

## Commission Basis Report Cover Letter

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**June 30, 2014**  
**Electric**

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Restated Net Operating Income	\$ 418,128,562	a
Restated Rate Base	\$ 5,401,721,310	b
<b>Normalized Overall Rate of Return</b>		<b>7.74%</b> c=a/b
Restated Net Operating Income	\$ 418,128,562	d=a
Restated Interest Expense	\$ 171,234,566	e
Restated NOI less Restated Interest Exp	\$ 246,893,997	f=d-e
Restated Rate Base	\$ 5,401,721,310	g=b
Actual Equity Percent		48.19% h
Equity Rate Base	\$ 2,603,089,499	i=g*h
<b>Restated Return on Actual Equity</b>		<b>9.48%</b> j=f/i

## PUGET SOUND ENERGY, INC.

**Utility Capital Structure  
Cost of Capital and Rate of Return  
For The 12 Months Ending June 30, 2014**

1	(A)	(B)	(C)	(D)	(E)
2					
3					<b>Weighted</b>
4					<b>Cost of</b>
5	<u>Description</u>	<u>Amount (i)</u>	<u>Ratio</u>	<u>Cost</u>	<u>Capital</u>
6					
7	<b>Short Term Debt</b>	\$83,625,910	1.13%	3.36%	0.04% (A)
8					
9	<b>Long Term Debt</b>	\$3,764,138,025	50.68%	6.17%	3.13% (A)
10					
11	<b>Common Stock</b>	<u>\$3,579,522,475</u>	<u>48.19%</u>	9.80%	<u>4.72%</u>
12					
13	<b>Total</b>	<u><b>\$7,427,286,410</b></u>	<u><b>100.00%</b></u>		<u><b>7.89%</b></u>
14					
15					
16	(i) - Average of Month-End Balances			Total (A)	3.17%

**PUGET SOUND ENERGY**  
**PERIODIC ALLOCATED RESULTS OF OPERATIONS**  
**FOR THE 12 MONTHS ENDED JUNE 30, 2014**

(Common cost is spread based on allocation factors developed for the 12 ME 06/30/2014)

	Electric	Gas	Total Amount
1 - OPERATING REVENUES:			
2 - SALES TO CUSTOMERS	\$ 2,084,321,770	\$ 1,017,514,422	\$ 3,101,836,192
3 - SALES FOR RESALE-FIRM	349,909	-	349,909
4 - SALES TO OTHER UTILITIES	152,683,961	-	152,683,961
5 - OTHER OPERATING REVENUES	83,069,942	16,726,499	99,796,440
6 - TOTAL OPERATING REVENUES	\$ 2,320,425,582	\$ 1,034,240,920	\$ 3,354,666,502
7			
8 - OPERATING REVENUE DEDUCTIONS:			
9			
10 - POWER COSTS:			
11 - FUEL	\$ 271,740,686	\$ -	\$ 271,740,686
12 - PURCHASED AND INTERCHANGED	542,462,295	486,308,838	1,028,771,133
13 - WHEELING	102,047,887	-	102,047,887
14 - RESIDENTIAL EXCHANGE	(97,162,538)	-	(97,162,538)
15 - TOTAL PRODUCTION EXPENSES	\$ 819,088,329	\$ 486,308,838	\$ 1,305,397,167
16			
17 - OTHER ENERGY SUPPLY EXPENSES	\$ 115,898,327	\$ 1,885,023	\$ 117,783,350
18 - TRANSMISSION EXPENSE	19,471,020	9,091	19,480,111
19 - DISTRIBUTION EXPENSE	85,258,266	50,828,502	136,086,768
20 - CUSTOMER ACCTS EXPENSES	58,626,737	34,008,732	92,635,470
21 - CUSTOMER SERVICE EXPENSES	18,796,581	8,055,854	26,852,435
22 - CONSERVATION AMORTIZATION	90,243,004	10,585,647	100,828,652
23 - ADMIN & GENERAL EXPENSE	110,048,638	47,843,439	157,892,077
24 - DEPRECIATION	258,202,605	111,287,000	369,489,605
25 - AMORTIZATION	46,515,560	12,307,894	58,823,454
26 - AMORTIZ OF PROPERTY LOSS	17,213,410	-	17,213,410
27 - OTHER OPERATING EXPENSES	(5,363,592)	(45,370)	(5,408,962)
28 - FAS 133	(77,878,862)	-	(77,878,862)
29 - TAXES OTHER THAN INCOME TAXES	211,551,213	106,034,478	317,585,691
30 - INCOME TAXES	(0)	-	(0)
31 - DEFERRED INCOME TAXES	170,934,365	59,475,632	230,409,997
32 - TOTAL OPERATING REV. DEDUCT.	\$ 1,938,605,600	\$ 928,584,762	\$ 2,867,190,362
<b>NET OPERATING INCOME</b>	<b>\$ 381,819,981</b>	<b>\$ 105,656,159</b>	<b>\$ 487,476,140</b>

**PUGET SOUND ENERGY  
BALANCE SHEET  
COMMISSION BASIS REPORT  
As of June 30, 2014**

FERC Account and Description	Jun-14	Jun-14 AMA
<b>*ASSETS</b>		
<b>**UTILITY PLANT</b>		
<b>***Electric Plant</b>		
101 Electric Plant in Service	8,789,199,614	8,623,744,933
102 Electric Plant Purchased or Sold	-	-
105 Electric Plant Held for Future Use	49,316,730	29,464,274
106 Comp.Construction Not Classfd.-Electric	41,462,843	66,757,308
107 Construction Work in Prog. - Electric	240,725,426	278,325,430
114 Electric Plant Acquisition Adjustments	282,791,675	282,791,397
***Total Electric Plant	9,403,496,288	9,281,083,342
<b>***Gas Plant</b>		
101 Gas Plant in Service	3,083,149,736	3,028,610,689
105 Gas Plant Held for Future Use	5,314,007	5,048,758
106 Comp. Construction Not Classfd.- Gas	57,057,384	38,794,702
107 Construction Work in Progress - Gas	53,085,592	52,935,957
117.3 Gas Strd.in Resvr.& Pipln.-Noncurr.	8,654,564	8,654,564
***Total Gas Plant	3,207,261,283	3,134,044,670
<b>***Common Plant</b>		
101 Plant in Service - Common	463,694,756	507,908,998
101.1 Property Under Capital Leases	13,261,653	17,050,697
106 Comp Construction Not Classified - Common	1,122,631	432,064
107 Construction Work in Progress - Common	19,416,068	16,298,059
***Total Common Plant	497,495,108	541,689,818
<b>***Accumulated Depreciation and Amortization</b>		
108 Accumulated Provision for Depreciation	(4,452,737,361)	(4,325,577,394)
111 Accumulated Provision for Amortization	(117,655,654)	(127,667,113)
115 Accm.Prv.for Amort.of Plant Acquis.Adj.	(95,521,057)	(90,158,508)
***Less: Accumulated Depr and Amortizat	(4,665,914,072)	(4,543,403,015)
<b>**NET UTILITY PLANT</b>	<b>8,442,338,607</b>	<b>8,413,414,815</b>
<b>**OTHER PROPERTY AND INVESTMENTS</b>		
<b>***Other Investments</b>		
121 Nonutility Property	5,028,618	5,185,086
122 Accm.Prov.for Depr.& Amort.Non-utility P	(394,886)	(395,163)
123.1 Investment in Subsidiary Companies	35,987,641	36,516,674
124 Other Investments	52,691,575	53,295,599
***Total Other Investments	93,312,949	94,602,196
<b>**TOTAL OTHER PROPERTY AND INVESTMENT</b>	<b>93,312,949</b>	<b>94,602,196</b>
<b>**CURRENT ASSETS</b>		
<b>***Cash</b>		
131 Cash	12,266,808	21,924,182
134 Other Special Deposits	54,875,398	17,009,990
135 Working Funds	3,294,092	3,313,063

