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

Form 2 Approved
OMB No.1902-0028
(Expires 12/31/2021)

Form 3-Q Approved
OMB No.1902-0205
(Expires 11/30/2022)

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

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

Exact Legal Name of Respondent (Company)	Year/Period of Report
Puget Sound Energy, Inc.	End of 2020/Q4

QUARTERLY/ANNUAL REPORT OF MAJOR NATURAL GAS COMPANIES
IDENTIFICATION

01 Exact Legal Name of Respondent Puget Sound Energy, Inc.	Year/Period of Report End of 2020/Q4
03 Previous Name and Date of Change (If name changed during year)	
04 Address of Principal Office at End of Year (Street, City, State, Zip Code) P.O. Box 97034, Bellevue, WA 98009-9734	
05 Name of Contact Person Stephen J King	06 Title of Contact Person Controller and PAO
07 Address of Contact Person (Street, City, State, Zip Code) P.O. Box 97034, Bellevue, WA 98009-9734	

08 Telephone of Contact Person, Including Area Code 425-456-2008	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	10 Date of Report *(Mo, Da, Yr)* 04/15/2021

ANNUAL CORPORATE OFFICER CERTIFICATION

The undersigned officer certifies that:

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

11 Name Stephen J King	12 Title Controller and PAO
13 Signature Stephen J King	14 Date Signed 04/15/2021

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

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2021	End of 2020/Q4

List of Schedules (Natural Gas Company)

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

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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2021	End of 2020/Q4

List of Schedules (Natural Gas Company) (continued)

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

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	[ ] Four copies will be submitted [X] No annual report to stockholders is prepared			

General Information

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

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

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

State of Washington - September 12, 1960

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

Not Applicable

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

Electric - State of Washington
Natural Gas - State of Washington

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

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

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2021	End of 2020/Q4

Control Over Respondent

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

Line No.	Company Name (a)	Type of Control (b)	State of Incorporation (c)	Percent Voting Stock Owned (d)
1	Puget Energy, Inc. (a holding company)	M	WA	100.00
2	Puget Equico, LLC (holds Puget Energy - PE)	I	WA	100.00
3	Puget Intermediate Holdings, Inc. (holds Puget Eq)	I	WA	100.00
4	Puget Holdings, LLC (holds Puget Intermediate)	I	WA	100.00
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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2021	End of 2020/Q4

Corporations Controlled by Respondent

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

DEFINITIONS

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

Line No.	Name of Company Controlled (a)	Type of Control (b)	Kind of Business (c)	Percent Voting Stock Owned (d)	Footnote Reference (e)
1	Puget Western, Inc.	D	Real Estate Operations	100	*Not used*
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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2021	End of 2020/Q4

Security Holders and Voting Powers

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

1. Give date of the latest closing of the stock book prior to end of year, and, in a footnote, state the purpose of such closing:	2. State the total number of votes cast at the latest general meeting prior to the end of year for election of directors of the respondent and number of such votes cast by proxy.	3. Give the date and place of such meeting:
12/31/2020	Total: By Proxy:	N/A

Line No.	Name (Title) and Address of Security Holder (a)	VOTING SECURITIES 4. Number of votes as of (date): Total Votes (b)	Common Stock (c)	Preferred Stock (d)	Other (e)
5	TOTAL votes of all voting securities	85,904,582	85,903,791	791	
6	TOTAL number of security holders	1	1		
7	TOTAL votes of security holders listed below	85,903,791	85,903,791		
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FOOTNOTE DATA

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

Puget Energy is the sole shareholder of Puget Sound Energy.

Important Changes During the Quarter/Year

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

1. Changes in and important additions to franchise rights: Describe the actual consideration and state from whom the franchise rights were acquired. If the franchise rights were acquired without the payment of consideration, state that fact.
2. Acquisition of ownership in other companies by reorganization, merger, or consolidation with other companies: Give names of companies involved, particulars concerning the transactions, name of the Commission authorizing the transaction, and reference to Commission authorization.
3. Purchase or sale of an operating unit or system: Briefly describe the property, and the related transactions, and cite Commission authorization, if any was required. Give date journal entries called for by Uniform System of Accounts were submitted to the Commission.
4. Important leaseholds (other than leaseholds for natural gas lands) that have been acquired or given, assigned or surrendered: Give effective dates, lengths of terms, names of parties, rents, and other conditions. State name of Commission authorizing lease and give reference to such authorization.
5. Important extension or reduction of transmission or distribution system: State territory added or relinquished and date operations began or ceased and cite Commission authorization, if any was required. State also the approximate number of customers added or lost and approximate annual revenues of each class of service.
Each natural gas company must also state major new continuing sources of gas made available to it from purchases, development, purchase contract or otherwise, giving location and approximate total gas volumes available, period of contracts, and other parties to any such arrangements, etc.
6. Obligations incurred or assumed by respondent as guarantor for the performance by another of any agreement or obligation, including ordinary commercial paper maturing on demand or not later than one year after date of issue: State on behalf of whom the obligation was assumed and amount of the obligation. Cite Commission authorization if any was required.
7. Changes in articles of incorporation or amendments to charter: Explain the nature and purpose of such changes or amendments.
8. State the estimated annual effect and nature of any important wage scale changes during the year.
9. State briefly the status of any materially important legal proceedings pending at the end of the year, and the results of any such proceedings culminated during the year.
10. Describe briefly any materially important transactions of the respondent not disclosed elsewhere in this report in which an officer, director, security holder, voting trustee, associated company or known associate of any of these persons was a party or in which any such person had a material interest.
11. Estimated increase or decrease in annual revenues caused by important rate changes: State effective date and approximate amount of increase or decrease for each revenue classification. State the number of customers affected.
12. Describe fully any changes in officers, directors, major security holders and voting powers of the respondent that may have occurred during the reporting period.
13. In the event that the respondent participates in a cash management program(s) and its proprietary capital ratio is less than 30 percent please describe the significant events or transactions causing the proprietary capital ratio to be less than 30 percent, and the extent to which the respondent has amounts loaned or money advanced to its parent, subsidiary, or affiliated companies through a cash management program(s). Additionally, please describe plans, if any to regain at least a 30 percent proprietary ratio.

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

Location (WA)	County	Type	Category	Initial Term	Consideration
Auburn	King	Electric	New	15 years	$ -
Arlington	Snohomish	Natural Gas	New	20 years	$ -
Yelm	Thurston	Electric & Natural Gas	New	20 years	$ -

2. None.

3. None.

4. None.

5. None.

6.

Credit Facilities

As of December 31, 2020, no amounts were drawn and outstanding under PSE's credit facility. No letters of credit were outstanding and $373.8 million was outstanding under the commercial paper program. Outside of the credit agreement, PSE had a $2.7 million letter of credit in support of a long-term transmission contract and a $1.0 million letter of credit in support of natural gas purchases in Canada.

Long Term Debt

The Company had no new long-term debt activities in the twelve months ended December 31, 2020. For further information, see Note 6, "Long-Term Debt" and Note 7, "Liquidity Facilities and Other Financing Arrangements" in the Company's most recent Annual Report on FERC Form 1 for the year ended December 31, 2020.

7. None.

8. Non-represented employees received on average a 3.46% increase effective on March 1, 2020. Employees of the IBEW received a 3.5% salary increase effective on April 1, 2020. Employees of the UA received a 2.75% salary increase that went into effect October 1, 2020. The estimated annual effect of these changes is $10.2 million. The current contracts with the IBEW and UA will expire March 31, 2026 and September 30, 2021, respectively.

9. Legal Proceedings:

Regulation and Rates

Power Cost Only Rate Case

On December 9, 2020, PSE filed its 2020 power cost only rate case (PCORC). The filing proposed an increase of $78.5 million (or an average of approximately 3.7%) in the Company's overall power supply costs with an anticipated effective date in June 2021. On February 2, 2021, PSE supplemented the PCORC to update its power costs, leading to a requested increase from $78.5 million to $88.0 million (or an average of approximately 4.1%).

On March 2, 2021, the parties to the PCORC reached a multiparty settlement in principle, with Public Counsel not joining the settlement, but also not opposing. The settlement resulted in an estimated revenue increase of $65.3 million or 3.1% and, pending approval by the Washington Commission, is expected to be effective June 2021.

General Rate Case Filing

PSE filed a GRC with the Washington Commission on June 20, 2019, requesting an overall increase in electric and natural gas rates of 6.9% and 7.9% respectively. PSE requested a return on equity of 9.8% with an overall rate of return of 7.62%. In addition to the traditional areas of focus (revenue requirements, cost allocation, rate design and cost of capital), the Company completed an attrition study and included a portion of the attrition revenue requirement in the overall request in order address the expected regulatory lag in the rate year. Additionally, as the non-plant related excess deferred taxes that resulted from the Tax Cuts and Jobs Act (TCJA) remained outstanding from PSE’s Expedited Rate Filing (ERF) as discussed below, PSE requested in its GRC to pass back the amounts over four years. On September 17, 2019, PSE filed a supplemental filing in the GRC, which provided updates as discussed in our original filing, but did not impact the requested overall electric and natural gas rate increases, return on equity or overall rate of return as originally filed. On January 15, 2020, PSE filed rebuttal testimony which included a reduction to the requested return on equity to 9.5%, which decreased the rate of return to 7.48%. The requested rate increase for both electric and natural gas remained at

6.9% and 7.9%, respectively. For both electric and natural gas PSE did not originally request its full attrition adjustment; therefore, the decrease in return on equity led to a reduction in the electric rate increase of only $1.5 million and did not have an impact on the natural gas rate increase.

On July 8, 2020, the Washington Commission issued its order on PSE's GRC. The ruling provided for a weighted cost of capital of 7.39% or 6.8% after-tax, and a capital structure of 48.5% in common equity with a return on equity of 9.4%. The order also resulted in a combined net increase to electric of $29.5 million, or 1.6%, and to natural gas of $36.5 million, or 4.0%. However, the Washington Commission extended the amortization of certain regulatory assets, PSE's electric decoupling deferral, and PSE's PGA deferral to mitigate the impact of the rate increase in response to the economic instability created by the COVID-19 pandemic, which reduced the electric revenue increase to approximately $0.9 million, or 0.05% and the natural gas increase to $1.3 million, or 0.15%. The Washington Commission also determined that the Company's proposed attrition adjustment of $23.9 million for electric and $16.2 million for natural gas was not in the public interest at this time. The order also effectively ends the deferral of depreciation expense associated with PSE's advanced metering infrastructure (AMI) investment while allowing the deferral on the return on AMI investments through December 31, 2019. Additional AMI investments will be evaluated in future proceedings for deferrals of return until the AMI project is complete. On July 17, 2020, PSE filed a motion for clarification with the Washington Commission seeking clarification on several items. On July 31, 2020, the Washington Commission issued an order granting PSE's motion for clarification. The ruling adjusted certain items from the final order issued on July 8, 2020, which led to a combined net increase to electric of $59.6 million, or 2.9%, an increase of $30.1 million above the $29.5 million granted in the final order. The order also led to a combined net increase to natural gas of $42.9 million, or 5.6%, an increase of $6.4 million above the $36.5 million granted in the final order. The Washington Commission maintained adjustments which mitigated the impacts of the rate increases in response to the economic instability created by the COVID-19 pandemic, which reduced the electric revenue increase to approximately $27.7 million, or 1.3% and the natural gas increase to $0.2 million, or 0.02%.

On August 6, 2020, PSE filed a petition for judicial review with the Superior Court of the State of Washington for King County (Superior Court) challenging the portion of the final order that requires PSE to pass back to customers the reversal of plant-related excess deferred income taxes in a manner that may deviate from the Internal Revenue Service (IRS) normalization and consistency rules. On August 7, 2020, PSE filed a motion to stay with the Superior Court related to the portions of the final order under judicial review. On September 14, 2020, the Superior Court denied PSE's motion to stay. PSE reviewed the original Washington Commission order including the ramifications of certain tax issues and requested a Private Letter Ruling (PLR) with the IRS regarding this matter. PSE will continue to utilize the average rate assumption method (ARAM) in the turnaround of certain accelerated tax depreciation benefits on PSE assets. On September 23, 2020, PSE filed a compliance filing with the Washington Commission. The natural gas tariffs became effective October 1, 2020 and the electric tariffs on October 15, 2020. On October 7, 2020, PSE, the Washington Commission and interveners agreed to dismiss the petition for judicial review. The agreement is based on a commitment from the Washington Commission that if the IRS ruling finds that the Washington Commission's methodology for reversing plant-related excess deferred income taxes is impermissible, the Washington Commission will open a proceeding to review and enact the changes required by the IRS ruling. There is approximately $25.6 million in annual revenue requirement related to the 2019 GRC which PSE has requested it be allowed to track in order to allow the Washington Commission to decide if it is appropriate for PSE to recover, pending the outcome of the IRS ruling.

Washington Commission Tax Deferral Filing

The TCJA was signed into law in December 2017. As a result of this change, PSE re-measured its deferred tax balances under the new corporate tax rate. PSE filed an accounting petition on December 29, 2017, requesting deferred accounting treatment for the impacts of tax reform. The requested deferral accounting treatment resulted in the tax rate change being captured in the deferred income tax balance with an offset to the regulatory liability for deferred income taxes for GAAP purposes. Additionally, on March 30, 2018, PSE filed for a rate change for electric and natural gas customers associated with TCJA to reflect the decrease in the federal corporate income tax rate from 35.0% to 21.0%. The overall impact of the rate change, based on the annual period from May 2018 through April 2019, is a revenue decrease of $72.9 million, or 3.4%, for electric and $23.6 million, or 2.7%, for natural gas and became effective May 1, 2018, by operation of law.

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

While the settlement agreement in the ERF provides for the pass back of plant related excess deferred income taxes that resulted from the TCJA using the ARAM methodology based on 2018 amounts through the PSE Schedule 141X tariff, the ongoing treatment of excess deferred taxes associated with non-plant-related book/tax differences and the treatment of the excess deferred taxes associated with plant related book/tax differences was left to be addressed in PSE’s GRC, which was filed on June 20, 2019. The Washington Commission also required in the ERF order that PSE pass back the deferred balance associated with the tax over-collection for the period from January 1, 2018, through April 30, 2018, as discussed above, over a one-year period which began May 1, 2019. Per PSE’s Schedule 141Y tariff, following the May 2019 through April 2020 refund period, if the residual balance of credit owed to customers will be greater than $0.1 million, PSE would submit a filing no later than July 31, 2020 with a proposal of passing back the residual balance effective September 1, 2020 through August 31, 2021. As this balance was greater than $0.1 million, PSE filed tariff revisions on July 20, 2020 and the Washington Commission approved the filing on August 27, 2020. Finally, the GRC final order determined that PSE is required to pass back 2019 and 2020 protected excess deferred tax reversals totaling $70.8 million over the 12 months following the rate effective period through PSE’s Schedule 141X tariff. The GRC final order also determined that PSE is required to pass back unprotected excess deferred tax balances totaling $38.9 million over 36 months following the rate effective period through PSE’s Schedule 141Z tariff. Further details of the outcome associated with PSE’s tax deferral filing are discussed in the ERF and GRC disclosures.

Decoupling Filings

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

On December 5, 2017, the Washington Commission approved PSE’s request within the 2017 GRC to extend the decoupling mechanism with several changes to the methodology that took effect on December 19, 2017. Electric and natural gas delivery revenues continue to be recovered on a per customer basis and electric fixed production energy costs are now decoupled and recovered on the basis of a fixed monthly amount. The allowed decoupling revenue for electric and natural gas customers will no longer increase annually each January 1 as occurred prior to December 19, 2017. Approved revenue per customer costs can only be changed in a GRC or ERF. Approved electric fixed production energy costs can only be changed in a GRC or a power cost only rate case. Other changes to the decoupling methodology approved by the Washington Commission include regrouping of electric and natural gas non-residential customers and the exclusion of certain electric schedules from the decoupling mechanism going forward. The rate test, which limits the amount of revenues PSE can collect in its annual filings, increased from 3.0% to 5.0% for natural gas customers but will remain at

3.0% for electric customers. The decoupling mechanism will be reviewed again in PSE's first rate case filed in or after 2021, or in a separate proceeding, if appropriate. PSE's decoupling mechanism over- and under- collections will still be collectible or refundable after this effective date even if the decoupling mechanism is not extended.

On February 21, 2019, the Washington Commission approved the multi-party settlement agreement which was filed within PSE's ERF filing. As part of this settlement agreement, electric and natural gas allowed delivery revenue per customer was updated to reflect changes in the approved revenue requirement. For electric, there were no changes to the annual allowed fixed power cost revenue. The changes took effect on March 1, 2019.

On July 8, 2020, the Washington Commission issued the final order in Dockets UE-190529 and UG-190530, which instructed PSE to extend the collection of amortization balances for electric decoupling delivery and fixed power cost sections originally filed through the annual May 2020 decoupling filing. The extension requires PSE to move amortization balances for electric decoupling as of August 31, 2020 to be collected from customers for a two-year period, instead of the originally approved one-year period. Additionally, through approving the electric cost of service, the final order approved the re-allocation of decoupling balances from Schedule 40 to the remaining electric decoupling groups.

On December 1, 2020, PSE made a tariff correction filing for Schedule 142 amortization rates, with a proposed effective date of January 1, 2021, where it proposed to zero out rates still effective past October 15, 2020 on tariff sheet Schedule 142-H, which was replaced by rates on tariff sheet Schedule 142-I effective October 15, 2020. This resulted in an over-collection from electric decoupled customers of approximately $4.3 million at year-end. As part of this filing, PSE has proposed to true up the over-collection amounts for the period of October 15, 2020 through December 31, 2020 in PSE's annual May 2021 decoupling filing.

On December 31, 2020, PSE performed an analysis to determine if electric and natural gas decoupling revenue deferrals would be collected from customers within 24 months of the annual period, per ASC 980. If not, for GAAP purposes only, PSE would need to record a reserve against the decoupling revenue and regulatory asset balance. Once the reserve is probable of collection within 24 months from the end of the annual period, the reserve can be recognized as decoupling revenue. The analysis indicated that $8.0 million of electric deferred revenue will not be collected within 24 months of the annual period; therefore a reserve adjustment was booked to 2020 electric decoupling revenue. Natural gas deferred revenue will be collected within 24 months of the annual period; therefore, no reserve adjustment was booked to 2020 natural gas decoupling revenue. The previously unrecognized decoupling deferrals of $0.8 million at December 31, 2018, were recognized as decoupling revenue in the year ended December 31, 2019.

Power Cost Adjustment Clause Filing

On July 1, 2019, PSE updated its Schedule 95 rates in the Power Cost Adjustment Clause tariff to reflect the transition fee as required by Section 12 of the Microsoft Special Contract. Additionally, Schedule 95 rates also include portions of fixed power cost adjustments per the allowed decoupling rate re-allocation effective April 1, 2019, resulting from Microsoft becoming a transportation customer as well as small variable power cost adjustments.

On July 8, 2020, the Washington Commission issued the final order in Dockets UE-190529 and UG-190530, which instructed PSE to remove Schedule 95 collection on decoupling allowed rates for Microsoft Special Contracts, which will be included in allowed rates under the Decoupling Schedule 142 effective October 15, 2020.

PSE exceeded the $20.0 million cumulative deferral balance in its PCA mechanism in 2019. The surcharging of deferrals can be triggered by the Company when the balance in the deferral account is a credit of $20.0 million or more. Due to concerns about the economic impact of the COVID-19 pandemic on customers, PSE voluntarily, with Washington Commission Staff support, delayed filing an increase to its Schedule 95 rates in its annual PCA report filing in Docket UE-200398, which was approved on July 30, 2020. Subsequently, PSE filed to recover the deferred balance in Docket UE-200893, effective December 1, 2020, and the Washington Commission approved PSE's request on November 24, 2020. During 2019, actual power costs were higher than baseline power costs, thereby creating an under-recovery of $67.2 million. Under the terms of the PCA's sharing mechanism for under-recovered power costs, PSE absorbed $31.2 million of the under-recovered amount, and customers were responsible for the remaining $36.0 million, or

$37.0 million including interest. As PSE had an approved balance owing from customers including interest at the start of 2019 totaling $4.7 million, the approved cumulative deferral balance for the PCA as of December 2019 is $41.7 million. As previously stated, this filing is set to collect the customer's share of the cumulative 2019 imbalance in PSE's PCA mechanism.

Purchased Gas Adjustment Mechanism

On April 25, 2019, the Washington Commission approved PSE's request for an out-of-cycle change to PGA rates with the rate change taking effect May 1, 2019. The out-of-cycle PGA filing was needed to begin amortizing a large PGA commodity deferral balance that had grown due to higher than projected commodity costs during the 2018/19 winter. These higher than projected commodity costs were primarily due to an October 9, 2018, rupture and subsequent explosion on Westcoast Pipeline which is one of the major pipelines feeding PSE's distribution system. The pipeline was repaired in October 2018, however supply capacity on the pipeline was limited over the 2018/19 winter leading to higher prices. February weather was also much colder than normal which also increased the demand for natural gas. The out-of-cycle PGA rates were effective from May 1, 2019 through April 30, 2020 and on May 1, 2020 the rates were set to zero. At the end of the recovery period, an unamortized balance of $4.9 million remained which PSE requested to be amortized in its annual PGA filing for rates effective November 1, 2020.

On October 24, 2019, the Washington Commission approved PSE's request for November 2019 PGA rates, with the rate change taking effect on November 1, 2019. As part of that filing, PSE requested PGA rates increase annual revenue by $17.8 million, while the new tracker rates increased by annual revenue of $100.6 million; this was in addition to continuing the collection on the remaining balance of $54.0 million from the out-of-cycle PGA. The tracker rates include deferral balances for the three separate amounts: (i) $114.4 million of under collected commodity balances deferred in February and March; (ii) a $10.8 million balance of over-collected commodity costs for the 2018 PGA, and (iii) a $4.1 million remaining balance from the $54.7 million credit to customers, caused by the 2017 over-collection, established in the 2018 tracker. The high commodity deferral balances for winter months through March 2019 were the result of three noteworthy events last winter experienced by PSE: the Enbridge pipeline rupture, unusually low temperatures in February and March, and a compressor failure in February at the Jackson Prairie storage facility. Additionally, to reduce customer impact, as part of the approved PGA filing, PSE will be collecting $114.4 million commodity deferrals and related interest over a two-year period, instead of the historic one-year period, from November 2019 through October 2021. On July 8, 2020, the Washington Commission issued the final order in Dockets UE-190529 and UG-190530, which instructed PSE to extend the collection of amortization balances for the portion of PGA amortization balances originally filed through the annual November 1, 2019 PGA filing under the Supplemental Schedule 106B. The extension requires PSE to move amortization balances for PGA Schedule 106B as of August 31, 2020 to be collected from customers for a three-year period, instead of the originally approved two-year period.

