULATED DEFERRED FIT - LIBERALIZED		(394,996,926)		_		(394,996,926)
42	DEPRECIATION AND OTHER LIABILITIES		(30,103,192)		_		(30,103,192)
43	TOTAL NET INVESTMENT	\$	1,583,891,928	\$	-	\$	1,583,891,928
44	ALLOWANCE FOR WORKING CAPITAL		67,698,261		_		67,698,261
45	TOTAL RATE BASE	\$	1,651,590,190	\$	-	\$	1,651,590,190

FOR THE TWELVE MONTHS ENDED JUNE 30, 2014

LINE NO.			ACTUAL RESULTS OF OPERATIONS	1	TOTAL ADJUSTMENTS]	RESTATED RESULTS OF DPERATIONS
1	OPERATING REVENUES:						
2	SALES TO CUSTOMERS	\$	1,017,530,868	\$	(16,513,923)	\$	1,001,016,944
3	MUNICIPAL ADDITIONS	Ψ	(378,993)	Ψ	(46,038,421)	Ψ	(46,417,415)
4	OTHER OPERATING REVENUES		17,089,046		1,182,964		18,272,010
5	TOTAL OPERATING REVENUES	\$	1,034,240,920	\$	(61,369,380)	\$	972,871,540
6		·	, , ,	·	, , , ,	·	, ,
7							
8	OPERATING REVENUE DEDUCTIONS:						
9							
10	GAS COSTS:						
11							
12	PURCHASED GAS	\$	486,308,838	\$	14,829,775	\$	501,138,613
13							
14	TOTAL PRODUCTION EXPENSES	\$	486,308,838	\$	14,829,775	\$	501,138,613
15							
16	OTHER POWER SUPPLY EXPENSES	\$	1,885,023	\$	(136,431)	\$	1,748,592
17	TRANSMISSION EXPENSE		9,091		-		9,091
18	DISTRIBUTION EXPENSE		50,828,502		-		50,828,502
19	CUSTOMER ACCOUNT EXPENSES		34,008,732		(1,858,216)		32,150,516
20	CUSTOMER SERVICE EXPENSES		8,055,854		(5,329,495)		2,726,359
21	CONSERVATION AMORTIZATION		10,585,647		(10,585,647)		-
22	ADMIN & GENERAL EXPENSE		47,843,439		(395,251)		47,448,188
23	DEPRECIATION		111,287,000		0		111,287,000
24	AMORTIZATION		12,307,894		-		12,307,894
25	AMORTIZATION OF PROPERTY LOSS		-		-		-
26	OTHER OPERATING EXPENSES		(45,370)		-		(45,370)
27	TAXES OTHER THAN F.I.T.		106,034,478		(64,748,672)		41,285,806
28	FEDERAL INCOME TAXES		-		13,082,656		13,082,656
29	DEFERRED INCOME TAXES	Φ	59,475,632	Φ	(28,083,348)	Φ	31,392,284
30	TOTAL OPERATING REV. DEDUCT.	\$	442,275,924	\$	(98,054,404)	\$	344,221,519
31	NET ODED ATING INCOME	Ф	105 (5(150	Ф	21 055 240	Φ	107 511 400
32	NET OPERATING INCOME	\$	105,656,159	\$	21,855,249	\$	127,511,408
33 34	RATE BASE	ø	1 667 574 542		Φ0	¢.	1 667 574 542
34 35	RATE BASE	\$	1,667,574,543		\$0	\$	1,667,574,543
36	RATE OF RETURN		6 240/				7.65%
30 37	RATE OF RETURN		6.34%				7.03%
38	RATE BASE:						
39	UTILITY PLANT IN SERVICE AND OTHER ASSET	¢	3,220,760,222	\$		\$	3,220,760,222
40	ACCUMULATED DEPRECIATION	φ	(1,180,875,156)	φ	-	φ	(1,180,875,156)
41	ACCUMULATED DEFERRED FIT - LIBERALIZED		(412,732,842)				(412,732,842)
42	DEPRECIATION AND OTHER LIABILITIES		(24,927,294)		- -		(24,927,294)
43	TOTAL NET INVESTMENT	\$	1,602,224,930	\$		\$	1,602,224,930
44	ALLOWANCE FOR WORKING CAPITAL	4	65,349,614	4	_	Ψ	65,349,614
45	TOTAL RATE BASE	\$	1,667,574,543	\$	_	\$	1,667,574,543
	· · · · · · · · · · · · · · · · · · ·	7	.,,,	+		Τ'	-,,,

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 Gro	wth in O&M	
						2004GRC -	2006GRC -	2007GRC -	2009GRC -
1 Test Year	Sep-03	Sep-05	Sep-07	Dec-08	Dec-10	2011GRC	2011GRC	2011GRC	2011GRC
2						7.25	5.25	3.25	2.0
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 (ln19 + ln26)	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 filling. 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) Cost per customer:	678,712	717,732	737,836	750,800	1.9%
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

PUGET SOUND ENERGY ALLOCATION ANALYSIS												
			2012 CBR									
	Line No.	12/31/11	12/31/12	12/31/13	06/30/14							
_	1 12 Month Average Number of Customers											
1		Average Num	ber of Cust		44.700/							
2	Gas		41.21%		41.76%							
3	Electric Total	58.88% 100.00%			58.24% 100.00%							
5	Total	100.00%	100.00%	100.00%	100.00%							
6												
7	Joint Meter Reading Customers											
8	Gas	36.70%			37.62%							
9	Electric	63.30%	63.22%		62.38%							
10	Total	100.00%	100.00%	100.00%	100.00%							
11												
12	Non-Production Plant											
13												
	Gas	38.87%										
	Electric	61.13%										
25 26	Total	100.00%	100.00%	100.00%	100.00%							
27	FOLI	R FACTOR A										
28	100	K I ACTOR A	LLOCATOR									
	CUSTOMER COUNT											
	Gas	41.12%	41.21%	41.61%	41.76%							
	Electric	58.88%			58.24%							
32	Total	100.00%	100.00%	100.00%	100.00%							
33												
34	LABOR - DIRECT CHARGE	TO O&M										
	Gas	33.44%										
	Electric	66.56%										
	Total	100.00%	100.00%	100.00%	100.00%							
38	TAR ORERATIONS A MAIN	TENIANIOE EX	/DENOE // E	.00 4000								
	T&D OPERATIONS & MAIN		`	,								
41	Gas Electric	31.34% 68.66%	29.86% 70.14%	28.78% 71.22%	27.64% 72.36%							
	Total	100.00%	100.00%	100.00%	100.00%							
43	· Juli	100.0076	100.00 /0	100.00/0	100.00 /0							
	CLASSIFIED PLANT											
	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												
	FOUR FACTOR ALLOCATO											
50	Gas	34.05%	32.89%	32.02%	31.28%							
51		65.95%	67.11%	67.98%	68.72%							
	Total	100.00%	100.00%	100.00%	100.00%							
53		LABOR BEN	IEEITO									
54	Gas	33.28%	33.12%	31.70%	30.54%							
	Electric	33.28% 66.72%	33.12% 66.88%	68.30%	30.54% 69.46%							
57	Total	100.00%	100.00%	100.00%	100.00%							
58	. Juli	100.0076	100.00 /0	100.00/0	100.00 /0							
50												