**PUGET SOUND ENERGY  
BALANCE SHEET  
COMMISSION BASIS REPORT  
As of June 30, 2014**

FERC Account and Description	Jun-14	Jun-14 AMA
136 Temporary Cash Investments	52,000,000	9,958,333
***Total Cash	122,436,298	52,205,568
***Restricted Cash	-	-
***Total Restricted Cash	-	-
***Accounts Receivable		
141 Notes Receivable	835,576	645,024
142 Customer Accounts Receivable	172,581,662	200,321,045
143 Other Accounts Receivable	105,772,257	112,446,332
146 Accounts Receiv.from Assoc. Companies	842,583	1,706,401
171 Interest and Dividends Receivable	-	-
173 Accrued Utility Revenues	112,304,208	159,396,593
185 Temporary Facilities	49,028	57,607
191 Unrecovered Purchased Gas Costs	12,539,248	(3,883,337)
***Total Accounts Receivable	404,924,563	470,689,665
***Allowance for Doubtful Accounts		
144 Accm.Prov.for Uncollectible Accts-Credit	(10,516,715)	(7,677,731)
***Less: Allowance for Doubtful Accounts	(10,516,715)	(7,677,731)
***Materials and Supplies		
151 Fuel Stock	20,648,167	20,649,876
154 Plant Materials and Operating Supplies	77,236,284	81,733,433
156 Other Materials and Supplies	95,181	72,193
163 Stores Expense Undistributed	5,421,554	5,431,693
164.1 Gas Stored - Current	40,223,620	40,913,018
164.2 Liquefied Natural Gas Stored	588,466	607,990
***Total Materials and Supplies	144,213,271	149,408,202
***Unrealized Gain-Derivative Instrumnts (ST)		
175 Invest in Derivative Instrumnts -Opt ST	44,404,562	33,252,416
176 Invest in Derivative Instrumnts-Gain ST	-	-
***Unrealized Gain on Derivatives (ST)	44,404,562	33,252,416
***Prepayments and Other Current Assets		
165 Prepayments	20,025,143	17,265,556
174 Misc.Current and Accrued Assets	-	7,326,221
186 Miscellaneous Deferred Debits	4,026	5,684
***Total Prepayments & Othr.Curr.Assets	20,029,169	24,597,461
Current Deferred Taxes		
Total Current Deferred Taxes	491,971,347	541,557,576
***TOTAL CURRENT ASSETS	1,217,462,494	1,264,033,157
***LONG-TERM ASSETS		
128 Pension Assets	65,577,093	43,735,015
165 Long-Term Prepaid	3,855,180	6,050,950
175 Invest in Derivative Instrumnts -Opt LT	7,678,440	9,680,422
176 Invest in Derivative Instrumnts-Gain LT	-	-

**PUGET SOUND ENERGY  
BALANCE SHEET  
COMMISSION BASIS REPORT  
As of June 30, 2014**

<b>FERC Account and Description</b>	<b>Jun-14</b>	<b>Jun-14 AMA</b>
181 Unamortized Debt Expense	30,252,792	31,243,574
182.1 Extraordinary Property Losses	108,589,345	116,328,036
182.2 Unrecovered Plant & Reg Study Costs	2,394,466	3,262,451
Subtotal WUTC AFUDC	54,687,250	55,305,883
182.3 Other Regulatory Assets	571,802,417	532,518,508
183 Prelm. Survey and Investigation Charges	126,329	41,032
184 Clearing Accounts	(387,391)	(601,427)
186 Miscellaneous Deferred Debits	159,057,738	193,455,479
187 Def.Losses from Dispos.of Utility Plant	306,938	383,135
189 Unamortized Loss on Reacquired Debt	36,870,204	37,865,795
**TOTAL LONG-TERM ASSETS	1,040,810,801	1,029,268,853
	-	-
*TOTAL ASSETS	<b>\$ 10,793,924,851</b>	<b>\$ 10,801,319,021</b>
*CAPITALIZATION AND LIABILITIES		
**CURRENT LIABILITIES		
230 Asset Retirement Obligations	(491,992)	(1,098,957)
244 FAS 133 Opt Unrealized Loss ST	(14,880,559)	(54,334,023)
245 FAS 133 Unrealized Loss ST	(2,014,419)	(3,113,864)
231 Notes Payable	-	(54,166,667)
232 Accounts Payable	(256,949,795)	(271,360,652)
233 Notes Payable to Associated Companies	(28,932,785)	(29,459,244)
234 Accounts Payable to Asscted Companies	-	-
235 Customer Deposits	(25,220,112)	(28,680,342)
236 Taxes Accrued	(92,022,605)	(95,961,459)
237 Interest Accrued	(55,216,191)	(59,634,834)
238 Dividends Declared	-	-
241 Tax Collections Payable	(2,436,575)	(2,288,403)
242 Misc. Current and Accrued Liabilities	(25,080,578)	(25,578,644)
243 Obligations Under Cap.Leases - Current	(7,578,088)	(7,578,088)
**TOTAL CURRENT LIABILITIES	(510,823,697)	(633,255,175)
**DEFERRED TAXES		
***Reg. Liability for Def.Income Tax		
253 Other Deferred Credits	(149,813,490)	(141,196,595)
283 Accum.Deferred Income Taxes - Other	(149,813,490)	(141,196,595)
***Total Reg.Liab.for Def.Income Tax		
***Deferred Income Tax		
255 Accum.Deferred Investment Tax Credits	-	(438)
282 Accum. Def. Income Taxes - Other Prop.	(1,645,017,652)	(1,601,275,883)
283 Accum.Deferred Income Taxes - Other	(224,194,193)	(225,275,226)
***Total Deferred Income Tax	(1,869,211,845)	(1,826,551,547)
**TOTAL DEFERRED TAXES	(2,019,025,335)	(1,967,748,142)
**OTHER DEFERRED CREDITS		
Subtotal 227 Oblig Under Cap Lease - Noncurr	(5,683,565)	(9,472,609)
Total Unrealized Loss on Derivatives -LT	(16,207,545)	(33,078,891)
228.2 Accum. Prov.for Injuries and Damages	(975,000)	(1,029,375)
228.3 Pension and Post Retirement Liabilities	(56,024,410)	(93,405,605)