On October 29, 2020, the Washington Commission approved PSE's request for November 2020 PGA rates in Docket UG-200832, effective November 1, 2020. As part of that filing, PSE requested PGA rates increase annual revenue by $32.6 million, while the new tracker rates increased annual revenue by $37.4 million; this was in addition to continuing the collection on the remaining balance of $69.4 million under Supplemental Schedule 106B.

The following table presents the PGA mechanism balances and activity at December 31, 2020 and December 31, 2019:

Puget Sound Energy

(Dollars in Thousands) PGA receivable balance and activity	At December 31, 2020	At December 31, 2019
PGA receivable beginning balance	$ 132,766	$ 9,921
Actual natural gas costs	314,792	406,162

Allowed PGA recovery		(363,886)		(289,876)
Interest		3,983		6,559
PGA receivable ending balance	$	87,655	$	132,766

Get to Zero Depreciation Deferral

On April 10, 2019, PSE filed an accounting petition with the Washington Commission, requesting authorization to defer depreciation expense associated with Get To Zero (GTZ) projects that were placed in service after June 30, 2018. The GTZ project consists of a number of short-lived technology upgrades. The depreciation expense associated with the GTZ projects with lives of 10 years or less that were placed in service after June 30, 2018, were deferred beginning May 1 per the petition request. For the year ended December 31, 2020 and December 31, 2019, PSE deferred $2.8 million and $21.7 million of depreciation expense for GTZ, respectively. In addition to the deferral of depreciation expense, PSE had also requested to defer carrying charges on the GTZ deferral, to be calculated utilizing the Company's currently authorized after tax rate of return, or 6.89% per the 2018 ERF. The GTZ accounting petition was consolidated with PSE's 2019 GRC and on July 8, 2020, the Washington Commission issued its order in PSE's 2019 GRC. The ruling authorized PSE to amortize deferred GTZ expenses as proposed in the original GRC filing. The ruling also allows continued deferral of the depreciation expense associated with GTZ investments not already approved for recovery with a book life of 10 years or less, through PSE's next GRC. Finally, the final order set the rate at which PSE could defer and recover carrying charges from PSE's authorized rate of return to the quarterly interest rate established by the FERC.

Crisis Affected Customer Assistance Program

On April 6, 2020, PSE filed with the Washington Commission revisions to its currently effective Tariff WN U-60. The purpose of this filing is to incorporate into PSE's low-income tariff a new temporary bill assistance program, Crisis Affected Customer Assistance Program (CACAP), to mitigate the economic impact of the COVID-19 pandemic on PSE's customers. CACAP would allow PSE customers facing financial hardship due to COVID-19 to receive up to $1,000 in bill assistance. The program puts to immediate use $11.0 million in unspent low income funds from prior years, and supplements other forms of financial assistance. The program does not require an increase to rates and is fully compatible with other low income programs. Based on the COVID-19 pandemic and resulting state of emergency, the Washington Commission allowed the tariff revisions to become effective on April 13, 2020. PSE made an additional filing on July 21, 2020 to increase the amount of electric funds available for distribution by $4.5 million under the CACAP program. The program ended on September 30, 2020.

Litigation

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

Colstrip

PSE has a 50% ownership interest in Colstrip Units 1 and 2 and a 25% interest in each of Colstrip Units 3 and 4. In March 2013, the Sierra Club and the Montana Environmental Information Center filed a Clean Air Act citizen suit against all Colstrip owners in the U.S. District Court, District of Montana. In July 2016, PSE reached a settlement with the Sierra Club to dismiss all of the Clean Air Act allegations against the Colstrip Generating Station, which was approved by the court in September 2016. As part of the settlement that was signed by all Colstrip owners, Colstrip 1 and 2 owners, PSE and Talen Energy Corporation (Talen), agreed to retire the two oldest units (Units 1 and 2) at Colstrip in eastern Montana no later than July 1, 2022. Depreciation rates were updated in the GRC effective December 19, 2017, where PSE's depreciation increased for Colstrip Units 1 and 2 to recover plant costs to the expected shutdown date. Additionally, PSE has accelerated the depreciation of Colstrip Units 3 and 4, per the terms of the GRC settlement, to December 31, 2027. The GRC also repurposed PTCs and hydro-related treasury grants to recover unrecovered plant costs and to fund and recover decommissioning and remediation costs for Colstrip Units 1 through 4.

Consistent with a June 2019 announcement, Talen permanently shut down Units 1 and 2 at the end of 2019 due to operational losses associated with the Units. Colstrip Units 1 and 2 were retired effective December 31, 2019. The Washington Clean Energy Transition Act requires the Washington Commission to provide recovery of the investment, decommissioning, and remediation costs associated with the facilities that are not recovered through the repurposed PTC's and hydro-related treasury grants. The full scope of decommissioning activities and costs may vary from the estimates that are available at this time.

On December 10, 2019, PSE announced its intention to sell its interest in Colstrip Unit 4 to NorthWestern Energy for $1. Under this agreement, PSE would have retained its obligation to fund 25% of the environmental remediation and decommissioning costs associated with Unit 4 during PSE's operation. The proposed agreement was subject to approval by the Washington Commission and the Montana Public Service Commission. Additionally, PSE had agreed to enter into a power purchase agreement with NorthWestern Energy for 90 MW through 2025 to facilitate the transition, and sell a portion of its dedicated Colstrip transmission system, conditioned upon regulatory approval.

On August 14, 2020, an amendment to the agreement was executed selling a portion of PSE’s interest in Colstrip Unit 4 to Talen, in addition to NorthWestern Energy. However, after evaluating the likelihood of the regulatory approval process in both Washington and Montana, on October 29, 2020, PSE, NorthWestern Energy, and Talen mutually agreed to terminate the proposed sales agreement and the proposed power purchase agreement and relieve all claims against one another arising out of or relating to the sale agreement. The termination of the proposed sale and proposed PPA resulted in the withdrawal of PSE's filing with the Washington Commission. Colstrip Unit 4 is classified as Electric Utility Plant on the balance sheet, see Note 6, "Utility Plant," to the consolidated financial statements in Item 8 of this report.

Regional Haze Rule

In January 2017, the EPA published revisions to the Regional Haze Rule. Among other things, these revisions delayed new Regional Haze review from 2018 to 2021, however the end date will remain 2028. In January 2018, the EPA announced that it was reconsidering certain aspects of these revisions and PSE is unable to predict the outcome. Challenges to the 2017 Regional Haze Revision Rule are pending in abeyance in the U.S. Court of Appeals for the D.C. Circuit, pending resolution of the EPA’s reconsideration of the rule.

Clean Air Act 111(d)/EPA Affordable Clean Energy Rule

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

In August 2018, the EPA proposed the Affordable Clean Energy (ACE) rule, pursuant to Section 111(d) of the Clean Air Act, as a replacement to the CPP rule. The ACE rule, along with the repeal of the CPP rule, were finalized in June 2019, and establish emission guidelines for states to develop plans to address greenhouse gas emissions from existing coal-fired plants. On January 19, 2021 the U.S. Court of Appeals for the District of Columbia Circuit (D.C. Circuit) vacated the ACE rule and remanded the record back to the Agency for further consideration consistent with its opinion, finding that misinterpreted the Clean Air Act. PSE is evaluating this vacatur to determine impact on operations.

Washington Clean Air Rule

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

In September 2016, PSE, along with Avista Corporation, Cascade Natural Gas Corporation and NW Natural, filed a lawsuit in the U.S. District Court for the Eastern District of Washington challenging the CAR. In September 2016, the four companies filed a similar challenge to the CAR in Thurston County Superior Court. In March 2018, the Thurston County Superior Court invalidated the CAR. The Washington State Department of Ecology appealed the Superior Court decision in May 2018. As a result of the appeal, direct review to the Washington State Supreme Court was granted and oral argument was held on March 16, 2019. In January 2020, the Washington Supreme Court affirmed that CAR is not valid for "indirect emitters" meaning it does not apply to the sale of natural gas for use by customers. The court ruled, however, that the rule can be severed and is valid for direct emitters including electric utilities with permitted air emission sources, but remanded the case back to the Thurston County to determine which parts of the rule survive. The Department of Ecology and the four parties asked Thurston County to stay this case until the 2020 Washington State legislative session concluded and now the Department of Ecology plans to ask the court to extend the stay until the COVID-19 pandemic is over. Meanwhile, the four companies moved to voluntarily dismiss the federal court litigation without prejudice in March 2020.

10. Related Party Transactions

Tacoma LNG Facility

In August 2015, PSE filed a proposal with the Washington Commission to develop an LNG facility at the Port of Tacoma. Currently under construction at the Port of Tacoma, the facility is expected to be operational in 2021. The Tacoma LNG facility is designed to provide peak-shaving services to PSE's natural gas customers. By storing surplus natural gas, PSE is able to meet the requirements of peak consumption. LNG will also provide fuel to transportation customers, particularly in the marine market. Following a mediation process and the filing of a settlement stipulation by PSE and all parties, the Washington Commission issued an order on October 31, 2016, that allowed PSE's parent company, Puget Energy, to create a wholly-owned subsidiary, named Puget LNG, which was formed on November 29, 2016, for the sole purpose of owning, developing and financing the non-regulated activity of the Tacoma LNG facility. Puget LNG has entered into one fuel supply agreement with a maritime customer and is marketing the facility's expected output to other potential customers.

The Tacoma LNG facility is currently under construction. Pursuant to the Washington Commission's order, PSE will be allocated 43.0% of the capital and operating costs of the Tacoma LNG facility. PSE and Puget LNG are considered related parties with similar ownership by Puget Energy. Therefore, capital and operating costs that occur under PSE and are allocated to Puget LNG are related party transactions by nature. Per this allocation of costs, $207.7 million of construction work in progress related to PSE's portion of the Tacoma LNG facility is reported in the Utility plant – Natural gas plant" financial statement line item as of December 31, 2020, as PSE is a regulated entity. The portion of the Tacoma LNG facility allocated to PSE will be subject to regulation by the Washington

Commission.

11.

General Rate Case Filing

PSE filed a GRC with the Washington Commission on June 20, 2019, requesting an overall increase in electric and natural gas rates of 6.9% and 7.9% respectively. PSE requested a return on equity of 9.8% with an overall rate of return of 7.62%. In addition to the traditional areas of focus (revenue requirements, cost allocation, rate design and cost of capital), the Company completed an attrition study and included a portion of the attrition revenue requirement in the overall request in order to address the expected regulatory lag in the rate year. Additionally, as the non-plant related excess deferred taxes that resulted from the Tax Cuts and Jobs Act (TCJA) remained outstanding from PSE's Expedited Rate Filing (ERF) as discussed below, PSE requested in its GRC to pass back the amounts over four years. On September 17, 2019, PSE filed a supplemental filing in the GRC, which provided certain updates to the original filing, but did not impact the requested overall electric and natural gas rate increases, return on equity or overall rate of return as originally filed. On January 15, 2020, PSE filed rebuttal testimony which included a reduction to the requested return on equity to 9.5%, which decreased the rate of return to 7.48%. The requested rate increase for both electric and natural gas remained at 6.9% and 7.9%, respectively. For both electric and natural gas PSE did not originally request its full attrition adjustment; therefore, the decrease in return on equity led to a reduction in the electric rate increase of only $1.5 million and did not have an impact on the natural gas rate increase.

On July 8, 2020, the Washington Commission issued its order on PSE's GRC. The ruling provided for a weighted cost of capital of 7.39% or 6.80% after-tax, and a capital structure of 48.5% in common equity with a return on equity of 9.4%. The order also resulted in a combined net increase to electric of $29.5 million, or 1.6%, and to natural gas of $36.5 million, or 4.0%. However, the Washington Commission extended the amortization of certain regulatory assets, PSE's electric decoupling deferral, and PSE's purchased gas adjustment (PGA) deferral to mitigate the impact of the rate increase in response to the economic instability created by the COVID-19 pandemic, which reduced the electric revenue increase to approximately $0.9 million, or 0.05% and the natural gas increase to $1.3 million, or 0.15%. The Washington Commission also determined that the Company's proposed attrition adjustment of $23.9 million for electric and $16.2 million for natural gas was not in the public interest at this time. The order also effectively ends the deferral of PSE's advanced metering infrastructure (AMI) investment while allowing the deferral on the return on AMI investments through December 31, 2019. Additional AMI investments will be evaluated in future proceedings for deferrals of return until the AMI project is complete. On July 17, 2020, PSE filed a motion for clarification with the Washington Commission seeking clarification on several items. On July 31, 2020, the Washington Commission issued an order granting PSE's motion for clarification. The ruling adjusted certain items from the final order issued on July 8, 2020, which led to a combined net increase to electric of $59.6 million, or 2.9%, an increase of $30.1 million above the $29.5 million granted in the final order. The order also led to a combined net increase to natural gas of $42.9 million, or 5.6%, an increase of $6.4 million above the $36.5 million granted in the final order. The Washington Commission maintained adjustments which mitigated the impacts of the rate increases in response to the economic instability created by the COVID-19 pandemic, which reduced the electric revenue increase to approximately $27.7 million, or 1.3% and the natural gas increase to $0.2 million, or 0.02%.

On August 6, 2020, PSE filed a petition for judicial review with the Superior Court of the State of Washington for King County (Superior Court) challenging the portion of the final order that requires PSE to pass back to customers the reversal of plant-related excess deferred income taxes in a manner that may deviate from the IRS normalization and consistency rules. On August 7, 2020, PSE filed a motion to stay with the Superior Court related to the portions of the final order under judicial review. On September 14, 2020, the Superior Court denied PSE's motion to stay. PSE reviewed the original Washington Commission order including the ramifications of certain tax issues and requested a Private Letter Ruling (PLR) with the IRS regarding this matter. PSE will continue to utilize the average rate assumption method (ARAM) in the turnaround of certain accelerated tax depreciation benefits on PSE assets. On September 23, 2020, PSE filed a compliance filing with the Washington Commission. The natural gas tariffs became effective

October 1, 2020 and the electric tariffs on October 15, 2020. On October 7, 2020, PSE, the Washington Commission and interveners agreed to dismiss the petition for judicial review. The agreement is based on a commitment from the Washington Commission that if the IRS ruling finds that the Washington Commission's methodology for reversing plant-related excess deferred income taxes is impermissible, the Washington Commission will open a proceeding to review and enact the changes required by the IRS ruling. There is approximately $25.6 million in annual revenue requirement related to the 2019 GRC which PSE has requested it be allowed to track in order to allow the Washington Commission to decide if it is appropriate for PSE to recover, pending the outcome of the IRS ruling.

Decoupling Filings

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

On February 21, 2019, the Washington Commission approved the multi-party settlement agreement which was filed within PSE's ERF filing. As part of this settlement agreement, electric and natural gas allowed delivery revenue per customer was updated to reflect changes in the approved revenue requirement. For electric, there were no changes to the annual allowed fixed power cost revenue. The changes took effect on March 1, 2019.

On July 8, 2020, the Washington Commission issued the final order in Dockets UE-190529 and UG-190530, which instructed PSE to extend the collection of amortization balances for electric decoupling delivery and fixed power cost sections originally filed through the annual May 2020 decoupling filing. The extension required PSE to move amortization balances for electric decoupling as of August 31, 2020 to new decoupling amortization accounts to be collected from customers for a two-year period, instead of the originally approved one-year period. Additionally, through approving the electric cost of service, the final order approved the re-allocation of decoupling balances from Schedule 40 to the remaining electric decoupling groups.

On December 1, 2020, PSE made a tariff correction filing for Schedule 142 amortization rates, with a proposed effective date of January 1, 2021, where it proposed to zero out rates still effective past October 15, 2020 on tariff sheet Schedule 142-H , which was replaced by rates on tariff sheet Schedule 142-I effective October 15, 2020. This resulted in an over-collection from electric decoupled customers of approximately $4.3 million at year-end. As part of this filing, PSE has proposed to true up the over-collection amounts for the period of October 15, 2020 through December 31, 2020 in PSE's annual May 2021 decoupling filing.

On December 31, 2020, PSE performed an analysis to determine if electric and natural gas decoupling revenue deferrals would be collected from customers within 24 months of the annual period, per Accounting Standards Codification (ASC) 980. If not, for GAAP purposes only, PSE would need to record a reserve against the decoupling revenue and a corresponding regulatory asset balance. Once the reserve is probable of collection within 24 months from the end of the annual period, the reserve can be recognized as decoupling revenue. The analysis indicated that $8.0 million of electric deferred revenue will not be collected within 24 months of the annual period, therefore, a reserve adjustment was booked to 2020 electric decoupling revenue. Natural gas deferred revenue will be collected within 24 months of the annual period; therefore, no reserve adjustment was booked to 2020 natural gas decoupling revenue.

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

Effective Date	Average Percentage Increase (Decrease) in Rates	Increase (Decrease)
Electric:		
January 1. 2021	(1.0)%	$(20.6)
October 15, 2020	(0.5)	(10.2)
May 1, 2020[2]	0.2	2.0
May 1, 2019	0.9	20.6
May 1, 2018	(1.1)	(25.2)
Natural Gas:		
May 1, 2020	(0.5)%	$(4.8)
May 1, 2019	(5.3)	(45.9)
May 1, 2018	1.7	15.9

1 *For electric and natural gas rates effective May, 1, 2020 there were no excess earnings that impacted the approved revenue change. For electric and natural gas rates effective May, 1, 2019, there were no excess earnings that impacted the approved revenue change. For electric and natural gas rates effective May 1, 2018, the approved revenue change is net of reductions from excess earnings of $10.0 million for electric and $4.9 million for natural gas.*

The 2019 GRC final order lengthened the recovery period from original one-year recovery to two-year recovery to April 2022.

Natural Gas Cost Recovery Mechanism

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

Effective Date	Average Percentage Increase (Decrease) in Rates	Increase (Decrease)
November 1, 2020	1.2%	$10.6
November 1, 2019	0.8	7.0
November 1, 2018	0.5	5.0

Purchased Gas Adjustment

On April 25, 2019, the Washington Commission approved PSE's request for an out-of-cycle change to PGA rates with the rate change taking effect May 1, 2019. The out-of-cycle PGA filing was needed to begin amortizing a large PGA commodity deferral balance that had grown due to higher than projected commodity costs during the 2018/19 winter. These higher than projected commodity costs were primarily due to an October 9, 2018, rupture and subsequent explosion on Westcoast Pipeline which is one of the major pipelines feeding PSE's distribution system. The pipeline was repaired in October 2018, however supply capacity on the pipeline was limited over the 2018/19 winter leading to higher prices. February weather was also much colder than normal which also increased the demand for natural gas. The out-of-cycle PGA rates were effective from May 1, 2019 through April 30, 2020 and on May 1, 2020 the out-of-cycle PGA rates were set to zero. At the end of the recovery period, an unamortized balance of $4.9 million remained which PSE requested to be amortized in its annual PGA filing for rates effective November 1, 2020.

On October 24, 2019, the Washington Commission approved PSE's request for November 2019 PGA rates, with the rate change taking effect on November 1, 2019. As part of that filing, PSE requested PGA rates increase annual revenue by $17.8 million, while the new tracker rates increased by annual revenue of $100.6 million; this was in addition to continuing the collection on the remaining balance of $54.0 million from the out-of-cycle PGA. The tracker rates include deferral balances for the three separate amounts: (i) $114.4 million of under collected commodity balances deferred in February and March; (ii) a $10.8 million balance of over-collected commodity costs for the 2018 PGA, and (iii) a $4.1 million remaining balance from the $54.7 million credit to customers, caused by the 2017 over-collection, established in the 2018 tracker. The high commodity deferral balances for winter months through March 2019 were the result of three noteworthy events last winter experienced by PSE: the Enbridge pipeline rupture, unusually low temperatures in February and March, and a compressor failure in February at the Jackson Prairie storage facility. Additionally, to reduce customer impact, as part of the approved PGA filing, PSE will be collecting $114.4 million commodity deferrals and related interest over a two year period, instead of the historic one year period, from November 2019 through October 2021.

On July 8, 2020, the Washington Commission issued the final order in Dockets UE-190529 and UG-190530, which instructed PSE to extend the collection of amortization balances for the portion of PGA amortization balances originally filed through annual November 1, 2019 PGA filing under Supplemental Schedule 106B. The extension requires PSE to move amortization balances for PGA Schedule 106B as of August 31, 2020 to be collected from customers for a three-year period, instead of originally approved two-year period.

On October 29, 2020, the Washington Commission approved PSE's request for November 2020 PGA rates in Docket UG-200832, effective November 1, 2020. As part of that filing, PSE requested PGA rates increase annual revenue by $32.6 million, while the new tracker rates increased annual revenue by $37.4 million; this was in addition to continuing the collection on the remaining balance of $69.4 million under Supplemental Schedule 106B.

The following table presents the PGA mechanism balances and activity at December 31, 2020 and December 31, 2019:

Puget Sound Energy

(Dollars in Thousands)	At December 31, 2020	At December 31, 2019
PGA receivable balance and activity		
PGA receivable beginning balance	$ 132,766	$ 9,921
Actual natural gas costs	314,792	406,162
Allowed PGA recovery	(363,886)	(289,876)
Interest	3,983	6,559
PGA receivable ending balance	$ 87,655	$ 132,766

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

Effective Date	Average Percentage Increase (Decrease) in Rates	Increase (Decrease)
November 1, 2020	7.7%	$70.0
October 1, 2020	(3.9)	(35.5)
November 1, 2019[2]	13.4	118.3
May 1, 2019[1]	6.3	54.0
November 1, 2018	(10.9)	(98.4)

1 *The rate for out of the cycle May 2019 PGA (Supplemental A) filing was set to zero effective May 1, 2020, The actual residual amount resulting was included in annual PGA filling effective November 1, 2020.*

The 2019 GRC final order lengthened the recovery period from two to three years.

Natural Gas Property Tax Tracker Mechanism

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

Effective Date	Average Percentage Increase (Decrease) in Rates	Increase (Decrease)
May 1, 2020	(0.3)%	$(2.8)
May 1, 2019	(0.2)	(1.6)
May 1, 2018	(0.2)	(2.2)

Natural Gas Conservation Rider

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

Effective Date	Average Percentage Increase (Decrease) in Rates	Increase (Decrease)
May 1, 2020	0.4%	$3.5
May 1, 2019	0.1	1.1
May 1, 2017	(0.1)	(1.0)

Natural Gas Operating Revenue

Natural gas operating revenue increased $105.5 million primarily due to higher retail sales of $69.1 million, increased other decoupling revenue of $23.3 million, increased decoupling revenue of $16.6 million and partially offset by decreased transportation and other revenue of $3.5 million. These items are discussed in the following details:

1. **Natural gas retail sales** increased $69.1 million due to an increase in rates of $103.5 million primarily from an increase in rates for PGA partially offset by a decrease in natural gas load of 4.3%, or $34.4 million of natural gas sales. Natural gas load decreased primarily due to a 2.1%, 9.7%, and 4.2% decrease in average therms used by residential customers, commercial firm and industrial firm customers, respectively partially driven by a decrease in heating degree days of 2.0%. Commercial and industrial firm customers decrease was primarily driven by business shut downs resulting from COVID-19. See Management's Discussion and Analysis, "Regulation and Rates" and "Overview" included in Item 2 of this report for natural gas rate changes and COVID-19 updates.

Decoupling revenue increased $16.6 million. This is attributable to an increase of 9.3% in allowed natural gas revenues and decreased usage, as noted above in the retail revenue section. This resulted in allowed natural gas revenues being greater than actual natural gas revenues in the current year, whereas in the prior year allowed revenues were closer to actual revenues.

2. **Other decoupling revenue** increased $23.3 million due to a $25.4 million decrease in current year amortization of prior year undercollection, which was driven by decreased usage and a decrease in rates of 5.3% and 0.5% effective May 2019 and May 2020, respectively. This is partially offset by a $2.2 million decrease related to earnings in excess of allowed ROR. In 2019, earnings in excess of allowed ROR of $2.2 million was returned to customers. There were no such returns to customers in 2020.

3. **Transportation and other revenue** decreased $3.5 million primarily due to a $2.9 million decrease in entitlement constraint revenues for interruptible customers that have agreements in place to curtail their natural gas usage when the natural gas distribution system is constrained due to demand that was recognized in 2019.

Natural Gas number of customers and revenue by customer class

The following tables present the number of PSE customers and revenue by customer class for natural gas as of December 31, 2020, and 2019:

	December 31,		
Customer Count by Class	2020	2019	Percent
(in thousands)	Natural Gas		Change
Residential	797	788	1.2%
Commercial	57	57	0.1
Industrial	2	2	(0.6)
Other	—	—	(3.1)
Total[1]	856	847	1.1%

	December 31,		
Retail Revenue by Class	2020	2019	Percent
(Dollars in Thousands)	Natural Gas		Change

Residential	$ 662,502	$ 613,617	8.0%
Commercial	253,526	236,059	7.4
Industrial	19,064	16,322	16.8
Other	17,296	20,283	(14.7)
Total	$ 952,388	$ 886,281	7.5%

12.

Changes of Ownership:

None

Changes of Directors or Certain Officers:

a)

Effective January 2, 2020, Ms. Kimberly Harris retired as the Chief Executive Officer and director of the Companies.

b)

On January 3, 2020, Ms. Mary Kipp, the current President of the Companies, assumed the additional role of Chief Executive Officer of the Companies and will become a director of the Companies.

Ms. Kipp has served as President of the Companies since August 30, 2019. Prior to her service at the Companies, Ms. Kipp, 51, served as the President, Chief Executive Officer and director of El Paso Electric Company ("El Paso") since May 2017. Prior to that, she served as Chief Executive Officer and director of El Paso from December 2015 to May 2017, President of El Paso from 2014 to 2015, Senior Vice President, General Counsel and Chief Compliance Officer of El Paso from 2010 to 2014, Vice President – Legal and Chief Compliance Officer from 2009 to 2010, and Assistant General Counsel and Director of FERC Compliance for El Paso from 2007 to 2009. Prior to joining El Paso, Ms. Kipp served as a senior attorney in the Federal Energy Regulatory Commission's Office of Enforcement in Washington D.C.

Ms. Kipp will not receive any additional compensation for her service as Chief Executive Officer of the Companies.

c)

Effective March 2, 2020, Ms. Marla Mellies retired from her position as the Senior Vice President and Chief Administrative Officer of Puget Sound Energy, Inc. and Puget Sound Energy, Inc.

d)

Effective November 9, 2020, David Mills departed from PSE as Senior Vice President and Chief Strategy Officer.

e)

Effective November 9, 2020, Ron Roberts has been promoted from Director – Generation and Natural Gas Storage, to Vice President, Energy Supply.

f)

Effective December 31, 2020, Christopher Trumpy, a member of the Boards, who served as a representative of British Columbia Investment Management Corporation's ("BCIMC") on the Boards, resigned from the Boards.

g)

Effective December 31, 2020, the sole shareholders of Puget Energy, Inc. and Puget Sound Energy, Inc. (together, the "Companies") appointed Grant Hodgkins to the Boards of Directors of the Companies (the "Boards"). The Boards have not yet determined the board committee or committees, if any, on which Mr. Hodgkins will serve.

Mr. Hodgkins currently serves as a Portfolio Manager of BCIMC's Infrastructure and Renewable Resources group, a position he has held since 2017. Prior to joining BCIMC, Mr. Hodgkins was an Advisor at KPMG from 2015 to 2017, serving institutional investors with a focus on power and utility investments, and was a Director of Corporate Development & Planning for Interfor Corporation from 2013 to 2015. Mr. Hodgkins also serves as a director on the Board of Directors of Corix Infrastructure Inc., a water and wastewater utility and contract energy company.

Mr. Hodgkins was selected by BCIMC pursuant to the Amended and Restated Bylaws of each of the Companies, will serve as an Owner Director on their respective Boards. Mr. Hodgkins will not receive any director compensation from the Companies for his services as an Owner Director on the Boards, but will be reimbursed for out-of-pocket expenses. Any compensation received by Mr. Hodgkins for his services on the Companies' Boards is a function of his employment arrangement with BCIMC.

13. None.

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2021	End of 2020/Q4

Comparative Balance Sheet (Assets and Other Debits)

Line No.	Title of Account (a)	Reference Page Number (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
1	**UTILITY PLANT**			
2	Utility Plant (101-106, 114)	200-201	16,412,250,350	15,854,140,158
3	Construction Work in Progress (107)	200-201	712,204,459	591,198,562
4	TOTAL Utility Plant (Total of lines 2 and 3)	200-201	17,124,454,809	16,445,338,720
5	(Less) Accum. Provision for Depr., Amort., Depl. (108, 111, 115)		6,638,902,173	6,192,635,006
6	Net Utility Plant (Total of line 4 less 5)		10,485,552,636	10,252,703,714
7	Nuclear Fuel (120.1 thru 120.4, and 120.6)		0	0
8	(Less) Accum. Provision for Amort., of Nuclear Fuel Assemblies (120.5)		0	0
9	Nuclear Fuel (Total of line 7 less 8)		0	0
10	Net Utility Plant (Total of lines 6 and 9)		10,485,552,636	10,252,703,714
11	Utility Plant Adjustments (116)	122	0	0
12	Gas Stored-Base Gas (117.1)	220	8,654,564	8,654,564
13	System Balancing Gas (117.2)	220	0	0
14	Gas Stored in Reservoirs and Pipelines-Noncurrent (117.3)	220	0	0
15	Gas Owed to System Gas (117.4)	220	0	0
16	**OTHER PROPERTY AND INVESTMENTS**			
17	Nonutility Property (121)		3,643,360	2,983,185
18	(Less) Accum. Provision for Depreciation and Amortization (122)		24,653	20,713
19	Investments in Associated Companies (123)	222-223	0	0
20	Investments in Subsidiary Companies (123.1)	224-225	28,773,057	26,955,155
21	(For Cost of Account 123.1 See Footnote Page 224, line 40)			
22	Noncurrent Portion of Allowances		0	0
23	Other Investments (124)	222-223	52,700,062	51,453,007
24	Sinking Funds (125)		0	0
25	Depreciation Fund (126)		0	0
26	Amortization Fund - Federal (127)		0	0
27	Other Special Funds (128)		20,189,459	20,188,091
28	Long-Term Portion of Derivative Assets (175)		8,805,120	7,681,161
29	Long-Term Portion of Derivative Assets - Hedges (176)		0	0
30	TOTAL Other Property and Investments (Total of lines 17-20, 22-29)		114,086,405	109,239,886
31	**CURRENT AND ACCRUED ASSETS**			
32	Cash (131)		49,865,155	43,543,104
33	Special Deposits (132-134)		24,586,299	17,175,665
34	Working Funds (135)		4,959,057	3,712,154
35	Temporary Cash Investments (136)	222-223	0	0
36	Notes Receivable (141)		91,410	91,410
37	Customer Accounts Receivable (142)		259,100,175	220,795,792
38	Other Accounts Receivable (143)		100,084,411	90,809,156
39	(Less) Accum. Provision for Uncollectible Accounts - Credit (144)		20,080,875	8,293,320
40	Notes Receivable from Associated Companies (145)		0	0
41	Accounts Receivable from Associated Companies (146)		4,275,036	3,805,084
42	Fuel Stock (151)		16,627,794	15,762,779
43	Fuel Stock Expenses Undistributed (152)		0	0

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

Line No.	Title of Account (a)	Reference Page Number (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
44	Residuals (Elec) and Extracted Products (Gas) (153)		0	0
45	Plant Materials and Operating Supplies (154)		117,915,543	115,555,118
46	Merchandise (155)		0	0
47	Other Materials and Supplies (156)		133,577	32,795
48	Nuclear Materials Held for Sale (157)		0	0
49	Allowances (158.1 and 158.2)		406,891	335,928
50	(Less) Noncurrent Portion of Allowances		0	0
51	Stores Expense Undistributed (163)		11,207	(208,479)
52	Gas Stored Underground-Current (164.1)	220	30,695,202	34,945,592
53	Liquefied Natural Gas Stored and Held for Processing (164.2 thru 164.3)	220	74,680	76,243
54	Prepayments (165)	230	47,901,985	40,207,822
55	Advances for Gas (166 thru 167)		0	0
56	Interest and Dividends Receivable (171)		0	0
57	Rents Receivable (172)		0	0
58	Accrued Utility Revenues (173)		221,870,303	224,656,494
59	Miscellaneous Current and Accrued Assets (174)		727,282	1,306,156
60	Derivative Instrument Assets (175)		41,819,946	31,307,186
61	(Less) Long-Term Portion of Derivative Instrument Assets (175)		8,805,120	7,681,161
62	Derivative Instrument Assets - Hedges (176)		0	0
63	(Less) Long-Term Portion of Derivative Instrument Assests - Hedges (176)		0	0
64	TOTAL Current and Accrued Assets (Total of lines 32 thru 63)		892,259,958	827,935,518
65	**DEFERRED DEBITS**			
66	Unamortized Debt Expense (181)		24,537,297	26,542,709
67	Extraordinary Property Losses (182.1)	230	108,491,125	121,893,612
68	Unrecovered Plant and Regulatory Study Costs (182.2)	230	0	44,325,180
69	Other Regulatory Assets (182.3)	232	576,279,745	412,199,577
70	Preliminary Survey and Investigation Charges (Electric)(183)		91,392	52,940
71	Preliminary Survey and Investigation Charges (Gas)(183.1 and 183.2)		0	0
72	Clearing Accounts (184)		0	0
73	Temporary Facilities (185)		38,944	70,201
74	Miscellaneous Deferred Debits (186)	233	187,333,825	205,430,089
75	Deferred Losses from Disposition of Utility Plant (187)		7,006,450	86,136
76	Research, Development, and Demonstration Expend. (188)		0	0
77	Unamortized Loss on Reacquired Debt (189)		37,990,993	40,177,287
78	Accumulated Deferred Income Taxes (190)	234-235	365,436,877	1,196,021,909
79	Unrecovered Purchased Gas Costs (191)		87,655,393	132,766,288
80	TOTAL Deferred Debits (Total of lines 66 thru 79)		1,394,862,041	2,179,565,928
81	TOTAL Assets and Other Debits (Total of lines 10-15,30,64,and 80)		12,895,415,604	13,378,099,610

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2021	End of 2020/Q4

Comparative Balance Sheet (Liabilities and Other Credits)

Line No.	Title of Account (a)	Reference Page Number (b)	Current Year End of Quarter/Year Balance	Prior Year End Balance 12/31 (d)
1	**PROPRIETARY CAPITAL**			
2	Common Stock Issued (201)	250-251	859,038	859,038
3	Preferred Stock Issued (204)	250-251	0	0
4	Capital Stock Subscribed (202, 205)	252	0	0
5	Stock Liability for Conversion (203, 206)	252	0	0
6	Premium on Capital Stock (207)	252	478,145,250	478,145,250
7	Other Paid-In Capital (208-211)	253	3,014,096,691	3,014,096,691
8	Installments Received on Capital Stock (212)	252	0	0
9	(Less) Discount on Capital Stock (213)	254	0	0
10	(Less) Capital Stock Expense (214)	254	7,133,879	7,133,879
11	Retained Earnings (215, 215.1, 216)	118-119	897,157,882	771,480,383
12	Unappropriated Undistributed Subsidiary Earnings (216.1)	118-119	(20,759,387)	(20,292,289)
13	(Less) Reacquired Capital Stock (217)	250-251	0	0
14	Accumulated Other Comprehensive Income (219)	117	(180,955,138)	(188,476,903)
15	TOTAL Proprietary Capital (Total of lines 2 thru 14)		4,181,410,457	4,048,678,291
16	**LONG TERM DEBT**			
17	Bonds (221)	256-257	4,373,860,000	4,373,860,000
18	(Less) Reacquired Bonds (222)	256-257	0	0
19	Advances from Associated Companies (223)	256-257	0	0
20	Other Long-Term Debt (224)	256-257	0	0
21	Unamortized Premium on Long-Term Debt (225)	258-259	0	0
22	(Less) Unamortized Discount on Long-Term Debt-Dr (226)	258-259	0	0
23	(Less) Current Portion of Long-Term Debt		12,896,587	13,364,139
24	TOTAL Long-Term Debt (Total of lines 17 thru 23)		4,360,963,413	4,360,495,861
25	**OTHER NONCURRENT LIABILITIES**			
26	Obligations Under Capital Leases-Noncurrent (227)		161,299,842	175,138,666
27	Accumulated Provision for Property Insurance (228.1)		0	0
28	Accumulated Provision for Injuries and Damages (228.2)		720,000	1,561,500
29	Accumulated Provision for Pensions and Benefits (228.3)		71,690,906	93,392,467
30	Accumulated Miscellaneous Operating Provisions (228.4)		137,032,633	116,685,343
31	Accumulated Provision for Rate Refunds (229)		0	0

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

Line No.	Title of Account (a)	Reference Page Number (b)	Current Year End of Quarter/Year Balance	Prior Year End Balance 12/31 (d)
32	Long-Term Portion of Derivative Instrument Liabilities		29,833,714	12,692,651
33	Long-Term Portion of Derivative Instrument Liabilities - Hedges		0	0
34	Asset Retirement Obligations (230)		208,744,170	177,019,252
35	TOTAL Other Noncurrent Liabilities (Total of lines 26 thru 34)		609,321,265	576,489,879
36	**CURRENT AND ACCRUED LIABILITIES**			
37	Current Portion of Long-Term Debt		0	0
38	Notes Payable (231)		373,800,000	176,000,000
39	Accounts Payable (232)		372,349,109	361,508,286
40	Notes Payable to Associated Companies (233)		0	0
41	Accounts Payable to Associated Companies (234)		455,636	422,022
42	Customer Deposits (235)		26,488,608	32,362,304
43	Taxes Accrued (236)	262-263	105,528,433	99,611,547
44	Interest Accrued (237)		48,189,289	48,918,273
45	Dividends Declared (238)		0	0
46	Matured Long-Term Debt (239)		0	0
47	Matured Interest (240)		0	0
48	Tax Collections Payable (241)		1,527,251	2,389,097
49	Miscellaneous Current and Accrued Liabilities (242)	268	23,576,198	41,570,159
50	Obligations Under Capital Leases-Current (243)		19,678,860	16,531,463
51	Derivative Instrument Liabilities (244)		61,274,042	26,121,263
52	(Less) Long-Term Portion of Derivative Instrument Liabilities		29,833,714	12,692,651
53	Derivative Instrument Liabilities - Hedges (245)		0	0
54	(Less) Long-Term Portion of Derivative Instrument Liabilities - Hedges		0	0
55	TOTAL Current and Accrued Liabilities (Total of lines 37 thru 54)		1,003,033,712	792,741,763
56	**DEFERRED CREDITS**			
57	Customer Advances for Construction (252)		96,883,286	95,530,623
58	Accumulated Deferred Investment Tax Credits (255)		0	0
59	Deferred Gains from Disposition of Utility Plant (256)		12,882,187	1,412,065
60	Other Deferred Credits (253)	269	244,788,439	255,311,849
61	Other Regulatory Liabilities (254)	278	1,030,887,274	1,071,933,845
62	Unamortized Gain on Reacquired Debt (257)	260	0	0
63	Accumulated Deferred Income Taxes - Accelerated Amortization (281)		0	0
64	Accumulated Deferred Income Taxes - Other Property (282)		1,162,110,263	1,943,729,915
65	Accumulated Deferred Income Taxes - Other (283)		193,135,308	231,775,519
66	TOTAL Deferred Credits (Total of lines 57 thru 65)		2,740,686,757	3,599,693,816
67	TOTAL Liabilities and Other Credits (Total of lines 15,24,35,55,and 66)		12,895,415,604	13,378,099,610

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2021	End of 2020/Q4

Statement of Income

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

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

Line No.	Title of Account (a)	Reference Page Number (b)	Total Current Year to Date Balance for Quarter/Year (c)	Total Prior Year to Date Balance for Quarter/Year (d)	Current Three Months Ended Quarterly Only No Fourth Quarter (e)	Prior Three Months Ended Quarterly Only No Fourth Quarter (f)
1	UTILITY OPERATING INCOME					
2	Gas Operating Revenues (400)	300-301	3,340,134,916	3,391,632,576	0	0
3	Operating Expenses					
4	Operation Expenses (401)	317-325	1,680,093,974	1,751,167,612	0	0
5	Maintenance Expenses (402)	317-325	164,912,813	168,501,630	0	0
6	Depreciation Expense (403)	336-338	488,787,631	470,613,251	0	0
7	Depreciation Expense for Asset Retirement Costs (403.1)	336-338	8,336,963	7,703,704	0	0
8	Amortization and Depletion of Utility Plant (404-405)	336-338	129,445,210	121,035,219	0	0
9	Amortization of Utility Plant Acu. Adjustment (406)	336-338	11,969,181	11,737,268	0	0
10	Amort. of Prop. Losses, Unrecovered Plant and Reg. Study Costs (407.1)		30,979,763	31,893,438	0	0
11	Amortization of Conversion Expenses (407.2)		0	0	0	0
12	Regulatory Debits (407.3)		15,210,019	17,366,545	0	0
13	(Less) Regulatory Credits (407.4)		79,561,623	75,940,513	0	0
14	Taxes Other than Income Taxes (408.1)	262-263	327,965,036	331,568,910	0	0
15	Income Taxes-Federal (409.1)	262-263	70,452,097	64,226,432	0	0
16	Income Taxes-Other (409.1)	262-263	383,340	570,874	0	0
17	Provision of Deferred Income Taxes (410.1)	234-235	322,567,097	262,037,296	0	0
18	(Less) Provision for Deferred Income Taxes-Credit (411.1)	234-235	246,538,446	239,898,093	0	0
19	Investment Tax Credit Adjustment-Net (411.4)		0	0	0	0
20	(Less) Gains from Disposition of Utility Plant (411.6)		1,949,557	729,404	0	0
21	Losses from Disposition of Utility Plant (411.7)		67,714	81,967	0	0
22	(Less) Gains from Disposition of Allowances (411.8)		228	981	0	0
23	Losses from Disposition of Allowances (411.9)		0	0	0	0
24	Accretion Expense (411.10)		3,892,728	3,837,179	0	0
25	TOTAL Utility Operating Expenses (Total of lines 4 thru 24)		2,927,013,712	2,925,772,334	0	0
26	Net Utility Operating Income (Total of lines 2 less 25) (Carry forward to page 116, line 27)		413,121,204	465,860,242	0	0

Statement of Income

Line No.	Elec. Utility Current Year to Date (in dollars) (g)	Elec. Utility Previous Year to Date (in dollars) (h)	Gas Utility Current Year to Date (in dollars) (i)	Gas Utility Previous Year to Date (in dollars) (j)	Other Utility Current Year to Date (in dollars) (k)	Other Utility Previous Year to Date (in dollars) (l)
1						
2	2,359,221,575	2,516,261,884	980,913,341	875,370,692	0	0
3						
4	1,166,721,795	1,313,659,877	513,372,179	437,507,735	0	0
5	138,373,309	141,849,803	26,539,504	26,651,827	0	0
6	355,593,325	345,727,153	133,194,306	124,886,098	0	0
7	8,184,802	7,533,981	152,161	169,723	0	0
8	87,050,694	83,314,999	42,394,516	37,720,220	0	0
9	11,969,181	11,737,268	0	0	0	0
10	30,979,763	31,893,438	0	0	0	0
11	0	0	0	0	0	0
12	6,507,593	8,763,271	8,702,426	8,603,274	0	0
13	67,036,136	64,670,416	12,525,487	11,270,097	0	0
14	225,851,703	232,335,156	102,113,333	99,233,754	0	0
15	46,567,661	30,838,206	23,884,436	33,388,226	0	0
16	383,340	570,874	0	0	0	0
17	243,099,351	219,283,109	79,467,746	42,754,187	0	0
18	179,278,139	190,762,694	67,260,307	49,135,399	0	0
19	0	0	0	0	0	0
20	1,972,399	755,389	(22,842)	(25,985)	0	0
21	(2,761)	(8,354)	70,475	90,321	0	0
22	228	981	0	0	0	0
23	0	0	0	0	0	0
24	3,651,802	3,611,963	240,926	225,216	0	0
25	2,076,644,656	2,174,921,264	850,369,056	750,851,070	0	0
26	282,576,919	341,340,620	130,544,285	124,519,622	0	0

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2021	End of 2020/Q4

Statement of Income(continued)