**PUGET SOUND ENERGY  
BALANCE SHEET  
COMMISSION BASIS REPORT  
As of June 30, 2014**

<b>FERC Account and Description</b>	<b>Jun-14</b>	<b>Jun-14 AMA</b>
228.4 Accum. Misc.Operating Provisions	(329,987,922)	(254,628,476)
229 Accum Provision for Rate Refunds	-	-
230 Asset Retirement Obligations (FAS 143)	(48,412,176)	(46,511,481)
252 Customer Advances for Construction	(61,980,920)	(65,125,366)
253 Other Deferred Credits	(422,067,192)	(371,961,047)
254 Other Regulatory Liabilities	(140,597,865)	(132,783,303)
256 Def. Gains from Dispos.of Utility Plt	(946,594)	(1,253,029)
257 Unamortized Gain on Reacquired Debt	-	-
**TOTAL OTHER DEFERRED CREDITS	(1,082,883,189)	(1,009,249,182)
<b>**CAPITALIZATION</b>		
<b>***SHAREHOLDER'S EQUITY</b>		
<b>****Common Equity</b>		
201 Common Stock Issued	(859,038)	(859,038)
207 Premium on Capital Stock	(478,145,250)	(478,145,250)
210 Gain on Resale/Cancel.of Reacq.Cap.Stk	(2,775,196,691)	(2,775,196,691)
214 Capital Stock Expense	7,133,879	7,133,879
215 Appropriated Retained Earnings	(11,257,967)	(11,194,531)
216 Unappropriated Retained Earnings	(292,528,427)	(321,772,241)
216.1 Unappr.Undistrib.Subsidiary Earnings	8,509,803	7,980,770
219 Other Comprehensive Income	91,437,481	131,531,958
433 Balance Transferred from Income	(178,916,415)	(202,949,119)
438 Dividends Declared - Common Stock	203,627,994	210,693,156
439 Adjustments to Retained Earnings	5,848,610	5,848,610
****Total Common Equity	(3,420,346,021)	(3,426,928,497)
***TOTAL SHAREHOLDER'S EQUITY	(3,420,346,021)	(3,426,928,497)
<b>***REDEEMABLE SECURITIES AND LONG-TERM DEBT</b>		
****Preferred Stock - Manditorily Redeemable	-	-
****Total Preferred Stock - Mand Redeem	-	-
****Corporation Obligated, Mand Redeemable Preferred Stock Subscribed	-	-
****Corporation Obligated, Mand Redeem	-	-
****Long-term Debt		
221 Junior Subordinated Debt	(250,000,000)	(250,000,000)
221 Bonds	(3,510,860,000)	(3,514,151,667)
226 Unamort.Disct. on Long-term Debt-Debit	13,391	13,642
Long-term Debt	(3,760,846,609)	(3,764,138,025)
****Long-term Debt	(3,760,846,609)	(3,764,138,025)
***REDEEMABLE SECURITIES AND LTD	(3,760,846,609)	(3,764,138,025)
**TOTAL CAPITALIZATION	(7,181,192,630)	(7,191,066,522)
<b>*TOTAL CAPITALIZATION AND LIABILITIES</b>	<b>\$ (10,793,924,851)</b>	<b>\$ (10,801,319,021)</b>

**Puget Sound Energy**  
**Commission Basis Report**  
**Electric Rate Base**  
**June 30, 2014**

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			4-Factor
			68.72%
			31.28%
			<b>AMA</b>
1	Account	Description	<b>6/30/2014</b>
3		<b>Rate Base</b>	
4	101 / 102 / 230XXX1	Electric Plant in Service	\$ 8,584,934,323
5	101 / 253XXX3	Common Plant-Allocation to Electric	343,914,960
6	114XXX1	Electric Plant Aquisition Adjustment	282,791,397
6a	<b>18600001 / 451/ 461</b>	<b>Snoqualmie Deferral -UE-130559</b>	10,294,657
6b	<b>18600801 / 811/ 821</b>	<b>Baker Deferral - UE-131387</b>	2,440,122
6c	1822XXX1	White River Deferred Plant Costs	32,750,327
6d	1823XXX1	White River Deferred Relicensing & CWIP	(4,557,556)
6e	16599011 & 18232321	Prepaid Colstrip 1&2 WEC Co Coal Resrv Ded.	3,000,000
6f	<b>18600531 / 671/ 691/791</b>	<b>Ferndale Deferral - UE-12843</b>	24,024,524
6g	25300831	Hopkins II Wake Effect Settlement	-
6h	18230381/18230391	Goldendale Deferral -UE-070533	-
6i	18235521.000000	Mint Farm Deferral	32,290,595
6j	1340XXX	BPA Deposits	532,828
6k	18606XXX	WHE Deferred Costs-UE-090704	-
6l	18231041	Prepaid Major Maint Sumas	-
6m	18230351	Chelan PUD Contract Initiation	144,903,837
6n	18220091	Upper Baker - Unrecovered Plant & Reg. Study Cos	723,804
6o	18232301 & 311 & 331	LSR Deposit Carry Charge & Deferral UE-100882	109,296,935
	18600531 & 671 & 25301151	Ferndale Deferral Accounts	-
7	18230041	Colstrip Common FERC Adj - Reg Asset	21,589,277
8	18230051	Accum Amortization Colstrip-Common FERC	(15,565,074)
9	18230061	Colstrip Def Depr FERC Adj - Reg	1,455,253
10	18230071	BPA Power Exch Invstmt - Reg Asset	113,632,921
11	18230081	BPA Power Exch Inv Amortization - Reg Asset	(101,289,843)
12	18230031	Electric - Def AFUDC - Regulatory Asset	54,588,037
13	1861051	Capitalized OH	-
14	10500001	Electric - Plant Held for Future Use	29,464,274
15	10500003	Common Plant Held for Fut Use-Alloc to Electric	-
16	10600501	Electric - Const Completed Non Classified	66,757,308
16a	10600503	Common - Const Completed Non Classified	296,914
17	108XXX1	Elec-Accum Depreciation	(3,112,304,242)
18	108XXX3	Common Accum Depr-Allocation to Electric	(68,423,862)
19	111XXX1	Elec-Accum Amortization	(22,040,843)
20	11100003	Common Accum Amort-Allocation to Electric	(69,600,404)
21	115XXX1	Accum Amort Acq Adj - Electric	(90,158,508)
22	18230221	Accum Unamort Consvr Costs	(20,117,653)
23	19000041	CIAC after 10/8/76 - Accum Def Income Tax	-
24	19000051	CIAC - 1986 Changes - Accum Def Income Tax	-
25	19000061	CIAC - 7/1/87 - Accum Def Income Tax	-
26	19000093	Vacation Pay - Accum Def Inc Taxes	-
26a	19000121	Cabot Gas Contract - Accum Def Inc Taxe	-
26b	19000151	DFIT - Westcoast Capacity Assignment - Electric	663,420
26c	19000711	DFIT- BNP Electric	909,484
27	19000191	RB-Consv Pre91 Tax Settlmt - Accum Def Inc Tax	-
27.1	19000701	DFFIT SSCM INT - ELEC	-
28	235XXX1	Customer Deposits - Electric	(2,662,964)