Line No.	Title of Account (a)	Reference Page Number (b)	Total Current Year to Date Balance for Quarter/Year (c)	Total Prior Year to Date Balance for Quarter/Year (d)	Current Three Months Ended Quarterly Only No Fourth Quarter (e)	Prior Three Months Ended Quarterly Only No Fourth Quarter (f)
27	Net Utility Operating Income (Carried forward from page 114)		413,121,204	465,860,242	0	0
28	**OTHER INCOME AND DEDUCTIONS**					
29	Other Income					
30	Nonutility Operating Income					
31	Revenues form Merchandising, Jobbing and Contract Work (415)		437,609	1,149,128	0	0
32	(Less) Costs and Expense of Merchandising, Job & Contract Work (416)		181,067	379,840	0	0
33	Revenues from Nonutility Operations (417)		25,683,599	27,564,187	0	0
34	(Less) Expenses of Nonutility Operations (417.1)		31,465,041	40,474,706	0	0
35	Nonoperating Rental Income (418)		2,195	47,472	0	0
36	Equity in Earnings of Subsidiary Companies (418.1)	119	(467,098)	(535,421)	0	0
37	Interest and Dividend Income (419)		9,165,837	11,431,257	0	0
38	Allowance for Other Funds Used During Construction (419.1)		23,222,519	15,801,744	0	0
39	Miscellaneous Nonoperating Income (421)		2,788,514	(668,191)	0	0
40	Gain on Disposition of Property (421.1)		34,367	63,751	0	0
41	TOTAL Other Income (Total of lines 31 thru 40)		29,221,434	13,999,381	0	0
42	Other Income Deductions					
43	Loss on Disposition of Property (421.2)		0	0	0	0
44	Miscellaneous Amortization (425)		0	0	0	0
45	Donations (426.1)	340	60,477	60,141	0	0
46	Life Insurance (426.2)		(1,729,724)	(1,698,847)	0	0
47	Penalties (426.3)		(1,312,816)	907,062	0	0
48	Expenditures for Certain Civic, Political and Related Activities (426.4)		7,094,727	5,829,260	0	0
49	Other Deductions (426.5)		51,748,872	(374,787)	0	0
50	TOTAL Other Income Deductions (Total of lines 43 thru 49)	340	55,861,536	4,722,829	0	0
51	Taxes Applic. to Other Income and Deductions					
52	Taxes Other than Income Taxes (408.2)	262-263	345,765	641,738	0	0
53	Income Taxes-Federal (409.2)	262-263	(59,845,199)	(46,133,494)	0	0
54	Income Taxes-Other (409.2)	262-263	0	0	0	0
55	Provision for Deferred Income Taxes (410.2)	234-235	(58,849,935)	(1,512,293)	0	0
56	(Less) Provision for Deferred Income Taxes-Credit (411.2)	234-235	1,801,623	0	0	0
57	Investment Tax Credit Adjustments-Net (411.5)		0	0	0	0
58	(Less) Investment Tax Credits (420)		0	0	0	0
59	TOTAL Taxes on Other Income and Deductions (Total of lines 52-58)		(120,150,992)	(47,004,049)	0	0
60	Net Other Income and Deductions (Total of lines 41, 50, 59)		93,510,890	56,280,601	0	0
61	**INTEREST CHARGES**					
62	Interest on Long-Term Debt (427)		227,184,834	217,516,084	0	0
63	Amortization of Debt Disc. and Expense (428)	258-259	2,481,659	2,314,664	0	0
64	Amortization of Loss on Reacquired Debt (428.1)		2,186,294	2,200,434	0	0
65	(Less) Amortization of Premium on Debt-Credit (429)	258-259	0	0	0	0
66	(Less) Amortization of Gain on Reacquired Debt-Credit (429.1)		0	0	0	0
67	Interest on Debt to Associated Companies (430)	340	0	0	0	0
68	Other Interest Expense (431)	340	15,326,329	21,746,828	0	0
69	(Less) Allowance for Borrowed Funds Used During Construction-Credit (432)		14,827,317	14,558,843	0	0
70	Net Interest Charges (Total of lines 62 thru 69)		232,351,799	229,219,167	0	0
71	Income Before Extraordinary Items (Total of lines 27,60 and 70)		274,280,295	292,921,676	0	0
72	**EXTRAORDINARY ITEMS**					
73	Extraordinary Income (434)		0	0	0	0
74	(Less) Extraordinary Deductions (435)		0	0	0	0
75	Net Extraordinary Items (Total of line 73 less line 74)		0	0	0	0
76	Income Taxes-Federal and Other (409.3)	262-263	0	0	0	0
77	Extraordinary Items after Taxes (Total of line 75 less line 76)		0	0	0	0
78	Net Income (Total of lines 71 and 77)		274,280,295	292,921,676	0	0

Statement of Accumulated Comprehensive Income and Hedging Activities

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

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

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

Line No.	Item (a)	Unrealized Gains and Losses on available-for-sale securities (b)	Minimum Pension liabililty Adjustment (net amount) (c)	Foreign Currency Hedges (d)	Other Adjustments (e)
1	Balance of Account 219 at Beginning of Preceding Year		(185,146,150)		
2	Preceding Quarter/Year to Date Reclassifications from Account 219 to Net Income		10,118,075		
3	Preceding Quarter/Year to Date Changes in Fair Value		(8,095,354)		
4	Total (lines 2 and 3)		2,022,721		
5	Balance of Account 219 at End of Preceding Quarter/Year		(183,123,429)		
6	Balance of Account 219 at Beginning of Current Year		(183,123,429)		
7	Current Quarter/Year to Date Reclassifications from Account 219 to Net Income		15,852,756		
8	Current Quarter/Year to Date Changes in Fair Value		(8,716,230)		
9	Total (lines 7 and 8)		7,136,526		
10	Balance of Account 219 at End of Current Quarter/Year		(175,986,903)		

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Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2021	End of 2020/Q4

Statement of Accumulated Comprehensive Income and Hedging Activities(continued)

Line No.	Other Cash Flow Hedges Interest Rate Swaps (f)	Other Cash Flow Hedges [Insert Footnote at Line 1 to specify category] (g)	Totals for each category of items recorded in Account 219 (h)	Net Income (Carried Forward from Page 116, Line 78) (i)	Total Comprehensive Income (j)
1	(5,738,713)		(190,884,863)	[redacted]	[redacted]
2	385,239		10,503,314	[redacted]	[redacted]
3			(8,095,354)	[redacted]	[redacted]
4	385,239		2,407,960	292,921,676	295,329,636
5	(5,353,474)		(188,476,903)	[redacted]	[redacted]
6	(5,353,474)		(188,476,903)	[redacted]	[redacted]
7	385,239		16,237,995	[redacted]	[redacted]
8			(8,716,230)	[redacted]	[redacted]
9	385,239		7,521,765	274,280,295	281,802,060
10	(4,968,235)		(180,955,138)	[redacted]	[redacted]

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2021	End of 2020/Q4

Statement of Retained Earnings

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

Line No.	Item (a)	Contra Primary Account Affected (b)	Current Quarter Year to Date Balance (c)	Previous Quarter Year to Date Balance (d)
	UNAPPROPRIATED RETAINED EARNINGS			
1	Balance-Beginning of Period		741,261,386	613,815,928
2	Changes (Identify by prescribed retained earnings accounts)			
3	Adjustments to Retained Earnings (Account 439)			
4	TOTAL Credits to Retained Earnings (Account 439) (footnote details)			
5	TOTAL Debits to Retained Earnings (Account 439) (footnote details)		1,913,051	1,436,618
6	Balance Transferred from Income (Acct 433 less Acct 418.1)		274,747,393	293,457,097
7	Appropriations of Retained Earnings (Account 436)			
8	TOTAL Appropriations of Retained Earnings (Account 436) (footnote details)			
9	Dividends Declared-Preferred Stock (Account 437)			
10	TOTAL Dividends Declared-Preferred Stock (Account 437) (footnote details)			
11	Dividends Declared-Common Stock (Account 438)			
12	TOTAL Dividends Declared-Common Stock (Account 438) (footnote details)		149,069,894	164,575,021
13	Transfers from Account 216.1, Unappropriated Undistributed Subsidiary Earnings			
14	Balance-End of Period (Total of lines 1, 4, 5, 6, 8, 10, 12, and 13)		865,025,834	741,261,386
15	APPROPRIATED RETAINED EARNINGS (Account 215)			
16	TOTAL Appropriated Retained Earnings (Account 215) (footnote details)		32,132,048	30,218,997
17	APPROPRIATED RETAINED EARNINGS-AMORTIZATION RESERVE, FEDERAL (Account			
18	TOTAL Appropriated Retained Earnings-Amortization Reserve, Federal (Account			
19	TOTAL Appropriated Retained Earnings (Accounts 215, 215.1) (Total of lines		32,132,048	30,218,997
20	TOTAL Retained Earnings (Accounts 215, 215.1, 216) (Total of lines 14 and 1		897,157,882	771,480,383
21	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS (Account 216.1)			
	Report only on an Annual Basis no Quarterly			
22	Balance-Beginning of Year (Debit or Credit)		(20,292,289)	(19,756,868)
23	Equity in Earnings for Year (Credit) (Account 418.1)		(467,098)	(535,421)
24	(Less) Dividends Received (Debit)			
25	Other Changes (Explain)			
26	Balance-End of Year		(20,759,387)	(20,292,289)

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2021	End of 2020/Q4

Statement of Cash Flows

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

Line No.	Description (See Instructions for explanation of codes) (a)	Current Year to Date Quarter/Year	Previous Year to Date Quarter/Year
1	Net Cash Flow from Operating Activities		
2	Net Income (Line 78(c) on page 116)	274,280,295	292,921,676
3	Noncash Charges (Credits) to Income:		
4	Depreciation and Depletion	564,835,934	545,619,345
5	Amortization of (Specify) (footnote details)	42,948,944	43,630,706
6	Deferred Income Taxes (Net)	15,377,094	20,607,295
7	Investment Tax Credit Adjustments (Net)		
8	Net (Increase) Decrease in Receivables	(32,865,713)	794,067
9	Net (Increase) Decrease in Inventory	635,082	(4,805,124)
10	Net (Increase) Decrease in Allowances Inventory		
11	Net Increase (Decrease) in Payables and Accrued Expenses	8,438,515	(130,816,693)
12	Net (Increase) Decrease in Other Regulatory Assets	(197,582,684)	(227,270,664)
13	Net Increase (Decrease) in Other Regulatory Liabilities	26,913,294	27,958,487
14	(Less) Allowance for Other Funds Used During Construction	23,222,519	15,801,744
15	(Less) Undistributed Earnings from Subsidiary Companies	(467,098)	(535,421)
16	Other (footnote details):	141,810,483	71,157,764
17	Net Cash Provided by (Used in) Operating Activities		
18	(Total of Lines 2 thru 16)	822,035,823	624,530,536
19			
20	Cash Flows from Investment Activities:		
21	Construction and Acquisition of Plant (including land):		
22	Gross Additions to Utility Plant (less nuclear fuel)	(899,660,030)	(935,070,312)
23	Gross Additions to Nuclear Fuel		
24	Gross Additions to Common Utility Plant		
25	Gross Additions to Nonutility Plant		
26	(Less) Allowance for Other Funds Used During Construction	(23,222,519)	(15,801,744)
27	Other (footnote details):		
28	Cash Outflows for Plant (Total of lines 22 thru 27)	(876,437,511)	(919,268,568)
29			
30	Acquisition of Other Noncurrent Assets (d)		
31	Proceeds from Disposal of Noncurrent Assets (d)	6,975,024	13,301,696
32			
33	Investments in and Advances to Assoc. and Subsidiary Companies		(2,750,000)
34	Contributions and Advances from Assoc. and Subsidiary Companies		
35	Disposition of Investments in (and Advances to)		
36	Associated and Subsidiary Companies		
37			
38	Purchase of Investment Securities (a)		
39	Proceeds from Sales of Investment Securities (a)		

Statement of Cash Flows (continued)

Line No.	Description (See Instructions for explanation of codes) (a)	Current Year to Date Quarter/Year	Previous Year to Date Quarter/Year
40	Loans Made or Purchased		
41	Collections on Loans		
42			
43	Net (Increase) Decrease in Receivables		
44	Net (Increase) Decrease in Inventory		
45	Net (Increase) Decrease in Allowances Held for Speculation		
46	Net Increase (Decrease) in Payables and Accrued Expenses		
47	Other (footnote details):	(797,082)	(4,000,050)
48	Net Cash Provided by (Used in) Investing Activities		
49	(Total of lines 28 thru 47)	(870,259,569)	(912,716,922)
50			
51	Cash Flows from Financing Activities:		
52	Proceeds from Issuance of:		
53	Long-Term Debt (b)		443,151,000
54	Preferred Stock		
55	Common Stock		
56	Other (footnote details):		210,000,000
57	Net Increase in Short-term Debt (c)	197,800,000	
58	Other (footnote details):	14,473,228	14,561,349
59	Cash Provided by Outside Sources (Total of lines 53 thru 58)	212,273,228	667,712,349
60			
61	Payments for Retirement of:		
62	Long-Term Debt (b)		
63	Preferred Stock		
64	Common Stock		
65	Other (footnote details):		
66	Net Decrease in Short-Term Debt (c)		(203,297,000)
67			
68	Dividends on Preferred Stock		
69	Dividends on Common Stock	(149,069,894)	(164,575,021)
70	Net Cash Provided by (Used in) Financing Activities		
71	(Total of lines 59 thru 69)	63,203,334	299,840,328
72			
73	Net Increase (Decrease) in Cash and Cash Equivalents		
74	(Total of line 18, 49 and 71)	14,979,588	11,653,942
75			
76	Cash and Cash Equivalents at Beginning of Period	64,430,923	52,776,980
77			
78	Cash and Cash Equivalents at End of Period	79,410,511	64,430,923

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

Amortization of:	**Q4 2020**	**Q4 2019**
Utility Plant & Adjustments	$ 11,969,181	$ 11,737,268
Property Losses	$ 30,979,763	$ 31,893,438
	$ 42,948,944	$ 43,630,706

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

Other components of operating cash flows		**Q4 2020**	**Q4 2019**
Other Long-Term Assets		$ (10,143,137)	$(14,678,515)
Other Long-Term Liabilities		$ 46,489,640	$ 22,019,783
Conservation Amortization		$ 99,585,357	$ 96,570,844
Pension Funding		$ (18,000,000)	$(18,000,000)
Net Unrealized (Gain) Loss on Derivative Transactions		$ 26,807,229	$ 3,574,274
Amortization of TCJA Over Collection		$ (13,689,283)	$(19,697,351)
Smart Burn GRC Disallowance		$ 6,332,725	$ -
Other		$ 4,427,952	$ 1,368,729
	Total	$141,810,483	$ 71,157,764

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

Other components of investing cash flows		**Q4 2020**	**Q4 2019**
Renewable energy credits		(797,082)	-
Future BPA transmission rights		-	(4,000,050)
	Total	$ (797,082)	$ (4,000,050)

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

Other components of financing cash flows		**Q4 2020**	**Q4 2019**
Debt issue (redemption costs) costs		(8,695)	(1,187,773)
Refundable cash received for customer construction projects		14,481,923	16,311,015
Lease Financing Activity		-	(561,893)
	Total	$ 14,473,228	$ 14,561,349

Schedule Page: 120 Line No.: 56 Column: c

Q4 2020	Q4 2019
Investment from parent company	Investment from parent company
$0	$210,000,000

Notes to Financial Statements

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

(1) Summary of Significant Accounting Policies

Basis of Presentation

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

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

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

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

Utility Plant

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

Planned Major Maintenance

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

Other Property and Investments

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

Depreciation and Amortization

The Company provides for depreciation and amortization on a straight-line basis. Amortization is recorded for intangibles such as regulatory assets and liabilities, computer software and franchises. The annual depreciation provision stated as a percent of a depreciable electric utility plant was 3.5% and 3.4% in 2020 and 2019, respectively; depreciable natural gas utility plant was 2.9% and 2.8% in 2020 and 2019, respectively; and depreciable common utility plant was 7.3% in 2020 and 2019. The cost of removal is collected from PSE's customers through depreciation expense and any excess is recorded as a regulatory liability.

Tacoma LNG Facility

In August 2015, PSE filed a proposal with the Washington Commission to develop an LNG facility at the Port of Tacoma. Currently under construction at the Port of Tacoma, the facility is expected to be operational in 2021. The Tacoma LNG facility is designed to provide peak-shaving services to PSE's natural gas customers. By storing surplus natural gas, PSE is able to meet the requirements of peak consumption. LNG will also provide fuel to transportation customers, particularly in the marine market. On January 24, 2018, Puget Sound Clean Air Agency (PSCAA) determined a Supplemental Environmental Impact Statement (SEIS) was necessary in order to rule on the air quality permit for the facility. As a result of requiring a SEIS, the Company's construction schedule was impacted. PSE received the SEIS which concluded the LNG facility would result in a net decrease in GHG emissions providing, in part, that the natural gas for the facility was sourced from British Columbia or Alberta. On December 10, 2019, the PSCAA approved the Notice of Construction permit, a decision which has been appealed to the Washington Pollution Control Hearings Board by each of the Puyallup Tribe of Indians and nonprofit law firm Earthjustice.

Pursuant to an order by the Washington Commission, PSE will be allocated approximately 43.0% of common capital and operating costs, consistent with the regulated portion of the Tacoma LNG facility. For PSE, construction work in progress of $207.7 million and $162.8 million related to PSE’s portion of the Tacoma LNG facility is reported in the PSE “Utility plant - Natural gas plant” financial statement line item as of December 31, 2020, and December 31, 2019, respectively, as PSE is a regulated entity.

Cash and Cash Equivalents

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

Restricted Cash

Restricted cash amounts primarily represent cash posted as collateral for derivative contracts as well as funds required to be set aside for contractual obligations related to transmission and generation facilities.

Materials and Supplies

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

Fuel and Natural Gas Inventory

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

Regulatory Assets and Liabilities

PSE accounts for its regulated operations in accordance with ASC 980, “Regulated Operations” (ASC 980). ASC 980 requires PSE to defer certain costs or losses that would otherwise be charged to expense, if it is probable that future rates will permit recovery of such costs. It similarly requires deferral of revenues or gains that are expected to be returned to customers in the future. Accounting under ASC 980 is appropriate as long as rates are established by or subject to approval by independent third-party regulators; rates are designed to recover the specific enterprise’s cost of service; and in view of demand for service, it is reasonable to assume that rates set at levels that will recover costs can be charged to and collected from customers. In most cases, PSE classifies regulatory assets and liabilities as long-term when amortization periods extend longer than one year. For further details regarding regulatory assets and liabilities, see Note 3, "Regulation and Rates".

Allowance for Funds Used During Construction

AFUDC represents the cost of both the debt and equity funds used to finance utility plant additions during the construction period. The amount of AFUDC recorded in each accounting period varies depending primarily upon the level of construction work in progress and the AFUDC rate used. AFUDC is capitalized as a part of the cost of utility plant; the AFUDC debt portion is credited to interest expense, while the AFUDC equity portion is credited to other income. Cash inflow related to AFUDC does not occur until these charges are reflected in rates. The AFUDC rate authorized by the Washington Commission for natural gas and electric utility plant additions effective December 19, 2017, was 7.60%. Effective October 1, 2020 for natural gas and October 15, 2020 for electric the authorized AFUDC rate is 7.39%.

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

Revenue Recognition

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

PSE collected Washington State excise taxes (which are a component of general retail customer rates) and municipal taxes totaling $240.8 million and $236.5 million for 2020 and 2019, respectively. The Company reports the collection of such taxes on a gross basis in operation revenue and as expense in taxes other than income taxes in the accompanying consolidated statements of income.

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

Allowance for Credit Losses

On January 1, 2020, the Company adopted Accounting Standards Update (ASU) 2016-13 Financial Instruments – Credit Losses (ASC 326) which replaces the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss (CECL) methodology. The measurement of expected credit losses under the CECL methodology is applicable to financial assets measured at amortized cost, including trade receivables, loan receivables, and held-to-maturity debt securities. It also applies to off-balance sheet credit exposures not accounted for as insurance (loan commitments, standby letters of credit, financial guarantees, and other similar instruments) and net investments in leases recognized by a lessor in accordance with Topic 842 on leases. The only financial assets within the scope of ASU 2016-13 for the Company are trade receivables.

The Company adopted ASU 2016-13 using the modified retrospective method. Results for reporting periods beginning after January 1, 2020 are presented under ASC 326 while prior period amounts continue to be reported in accordance with previously applicable GAAP. The Company did not record an adjustment to retained earnings as of January 1, 2020, for the cumulative effect of adopting ASU 2016-13, as the impact was immaterial.

Management measures expected credit losses on trade receivables on a collective basis by receivable type, which include electric retail receivables, gas retail receivables, and electric wholesale receivables. The estimate of expected credit losses considers historical credit loss information that is adjusted for current conditions and reasonable and supportable forecasts.

The following table presents the activity in the allowance for credit losses for accounts receivable for the year ended December 31, 2020:

Puget Sound Energy

(Dollars in Thousands)	December 31, 2020
Allowance for credit losses:	
Beginning balance	$ 8,294
Provision for credit loss expense	23,292
Receivables charged-off	(11,506)
Total ending allowance balance	$ 20,080

The allowance increased during the period due to both an increase in the provision combined with a reduction in receivables charged-off during the period. During 2020, the Ratepayer Assistance and Preservation of Essential Services proclamation issued by the governor in April 2020 included a moratorium on disconnecting customers, which resulted in a cessation of account receivable write-offs for non-payment. Additionally, the provision increased based on collection experience during the period.

Self-Insurance

PSE is self-insured for storm damage and certain environmental contamination associated with current operations occurring on PSE-owned property. In addition, PSE is required to meet a deductible for a portion of the risk associated with comprehensive liability, workers' compensation claims and catastrophic property losses other than those which are storm related. Under the December 5, 2017, Washington Commission order regarding PSE's GRC, the cumulative annual cost threshold for deferral of storms under the mechanism increased from $8.0 million to $10.0 million effective January 1, 2018. Additionally, costs may only be deferred if the outage meets the Institute of Electrical and Electronics Engineers (IEEE) outage criteria for system average interruption duration index and qualifying costs exceed $0.5 million per qualified storm.

Federal Income Taxes

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

Natural Gas Off-System Sales and Capacity Release

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

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

Accounting for Derivatives

ASC 815, "Derivatives and Hedging" (ASC 815) requires that all contracts considered to be derivative instruments be recorded on the balance sheet at their fair value unless the contracts qualify for an exception. PSE enters into derivative contracts to manage its energy resource portfolio and interest rate exposure including forward physical and financial contracts and swaps. Some of PSE's physical electric supply contracts qualify for the normal purchase normal sale (NPNS) exception to derivative accounting rules. PSE may enter into financial fixed price contracts to economically hedge the variability of certain index-based contracts. Those contracts that do not meet the NPNS exception are marked-to-market to current earnings in the statements of income, subject to deferral under ASC 980, for natural gas related derivatives due to the PGA mechanism. For additional information, see Note 9, "Accounting for Derivative Instruments and Hedging Activities".

Fair Value Measurements of Derivatives

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

The Company values derivative instruments based on daily quoted prices from an independent external pricing service. When external quoted market prices are not available for derivative contracts, the Company uses a valuation model that uses volatility assumptions relating to future energy prices based on specific energy markets and utilizes externally available forward market price curves. All derivative instruments are sensitive to market price fluctuations that can occur on a daily basis. For additional information, see Note 10, "Fair Value Measurements".

Debt Related Costs

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

Leases

The Company has adopted ASU 2016-02 as of January 1, 2019, which resulted in the recognition of right-of-use asset and lease liabilities that have not previously been recorded and are material to the balance sheet. Under FERC Docket AI-19-1-000, operating leases are not required to be capitalized and reported in the balance sheet accounts established for capital leases. However, a jurisdictional entity is permitted to implement the ASU's guidance to report operating leases with a lease term in excess of 12 months as right of use assets, with corresponding lease obligations, in the balance sheet accounts established for capital leases. Accordingly the Company’s operating leases are recognized on the balance sheet in Account 101.1 (Property Under Capital Leases), Account 227 (Obligations Under Capital Leases- Noncurrent), and Account 243 (Obligations Under Capital Leases — Current). Adoption of the standard did not have a material impact on the income statement.

ROU assets represent the right to use an underlying asset for the lease term, and consist of the amount of the initial measurement of the lease liability, any lease payments made to the lessor at or before the commencement date, minus any lease incentives received, and any initial direct costs incurred by the lessee. Lease liabilities represent our obligation to make lease payments arising from the lease and are measured at present value of the lease payments not yet paid, discounted using the discount rate for the lease, at commencement. As most of PSE's leases do not provide an implicit interest rate, PSE uses the incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments. For fleet, IT and wind farm leases, this rate is applied using a portfolio approach. The lease terms may include options to extend or terminate the lease when it is reasonably certain that PSE will exercise that option. On the statement of income, operating leases are generally accounted for under a straight-line expense model, while finance leases, which were previously referred to as capital leases, are generally accounted for under a financing model. Consistent with the previous lease guidance, however, the standard allows rate-regulated utilities to recognize expense consistent with the timing of recovery in rates.

PSE has lease agreements with lease and non-lease components. Non-lease components comprise common area maintenance and utilities, and are accounted for separately from lease components.

Variable Interest Entities

On April 12, 2017, PSE entered into a PPA with Skookumchuck Wind Energy Project, LLC (Skookumchuck) in which Skookumchuck would develop a wind generation facility and, once completed, sell bundled energy and associated attributes, namely RECs to PSE over a term of 20 years. Skookumchuck commenced commercial operation in November 2020. PSE has no equity investment in Skookumchuck but is Skookumchuck's only customer. Based on the terms of the contract, PSE will receive all of the output of the facility, subject to curtailment rights. PSE has concluded that it is not the primary beneficiary of this VIE since it does not control the commercial and operating activities of the facility. Additionally, PSE does not have the obligation to absorb losses or receive benefits. Therefore, PSE will not consolidate the VIE. Purchased energy of $4.2 million was recognized in purchased electricity on the Company's consolidated statements of income and included in accounts payable on the Company's consolidated balance sheet for the year ended December 31, 2020.

Subsequent Events

The Company evaluates events or transactions that occur after the balance sheet date but before the financial statements are issued for potential recognition or disclosures in the financial statements. The Company has evaluated subsequent events through April 15, 2021, the date the financial statements were filed with the FERC, and no additional disclosures are required.

(2) New Accounting Pronouncements

Recently Adopted Accounting Guidance

Credit Losses

In 2016, the FASB issued ASU 2016-13, "*Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*". The amendments in the update change how entities account for credit losses on receivables and certain other assets. The guidance requires use of a current expected loss model, which may result in earlier recognition of credit losses than under previous accounting standards. ASU 2016-13 is effective for interim and annual periods beginning on or after December 15, 2019. The measurement of expected credit losses under the CECL methodology is applicable to financial assets measured at amortized cost, including trade receivables. It also applies to off-balance sheet credit exposures not accounted for as insurance and net investments in leases recognized by a lessor in accordance with Topic 842.

The Company adopted ASC 326 using the modified retrospective method for all financial assets measured at amortized cost. Results for reporting periods beginning after January 1, 2020, are presented under ASC 326 while prior period amounts continue to be reported in accordance with previously applicable GAAP. Upon implementation as of January 1, 2020, the impact was immaterial and the Company did not record a transition adjustment to retained earnings.

Fair Value Measurement

In August 2018, the FASB issued ASU 2018-13, *"Fair Value Measurement (Topic 820): Disclosure Framework - Changes to the Disclosure Requirements for Fair Value Measurement"*. The amendments in this update modify the disclosure requirements on fair value measurements in Topic 820, Fair Value Measurement, based on the concepts in the Concepts Statement, including the consideration of costs and benefits. The amendments are effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019. The Company adopted this update as of January 1, 2020, and it impacted Note 11, "Fair Value Measurements". As the amendment contemplates changes in disclosures only, it has no material impact on the Company's results of operations, cash flows, or consolidated balance sheets.

Reference Rate Reform

In March 2020, the FASB issued ASU 2020-04, *"Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting*" (Issued March 2020): ASU 2020-04 provides temporary optional expedients and exceptions to the current guidance on contract modifications to ease the financial reporting burdens related to the expected market transition from London Interbank Offered Rate (LIBOR) and other interbank offered rates to alternative reference rates. The Company has term loans, credit agreements, and promissory notes that reference LIBOR. As of December 31, 2020, the Company has not utilized any of the expedients discussed within this ASU, however, it continues to assess other agreements to determine if LIBOR is included and if the expedients would be utilized through the allowed period of December 2022.

(3) Regulation and Rates

Regulatory Assets and Liabilities

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

The net regulatory assets and liabilities at December 31, 2020, and 2019, included the following:

Puget Sound Energy	Remaining Amortization Period	December 31,	
(Dollars in Thousands)		2020	2019
Storm damage costs electric	5 years	$ 108,491	$ 121,894
Environmental remediation	(a)	102,647	68,486
Decoupling deferrals and interest (b)	Less than 2 years	88,504	43,509
PGA receivable	2 years	87,655	132,766
PCA mechanism	N/A	82,801	41,745
Chelan PUD contract initiation	10.8 years	76,787	83,875
Deferred Washington Commission AFUDC	30 years	59,763	57,553
Lower Snake River	16.4 years	58,442	62,899

Baker Dam licensing operating and maintenance costs	(c)	54,354	56,427
Get to zero depreciation expense deferral	N/A	53,236	22,148
Unamortized loss on reacquired debt	1 to 47 years	37,991	40,177
Property tax tracker	Less than 2 years	24,860	22,442
Advanced metering infrastructure	(a)	22,652	14,845
Generation plant major maintenance, excluding Colstrip	3 to 10 years	10,494	12,744
Mint Farm ownership and operating costs	4.3 years	8,318	10,318
Energy conservation costs	(a)	8,009	25,272
Snoqualmie licensing operating and maintenance costs	(c)	7,435	7,442
Water heater rental property loss	N/A	6,973	—
Colstrip major maintenance	(d)	4,335	2,929
Washington Commission electric vehicle	N/A	3,641	1,430
Colstrip common property	3.4 years	2,472	3,188
White River relicensing and other costs	0.0 years	—	6,399
Various other regulatory assets	(a)	8,247	9,044
Total PSE regulatory assets		$ 918,107	$ 847,532
Deferred income taxes (f)	N/A	(953,987)	(946,936)
Cost of removal	(e)	(508,707)	(469,922)
Repurposed production tax credits	N/A	(79,581)	(24,823)
Production tax credits	(f)	(47,094)	(85,323)
Treasury grants	3 years	(43,164)	(101,981)
Decoupling liability	Less than 2 years	(16,448)	(8,500)
Green direct	N/A	(14,313)	(2,421)
Gain on Sale Shuffleton	N/A	(11,131)	(12,483)
Microsoft special contract regulatory liability	N/A	—	(12,661)
Various other regulatory liabilities	(a)	(10,796)	(11,500)
Total PSE regulatory liabilities		(1,685,221)	(1,676,550)
PSE net regulatory assets (liabilities)		$ (767,114)	$ (829,018)

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

(b) Decoupling deferrals and interest includes a 24 month GAAP reserve of $(8.0) million.

(c) The FERC license requires PSE to incur various O&M expenses over the life of the 40 year and 50 year license for Snoqualmie and Baker, respectively. The regulatory asset represents the net present value of future expenditures and will be offset by actual costs incurred.

(d) Amortization to be determined in a future rate filing.

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

(f) Amortize as PTCs are utilized by PSE on its tax return.

(g) For additional information, see Note 13,"Income Taxes" to the consolidated financial statements included in Item 8 of this report.

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

In accordance with guidance provided by ASC 410, “Asset Retirement and Environmental Obligations (ARO),” PSE reclassified from accumulated depreciation to a regulatory liability $508.7 million and $469.9 million in 2020 and 2019, respectively, for the cost of removal of utility plant. These amounts are collected from PSE’s customers through depreciation rates.

Power Cost Only Rate Case

On December 9, 2020, PSE filed its 2020 power cost only rate case (PCORC). The filing proposed an increase of $78.5 million (or an average of approximately 3.7%) in the Company's overall power supply costs with an anticipated effective date in June 2021. On February 2, 2021, PSE supplemented the PCORC to update its power costs, leading to a requested increase from $78.5 million to $88.0 million (or an average of approximately 4.1%).

On March 2, 2021, the parties to the PCORC reached a multiparty settlement in principle, with Public Counsel not joining the settlement, but also not opposing. The settlement resulted in an estimated revenue increase of $65.3 million or 3.1% and, pending approval by the Washington Commission, is expected to be effective June 2021.

General Rate Case Filing

PSE filed a GRC with the Washington Commission on June 20, 2019, requesting an overall increase in electric and natural gas rates of 6.9% and 7.9% respectively. PSE requested a return on equity of 9.8% with an overall rate of return of 7.62%. In addition to the traditional areas of focus (revenue requirements, cost allocation, rate design and cost of capital), the Company completed an attrition study and included a portion of the attrition revenue requirement in the overall request in order address the expected regulatory lag in the rate year. Additionally, as the non-plant related excess deferred taxes that resulted from the Tax Cuts and Jobs Act (TCJA) remained outstanding from PSE’s Expedited Rate Filing (ERF) as discussed below, PSE requested in its GRC to pass back the amounts over four years. On September 17, 2019, PSE filed a supplemental filing in the GRC, which provided updates as discussed in our original filing, but did not impact the requested overall electric and natural gas rate increases, return on equity or overall rate of return as originally filed. On January 15, 2020, PSE filed rebuttal testimony which included a reduction to the requested return on equity to 9.5%, which decreased the rate of return to 7.48%. The requested rate increase for both electric and natural gas remained at 6.9% and 7.9%, respectively. For both electric and natural gas PSE did not originally request its full attrition adjustment; therefore, the decrease in return on equity led to a reduction in the electric rate increase of only $1.5 million and did not have an impact on the natural gas rate increase.

On July 8, 2020, the Washington Commission issued its order on PSE's GRC. The ruling provided for a weighted cost of capital of 7.39% or 6.8% after-tax, and a capital structure of 48.5% in common equity with a return on equity of 9.4%. The order also resulted in a combined net increase to electric of $29.5 million, or 1.6%, and to natural gas of $36.5 million, or 4.0%. However, the Washington Commission extended the amortization of certain regulatory assets, PSE's electric decoupling deferral, and PSE's PGA deferral to mitigate the impact of the rate increase in response to the economic instability created by the COVID-19 pandemic, which reduced the electric revenue increase to approximately $0.9 million, or 0.05% and the natural gas increase to $1.3 million, or 0.15%. The Washington Commission also determined that the Company's proposed attrition adjustment of $23.9 million for electric and $16.2 million for natural gas was not in the public interest at this time. The order also effectively ends the deferral of depreciation expense associated with PSE's advanced metering infrastructure (AMI) investment while allowing the deferral on the return on AMI investments through December 31, 2019. Additional AMI investments will be evaluated in future proceedings for deferrals of return until the AMI project is complete. On July 17, 2020, PSE filed a motion for clarification with the Washington Commission seeking clarification on several items. On July 31, 2020, the Washington Commission issued an order granting PSE's motion for clarification. The ruling adjusted certain items from the final order issued on July 8, 2020, which led to a combined net increase to electric of $59.6 million, or 2.9%, an increase of $30.1 million above the $29.5 million granted in the final order. The order also led to a combined net increase to natural gas of $42.9 million, or 5.6%, an increase of $6.4 million above the $36.5 million granted in the final order. The Washington Commission maintained adjustments which mitigated the impacts of the rate increases in response to the economic instability created by the COVID-19 pandemic, which reduced the electric revenue increase to approximately $27.7 million, or 1.3% and the natural gas increase to $0.2 million, or 0.02%.

On August 6, 2020, PSE filed a petition for judicial review with the Superior Court of the State of Washington for King County (Superior Court) challenging the portion of the final order that requires PSE to pass back to customers the reversal of plant-related excess deferred income taxes in a manner that may deviate from the Internal Revenue Service (IRS) normalization and consistency rules. On August 7, 2020, PSE filed a motion to stay with the Superior Court related to the portions of the final order under judicial review. On September 14, 2020, the Superior Court denied PSE's motion to stay. PSE reviewed the original Washington Commission order including the ramifications of certain tax issues and requested a Private Letter Ruling (PLR) with the IRS regarding this matter. PSE will continue to utilize the average rate assumption method (ARAM) in the turnaround of certain accelerated tax depreciation benefits on PSE assets. On September 23, 2020, PSE filed a compliance filing with the Washington Commission. The natural gas tariffs became effective October 1, 2020 and the electric tariffs on October 15, 2020. On October 7, 2020, PSE, the Washington Commission and interveners agreed to dismiss the petition for judicial review. The agreement is based on a commitment from the Washington Commission that if the IRS ruling finds that the Washington Commission's methodology for reversing plant-related excess deferred income taxes is impermissible, the Washington Commission will open a proceeding to review and enact the changes required by the IRS ruling. There is approximately $25.6 million in annual revenue requirement related to the 2019 GRC which PSE has requested it be allowed to track in order to allow the Washington Commission to decide if it is appropriate for PSE to recover, pending the outcome of the IRS ruling.

Expedited Rate Filing Rate Adjustment

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

increase, and an overall increase in natural gas rates of $21.7 million annually, which is a 2.7% increase.

On January 22, 2019, all parties in the proceeding reached an agreement on settlement terms that resolved all issues in the filing. The settlement agreement was filed on January 30, 2019. The parties agreed to a $21.5 million rate increase for natural gas and no rate increase for electric which became effective March 1, 2019. As is discussed below, these rates include the offsetting effect of passing back to customers plant related excess deferred income taxes that resulted from the TCJA, using the average rate assumption method (ARAM) amounts to arrive at the settlement rate changes.

The settlement agreement provides for the pass back of plant related excess deferred income taxes that resulted from the TCJA using the ARAM methodology based on 2018 amounts beginning March 1, 2019, in the amount of $6.1 million for natural gas customers and $25.9 million for electric customers. The settlement agreement left the determination for the regulatory treatment of the remaining items related to the TCJA, listed below, to PSE's next GRC, filed June 20, 2019:

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

The settlement agreement provides that PSE may defer the depreciation expense associated with PSE's ongoing investment in its AMI investment and may defer the return on the AMI investment that was included in the test year of the filing. As noted above, the 2019 GRC effectively ends all deferrals of AMI depreciation expense and deferrals of return on additional AMI investments will be evaluated in future proceedings. The rate of return adopted in the settlement for reporting and deferral purposes is 7.49%. On February 21, 2019, the Washington Commission approved the settlement with one condition: PSE passed back the deferred balance associated with the tax over-collection of $34.6 million for the period from January 1, 2018, through April 30, 2018, over a one-year period which ended May 1, 2020.

Washington Commission Tax Deferral Filing

The TCJA was signed into law in December 2017. As a result of this change, PSE re-measured its deferred tax balances under the new corporate tax rate. PSE filed an accounting petition on December 29, 2017, requesting deferred accounting treatment for the impacts of tax reform. The requested deferral accounting treatment resulted in the tax rate change being captured in the deferred income tax balance with an offset to the regulatory liability for deferred income taxes for GAAP purposes. Additionally, on March 30, 2018, PSE filed for a rate change for electric and natural gas customers associated with TCJA to reflect the decrease in the federal corporate income tax rate from 35.0% to 21.0%. The overall impact of the rate change, based on the annual period from May 2018 through April 2019, is a revenue decrease of $72.9 million, or 3.4%, for electric and $23.6 million, or 2.7%, for natural gas and became effective May 1, 2018, by operation of law.

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

While the settlement agreement in the ERF provides for the pass back of plant related excess deferred income taxes that resulted from the TCJA using the ARAM methodology based on 2018 amounts through the PSE Schedule 141X tariff, the ongoing treatment of excess deferred taxes associated with non-plant-related book/tax differences and the treatment of the excess deferred taxes associated with plant related book/tax differences was left to be addressed in PSE's GRC, which was filed on June 20, 2019. The Washington Commission also required in the ERF order that PSE pass back the deferred balance associated with the tax over-collection for the period from January 1, 2018, through April 30, 2018, as discussed above, over a one-year period which began May 1, 2019. Per PSE's Schedule 141Y tariff, following the May 2019 through April 2020 refund period, if the residual balance of credit owed to customers will be greater than $0.1 million, PSE would submit a filing no later than July 31, 2020 with a proposal of passing back the residual balance effective September 1, 2020 through August 31, 2021. As this balance was greater than $0.1 million, PSE filed tariff revisions on July 20, 2020 and the Washington Commission approved the filing on August 27, 2020. Finally, the GRC final order determined that PSE is required to pass back 2019 and 2020 protected excess deferred tax reversals totaling $70.8 million over the 12 months following the rate effective period through PSE's Schedule 141X tariff. The GRC final order also determined that PSE is required to pass back unprotected excess deferred tax balances totaling $38.9 million over 36 months following the rate effective period through PSE's Schedule 141Z tariff. Further details of the outcome associated with PSE's tax deferral filing are discussed in the ERF and GRC disclosures.

Decoupling Filings

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

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

On February 21, 2019, the Washington Commission approved the multi-party settlement agreement which was filed within PSE's ERF filing. As part of this settlement agreement, electric and natural gas allowed delivery revenue per customer was updated to reflect changes in the approved revenue requirement. For electric, there were no changes to the annual allowed fixed power cost revenue. The changes took effect on March 1, 2019.

On July 8, 2020, the Washington Commission issued the final order in Dockets UE-190529 and UG-190530, which instructed PSE to extend the collection of amortization balances for electric decoupling delivery and fixed power cost sections originally filed through the annual May 2020 decoupling filing. The extension requires PSE to move amortization balances for electric decoupling as of August 31, 2020 to be collected from customers for a two-year period, instead of the originally approved one-year period. Additionally, through approving the electric cost of service, the final order approved the re-allocation of decoupling balances from Schedule 40 to the remaining electric decoupling groups.

On December 1, 2020, PSE made a tariff correction filing for Schedule 142 amortization rates, with a proposed effective date of January 1, 2021, where it proposed to zero out rates still effective past October 15, 2020 on tariff sheet Schedule 142-H, which was replaced by rates on tariff sheet Schedule 142-I effective October 15, 2020. This resulted in an over-collection from electric decoupled customers of approximately $4.3 million at year-end. As part of this filing, PSE has proposed to true up the over-collection amounts for the period of October 15, 2020 through December 31, 2020 in PSE's annual May 2021 decoupling filing.

On December 31, 2020, PSE performed an analysis to determine if electric and natural gas decoupling revenue deferrals would be collected from customers within 24 months of the annual period, per ASC 980. If not, for GAAP purposes only, PSE would need to record a reserve against the decoupling revenue and regulatory asset balance. Once the reserve is probable of collection within 24 months from the end of the annual period, the reserve can be recognized as decoupling revenue. The analysis indicated that $8.0 million of electric deferred revenue will not be collected within 24 months of the annual period; therefore a reserve adjustment was booked to 2020 electric decoupling revenue. Natural gas deferred revenue will be collected within 24 months of the annual period; therefore, no reserve adjustment was booked to 2020 natural gas decoupling revenue. The previously unrecognized decoupling deferrals of $0.8 million at December 31, 2018, were recognized as decoupling revenue in the year ended December 31, 2019.

Power Cost Adjustment Mechanism

PSE currently has a PCA mechanism that provides for the deferral of power costs that vary from the "power cost baseline" level of power costs. The "power cost baseline" levels are set, in part, based on normalized assumptions about weather and hydroelectric conditions. Excess power costs or savings are apportioned between PSE and its customers pursuant to the graduated scale set forth in the PCA mechanism and will trigger a surcharge or refund when the cumulative deferral trigger is reached.

Effective January 1, 2017, the following graduated scale is used in the PCA mechanism:

	Company's Share		Customers' Share	
Annual Power Cost Variability	Over	Under	Over	Under
Over or Under Collected by up to $17 million	100%	100%	—%	—%
Over or Under Collected by between $17 million - $40 million	35	50	65	50
Over or Under Collected beyond $40 + million	10	10	90	90

For the year ended December 31, 2020, in its PCA mechanism, PSE under recovered its allowable costs by $75.4 million of which $43.3 million was apportioned to customers and $2.0 million of interest was accrued on the deferred customer balance. This compares to an under recovery of allowable costs of $67.2 million for the year ended December 31, 2019, of which $36.0 million amounts were apportioned to customers and accrued $1.0 million of interest on the total deferred customer balance.

Power Cost Adjustment Clause Filing

On July 1, 2019, PSE updated its Schedule 95 rates in the Power Cost Adjustment Clause tariff to reflect the transition fee as required by Section 12 of the Microsoft Special Contract. Additionally, Schedule 95 rates also include portions of fixed power cost adjustments per the allowed decoupling rate re-allocation effective April 1, 2019, resulting from Microsoft becoming a transportation customer as well as small variable power cost adjustments.