**Puget Sound Energy**  
**Commission Basis Report**  
**Electric Rate Base**  
**June 30, 2014**

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		<b>Electric</b>	<b>4-Factor</b>
		<b>Gas</b>	68.72%
			31.28%
			<b>AMA</b>
			<b>6/30/2014</b>
1	Account	Description	
28a	23500003	Customer Deposits - Common	(17,878,397)
29	25400081	Residential Exchange	-
29.1	25400191& 25400201	Westcoast Pipeline Capacity Regulatory Liabilities	(4,494,014)
30	<b>252XXXX1</b>	<b>Cust Advances for Construction</b>	(40,379,094)
31	28200101	Major Projects - Property Tax Expense	-
32	28200111	Def Inc Tax - Pre 1981 Additions	-
33	28200121, 161/28300341	Def Inc Tax - Post 1980 Additions	(1,123,334,382)
34	28200131	Colstrip 3 & 4 Deferred Inc Tax	-
35	28200141	Excess Def Taxes - Centralia Sale	-
35-1	28200151	Def FIT Indirect Cost Adj - Electric	-
35a	283XXXXX	Electric Portion of Common Deferred Taxes	(25,490,965)
35a2	19000433	NOL Carryforward	111,562,761
36	28300161	Def Inc Tax - Energy Conservation & FAS 133	-
37	28300261	Def FIT Bond Redemption Costs	-
37a	<b>28300091</b>	<b>Accum Def Inc Tax - Snoqualmie</b>	(3,603,130)
37b	<b>28300741</b>	<b>Accum Def Inc Tax - Baker</b>	(854,043)
37c	28300011	Def FIT - White River Water Right	(9,867,470)
37d	<b>28300731</b>	<b>Accum Def Inc Tax - Ferndale</b>	(8,408,583)
37e	28300431	Deferred Taxes WNP#3	(3,988,881)
37f	19000441	Deferred FIT FAS 143 Whitehorn 2 &3	3,789,475
37g	19000553	Common DFIT Summit Purchase Opt Buyout - Elec	268,066
37h	19000561	Def FIT - Wind Loss Settlement Agreemen	-
37i	28300541 \ 28300551	DFIT Goldendale Deferral -UE-070533	-
37j	28300601\28300611\28300621	DFIT Mint Fam Costs-UE-090704	(11,301,708)
37k	28300631\28300641\28300651	DFIT Wild Horse Costs-UE-090704	-
37l	28300561	DFIT - Interest Chelan PUD Reg Asset	(16,465,733)
37m	28300081 & 28300721	DFIT BPA Prepayment & LSR	(9,330,139)
38	124001X1	Conservation Rate Base	-
39	18230181	1995 Conservation Trust Rate Base	-
40			
41	Working Capital- Rate Base		209,355,587
42	Rate Base		<b>\$ 5,404,113,600</b>
43			
44			
45			
46	Gross Utility Plant in Service		\$ 9,308,159,177
47	Less Accum Dep and Amort		(3,362,527,859)
48	Deferred Debits and Credits		409,992,992
49	Deferred Taxes		(1,095,451,827)
50	Allowance for Working Capital		209,355,587
51	Customer Deposits/Advances		(65,414,470)
52	Total Rate Base		<b>\$ 5,404,113,600</b>

**Puget Sound Energy**  
**Commission Basis Report**  
**Combined Working Capital**  
**June 30, 2014**

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**4-Factor**  
**Electric** 68.72%  
**Gas** 31.28%

Line No.	Description	AMA 6/30/2014
1	<b>Average Invested Capital</b>	
2	Common Stock	\$ 859,038
3	Preferred Stock	-
4	Additional Paid in Capital	3,245,716,487
5	Unamortized Debt Expense	(38,985,753)
6	Unappropriated Retained Earnings	324,474,327
7	Notes Payable - Misc	-
8	Long Term Debt	3,764,138,025
9	Short Term Debt	83,625,910
10	Accumulated Deferred ITC	438
11	Treasury Grants	204,657,399
12	Deferred Debits-Other	(79,099)
13	Unamortized Gain/Loss on Debt	(37,865,795)
14	Total Average Invested Capital	7,546,540,977
15		
16	<b>Average Operating Investments - Electric</b>	
17		
18	Plant in Service (includes acquisition adj)	8,934,483,028
19	Electric Future Use Property	29,464,274
20	Customer Advances for Construction	(40,379,094)
21	Customer Deposits	(20,541,362)
22	Deferred Taxes	(958,036,086)
23	Deferred Debits/Credits - Other	148,164,844
24	Less: Accumulated Depreciation	(3,224,503,593)
25	Conservation Investment	(20,264,511)
26	Common Plant-Allocation to Electric	344,211,875
27	Common Accum Depr-Allocation to Electric	(138,024,266)
28	Common Deferred Taxes-Allocation to Electric	(32,394,390)
29	NOL Carryforward	111,562,761
30	Total Average Operating Investment - Electric	5,133,743,480
31		
32	<b>Average Operating Investments - Gas</b>	
33		
34	Gas Utility Plant in Service	3,064,081,709
35	Deferred Items - Other	9,068,669
36	Gas Stored Underground, Non-Current	8,654,564
37	Gas Accumulated Depreciation	(1,118,049,210)
38	Gas Customer Advances for Construction	(25,444,567)
39	Gas Customer Deposits	(8,137,897)
40	DFIT 17	(436,485,570)
41	PGA	(3,883,337)
42	Common Plant-Allocation to Gas	156,678,513
43	Common Accumulated Depreciation-Allocation to Gas	(62,825,946)
44	Common Deferred Tax	(14,745,293)
45	NOL Carryforward	33,568,422
46	Total Average Operating Investment - Gas	1,602,480,057
47		
48	Total Electric & Gas Operating Investment	6,736,223,536
49		
50	<b>Construction Work in Progress</b>	
51		
52	Elec Construction Work in Process	289,525,457
53	Gas Construction Work in Process	58,033,990
54	Other Work in Process	2,260,715
55	Electric Preliminary Surveys	41,032
56	Total Construction Work in Progress	349,861,194

**Puget Sound Energy**  
**Commission Basis Report**  
**Combined Working Capital**  
**June 30, 2014**

<b>Page 2.04</b>
------------------

<b>4-Factor</b>
Electric 68.72%
Gas 31.28%

<b>Line No.</b>	<b>Description</b>	<b>AMA 6/30/2014</b>
57		
58	<b>Nonoperating</b>	
59		
60	Non-Utility Property	4,789,923
61	Investment in Associated Companies	28,750,466
62	Other Investments & FAS 133	30,229,769
63	Deferred Items-Other	221,790,315
64	Deferred Federal Income Tax	(112,534,227)
65	Investment Tracking Funds	5,377,874
66	Environmental Receivables	-
67	Current Accounts - Gas Allocation only	-
68	Merchandising Inventory - Gas Only	68,750
69	Total Non Operating Investment	178,472,870
70		
71	Total CWIP & Nonoperating Investment	528,334,064
72		
73	Total Average Investments	7,264,557,600
74	Rounding	
75	Total Investor Supplied Capital	<b>\$ 281,983,377</b>
<b>Allocation of Working Capital</b>		
<b>Electric Working Capital</b>		
	Total Investment	\$ 7,264,557,600
	Less: Electric CWIP	\$ (289,525,457)
	Less: Gas	\$ (58,033,990)
	Interest Bearing Regulatory Assets	
	Other Work in Progress	(2,260,715)
	Preliminary Surveys	(41,032)
	Total	6,914,696,406
	Electric Working Capital Ratio	4.0780%
	Electric Working Capital	<b>\$ 209,355,587</b>
<b>Gas Working Capital</b>		
	Total Investment	7,264,557,600
	Less: Electric CWIP	(289,525,457)
	Less: Gas CWIP	(58,033,990)
	Interest Bearing Regulatory Assets	
	Other Work in Progress	(2,260,715)
	Preliminary Surveys	(41,032)
	Total	6,914,696,406
	Gas Working Capital Ratio	4.0780%
	Gas Working Capital	<b>\$ 65,349,614</b>
	<b>Non Operating Working Capital</b>	<b>\$ 7,278,177</b>