On July 8, 2020, the Washington Commission issued the final order in Dockets UE-190529 and UG-190530, which instructed PSE to remove Schedule 95 collection on decoupling allowed rates for Microsoft Special Contracts, which will be included in allowed rates under the Decoupling Schedule 142 effective October 15, 2020.

PSE exceeded the $20.0 million cumulative deferral balance in its PCA mechanism in 2019. The surcharging of deferrals can be triggered by the Company when the balance in the deferral account is a credit of $20.0 million or more. Due to concerns about the economic impact of the COVID-19 pandemic on customers, PSE voluntarily, with Washington Commission Staff support, delayed filing an increase to its Schedule 95 rates in its annual PCA report filing in Docket UE-200398, which was approved on July 30, 2020. Subsequently, PSE filed to recover the deferred balance in Docket UE-200893, effective December 1, 2020, and the Washington Commission approved PSE's request on November 24, 2020. During 2019, actual power costs were higher than baseline power costs, thereby creating an under-recovery of $67.2 million. Under the terms of the PCA's sharing mechanism for under-recovered power costs, PSE absorbed $31.2 million of the under-recovered amount, and customers were responsible for the remaining $36.0 million, or $37.0 million including interest. As PSE had an approved balance owing from customers including interest at the start of 2019 totaling $4.7 million, the approved cumulative deferral balance for the PCA as of December 2019 is $41.7 million. As previously stated, this filing is set to collect the customer's share of the cumulative 2019 imbalance in PSE's PCA mechanism.

Purchased Gas Adjustment Mechanism

On April 25, 2019, the Washington Commission approved PSE's request for an out-of-cycle change to PGA rates with the rate change taking effect May 1, 2019. The out-of-cycle PGA filing was needed to begin amortizing a large PGA commodity deferral balance that had grown due to higher than projected commodity costs during the 2018/19 winter. These higher than projected commodity costs were primarily due to an October 9, 2018, rupture and subsequent explosion on Westcoast Pipeline which is one of the major pipelines feeding PSE's distribution system. The pipeline was repaired in October 2018, however supply capacity on the pipeline was limited over the 2018/19 winter leading to higher prices. February weather was also much colder than normal which also increased the demand for natural gas. The out-of-cycle PGA rates were effective from May 1, 2019 through April 30, 2020 and on May 1, 2020 the rates were set to zero. At the end of the recovery period, an unamortized balance of $4.9 million remained which PSE requested to be amortized in its annual PGA filing for rates effective November 1, 2020.

On October 24, 2019, the Washington Commission approved PSE's request for November 2019 PGA rates, with the rate change taking effect on November 1, 2019. As part of that filing, PSE requested PGA rates increase annual revenue by $17.8 million, while the new tracker rates increased by annual revenue of $100.6 million; this was in addition to continuing the collection on the remaining balance of $54.0 million from the out-of-cycle PGA. The tracker rates include deferral balances for the three separate amounts: (i) $114.4 million of under collected commodity balances deferred in February and March; (ii) a $10.8 million balance of over-collected commodity costs for the 2018 PGA, and (iii) a $4.1 million remaining balance from the $54.7 million credit to customers, caused by the 2017 over-collection, established in the 2018 tracker. The high commodity deferral balances for winter months through March 2019 were the result of three noteworthy events last winter experienced by PSE: the Enbridge pipeline rupture, unusually low temperatures in February and March, and a compressor failure in February at the Jackson Prairie storage facility. Additionally, to reduce customer impact, as part of the approved PGA filing, PSE will be collecting $114.4 million commodity deferrals and related interest over a two-year period, instead of the historic one-year period, from November 2019 through October 2021. On July 8, 2020, the Washington Commission issued the final order in Dockets UE-190529 and UG-190530, which instructed PSE to extend the collection of amortization balances for the portion of PGA amortization balances originally filed through the annual November 1, 2019 PGA filing under the Supplemental Schedule 106B. The extension requires PSE to move amortization balances for PGA Schedule

106B as of August 31, 2020 to be collected from customers for a three-year period, instead of the originally approved two-year period.

On October 29, 2020, the Washington Commission approved PSE's request for November 2020 PGA rates in Docket UG-200832, effective November 1, 2020. As part of that filing, PSE requested PGA rates increase annual revenue by $32.6 million, while the new tracker rates increased annual revenue by $37.4 million; this was in addition to continuing the collection on the remaining balance of $69.4 million under Supplemental Schedule 106B.

The following table presents the PGA mechanism balances and activity at December 31, 2020 and December 31, 2019:

Puget Sound Energy

(Dollars in Thousands) PGA receivable balance and activity	At December 31, 2020	At December 31, 2019
PGA receivable beginning balance	$ 132,766	$ 9,921
Actual natural gas costs	314,792	406,162
Allowed PGA recovery	(363,886)	(289,876)
Interest	3,983	6,559
PGA receivable ending balance	$ 87,655	$ 132,766

Get to Zero Depreciation Deferral

On April 10, 2019, PSE filed an accounting petition with the Washington Commission, requesting authorization to defer depreciation expense associated with Get to Zero (GTZ) projects that were placed in service after June 30, 2018. The GTZ project consists of a number of short-lived technology upgrades. The depreciation expense associated with the GTZ projects with lives of 10 years or less that were placed in service after June 30, 2018, were deferred beginning May 1 per the petition request. For the year ended December 31, 2020 and December 31, 2019, PSE deferred $2.8 million and $21.7 million of depreciation expense for GTZ, respectively. In addition to the deferral of depreciation expense, PSE had also requested to defer carrying charges on the GTZ deferral, to be calculated utilizing the Company's currently authorized after tax rate of return, or 6.89% per the 2018 ERF. The GTZ accounting petition was consolidated with PSE's 2019 GRC and on July 8, 2020, the Washington Commission issued its order in PSE's 2019 GRC. The ruling authorized PSE to amortize deferred GTZ expenses as proposed in the original GRC filing. The ruling also allows continued deferral of the depreciation expense associated with GTZ investments not already approved for recovery with a book life of 10 years or less, through PSE's next GRC. Finally, the final order set the rate at which PSE could defer and recover carrying charges from PSE's authorized rate of return to the quarterly interest rate established by the FERC.

Crisis Affected Customer Assistance Program

On April 6, 2020, PSE filed with the Washington Commission revisions to its currently effective Tariff WN U-60. The purpose of this filing is to incorporate into PSE's low-income tariff a new temporary bill assistance program, Crisis Affected Customer Assistance Program (CACAP), to mitigate the economic impact of the COVID-19 pandemic on PSE's customers. CACAP would allow PSE customers facing financial hardship due to COVID-19 to receive up to $1,000 in bill assistance. The program puts to immediate use $11.0 million in unspent low income funds from prior years, and supplements other forms of financial assistance. The program does not require an increase to rates and is fully compatible with other low income programs. Based on the COVID-19 pandemic and resulting state of emergency, the Washington Commission allowed the tariff revisions to become effective on April 13, 2020. PSE made an additional filing on July 21, 2020 to increase the amount of electric funds available for distribution by $4.5 million under the CACAP program. The program ended on September 30, 2020.

Storm Damage Deferral Accounting

The Washington Commission issued a GRC order that defined deferrable storm events and provided that costs in excess of the annual cost threshold may be deferred for qualifying storm damage costs that meet the modified Institute of Electrical and Electronics Engineers outage criteria for system average interruption duration index and qualifying costs exceed $0.5 million per qualified storm. For the year ended December 31, 2020, PSE incurred $21.8 million in storm-related electric transmission and distribution system restoration costs, of which the Company deferred $11.2 million as regulatory assets related to storms that occurred in 2020. This compares to $39.3 million incurred in storm-related electric transmission and distribution system restoration costs for the year ended December 31, 2019, of which the Company deferred $0.4 million and $28.5 million as regulatory assets related to storms that occurred in 2018 and 2019, respectively. Under the December 5, 2017, Washington Commission order regarding PSE's GRC, the following changes to PSE's storm deferral mechanism were approved: (i) the cumulative annual cost threshold for deferral of storms under the mechanism increased from $8.0 million to $10.0 million effective January 1, 2018; and (ii) qualifying events where the total qualifying cost is less than $0.5 million will not qualify for deferral and these costs will also not count toward the $10.0 million annual cost threshold.

Environmental Remediation

The Company is subject to environmental laws and regulations by the federal, state and local authorities and is required to undertake certain environmental investigative and remedial efforts as a result of these laws and regulations. The Company has been named by the Environmental Protection Agency (EPA), the Washington State Department of Ecology and/or other third parties as potentially responsible at several contaminated sites and former manufactured gas plant sites. In accordance with the guidance of ASC 450, "Contingencies," the Company reviews its estimated future obligations and will record adjustments, if any, on a quarterly basis. Management believes it is probable and reasonably estimable that the impact of the potential outcomes of disputes with certain property owners and other potentially responsible parties will result in environmental remediation costs of $43.7 million for natural gas and $48.0 million for electric. The Company believes a significant portion of its past and future environmental remediation costs are recoverable from insurance companies, from third parties or from customers under a Washington Commission order. The Company is also subject to cost-sharing agreements with third parties regarding environmental remediation projects in Seattle, Tacoma, Everett, and Bellingham, Washington. The Company has taken the lead for the projects, and as of December 31, 2020, the Company's share of future remediation costs is estimated to be approximately $35.7 million. The Company's deferred electric environmental costs are $51.8 million and $13.7 million at December 31, 2020 and 2019, respectively, net of insurance proceeds. The Company's deferred natural gas environmental costs are $50.9 million and $54.8 million at December 31, 2020 and 2019, respectively, net of insurance proceeds.

(4) Dividend Payment Restrictions

The payment of dividends by PSE to Puget Energy is restricted by provisions of certain covenants applicable to long-term debt contained in PSE's electric and natural gas mortgage indentures. At December 31, 2020, approximately $1.1 billion of unrestricted retained earnings was available for the payment of dividends under the most restrictive mortgage indenture covenant.

Pursuant to the terms of the Washington Commission merger order, PSE may not declare or pay dividends if PSE's common equity ratio, calculated on a regulatory basis, is 44.0% or below except to the extent a lower equity ratio is ordered by the Washington Commission. Also, pursuant to the merger order, PSE may not declare or make any distribution unless on the date of distribution PSE's corporate credit/issuer rating is investment grade, or, if its credit ratings are below investment grade, PSE's ratio of earnings before interest, tax, depreciation and amortization (EBITDA) to interest expense for the most recently ended four fiscal quarter periods prior to such date is equal to or greater than 3.0 to 1.0. The common equity ratio, calculated on a regulatory basis, was 48.1% at December 31, 2020, and the EBITDA to interest expense was 5.2 to 1.0 for the twelve months ended December 31, 2020.

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

At December 31, 2020, PSE was in compliance with all applicable covenants, including those pertaining to the payment of dividends.

(5) Utility Plant

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

Utility Plant (Dollars in Thousands)	Estimated Useful Life (Years)	Puget Sound Energy December 31, 2020	Puget Sound Energy December 31, 2019
Distribution plant	20-65	$ 8,592,720	$ 8,185,700
Production plant	12-90	3,767,014	3,743,493
Transmission plant	43-75	1,601,731	1,571,186
General plant	5-75	726,327	731,279
Intangible plant (including capitalized software)[1]	3-50	770,317	726,383
Plant acquisition adjustment	N/A	282,792	282,792
Underground storage	25-60	52,927	50,963
Liquefied natural gas storage	25-60	14,498	14,498

Plant held for future use	N/A	46,081	46,385
Recoverable Cushion Gas	N/A	8,655	8,655
Plant not classified	N/A	384,794	316,923
Finance leases, net of accumulated amortization[2]	N/A	881	1,488
Less: accumulated provision for depreciation		(6,087,748)	(5,682,606)
Subtotal		$ 10,160,989	$ 9,997,139
Construction work in progress		712,204	591,199
Net utility plant		$ 10,873,193	$ 10,588,338

1. *Intangible assets include capitalized software and franchise agreements with useful lives ranging between 3-10 years and 10-50 years, respectively.*
2. *At December 31, 2020, and 2019, accumulated amortization of capital leases at PSE was $1.6 million and $1.0 million, respectively.*

Jointly owned generating plant service costs are included in utility plant service cost at the Company's ownership share. The Company provides financing for its ownership interest in the jointly owned utility plants. The following tables indicate the Company’s percentage ownership and the extent of the Company’s investment in jointly owned generating plants in service at December 31, 2020. These amounts are also included in the Utility Plant table above. The Company's share of fuel costs and operating expenses for plant in service are included in the corresponding accounts in the Consolidated Statements of Income.

Puget Sound Energy

Jointly Owned Generating Plants (Dollars in Thousands)	Energy Source	Company’s	Plant in Service	Construction	Accumulated
Colstrip Units 3 & 4	Coal	25.00 %	$ 587,424	$ —	$ (377,003)
Frederickson 1	Natural Gas	49.85	68,586	—	(20,601)
Jackson Prairie	Natural Gas	33.34	52,927	1,725	(23,705)
Tacoma LNG	Natural Gas	various	—	207,700	—

In June 2019, Talen, the plant operator of Colstrip 1&2, announced a plan to shut down as of December 31, 2019. The Company retired Colstrip 1&2 from Utility Plant and transferred the unrecovered plant amount of $126.5 million to regulatory assets, offset by depreciation as included in base rates until the 2019 GRC became effective in October 2020. Consistent with the GRC settlement in 2017, monetization of the PTCs will fund the following: (i) Colstrip Community Transition Fund, (ii) unrecovered Colstrip plant and (iii) incurred decommissioning and remediation costs for Colstrip. At December 31, 2020, and December 31, 2019, the unrecovered plant for Colstrip 1&2 was fully offset with PTCs.

Asset Retirement Obligation

The Company has recorded liabilities for steam generation sites, combustion turbine generation sites, wind generation sites, distribution and transmission poles, natural gas mains, liquefied natural gas storage sites, and leased facilities where disposal is governed by ASC 410-20 "Asset Retirement and Environmental Obligations" (ARO).

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

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

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

For the twelve months ended December 31, 2020, the Company reviewed the estimated remediation costs at Colstrip and increased the Colstrip ARO liability by $29.7 million for Colstrip Units 1 and 2 and $2.0 million for Colstrip Units 3 and 4. The environmental remediation liability for Colstrip Units 1 and 2 increased $39.0 million during the same period. The 2020 increase to these Colstrip related liabilities is primarily due to remediation plans approved by the Montana Department of Environmental Quality under a 2012 settlement between the plant operator and the state for the remaining sites at Colstrip. The plant operator is currently contesting the approved plan for Colstrip 1 & 2 under the defined process in the settlement with the state. The Company has recorded the incremental costs for this change under ASC 410-20 "Asset Retirement and Environmental Obligations" and ASC 410-30 "Environmental Remediation". For the twelve months ended December 31, 2019, the company increased the Colstrip ARO liability by $4.2 million for Colstrip Units 1 and 2, and increased $0.5 million for Colstrip Units 3 and 4. The 2019 change to the Colstrip ARO liability is primarily based on the plant site remedy report approved by the Montana Department of Environmental Quality. For the twelve months ended December 31, 2020 and 2019, the Company also recorded the Colstrip relief of liability of $9.6 million and $12.4 million, respectively. In addition, the Company recorded Tacoma LNG facility ARO liability of $3.3 million and $3.0 million as of December 31, 2020 and December 31, 2019, respectively. The 2020 and 2019 increases to the Tacoma LNG facility ARO liabilities are primarily due to continued construction of the plant.

Puget Sound Energy	December 31,	
(Dollars in Thousands)	2020	2019
Asset retirement obligation at beginning of the period	$ 177,019	$ 180,489
Relief of liability	(9,647)	(12,449)
Revisions in estimated cash flows	35,802	3,405

Accretion expense	5,571	5,574
Asset retirement obligation at end of period	$ 208,745	$ 177,019

The Company has identified the following obligations, as defined by ASC 410, “ARO,” which were not recognized because the liability for these assets cannot be reasonably estimated at December 31, 2020:

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

(6) Long-Term Debt

The following table presents outstanding long-term debt principal amounts and due dates as of 2020 and 2019:

(Dollars in Thousands)			December 31,	
Series	Type	Due	2019	2018
Puget Sound Energy:				
7.150%	First Mortgage Bond	2025	$ 15,000	$ 15,000
7.200%	First Mortgage Bond	2025	2,000	2,000
7.020%	Senior Secured Note	2027	300,000	300,000
7.000%	Senior Secured Note	2029	100,000	100,000
3.900%	Pollution Control Bond	2031	138,460	138,460

4.000%	Pollution Control Bond	2031	23,400	23,400
5.483%	Senior Secured Note	2035	250,000	250,000
6.724%	Senior Secured Note	2036	250,000	250,000
6.274%	Senior Secured Note	2037	300,000	300,000
5.757%	Senior Secured Note	2039	350,000	350,000
5.795%	Senior Secured Note	2040	325,000	325,000
5.764%	Senior Secured Note	2040	250,000	250,000
4.434%	Senior Secured Note	2041	250,000	250,000
5.638%	Senior Secured Note	2041	300,000	300,000
4.300%	Senior Secured Note	2045	425,000	425,000
4.223%	Senior Secured Note	2048	600,000	600,000
3.250%	Senior Secured Note	2049	450,000	450,000
4.700%	Senior Secured Note	2051	45,000	45,000
*	Debt discount, issuance cost and other	*	(35,816)	(37,718)
Total PSE long-term debt			$ 4,338,044	$ 4,336,142

1 *Not Applicable.*

PSE's senior secured notes will cease to be secured by the pledged first mortgage bonds on the date that all of the first mortgage bonds issued and outstanding under the electric or natural gas utility mortgage indenture have been retired. As of December 31, 2020, the latest maturity date of the first mortgage bonds, other than pledged first mortgage bonds, is December 22, 2025.

Puget Sound Energy Long-Term Debt

On August 2, 2019, PSE filed a new shelf registration statement under which it may issue up to $1.0 billion aggregate principal amount of senior notes secured by first mortgage bonds. As of the date of this report, $550.0 million was available under the registration. The shelf registration will expire in August 2022.

Substantially all utility properties owned by PSE are subject to the lien of the Company's electric and natural gas mortgage indentures. To issue additional first mortgage bonds under these indentures, PSE's earnings available for interest must exceed certain minimums as defined in the indentures. At December 31, 2020, the earnings available for interest exceeded the required amount.

On August 30, 2019, PSE issued $450.0 million of senior notes at an interest rate of 3.25%. The notes pay interest semi-annually and are due to mature on September 15, 2049. Proceeds from the sale of the notes were used to repay outstanding short term debt under the Company's commercial paper program.

Long-Term Debt Maturities

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

(Dollars in Thousands)	2021	2022	2023	2024	2025	Thereafter	Total
Maturities of:							
PSE	$ 2,412	$ —	$ —	$ —	$ 17,000	$ 4,356,860	$ 4,376,272
Total long-term debt	$ 2,412	$ —	$ —	$ —	$ 17,000	$ 4,356,860	$ 4,376,272

(7) Liquidity Facilities and Other Financing Arrangements

As of December 31, 2020, and 2019, PSE had $373.8 million and $176.0 million in short-term debt outstanding, respectively. PSE's weighted-average interest rate on short-term debt, including borrowing rate, commitment fees and the amortization of debt issuance costs, during 2020 and 2019 was 2.0% and 3.4%, respectively. As of December 31, 2020, PSE had several committed credit facilities that are described below.

Puget Sound Energy

Credit Facility

In October 2017, PSE entered into a new $800.0 million credit facility which consolidates the two previous facilities into a single, smaller facility. All other features including fees, interest rate options, letter of credit, same day swingline borrowings, financial covenant and accordion feature remain substantially the same. The credit facility includes a swingline feature allowing same day availability on borrowings up to $75.0 million. The credit facility also has an expansion feature which, upon the banks' approval, would increase the total size of the facility to $1.4 billion. On September 25, 2019, with no changes to the size, terms or conditions, the maturity of the unsecured revolving credit facility was extended for one year. The facility now matures in October 2023.

The credit agreement is syndicated among numerous lenders and contains usual and customary affirmative and negative covenants that, among other things, places limitations on PSE's ability to transact with affiliates, make asset dispositions and investments or permit liens to exist. The credit agreement also contains a financial covenant of total debt to total capitalization of 65% or less. PSE certifies its compliance with such covenants to participating banks each quarter. As of December 31, 2020, PSE was in compliance with all applicable covenant ratios.

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

As of December 31, 2020, no amounts were drawn and outstanding under PSE's credit facility. No letters of credit were outstanding and $373.8 million was outstanding under the commercial paper program. Outside of the credit agreement, PSE had a

$2.7 million letter of credit in support of a long-term transmission contract and a $1.0 million letter of credit in support of natural gas purchases in Canada.

Demand Promissory Note

In 2006, PSE entered into a revolving credit facility with Puget Energy, in the form of a credit agreement and a demand promissory note (Note) pursuant to which PSE may borrow up to $30.0 million from Puget Energy subject to approval by Puget Energy. Under the terms of the Note, PSE pays interest on the outstanding borrowings based on the lower of the weighted-average interest rates of PSE's outstanding commercial paper or PSE's senior unsecured revolving credit facility. Absent such borrowings, interest is charged at one-month LIBOR plus 0.25%. As of December 31, 2020, there was no outstanding balance under the Note.

(8) Leases

PSE has operating leases for buildings for corporate offices and operations, real estate for operating facilities and the PSE and PLNG LNG facility, land for our wind farms, and vehicles for PSE's fleet. The finance leases are for office printers. The leases have remaining lease terms of less than a year to 49 years. PSE's ROU assets and lease liabilities include options to extend leases when it is reasonably certain that PSE will exercise that option.

During the fourth quarter of 2019, PSE became reasonably certain to exercise an option to extend its lease at the Port of Tacoma for an additional 25 years as a result of the approval of the Notice of Construction permit for the Tacoma LNG facility. This remeasurement resulted in an increase of the Operating lease right-of-use asset and Operating lease liabilities of $14.7 million.

During the first quarter of 2021, mechanical completion was achieved for the Puget LNG facility which triggered an increase in the lease payments for the Port of Tacoma lease. This remeasurement resulted in an increase of the Operating lease ROU asset and Operating lease liabilities of $26.3 million.

The components of lease cost were as follows:

Puget Sound Energy (Dollars in Thousands)	Year Ended December 31, 2020	Year Ended December 31, 2019
Finance lease cost:		
Amortization of right-of-use asset	$ 607	$ 562
Interest on lease liabilities	34	40
Total Finance lease cost	$ 641	$ 602
Operating lease cost	$ 20,984	$ 19,369

Supplemental cash flow information related to leases was as follows:

Puget Sound Energy (Dollars in Thousands)		Year Ended December 31, 2020		Year Ended December 31, 2019
Cash paid for amounts included in the measurement of lease liabilities:				
Operating cash flow for operating leases	$	15,305	$	14,104
Investing cash flow for operating leases		5,679		5,535
Operating cash flow for finance leases		34		40
Financing cash flow for finance leases		607		562
Non-cash disclosure upon commencement of new lease				
Right-of-use assets obtained in exchange for new operating lease liabilities	$	6,302	$	5,976
Right-of-use assets obtained in exchange for new finance lease liabilities		—		745
Non-cash disclosure upon modification of existing lease				
Modification of operating lease right-of-use assets	$	—	$	14,712

Supplemental balance sheet information related to leases was as follows:

Puget Sound Energy (Dollars in Thousands) **Operating Leases**		At December 31, 2020		At December 31, 2019
Operating lease right-of-use asset	$	172,167	$	183,048
Operating leases liabilities current		19,204		15,862
Operating lease liabilities long-term		160,980		174,327
Total Operating lease liabilities:	$	180,184	$	190,189
Finance Leases				
Common Plant	$	881	$	1,488
Other current liabilities		475		669

Other deferred credits	320	811
Total finance lease liabilities	$ 795	$ 1,480
Weighted Average Remaining Lease Term		
Operating leases	18.97 Years	19.24 Years
Finance leases	2.00 Years	2.76 Years
Weighted Average Discount Rate		
Operating leases	3.59 %	3.59 %
Finance leases	2.98 %	2.98 %

The following tables summarize the Company's estimated future minimum lease payments as of December 31, 2020, and December 31, 2019, respectively:

Maturities of lease liabilities	Future Minimum Lease Payments	
(Dollars in Thousands)		
At December 31,	Operating Leases	Finance Leases
2021	$ 23,170	$ 508
2022	22,785	279
2023	22,345	98
2024	21,613	—
2025	18,249	—
Thereafter	144,912	—
Total lease payments	$ 253,074	$ 885
Less imputed interest	(72,890)	(90)
Total net present value	$ 180,184	$ 795

Maturities of lease liabilities Future Minimum Lease Payments

(Dollars in Thousands)

At December 31,		Finance Leases
2020	$ 22,500	$ 643
2021	22,527	508
2022	21,856	279
2023	21,415	98
2024	20,690	—
Thereafter	160,410	—
Total lease payments	$ 269,398	$ 1,528
Less imputed interest	(79,209)	(48)
Total net present value	$ 190,189	$ 1,480

Leases Not Yet Commenced

During 2020, PSE entered into two leases for two service centers located in Kent and Puyallup, Washington. The Kent service center lease is expected to commence in 2021 and the Puyallup service center lease is expected to commence in 2022. These leases are expected to result in material rights and obligations upon commencement and will be classified as finance leases.

(9) Accounting for Derivative Instruments and Hedging Activities

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

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

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

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

Puget Sound Energy	Year Ended December 31,					
(Dollars in Thousands)	Volumes (millions)		Assets[1]		Liabilities[2]	
	2020	2019	2020	2019	2020	2019
Electric portfolio derivatives	*	*	$ 22,544	$ 19,933	$ 46,922	$ 17,504
Natural gas derivatives (MMBtus)[3]	320	316	19,276	11,375	14,352	8,617
Total derivative contracts			$ 41,820	$ 31,308	$ 61,274	$ 26,121
Current			33,015	23,626	31,441	13,428
Long-term			8,805	7,682	29,833	12,693
Total derivative contracts			$ 41,820	$ 31,308	$ 61,274	$ 26,121

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1. *Balance sheet classification: Current and Long-term Unrealized gain on derivative instruments.*
2. *Balance sheet classification: Current and Long-term Unrealized loss on derivative instruments.*
3. *All fair value adjustments on derivatives relating to the natural gas business have been deferred in accordance with ASC 980, "Regulated Operations," due to the PGA mechanism. The net derivative asset or liability and offsetting regulatory liability or asset are related to contracts used to economically hedge the cost of physical gas purchased to serve natural gas customers.*

* *Electric portfolio derivatives consist of electric generation fuel of 212.2 million One Million British Thermal Units (MMBtus) and purchased electricity of 6.6 million megawatt hours (MWhs) at December 31, 2020, and 229.3 million MMBtus and 10.4 million MWhs at December 31, 2019.*

It is the Company's policy to record all derivative transactions on a gross basis at the contract level without offsetting assets or liabilities. The Company generally enters into transactions using the following master agreements: WSPP, Inc. (WSPP) agreements, which standardize physical power contracts; International Swaps and Derivatives Association (ISDA) agreements, which standardize financial natural gas and electric contracts; and North American Energy Standards Board (NAESB) agreements, which standardize physical natural gas contracts. The Company believes that such agreements reduce credit risk exposure because such agreements provide for the netting and offsetting of monthly payments as well as the right of set-off in the event of counterparty default. The set-off provision can be used as a final settlement of accounts which extinguishes the mutual debts owed between the parties in exchange for a new net amount. For further details regarding the fair value of derivative instruments, see Note 10, "Fair Value Measurements".

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

Puget Sound Energy

December 31, 2020				
(Dollars in	Gross Amount Recognized in	Gross Amounts	Net of Amounts	Gross Amounts Not Offset in the Consolidated

	the Consolidated Balance Sheet[1]			Commodity	Cash Collateral Received/Pledged	Net Amount
Assets:						
Energy derivative contracts	$ 41,820	$ —	$ 41,820	$ (21,696)	$ —	$ 20,124
Liabilities:						
Energy derivative contracts	61,274	—	61,274	(21,696)	(9,343)	$ 30,235

Puget Sound Energy

	December 31, 2019					
(Dollars in	Gross Amount	Gross Amounts Offset in the Consolidated Balance Sheet	Net of Amounts Presented in the Consolidated Balance Sheet	Gross Amounts Not Offset in the Consolidated		
				Commodity	Cash Collateral Received/Pledged	Net Amount
Assets:						
Energy derivative contracts	$ 31,308	$ —	$ 31,308	$ (14,922)	$ —	$ 16,386
Liabilities:						
Energy derivative contracts	26,121	—	26,121	(14,922)	2,000	$ 13,199

1. *All Derivative Contract deals are executed under ISDA, NAESB and WSPP Master Netting Agreements with Right of set-off.*
2. *Balance sheet classification: Current and Long-term Unrealized loss on derivative instruments.*

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

Puget Sound Energy

(Dollars in Thousands)	Location	2020	2019
Gas for Power Derivatives:			
Unrealized	Unrealized gain (loss) on derivative instruments, net	5,534	16,970
Realized	Electric generation fuel	5,246	10,828
Power Derivatives:			
Unrealized	Unrealized gain (loss) on derivative instruments, net	(32,341)	(20,544)
Realized	Purchased electricity	(14,958)	48,686
Total gain (loss) recognized in income on derivatives		$ (36,519)	$ 55,940

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

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

It is possible that volatility in energy commodity prices could cause the Company to have material credit risk exposure with one or more counterparties. If such counterparties fail to perform their obligations under one or more agreements, the Company could suffer a material financial loss. However, as of December 31, 2020, approximately 98.6% of the Company's energy portfolio exposure, excluding NPNS transactions, is with counterparties that are rated investment grade by rating agencies and 1.4% are either rated below investment grade or not rated by rating agencies. The Company assesses credit risk internally for counterparties that are not rated by the major rating agencies.

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

The Company applies the counterparty's default factor to compute credit reserves for counterparties that are in a net asset position.

The Company calculates a non-performance risk on its derivative liabilities by using its estimated incremental borrowing rate over the risk-free rate. Credit reserves are netted against unrealized gain (loss) positions. As of December 31, 2020, the Company was in a net liability position with the majority of counterparties, so the default factors of counterparties did not have a significant impact on reserves for the period. The majority of the Company's derivative contracts are with financial institutions and other utilities operating within the Western Electricity Coordinating Council. PSE also transacts power futures contracts on the Intercontinental Exchange (ICE), and natural gas contracts on the ICE NGX exchange platform. Execution of contracts on ICE requires the daily posting of margin calls as collateral through a futures and clearing agent. As of December 31, 2020, PSE had cash posted as collateral of $17.9 million related to contracts executed on the ICE platform. Also, as of December 31, 2020, PSE had $3.0 million in cash posted as collateral and a $1.0 million letter of credit posted as a condition of transacting on the ICE NGX Exchange. PSE did not trigger any collateral requirements with any of its counterparties during the twelve months ended December 31, 2020, nor were any of PSE's counterparties required to post collateral resulting from credit rating downgrades.

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

Puget Sound Energy	December 31,					
(Dollars in Thousands)	2020			2019		
Contingent Feature	Fair Value[1] Liability	Posted Collateral	Contingent Collateral	Fair Value[1] Liability	Posted Collateral	Contingent Collateral
Credit rating[2]	$ 26,966	$ —	$ 26,966	$ 6,110	$ —	$ 6,110
Requested credit for adequate assurance	6,576	—	—	5,253	—	—
Forward value of contract[3]	9,343	20,903	N/A	—	14,827	N/A
Total	$ 42,885	$ 20,903	$ 26,966	$ 11,363	$ 14,827	$ 6,110

1. *Represents the derivative fair value of contracts with contingent features for counterparties in net derivative liability positions. Excludes NPNS, accounts payable and accounts receivable.*
2. *Failure by PSE to maintain an investment grade credit rating from each of the major credit rating agencies provides counterparties a contractual right to demand collateral.*
3. *Collateral requirements may vary, based on changes in the forward value of underlying transactions relative to contractually defined collateral thresholds.*

(10) Fair Value Measurements

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

Level 1 - Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Level 1 primarily consists of financial instruments such as exchange-traded derivatives and listed equities. Equity securities that are also classified as cash equivalents are considered Level 1 if there are unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 - Pricing inputs are other than quoted prices in active markets included in Level 1, which are either directly or indirectly observable as of the reporting date. Level 2 includes those financial instruments that are valued using models or other valuation methodologies. Instruments in this category include non-exchange-traded derivatives such as over-the-counter forwards and options.

Level 3 - Pricing inputs include significant inputs that have little or no observability as of the reporting date. These inputs may be used with internally developed methodologies that result in management's best estimate of fair value.

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

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

Assets and Liabilities with Estimated Fair Value

The carrying values of cash and cash equivalents, restricted cash, and short-term debt as reported on the balance sheet are reasonable estimates of their fair value due to the short-term nature of these instruments and are classified as Level 1 in the fair value hierarchy. The carrying value of other investments of $52.7 million and $51.5 million at December 31, 2020, and 2019, respectively, are included in "Other property and investments" on the balance sheet. These values are also reasonable estimates of their fair value and classified as Level 2 in the fair value hierarchy as they are valued based on market rates for similar transactions.

The fair value of the junior subordinated and long-term notes were estimated using the discounted cash flow method with U.S.

Treasury yields and Company's credit spreads as inputs, interpolating to the maturity date of each issue. The carrying values and estimated fair values were as follows:

Puget Sound Energy		December 31, 2020		December 31, 2019	
(Dollars in Thousands)	Level	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial liabilities:					
Long-term debt (fixed-rate), net of discount[1]	2	$ 4,338,044	$ 6,086,358	$ 4,336,142	$ 5,571,818
Total		$ 4,338,044	$ 6,086,358	$ 4,336,142	$ 5,571,818

1. *The carrying value includes debt issuances costs of $22.9 million and $24.4 million for December 31, 2020, and 2019, respectively, which are not included in fair value.*

Assets and Liabilities Measured at Fair Value on a Recurring Basis

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

Puget Sound Energy	Fair Value December 31, 2020			Fair Value December 31, 2019		
(Dollars in Thousands)	Level 2	Level 3	Total	Level 2	Level 3	Total
Assets:						
Electric Derivative Instruments	$ 21,947	$ 597	$ 22,544	$ 19,282	$ 651	$ 19,933
Gas Derivative Instruments	19,139	137	$ 19,276	9,852	1,523	$ 11,375
Total derivative assets	$ 41,086	$ 734	$ 41,820	$ 29,134	$ 2,174	$ 31,308
Liabilities:						
Electric Derivative Instruments	$ 22,607	$ 24,315	$ 46,922	$ 13,474	$ 4,030	$ 17,504
Gas Derivative Instruments	13,080	1,272	$ 14,352	8,376	241	$ 8,617
Total derivative liabilities	$ 35,687	$ 25,587	$ 61,274	$ 21,850	$ 4,271	$ 26,121

Puget Sound Energy Level 3 Roll-Forward Net Asset(Liability) (Dollars in Thousands)	Year Ended December 31,					
	2020			2019		
	Electric	Natural Gas	Total	Electric	Natural	Total
Balance at beginning of period	$ (3,379)	$ 1,282	$ (2,097)	$ 1,362	$ 1,673	$ 3,035
Changes during period						
Realized and unrealized energy derivatives:						
Included in earnings[1]	(23,559)	—	(23,559)	3,558	—	3,558
Included in regulatory assets / liabilities	—	(1,049)	(1,049)	—	3,151	3,151
Settlements[2]	3,220	(1,368)	1,852	(11,265)	(4,708)	(15,973)
Transferred into Level 3	—	—	—	4,390	(398)	3,992
Transferred out Level 3	—	—	—	(1,424)	1,564	140
Balance at end of period	$(23,718)	$ (1,135)	$(24,853)	$ (3,379)	$ 1,282	$ (2,097)

1. *Income Statement classification: Unrealized (gain) loss on derivative instruments, net. Includes unrealized gains (losses) on derivatives still held in position as of the reporting date for electric derivatives of $(21.3) million and $(3.2) million for the years ended December 31, 2020 and 2019, respectively.*
2. *The Company had no purchases, sales or issuances during the reported periods.*

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

In order to determine which assets and liabilities are classified as Level 3, the Company receives market data from its independent external pricing service defining the tenor of observable market quotes. To the extent any of the Company's commodity contracts extend beyond what is considered observable as defined by its independent pricing service, the contracts are classified as Level 3. The actual tenor of what the independent pricing service defines as observable is subject to change depending on market conditions. Therefore, as the market changes, the same contract may be designated Level 3 one month and Level 2 the next, and vice versa. The changes of fair value classification into or out of Level 3 are recognized each month and reported in the Level 3 Roll-forward table above. The Company did not have any transfers between Level 2 and Level 1 during the years ended December 31, 2020 and 2019.

The Company does transact at locations, or market price points, that are illiquid or for which no prices are available from the independent pricing service. In such circumstances the Company uses a more liquid price point and adjusts the price for transportation costs to the illiquid locations to serve as a proxy for market prices. Such transactions are classified as Level 3. The Company does not use internally developed models to make adjustments to significant unobservable pricing inputs.

The only significant unobservable input into the fair value measurement of the Company's Level 3 assets and liabilities is the forward price for electric and natural gas contracts.

Below are the forward price ranges for the Company's commodity contracts, as of December 31, 2020:

Puget Sound Energy	Fair Value				Range		
(Dollars in Thousands)	Assets[1]	Liabilities[1]	Valuation	Unobservable	Low	High	Weighted
Electricity	$ 597	$ 24,315	Discounted	Power Prices (per MWh)	$ 22.82	$ 41.66	$ 31.54
Natural Gas	$ 137	$ 1,272	Discounted	Natural Gas Prices (per MMBtu)	$ 1.89	$ 3.42	$ 2.47

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

The significant unobservable inputs listed above would have a direct impact on the fair values of the above instruments if they were adjusted. Consequently, significant increases or decreases in the forward prices of electricity or natural gas in isolation would result in a significantly higher or lower fair value for Level 3 assets and liabilities. Generally, interrelationships exist between market prices of natural gas and power. As such, an increase in natural gas pricing would potentially have a similar impact on forward power markets. At December 31, 2020, a hypothetical 10% increase or decrease in market prices of natural gas and electricity would change the fair value of the Company's derivative portfolio, classified as Level 3 within the fair value hierarchy, by $5.5 million.

(11) Employee Investment Plans

The Company's Investment Plan is a qualified employee 401(k) plan, under which employee salary deferrals and after-tax contributions are used to purchase several different investment fund options. PSE’s contributions to the employee Investment Plan were $22.1 million and $21.7 million for the years 2020 and 2019, respectively. The employee Investment Plan eligibility requirements are set forth in the plan documents.

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

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

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

1. 401(k) Company Matching: For non-represented, UA-represented and IBEW-represented employees PSE will match: 100% match on the first 3.0% of pay contributed and 50.0% match on the next 3.0% of pay contributed, such that an employee who contributes 6.0% of pay will receive 4.5% of pay in company match. Company matching will be immediately vested.
2. Company Contribution: For UA-represented employees will receive an annual company contribution of 4.0% of eligible pay placed in the Cash Balance retirement plan. Non-represented and IBEW-represented employees will receive an annual company contribution of 4.0% of eligible pay, placed either in the Investment Plan 401(k) plan or in PSE’s Cash Balance retirement plan. Non-represented and IBEW-represented employees will make a one-time election within 30 days of hire and direct that PSE put the 4.0% contribution either into the 401(k) plan or into an account in the Cash Balance retirement plan. The Company's 4.0% contribution will vest after three years of service.

(12) Retirement Benefits

PSE has a defined benefit pension plan (Qualified Pension Benefits) covering a substantial majority of PSE employees. Pension benefits earned are a function of age, salary, years of service and, in the case of employees in the cash balance formula plan, the applicable annual interest crediting rates. Starting with January 1, 2014, all UA represented employees will receive annual pay contributions of 4.0% of eligible pay each year in the cash balance formula plan of the defined benefit pension. Starting January 1, 2014, for non-represented employees, and December 12, 2014 for employees represented by the IBEW, participants will receive annual employer contributions of 4.0% of eligible pay each year in the cash balance formula of the defined benefit pension or 401k plan account. Those employees receiving contributions in the cash balance formula plan also receive interest credits, which are at least 1.0% per quarter. When an employee with a vested cash balance formula benefit leaves PSE, they will have annuity and lump sum options for distribution. PSE also has a non-qualified Supplemental Executive Retirement Plan (SERP) for certain key senior management employees that closed to new participants in 2019. PSE has an officer restoration benefit for new officers who join PSE or are promoted beginning in 2019, such that company contributions under PSE’s applicable tax-qualified plan, which otherwise would have been earned if not for IRS limitations, are credited to an account with the Deferred Compensation Plan.

In addition to providing pension benefits, PSE provides legacy group health care and life insurance benefits (Other Benefits) for certain retired employees. These benefits are provided principally through an insurance company. The insurance premiums, paid primarily by retirees, are based on the benefits provided during the prior year. On June 11, 2019, the Welfare Benefits Committee approved the termination of this benefit effective December 31, 2019, and the creation of a Retiree Health Reimbursement Account (HRA) Plan effective January 1, 2020. No eligible individual may become a participant or covered dependent in the Plan on or after January 1, 2020, and no benefits will be payable under insurance contracts or the Plan on or after January 1, 2020. Effective January 1, 2020, assets in the 401(h) account are allocated to the Retiree HRA instead of the Plan to cover the Company's portion of premiums for health benefits for retiree and their beneficiaries.

The following tables summarize the Company’s change in benefit obligation, change in plan assets and amounts recognized in the Statements of Financial Position for the years ended December 31, 2020, and 2019:

Puget Sound Energy (Dollars in Thousands)	Qualified Pension Benefits 2020	Qualified Pension Benefits 2019	SERP Pension Benefits 2020	SERP Pension Benefits 2019	Other Benefits 2020	Other Benefits 2019
Change in benefit obligation:						
Benefit obligation at beginning of period	$ 774,305	$ 677,643	$ 63,000	$ 55,708	$ 11,627	$ 10,636
Amendments	—	—	—	—	44	9,049
Service cost	24,337	22,656	756	1,023	190	61
Interest cost	25,180	28,913	1,464	2,314	368	410
Curtailment Loss / (Gain)	—	—	—	—	—	(7,486)
Actuarial loss (gain)	69,413	84,272	3,663	6,756	604	(287)
Benefits paid	(42,775)	(36,740)	(22,141)	(2,801)	(906)	(982)
Medicare part D subsidy received	—	—	—	—	187	226
Administrative expense	(1,077)	(2,439)	—	—	—	—
Benefit obligation at end of period	$ 849,383	$ 774,305	$ 46,742	$ 63,000	$ 12,114	$ 11,627

Puget Sound Energy (Dollars in Thousands)	Qualified Pension Benefits 2020	Qualified Pension Benefits 2019	SERP Pension Benefits 2020	SERP Pension Benefits 2019	Other Benefits 2020	Other Benefits 2019
Change in plan assets:						
Fair value of plan assets at beginning of period	$ 753,042	$ 640,242	$ —	$ —	$ 6,289	$ 5,960
Actual return on plan assets	107,409	133,939	—	—	278	1,006
Employer contribution	18,000	18,000	22,141	2,801	257	305
Benefits paid	(42,775)	(36,740)	(22,141)	(2,801)	(906)	(982)
Administrative expense	(1,021)	(2,399)	—	—	—	—
Fair value of plan assets at end of period	$ 834,655	$ 753,042	$ —	$ —	$ 5,918	$ 6,289
Funded status at end of period	$ (14,728)	$ (21,263)	$ (46,742)	$ (63,000)	$ (6,196)	$ (5,338)

Puget Sound Energy	Qualified Pension Benefits		SERP Pension Benefits		Other Benefits	
(Dollars in Thousands)	2020	2019	2020	2019	2020	2019
Amounts recognized in Consolidated Balance Sheet consist of:						
Noncurrent assets	$ —	$ —	$ —	$ —	$ —	$ —
Current liabilities	—	—	(6,763)	(22,604)	(293)	(308)
Noncurrent liabilities	(14,728)	(21,263)	(39,979)	(40,396)	(5,903)	(5,030)
Net assets (liabilities)	$ (14,728)	$ (21,263)	$ (46,742)	$ (63,000)	$ (6,196)	$ (5,338)

Puget Sound Energy	Qualified Pension Benefits		SERP Pension Benefits		Other Benefits	
(Dollars in Thousands)	2020	2019	2020	2019	2020	2019
Pension Plans with an Accumulated Benefit Obligation in excess of Plan Assets:						
Projected benefit obligation	$ 849,383	$ 774,305	$ 46,742	$ 63,000	$ 12,114	$ 11,627
Accumulated benefit obligation	837,455	762,838	44,033	59,988	12,070	11,604
Fair value of plan assets	834,655	753,042	—	—	5,918	6,289

The following tables summarize PSE's pension benefit amounts recognized in accumulated other comprehensive income (AOCI) for the years ended December 31, 2020, and 2019:

Puget Sound Energy	Qualified Pension Benefits		SERP Pension Benefits		Other Benefits	
(Dollars in Thousands)	2020	2019	2020	2019	2020	2019
Amounts recognized in Accumulated Other Comprehensive Income consist of:						
Net loss (gain)	$ 210,317	$ 217,502	$ 12,504	$ 16,473	$ 489	$ (364)
Prior service cost (credit)	(1,513)	(3,086)	927	1,276	44	—
Total	$ 208,804	$ 214,416	$ 13,431	$ 17,749	$ 533	$ (364)

The following table summarizes PSE's net periodic benefit cost for the years ended December 31, 2020 and 2019:

Puget Sound Energy	Qualified Pension Benefits		SERP Pension Benefits		Other Benefits	
(Dollars in Thousands)	2020	2019	2020	2019	2020	2019
Components of net periodic benefit cost:						
Service cost	$ 24,337	$ 22,656	$ 756	$ 1,023	$ 190	$ 61
Interest cost	25,180	28,913	1,464	2,314	368	410
Expected return on plan assets	(49,910)	(50,267)	—	—	(389)	(393)
Amortization of prior service cost (credit)	(1,573)	(1,573)	349	333	—	—
Amortization of net loss (gain)	19,043	12,877	2,385	1,733	(137)	(562)
Net periodic benefit cost	$ 17,077	$ 12,606	$ 4,954	$ 5,403	$ 32	$ (484)

The following table summarizes PSE's benefit obligations recognized in other comprehensive income (OCI) for the years ended December 31, 2020 and 2019:

Puget Sound Energy	Qualified Pension Benefits		SERP Pension Benefits		Other Benefits	
(Dollars in Thousands)	2020	2019	2020	2019	2020	2019
Other changes (pre-tax) in plan assets and benefit obligations recognized in other comprehensive income:						
Net loss (gain)	$ 11,858	$ 559	$ 3,663	$ 6,756	$ 715	$ (900)
Amortization of net (loss) gain	(19,043)	(12,877)	(2,385)	(1,733)	137	562
Settlements, mergers, sales, and closures	—	—	(5,248)	—	—	3,832
Prior service cost (credit)	—	—	—	—	44	—
Amortization of prior service (cost) credit	1,573	1,573	(349)	(333)	—	—
Total change in other comprehensive income for year	$ (5,612)	$ (10,745)	$ (4,319)	$ 4,690	$ 896	$ 3,494

The aggregate expected contributions by the Company to fund the qualified pension plan, SERP and the other postretirement plans for the year ending December 31, 2021, are expected to be at least $18.0 million, $6.8 million and $0.3 million, respectively.