**PUGET SOUND ENERGY-ELECTRIC & GAS  
FOR THE 12 MONTHS ENDED JUNE 30, 2014  
ALLOCATION METHODS**

<u>Method</u>	<u>Description</u>		<u>Electric</u>	<u>Gas</u>	<u>Total</u>
1	* <b><u>12 Month Average Number of Customers</u></b>	6/30/2014	1,086,414	778,923	1,865,337
	Percent		<b>58.24%</b>	<b>41.76%</b>	100.00%
2	* <b><u>Joint Meter Reading Customers</u></b>	6/30/2014	731,781	441,243	1,173,024
	Percent		<b>62.38%</b>	<b>37.62%</b>	100.00%
3	* <b><u>Non-Production Plant</u></b>				
	Distribution	6/30/2014	3,251,535,946	2,957,812,978	\$ 6,209,348,924
	Transmission	6/30/2014	1,232,284,042	-	1,232,284,042
	Direct General Plant	6/30/2014	203,334,680	34,716,332	238,051,012
	Total		<b>\$ 4,687,154,668</b>	<b>\$ 2,992,529,310</b>	<b>\$ 7,679,683,978</b>
	Percent		<b>61.03%</b>	<b>38.97%</b>	100.00%
4	* <b><u>4-Factor Allocator</u></b>				
	Number of Customers	6/30/2014	1,086,414	778,923	1,865,337
	Percent		58.24%	41.76%	100.00%
	Labor - Direct Charge to O&M	6/30/2014	50,585,855	21,515,539	\$ 72,101,394
	Percent		70.16%	29.84%	100.00%
	T&D O&M Expense (Less Labor)	6/30/2014	71,350,102	27,252,445	\$ 98,602,546
	Percent		72.36%	27.64%	100.00%
	Net Classified Plant (Excluding General (Common) Plant)	6/30/2014	5,450,589,238	1,902,189,039	7,352,778,276
	Percent		74.13%	25.87%	100.00%
	Total Percentages		274.89%	125.11%	400.00%
	Percent		<b>68.72%</b>	<b>31.28%</b>	100.00%
5	* <b><u>Employee Benefits</u></b>				
	Direct Labor Accts 500-935	6/30/2014	56,422,046	24,806,849	81,228,895
	Total		<b>\$ 56,422,046</b>	<b>\$ 24,806,849</b>	<b>\$ 81,228,895</b>
	Percent		<b>69.46%</b>	<b>30.54%</b>	100.00%

**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	2,320,425,582	(62,673,324)	2,257,752,258
7			
8	<u>OPERATING REVENUE DEDUCTIONS:</u>		
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	(97,162,538)	97,162,538	-
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	\$ 1,938,605,600	\$ (98,981,905)	\$ 1,839,623,695
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	<u>RATE BASE:</u>		
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	(65,414,470)	-	(65,414,470)
47	\$ 5,404,113,600	\$ (2,392,290)	\$ 5,401,721,310



PUGET SOUND ENERGY-ELECTRIC  
STATEMENT OF OPERATING INCOME AND ADJUSTMENTS  
FOR THE TWELVE MONTHS ENDED JUNE 30, 2014  
COMMISSION BASIS REPORT

LINE NO.	INCENTIVE PAY 3.09	EXCISE TAX & FILING FEE 3.10	D&O INSURANCE 3.11	MONTANA TAX 3.12	INTEREST ON CUST DEPOSITS 3.13	ASC 815 3.14	PENSION PLAN 3.15	INJURIES & DAMAGES 3.16	WILD HORSE SOLAR ADJUSTMENTS 3.17	TOTAL
1	OPERATING REVENUES									
2	SALES TO CUSTOMERS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (50,195,172)
3	SALES FROM RESALE-FIRM									1,387
4	SALES TO OTHER UTILITIES									-
5	OTHER OPERATING REVENUES									(12,479,539)
6	TOTAL OPERATING REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (62,673,324)
7										
8	OPERATING REVENUE DEDUCTIONS:									
9										
10	POWER COSTS:									
11	FUEL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (100,884)
12	PURCHASED AND INTERCHANGED									(12,305,290)
13	WHEELING									-
14	RESIDENTIAL EXCHANGE									-
15	TOTAL PRODUCTION EXPENSES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 97,162,538
16										\$ 84,756,364
17	OTHER POWER SUPPLY EXPENSES									
18	TRANSMISSION EXPENSE									
19	DISTRIBUTION EXPENSE									
20	CUSTOMER ACCTS EXPENSES				25,844					(7,438,275)
21	CUSTOMER SERVICE EXPENSES									(16,654,895)
22	CONSERVATION AMORTIZATION									(90,228,855)
23	ADMIN & GENERAL EXPENSE	(858,414)	80,113	(986)			(1,952,931)	(34,203)		(2,595,754)
24	DEPRECIATION								(187,950)	(187,950)
25	AMORTIZATION									-
26	AMORTIZ OF PROPERTY GAIN/LOSS									-
27	OTHER OPERATING EXPENSES									-
28	ASC 815					77,878,862				11,269,283
29	TAXES OTHER THAN F.I.T.	(56,965)			(105,638)					77,878,862
30	FEDERAL INCOME TAXES	320,383	(28,039)	345	36,973					(122,128,873)
31	DEFERRED INCOME TAXES								65,782	83,921,764
32	TOTAL OPERATING REV. DEDUCT.	\$ (594,996)	\$ 52,073	\$ (641)	\$ (68,664)	\$ 25,844	\$ (1,269,405)	\$ (22,232)	\$ (122,167)	\$ (98,981,905)
33						(27,257,602)				
34	NET OPERATING INCOME	\$ 594,996	\$ (52,073)	\$ 641	\$ 68,664	\$ (25,844)	\$ (1,269,405)	\$ 22,232	\$ 122,167	\$ 36,308,581
35										
36	RATE BASE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (2,392,290)	\$ (2,392,290)
37										
38	RATE OF RETURN									
39										
40	RATE BASE:									
41	GROSS UTILITY PLANT IN SERVICE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (4,530,703)	\$ (4,530,703)
42	ACCUMULATED DEPRECIATION								1,060,869	1,060,869
43	DEFERRED DEBITS									-
44	DEFERRED TAXES								1,077,544	1,077,544
45	ALLOWANCE FOR WORKING CAPITAL									-
46	OTHER									-
47	TOTAL RATE BASE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (2,392,290)	\$ (2,392,290)

**PUGET SOUND ENERGY-ELECTRIC**  
**TEMPERATURE NORMALIZATION**  
**FOR THE TWELVE MONTHS ENDED JUNE 30, 2014**  
**COMMISSION BASIS REPORT**

**LINE****NO. DESCRIPTION**

1	<u>TEMPERATURE NORMALIZATION ADJUSTMENT:</u>				
2		ACTUAL	TEMP ADJ	KWH	ADJ FOR LOSSES
3		<u>GPI KWH</u>	<u>GPI KWH</u>	<u>CHANGE</u>	<u>7.00%</u>
4	Jul-13	1,679,288,569	1,659,086,454	(20,202,115)	(18,787,967)
5	Aug-13	1,682,030,165	1,659,817,145	(22,213,020)	(20,658,108)
6	Sep-13	1,636,730,321	1,631,902,617	(4,827,704)	(4,489,765)
7	Oct-13	1,860,322,773	1,839,376,550	(20,946,223)	(19,479,987)
8	Nov-13	2,004,525,320	2,055,895,697	51,370,377	47,774,450
9	Dec-13	2,435,996,873	2,424,640,512	(11,356,361)	(10,561,416)
10	Jan-14	2,241,985,379	2,297,964,198	55,978,819	52,060,302
11	Feb-14	2,098,568,767	2,069,981,538	(28,587,229)	(26,586,123)
12	Mar-14	1,998,765,723	2,036,665,418	37,899,695	35,246,716
13	Apr-14	1,741,668,736	1,774,674,142	33,005,406	30,695,027
14	May-14	1,637,784,221	1,672,277,125	34,492,904	32,078,401
15	Jun-14	1,563,321,899	1,564,329,344	1,007,445	936,924
16		<u>22,580,988,746</u>	<u>22,686,610,739</u>	<u>105,621,993</u>	<u>98,228,454</u>
17					
18	REVENUE ADJUSTMENT Schedule 7			102,203,624	\$ 7,066,549
19	Schedule 24			1,588,694	94,465
20	Schedule 25			(1,735,124)	(119,196)
21	Schedule 26			(3,618,195)	(227,988)
22	Schedule 29			(76,942)	(4,906)
23	Schedule 31			(1,746,666)	(105,461)
24	Schedule 43			2,133,201	122,488
25	Schedule 40			(559,573)	(31,896)
26	Firm Resale			<u>39,433</u>	<u>1,387</u>
27	INCREASE (DECREASE) SALES TO CUSTOMERS			<u>98,228,454</u>	\$ <u>6,795,442</u>
28					\$ 6,795,442
29	UNCOLLECTIBLES @			0.0060110	\$ 40,847
30	ANNUAL FILING FEE @			<u>0.0020000</u>	<u>13,591</u>
31	INCREASE (DECREASE) EXPENSE				54,438
32					
33	STATE UTILITY TAX @			0.0385010	\$ 261,631
34	INCREASE (DECREASE) TAXES OTHER				<u>261,631</u>
35					
36	INCREASE (DECREASE) OPERATING INCOME				6,479,373
37					
38	INCREASE (DECREASE) FIT @			35%	<u>2,267,781</u>
39	INCREASE (DECREASE) NOI				<u>\$ 4,211,592</u>
40					
41	(NOTE 1) AFTER JUNE 30, 2013, PSE'S DELIVERY REVENUE IS DECOUPLED AND SO NO				
42	LONGER REQUIRES AN ADJUSTMENT FOR TEMPERATURE NORMALIZATION.				
43	AMOUNTS REFLECTED AFTER JUNE 30, 2013 ARE THE TEMPERATURE				
44	NORMALIZATION OF THE PORTION OF PSE'S REVENUE THAT RECOVERS				
45	ITEMS INCLUDED IN PSE'S PCA MECHANISM.				



**PUGET SOUND ENERGY-ELECTRIC  
REVENUE & EXPENSE RESTATING  
FOR THE TWELVE MONTHS ENDED JUNE 30, 2014  
COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION	AMOUNT	ADJUSTMENT
1	<b>SALES TO CUSTOMERS:</b>		
2	REMOVE MERGER RATE CREDIT SCH 132	\$ 6,046,287	
3	REMOVE SCHEDULE 95A TREASURY GRANTS	<u>61,129,060</u>	
4			
5	INCREASE (DECREASE) SALES TO CUSTOMERS	<u>67,175,347</u>	
6			
7	INCREASE (DECREASE) REVENUES		\$ 67,175,347
8			
9	UNCOLLECTIBLES @	0.0060110 \$ 403,791	
10	ANNUAL FILING FEE @	0.0020000 <u>134,351</u>	
11	INCREASE (DECREASE) EXPENSE		538,142
12			
13	STATE UTILITY TAX @	0.0385010 \$ <u>2,586,318</u>	
14	INCREASE (DECREASE) TAXES OTHER		2,586,318
15			
16			
17			
18	<b>OTHER OPERATING EXPENSES:</b>		
19	REMOVE SCHEDULE 95A TREASURY GRANTS		
20	AMORTIZATION OF INTEREST AND GRANTS	45,696,783	
21	REMOVE ACCRUAL FOR FUTURE PTC LIABILITY		
22	(ACTUAL PTC'S REMOVED IN FIT ADJUSTMENT NO. 3.06)	<u>(34,903,585)</u>	
23	INCREASE (DECREASE) OPERATING EXPENSES		<u>10,793,198</u>
24			
25	INCREASE (DECREASE) OPERATING INCOME BEFORE FIT		53,257,690
26			
27	INCREASE (DECREASE) FIT @	35%	<u>18,640,191</u>
28			
29	INCREASE (DECREASE) NOI		<u>\$ 34,617,499</u>

**PUGET SOUND ENERGY-ELECTRIC**  
**POWER COSTS**  
**FOR THE TWELVE MONTHS ENDED JUNE 30, 2014**  
**COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION	ACTUAL	RESTATED	INCREASE (DECREASE)
1	PRODUCTION EXPENSES:			
2	FUEL	\$ 271,740,686	\$ 271,639,802	\$ (100,884)
3	PURCHASED AND INTERCHANGED	542,462,295	531,984,283	(10,478,012)
4	WHEELING	102,047,887	102,047,887	-
5	SALES TO OTHER UTILITIES	(152,683,961)	(152,683,961)	-
6	PURCHASES/SALES OF NON-CORE GAS & OTHER REV	(5,247,447)	(4,315,094)	932,354
7	SUBTOTAL - POWER COSTS TO BE ADJUSTED	<u>\$ 758,319,459</u>	<u>\$ 748,672,916</u>	<u>\$ (9,646,542)</u>
8				
9	LESS: SALES FOR RESALE	152,683,961		
10	SCH. 94 - RES./FARM CREDIT	(97,162,538)		
11	TOTAL	<u>\$ 813,840,882</u>		
12	PURCHASES/SALES OF NON-CORE GAS	<u>5,247,447</u>		
13	PRODUCTION EXPENSES ON INCOME STATEMENT	<u>\$ 819,088,329</u>		
14	INCREASE(DECREASE) INCOME			\$ 9,646,542
15				
16	INCREASE(DECREASE) FIT @	35%		<u>3,376,290</u>
17	INCREASE(DECREASE) NOI			<u><u>\$ 6,270,252</u></u>

**PUGET SOUND ENERGY-ELECTRIC**  
**FEDERAL INCOME TAX**  
**FOR THE TWELVE MONTHS ENDED JUNE 30, 2014**  
**COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION	AMOUNT
1	TAXABLE INCOME	\$ 330,449,560
2		
3	FEDERAL INCOME TAX @ 35%	\$ 115,657,346
4	DEFERRED FIT - DEBIT	80,618,388
5	DEFERRED FIT - CREDIT	-
6	DEFERRED FIT - INV TAX CREDIT, NET OF AMORT.	-
7	TOTAL RESTATED FIT	<u>\$ 196,275,734</u>
8		
9	FIT PER BOOKS:	
10	CURRENTLY PAYABLE	-
11	DEFERRED FIT - DEBIT	\$337,635,617
12	DEFERRED FIT - CREDIT	(\$166,701,253)
13	DEFERRED FIT - INV TAX CREDIT, NET OF AMOR'	-
14	TOTAL CHARGED TO EXPENSE	<u>\$ 170,934,365</u>
15		
16	INCREASE(DECREASE) FIT (LINE 3 - LINE 10)	115,657,346
17	INCREASE(DECREASE) DEFERRED FIT (LINES 4 + 5 + 6 - 11 - 12 - 13)	(90,315,977)
18	INCREASE(DECREASE) NOI	<u><u>\$ (25,341,369)</u></u>

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**PUGET SOUND ENERGY-ELECTRIC**  
**TAX BENEFIT OF RESTATED INTEREST**  
**FOR THE TWELVE MONTHS ENDED JUNE 30, 2014**  
**COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION	AMOUNT
1	RATE BASE	\$ 5,401,721,310
2		
3	WEIGHTED COST OF DEBT	3.17%
4	RESTATED INTEREST	<u>\$ 171,234,566</u>
5		
6		
7		
8		
9	INCREASE (DECREASE) INCOME	<u>\$ (171,234,566)</u>
10		
11	INCREASE (DECREASE) FIT @	35% \$ (59,932,098)
12		
13	INCREASE (DECREASE) NOI	<u><u>\$ 59,932,098</u></u>

**PUGET SOUND ENERGY-ELECTRIC**  
**PASS-THROUGH REVENUE & EXPENSE**  
**FOR THE TWELVE MONTHS ENDED JUNE 30, 2014**  
**COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION	AMOUNT	ADJUSTMENT
1	<u>REMOVE REVENUES ASSOCIATED WITH RIDERS:</u>		
2	CONSERVATION RIDER - SCHEDULE 120		\$ 94,519,323
3	PROPERTY TAX TRACKER - SCHEDULE 140		42,708,935
4	MUNICIPAL TAXES - SCHEDULE 81		81,902,283
5	LOW INCOME RIDER - SCHEDULE 129		16,088,735
6	RESIDENTIAL EXCHANGE - SCH 194		(101,790,046)
7	REC PROCEEDS - SCH 137 REC AND BIOGAS PROCEEDS		(11,759,650)
8	EXPENSE OFFSET FOR SCH 137 REC AND BIOGAS PROCEEDS		10,750,082
9	DECOUPLING SCH 142 REVENUE		(2,037,301)
10	DECOUPLING SCH 142 SURCHARGE AMORT EXPENSE		1,944,357
11	GREEN POWER - SCH 135/136		4,532,296
12	GREEN POWER - SCH 135/136 ELIMINATE OVER EXPENSED		(1,147,254)
13			
14	TOTAL (INCREASE) DECREASE REVENUES		\$ 135,711,759
15			
16	<u>DECREASE REVENUE SENSITIVE ITEMS FOR DECREASE IN REVENUES:</u>		
17	BAD DEBTS	0.60110%	\$ (751,703)
18	ANNUAL FILING FEE	0.20000%	(250,109)
19	STATE UTILITY TAX	3.85010%	(4,814,728)
20	TOTAL		\$ (5,816,541)
21			
22	<u>REMOVE EXPENSES ASSOCIATED WITH RIDERS</u>		
23	CONSERVATION AMORTIZATON - SCHEDULE 120		\$ (90,228,853)
24	PROPERTY TAX AMORTIZATION EXP - SCHEDULE 140		(41,396,135)
25	MUNICIPAL TAXES - SCHEDULE 81		(78,587,265)
26	LOW INCOME AMORTIZATION - SCHEDULE 129		(15,359,238)
27	RESIDENTIAL EXCHANGE - SCH 194		97,162,538
28	AMORT ON INTEREST ON REC PROCEEDS - SCH 137		476,086
29	GREEN POWER - SCH 135/136 TAGS CHARGED TO 557		(1,827,278)
30	GREEN POWER - SCH 135/136 CHARGED TO 908/909		(1,295,657)
31	GREEN POWER - SCH 135/136 BENEFITS PORTION OF ADMIN		(61,394)
32	GREEN POWER - SCH 135/136 TAXES PORTION OF ADMIN		(16,091)
33	TOTAL INCREASE (DECREASE) EXPENSE		\$ (131,133,288)
34			
35	INCREASE (DECREASE) OPERATING INCOME BEFORE FIT		\$ 1,238,070
36	INCREASE (DECREASE) FIT		433,324
37	INCREASE (DECREASE) NOI		\$ 804,745

**PUGET SOUND ENERGY-ELECTRIC**  
**RATE CASE EXPENSES**  
**FOR THE TWELVE MONTHS ENDED JUNE 30, 2014**  
**COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION	AMOUNT
1	EXPENSES TO BE NORMALIZED	
2		
3		
4	2011 AND 2009 GRC EXPENSES TO BE NORMALIZED	\$ 1,040,000
5		
6	ANNUAL NORMALIZATION (LINE 4 ÷ 2 YEARS)	520,000
7	LESS TEST YEAR EXPENSE	-
8	INCREASE (DECREASE) EXPENSE	\$ 520,000
9		
10	2013 AND 2007 PCORC EXPENSES TO BE NORMALIZED	\$ 405,000
11		
12	ANNUAL NORMALIZATION (LINE 10 ÷ 4 YEARS)	101,250
13	LESS TEST YEAR EXPENSE	287,021
14	INCREASE (DECREASE) EXPENSE	\$ (185,771)
15		
16		
17	TOTAL INCREASE (DECREASE) EXPENSE	\$ 334,229
18		
19	INCREASE(DECREASE) FIT @	35% (116,980)
20	INCREASE(DECREASE) NOI	\$ (217,249)

PUGET SOUND ENERGY-ELECTRIC  
**BAD DEBTS**  
 FOR THE TWELVE MONTHS ENDED JUNE 30, 2014  
 COMMISSION BASIS REPORT

LINE NO.	YEAR	NET	GROSS	SALES FOR	OTHER	SALES FOR	NET	PERCENT WRITEOFFS TO REVENUE
		WRITEOFF'S	REVENUES	RESALE OTHEI	OPERATING REVENUE	RESALE FIRM	REVENUES	
		June	February	February	February	February	February	
1	12 ME 6/30/2010 AND 2/28/2010	\$ 11,723,957	\$ 2,063,613,800	\$ 81,845,099	\$ (13,052,326)	\$ 355,271	\$ 1,994,465,756	0.5878%
2	12 ME 6/30/2012 AND 2/29/2012	\$ 11,515,730	\$ 2,252,228,204	\$ 46,263,193	\$ 76,933,064	\$ 369,825	\$ 2,128,662,122	0.5410%
3	12 ME 6/30/2013 AND 2/28/2013	\$ 14,303,772	\$ 2,139,849,885	\$ 23,404,895	\$ (4,205,235)	\$ 357,010	\$ 2,120,293,215	0.6746%
4								
5	3-YR AVERAGE OF NET WRITE OFF RATE							0.6011%
6								
7	REPORTING PERIOD REVENUES		2,320,425,582	152,683,961	83,069,942	349,909	\$ 2,084,321,770	
8								
9	RESTATED BAD DEBT RATE						<u>0.6011%</u>	
10	RESTATED BAD DEBTS						\$ 12,528,858	
11								
12	UNCOLLECTIBLES CHARGED TO EXPENSE IN TEST YEAR						<u>19,685,912</u>	
13	INCREASE (DECREASE) EXPENSE							\$ (7,157,054)
14								
15	INCREASE (DECREASE) NOI							\$ 7,157,054
16	INCREASE (DECREASE) FIT						35%	2,504,969
17	INCREASE (DECREASE) NOI							<u>\$ 4,652,085</u>

**PUGET SOUND ENERGY-ELECTRIC**  
**INCENTIVE PLAN**  
**FOR THE TWELVE MONTHS ENDED JUNE 30, 2014**  
**COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION	ACTUAL	RESTATED	ADJUSTMENT
1	INCREASE(DECREASE ) IN EXPENSE	\$ 7,440,448	\$ 6,582,034	\$ (858,414)
2				
3	PAYROLL TAXES ASSOCI WITH MERIT PAY	493,751	436,786	\$ (56,965)
4	INCREASE(DECREASE ) IN EXPENSE	\$ 7,934,199	\$ 7,018,820	\$ (915,379)
5				
6	INCREASE (DECREASE) INCOME			915,379
7	INCREASE (DECREASE) FIT @		35%	320,383
8				
9	INCREASE (DECREASE) NOI			<u>\$ 594,996</u>



**PUGET SOUND ENERGY-ELECTRIC**  
**EXCISE TAX & FILING FEE**  
**FOR THE TWELVE MONTHS ENDED JUNE 30, 2014**  
**COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION	AMOUNT
1	<b>RESTATED EXCISE TAXES</b>	\$ 81,882,508
2	CHARGED TO EXPENSE FOR TEST YEAR	\$81,882,508
3	INCREASE(DECREASE) EXCISE TAX	\$ -
4		
5	<b>RESTATED WUTC FILING FEE</b>	\$ 4,362,188
6	CHARGED TO EXPENSE FOR TEST YEAR	4,282,076
7	INCREASE(DECREASE) WUTC FILING FEE	\$ 80,113
8		
9	INCREASE(DECREASE) EXPENSE	\$ 80,113
10		
11	INCREASE(DECREASE) OPERATING INCOME	\$ (80,113)
12		
13	INCREASE(DECREASE) FIT	35% \$ (28,039)
14		
15	INCREASE(DECREASE) NOI	<u>\$ (52,073)</u>

**PUGET SOUND ENERGY-ELECTRIC**  
**D&O INSURANCE**  
**FOR THE TWELVE MONTHS ENDED JUNE 30, 2014**  
**COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION	TEST YEAR	RESTATED	ADJUSTMENT
1	D & O INS. CHG EXPENSE	\$ 115,221	\$ 114,234	\$ (986)
2				
3	INCREASE (DECREASE) IN EXPENSE	\$ 115,221	\$ 114,234	\$ (986)
4				
5	INCREASE (DECREASE) OPERATING INCOME			986
6				
7	INCREASE (DECREASE) FIT @		35%	345
8				
9	INCREASE (DECREASE) NOI			<u>\$ 641</u>

**PUGET SOUND ENERGY-ELECTRIC**  
**MONTANA ENERGY TAX**  
**FOR THE TWELVE MONTHS ENDED JUNE 30, 2014**  
**COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION	AMOUNT
1	Actual KWh	3,887,984,000
2	Transmission Line Loss % for WECC	0.05
3	WETT Tax Rate	0.00015
4	WETT Tax	554,038
5		
6	EEELT Tax Rate	0.0002
7	EEELT Tax	777,597
8		
9	RESTATED ENERGY TAX	1,331,635
	CHARGED TO EXPENSE	1,437,272
	INCREASE (DECREASE) INCOME	<u>\$ 105,638</u>
	INCREASE (DECREASE) FIT @ 35%	36,973
	INCREASE (DECREASE) NOI	<u><u>\$ 68,664</u></u>

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**PUGET SOUND ENERGY-ELECTRIC**  
**INTEREST ON CUSTOMER DEPOSITS**  
**FOR THE TWELVE MONTHS ENDED JUNE 30, 2014**  
**COMMISSION BASIS REPORT**

<b>LINE</b>			
<b>NO.</b>	<b>DESCRIPTION</b>		<b>AMOUNT</b>
1	INTEREST EXPENSE FOR TEST YEAR	\$	25,844
2			
3			
4	INCREASE (DECREASE) NOI	<u>\$</u>	<u>(25,844)</u>

**PUGET SOUND ENERGY-ELECTRIC**  
**ASC 815**  
**FOR THE TWELVE MONTHS ENDED JUNE 30, 2014**  
**COMMISSION BASIS REPORT**

LINE NO.		ACTUAL	RESTATED	ADJUSTMENT
1	ASC 815 OPERATING EXPENSE	\$ (77,878,862)	\$ -	\$ 77,878,862
2				
3	INCREASE (DECREASE) IN EXPENSE	\$ (77,878,862)	\$ -	\$ 77,878,862
4				
5	INCREASE (DECREASE) OPERATING INCOME			(77,878,862)
6				
7	INCREASE (DECREASE) DEFERRED FIT @	35%		(27,257,602)
8				
9	INCREASE (DECREASE) NOI			<u><u>\$ (50,621,260)</u></u>

**PUGET SOUND ENERGY-ELECTRIC**  
**PENSION PLAN**  
**FOR THE TWELVE MONTHS ENDED JUNE 30, 2014**  
**COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION	ACTUAL	RESTATED	ADJUSTMENT
1	QUALIFIED RETIREMENT FUND	\$ 7,744,545	\$ 5,791,615	\$ (1,952,931)
2				
3	INCREASE (DECREASE ) IN EXPENSE	\$ 7,744,545	\$ 5,791,615	\$ (1,952,931)
4				
5	INCREASE (DECREASE) INCOME			1,952,931
6	INCREASE (DECREASE) FIT @		35%	683,526
7				
8	INCREASE (DECREASE) NOI			<u>\$ 1,269,405</u>

**PUGET SOUND ENERGY-ELECTRIC**  
**INJURIES AND DAMAGES**  
**FOR THE TWELVE MONTHS ENDED JUNE 30, 2014**  
**COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION	ACTUAL	RESTATED	ADJUSTMENT
1	INJURIES & DAMAGES ACCRUALS	\$ (20,000)	\$ 78,333	\$ 98,333
2	INJURIES & DAMAGES PAYMENTS IN EXCESS OF ACCRUALS	\$ 312,528	\$ 179,992	(132,536)
3	INCREASE/(DECREASE) IN EXPENSE	<u>292,528</u>	<u>258,325</u>	<u>(34,203)</u>
4				
5	INCREASE/(DECREASE) IN OPERATING EXPENSE (LINE 3)			\$ (34,203)
6	INCREASE (DECREASE) FIT @		35%	<u>11,971</u>
7				
8	INCREASE (DECREASE) NOI			<u><u>\$ 22,232</u></u>

**PUGET SOUND ENERGY-ELECTRIC**  
**WILD HORSE SOLAR**  
**FOR THE TWELVE MONTHS ENDED JUNE 30, 2014**  
**COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION	ACTUAL	RESTATED	ADJUSTMENT
1	<u>WILD HORSE SOLAR RATEBASE (AMA)</u>			
2	<u>UTILITY PLANT RATEBASE</u>			
3	PLANT BALANCE	\$ 4,530,703		\$ (4,530,703)
4	ACCUM DEPRECIATION	(1,060,869)		1,060,869
5	DEFERRED INCOME TAX LIABILITY	(1,077,544)		1,077,544
6	NET WH SOLAR PLANT RATEBASE	2,392,290		(2,392,290)
7				
8	<u>WILD HORSE SOLAR OPERATING EXPENSE</u>			
9	DEPRECIATION EXPENSE	187,950		(187,950)
10				
11	INCREASE (DECREASE ) EXPENSE	<u>\$ 187,950</u>	<u>\$ -</u>	<u>\$ (187,950)</u>
12				
13	INCREASE (DECREASE) FIT @		35%	65,782
14	INCREASE (DECREASE) NOI			<u>\$ 122,167</u>



**PUGET SOUND ENERGY-ELECTRIC**  
**CONVERSION FACTOR**  
**FOR THE TWELVE MONTHS ENDED JUNE 30, 2014**  
**COMMISSION BASIS REPORT**

LINE NO. DESCRIPTION	RATE
1 BAD DEBTS	0.006011
2 ANNUAL FILING FEE	0.002000
3 STATE UTILITY TAX ( ( 1 - LINE 1 ) * 3.8734% )	3.8734% <u>0.038501</u>
4	
5 SUM OF TAXES OTHER	0.046512
6	
7 CONVERSION FACTOR EXCLUDING FEDERAL INCOME TAX ( 1 - LINE 5 )	0.953488
8 FEDERAL INCOME TAX ( ( 1 - LINE 5 ) * 35% )	35% <u>0.333721</u>
9 CONVERSION FACTOR ( 1 - LINE 8 )	<u><u><b>0.619767</b></u></u>