Assumptions

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

	Qualified Pension Benefits		SERP Pension Benefits		Other Benefits	
Benefit Obligation Assumptions	2020	2019	2020	2019	2020	2019
Discount rate	2.70%	3.35%	2.70%	3.35%	2.70%	3.35%
Rate of compensation increase	4.50	4.50	4.50	4.50	4.50	4.50
Interest crediting rate	4.00	4.00	N/A	N/A	N/A	N/A
Medical trend rate[1]	—	—	—	—	N/A	N/A
Benefit Cost Assumptions						
Discount rate	3.35	4.40	3.35	4.40	3.35	4.40
Return on plan assets	7.15	7.50	—	—	7.00	7.00
Rate of compensation increase	4.50	4.50	4.50	4.50	4.50	4.50
Interest crediting rate	4.00	4.00	N/A	N/A	N/A	N/A
Medical trend rate[1]	—	—	—	—	N/A	N/A

1. *As of December 31, 2019, PSE terminated the previous group retiree medical plan and created an HRA. As a result, medical inflation is no longer applicable in accounting for the related benefit obligation.*

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

The discount rates were determined by using market interest rate data and the weighted-average discount rate from Citigroup Pension Liability Index Curve. The Company also takes into account in determining the discount rate the expected changes in market interest rates and anticipated changes in the duration of the plan liabilities. The Company's projected benefit obligation for pension plans experienced an actuarial loss of $69.4 million in 2020. This is primarily due to the decrease in the discount rate used in measuring the benefit obligation.

Plan Benefits

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

(Dollars in Thousands)	2021	2022	2023	2024	2025	2025-2029
Qualified Pension total benefits	$ 46,500	$ 47,300	$ 48,900	$ 49,900	$ 51,200	$ 261,000
SERP Pension total benefits	6,763	1,901	3,773	6,552	8,041	16,217
Other Benefits total with Medicare Part D subsidy	816	968	936	904	876	3,931
Other Benefits total without Medicare Part D subsidy	997	968	936	904	876	3,931

Plan Assets

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

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

The Retirement Plan Committee invests trust assets with investment managers who have historically achieved above-median long-term investment performance within the risk and asset allocation limits that have been established. Interim evaluations are routinely performed with the assistance of an outside investment consultant.

To obtain the desired return needed to fund the pension benefit plans, the Retirement Plan Committee has established investment allocation percentages by asset classes as follows:

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

Real Estate	—	—	10
Absolute return	5	10	15
Cash	—	—	5

Plan Fair Value Measurements

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

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

The following table sets forth by level, within the fair value hierarchy, the qualified pension plan as of December 31, 2020, and 2019:

	Recurring Fair Value Measures				Recurring Fair Value Measures			
	December 31, 2020				December 31, 2019			
(Dollars in Thousands)	Level 1	Level 2	Other	Total	Level 1	Level 2	Other	Total
Assets:								
Mutual Funds	$—	$—	$—	$—	$91,658	$—	$—	$91,658
Common Stock								
-Domestic	228,247	53	—	228,300	204,682	—	—	204,682
-Foreign	19,216	—	—	19,216	19,464	—	—	19,464
Government Securities	73,006	9,148	—	82,154	34,916	—	—	34,916
Corporate Securities								
-Domestic	—	6,082	—	6,082	—	—	—	—
-Foreign	—	3,699	—	3,699	—	—	—	—
Cash and cash equivalents	4,612	3,223	—	7,835	—	150	—	150
Investments measured at NAV								
- Collective Investment	—	—	342,014	342,014	—	—	278,379	278,379

Funds								
- Partnership	—	—	107,137	107,137	—	—	69,505	69,505
- Mutual Funds	—	—	82,103	82,103	—	—	53,784	53,784
- Other	—	—	1,096	1,096	—	—	—	—
Net (payable) receivable	—	—	(44,981)	(44,981)	—	—	505	505
Total assets	$325,081	$22,205	$487,369	$834,655	$350,720	$150	$402,173	$753,043

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

	Recurring Fair Value Measures				Recurring Fair Value Measures			
	December 31, 2020				December 31, 2019			
(Dollars in Thousands)	Level 1	Level 2	Other	Total	Level 1	Level 2	Other	Total
Assets:								
Mutual Fund[1]	$ 5,916	$ —	$ —	$ 5,916	$ 6,201	$ —	$ —	$ 6,201
Investments measured at NAV[2]	—	—	—	—	—	—	88	88
Net (payable) receivable	—	—	2	2	—	—	—	—
Total assets	$ 5,916	$ —	$ 2	$ 5,918	$ 6,201	$ —	$ 88	$ 6,289

The following discussion provides information regarding the methods used in valuation of the various asset class investments held for the pension and other postretirement benefit plans.

- Mutual funds classified as Level 1 securities have pricing inputs that are based on unadjusted prices in an active market. Principal markets for equity prices include published exchanges such as NASDAQ and New York Stock Exchange (NYSE). Mutual fund assets not included in the fair value hierarchy are privately held funds. These funds are not actively traded and utilize net asset value (NAV) as a practical expedient to measure fair value.
- Common stock investments are traded in active markets on national and international securities exchanges and are valued at closing prices on the last business day of each period presented. They are classified as Level 1 securities.
- Corporate and some government debt securities are valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings. Some government debt securities have quoted prices such as certain treasury securities and are classified as Level 1 securities.
- Cash and cash equivalents comprise mostly of money market funds and foreign currency held. Money market funds are classified

as Level 1 instruments as pricing inputs are based on unadjusted prices in an active market while foreign currency held is classified as a Level 2 investment based on inputs that are indirectly observable.

- Investments in collective trust funds and partnerships are stated at the NAV as determined by the issuer of fund and are based on the fair value of the underlying investments held by the fund less its liabilities. The NAV is used as a practical expedient to estimate fair value. These funds are primarily invested in a blend of corporate and government debt securities as well as international equities.

(13) Income Taxes

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

Puget Sound Energy	Year Ended December 31,			
(Dollars in Thousands)		2020		2019
Charged to operating expenses:				
Current:				
Federal	$	10,607	$	18,093
State		383		570
Deferred:				
Federal		15,377		20,628
State		—		—
Total income tax expense	$	26,367	$	39,291

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

Puget Sound Energy	Year Ended December 31,			
(Dollars in Thousands)		2020		2019
Income taxes at the statutory rate	$	63,110	$	69,735
Increase (decrease):				
Utility plant differences[1]	$	(22,991)	$	(23,025)
AFUDC, net		(6,095)		(4,462)
Executive Compensation		2,440		2,596

Treasury grant amortization		(8,935)		(7,870)
Tax reform		(3,038)		—
Other–net		1,876		2,317
Total income tax expense	$	26,367	$	39,291
Effective tax rate		8.8 %		11.8 %

1. *Utility plant differences include the reversal of excess deferred taxes using the average rate assumption method in the amount of $27.6 million and $27.6 million in 2020, and 2019, respectively.*

The Company's net deferred tax liability at December 31, 2020, and 2019, is composed of amounts related to the following types of temporary differences:

Puget Sound Energy	Year Ended December 31,			
(Dollars in Thousands)		2020		2019
Utility plant and equipment	$	1,923,933	$	1,943,730
Other, net deferred tax liabilities		55,856		50,095
Subtotal deferred tax liabilities		1,979,789		1,993,825
Net regulatory liability for income taxes		(953,987)		(946,936)
Production tax credit carryforward		(35,995)		(67,405)
Subtotal deferred tax assets		(989,982)		(1,014,341)
Total net deferred tax liabilities	$	989,807	$	979,484

The Company calculates its deferred tax assets and liabilities under ASC 740, "Income Taxes" (ASC 740). ASC 740 requires recording deferred tax balances, at the currently enacted tax rate, on assets and liabilities that are reported differently for income tax purposes than for financial reporting purposes. The utilization of deferred tax assets requires sufficient taxable income in future years. ASC 740 requires a valuation allowance on deferred tax assets when it is more likely than not that the deferred tax assets will not be realized. PSE's PTC carryforwards expire from 2033 through 2036. Net operating losses generated in 2018 and thereafter have no expiration date. No valuation allowance has been provided for PTC or net operating loss carryforwards.

Unrecognized Tax Benefits

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

As of December 31, 2020, and 2019, the Company had no material unrecognized tax benefits. As a result, no interest or penalties were accrued for unrecognized tax benefits during the year.

The Company has evaluated the treatment of protected excess deferred income taxes (EDIT) required under Washington Commission Order 08 for compliance with the IRS normalization rules. The Order requires ratemaking and accounting treatment for the EDIT that is different than the treatment afforded prior income tax rate changes. The Company has requested a private letter ruling from the IRS in which it asks the IRS to confirm that the treatment required in the Order complies with the normalization rules. The Company anticipates that the ruling will have no impact on its current or deferred income taxes. If the Company, receives an adverse ruling, it could result in an increase to the revenue requirement of $25.6 million. The Company expects a ruling during 2021.

The Company has open tax years from 2017 through 2020. The Company classifies interest as interest expense and penalties as other expense in the financial statements.

(14) Litigation

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

Colstrip

PSE has a 50% ownership interest in Colstrip Units 1 and 2 and a 25% interest in each of Colstrip Units 3 and 4. In March 2013, the Sierra Club and the Montana Environmental Information Center filed a Clean Air Act citizen suit against all Colstrip owners in the U.S. District Court, District of Montana. In July 2016, PSE reached a settlement with the Sierra Club to dismiss all of the Clean Air Act allegations against the Colstrip Generating Station, which was approved by the court in September 2016. As part of the settlement that was signed by all Colstrip owners, Colstrip 1 and 2 owners, PSE and Talen Energy Corporation (Talen), agreed to retire the two oldest units (Units 1 and 2) at Colstrip in eastern Montana no later than July 1, 2022. Depreciation rates were updated in the GRC effective December 19, 2017, where PSE's depreciation increased for Colstrip Units 1 and 2 to recover plant costs to the expected shutdown date. Additionally, PSE has accelerated the depreciation of Colstrip Units 3 and 4, per the terms of the GRC settlement, to December 31, 2027. The GRC also repurposed PTCs and hydro-related treasury grants to recover unrecovered plant costs and to fund and recover decommissioning and remediation costs for Colstrip Units 1 through 4.

Consistent with a June 2019 announcement, Talen permanently shut down Units 1 and 2 at the end of 2019 due to operational losses associated with the Units. Colstrip Units 1 and 2 were retired effective December 31, 2019. The Washington Clean Energy Transition Act requires the Washington Commission to provide recovery of the investment, decommissioning, and remediation costs associated with the facilities that are not recovered through the repurposed PTC's and hydro-related treasury grants. The full scope of decommissioning activities and costs may vary from the estimates that are available at this time.

On December 10, 2019, PSE announced its intention to sell its interest in Colstrip Unit 4 to NorthWestern Energy for $1. Under this agreement, PSE would have retained its obligation to fund 25% of the environmental remediation and decommissioning costs associated with Unit 4 during PSE's operation. The proposed agreement was subject to approval by the Washington Commission and the Montana Public Service Commission. Additionally, PSE had agreed to enter into a power purchase agreement with NorthWestern Energy for 90 MW through 2025 to facilitate the transition, and sell a portion of its dedicated Colstrip transmission system, conditioned upon regulatory approval.

On August 14, 2020, an amendment to the agreement was executed selling a portion of PSE’s interest in Colstrip Unit 4 to Talen, in addition to NorthWestern Energy. However, after evaluating the likelihood of the regulatory approval process in both Washington and Montana, on October 29, 2020, PSE, NorthWestern Energy, and Talen mutually agreed to terminate the proposed sales agreement and the proposed power purchase agreement and relieve all claims against one another arising out of or relating to the sale agreement. The termination of the proposed sale and proposed PPA resulted in the withdrawal of PSE's filing with the Washington Commission. Colstrip Unit 4 is classified as Electric Utility Plant on the balance sheet, see Note 5, "Utility Plant".

Regional Haze Rule

In January 2017, the EPA published revisions to the Regional Haze Rule. Among other things, these revisions delayed new Regional Haze review from 2018 to 2021, however the end date will remain 2028. In January 2018, the EPA announced that it was reconsidering certain aspects of these revisions and PSE is unable to predict the outcome. Challenges to the 2017 Regional Haze Revision Rule are pending in abeyance in the U.S. Court of Appeals for the D.C. Circuit, pending resolution of the EPA’s reconsideration of the rule.

Clean Air Act 111(d)/EPA Affordable clean Energy Rule

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

In August 2018, the EPA proposed the Affordable Clean Energy (ACE) rule, pursuant to Section 111(d) of the Clean Air Act, as a replacement to the CPP rule. The ACE rule, along with the repeal of the CPP rule, were finalized in June 2019, and establish emission guidelines for states to develop plans to address greenhouse gas emissions from existing coal-fired plants. On January 19, 2021 the U.S. Court of Appeals for the District of Columbia Circuit (D.C. Circuit) vacated the ACE rule and remanded the record back to the Agency for further consideration consistent with its opinion, finding that misinterpreted the Clean Air Act. PSE is evaluating this vacatur to determine impact on operations.

Washington Clean Air Rule

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

In September 2016, PSE, along with Avista Corporation, Cascade Natural Gas Corporation and NW Natural, filed a lawsuit in the U.S. District Court for the Eastern District of Washington challenging the CAR. In September 2016, the four companies filed a similar challenge to the CAR in Thurston County Superior Court. In March 2018, the Thurston County Superior Court invalidated the CAR. The Washington State Department of Ecology appealed the Superior Court decision in May 2018. As a result of the appeal, direct review to the Washington State Supreme Court was granted and oral argument was held on March 16, 2019. In January 2020, the Washington Supreme Court affirmed that CAR is not valid for "indirect emitters" meaning it does not apply to the sale of natural gas for use by customers. The court ruled, however, that the rule can be severed and is valid for direct emitters including electric utilities with permitted air emission sources, but remanded the case back to the Thurston County to determine which parts of the rule survive. The Department of Ecology and the four parties asked Thurston County to stay this case until the 2020 Washington State legislative session concluded and now the Department of Ecology plans to ask the court to extend the stay until the COVID-19 pandemic is over. Meanwhile, the four companies moved to voluntarily dismiss the federal court litigation without prejudice in March 2020.

(15) Commitments and Contingencies

For the year ended December 31, 2020, approximately 15.3% of the Company's energy output was obtained at an average cost of approximately $0.031 per Kilowatt Hour (kWh) through long-term contracts with three of the Washington Public Utility Districts (PUDs) that own hydroelectric projects on the Columbia River. The purchase of power from the Columbia River projects is on a pro rata share basis under which the Company pays a proportionate share of the annual debt service, operating and maintenance costs and other expenses associated with each project, in proportion to the contractual share of power that PSE obtains from that project. In these instances, PSE's payments are not contingent upon the projects being operable; therefore, PSE is required to make the payments even if power is not delivered. These projects are financed substantially through debt service payments and their annual costs should not vary significantly over the term of the contracts unless additional financing is required to meet the costs of major maintenance, repairs or replacements, or license requirements. The Company's share of the costs and the output of the projects is subject to reduction due to various withdrawal rights of the PUDs and others over the contract lives.

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

(Dollars in Thousands)	2020	2019
PUD contract costs	$ 116,874	$ 87,135

As of December 31, 2020, the Company purchased portions of the power output of the PUDs' projects as set forth in the following table:

(Dollars in Thousands)	Contract	Company's Current Share of Percent of	Megawatt	Estimated	2021 Debt	Interest included in 2021 Debt Service Costs	Debt

Chelan County PUD:							
Rock Island Project	2031	25.0 %	156	$ 34,895	$ 11,314	$ 5,365	$ 91,674
Rocky Reach Project	2031	25.0	325	30,400	4,518	1,960	30,476
Douglas County PUD:							
Wells Project[1]	2028	24.2	203	37,584	—	—	—
Grant County PUD:							
Priest Rapids Development	2052	0.6	6	1,440	773	389	9,761
Wanapum Development	2052	0.6	7	1,440	773	389	9,761
Total			697	$ 105,759	$ 17,378	$ 8,103	$ 141,672

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

The following table summarizes the Company's estimated payment obligations for power purchases from the Columbia River projects, electric portfolio contracts and electric wholesale market transactions. These contracts have varying terms and may include escalation and termination provisions.

(Dollars in Thousands)	2021	2022	2023	2024	2025	Thereafter	Total
Columbia River projects	$ 117,664	$ 101,421	$ 100,222	$ 99,473	$ 99,393	$ 499,808	$ 1,017,981
Electric portfolio contracts	299,705	332,444	349,119	356,976	277,250	1,343,699	2,959,193
Electric wholesale market transactions	117,444	21,660	11,540	11,692	11,616	11,616	185,568
Total	$ 534,813	$ 455,525	$ 460,881	$ 468,141	$ 388,259	$ 1,855,123	$ 4,162,742

Total purchased power contracts provided the Company with approximately 13.2 million and 12.5 million MWhs of firm energy at a cost of approximately $491.7 million and $550.6 million for the years 2020 and 2019, respectively.

Clearwater PPA

In February 2021, PSE entered into a PPA with Clearwater Energy Resources LLC to purchase up to 350 MW of wind energy and renewable attributes over a 20 year term beginning in November 2022. The expected payment obligations for power purchases from this contract are summarized in the following table:

(Dollars in Thousands)	2022	2023	2024	2025	2026	Thereafter	Total
Expected payment obligation	$2,430	$34,541	$34,541	$34,541	$34,541	$550,228	$690,822

Natural Gas Supply Obligations

Natural Gas Supply Obligations

The Company has entered into various firm supply, transportation and storage service contracts in order to ensure adequate availability of natural gas supply for its customers and generation requirements. The Company contracts for its long-term natural gas supply on a firm basis, which means the Company has a 100% daily take obligation and the supplier has a 100% daily delivery obligation to ensure service to PSE's customers and generation requirements. The transportation and storage contracts, which have remaining terms from 1 to 24 years, provide that the Company must pay a fixed demand charge each month, regardless of actual usage. The Company incurred demand charges for 2020 for firm transportation, storage and peaking services for its natural gas customers of $135.8 million. The Company incurred demand charges in 2020 for firm transportation and storage services for the natural gas supply for its combustion turbines in the amount of $51.2 million.

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

Natural Gas Supply and Demand Charge Obligations (Dollars in Thousands)	2021	2022	2023	2024	2025	Thereafter	Total
Natural gas wholesale market transactions	$ 327,775	$ 210,736	$ 155,778	$ 116,016	$ 59,483	$ —	$ 869,788
Firm transportation service	174,912	172,431	163,662	129,503	113,051	804,103	1,557,662
Firm storage service	8,899	8,899	2,270	67	67	56	20,258
Total	$ 511,586	$ 392,066	$ 321,710	$ 245,586	$ 172,601	$ 804,159	$2,447,708

Service Contracts

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

Service Contract Obligations (Dollars in Thousands)	2021	2022	2023	2024	2025	Thereafter	Total
Energy production service contracts	$29,710	$30,423	$31,155	$31,921	$32,177	$105,579	$260,965

Automated meter reading system	45,489	46,436	47,498	47,505	48,229	49,077	284,234
Total	$75,199	$76,859	$78,653	$79,426	$80,406	$154,656	$545,199

Other Commitments and Contingencies

For information regarding PSE's environmental remediation obligations, see Note 3, "Regulation and Rates".

(16) Related Party Transactions

Tacoma LNG Facility

In August 2015, PSE filed a proposal with the Washington Commission to develop an LNG facility at the Port of Tacoma. Currently under construction at the Port of Tacoma, the facility is expected to be operational in 2021. The Tacoma LNG facility is designed to provide peak-shaving services to PSE’s natural gas customers. By storing surplus natural gas, PSE is able to meet the requirements of peak consumption. LNG will also provide fuel to transportation customers, particularly in the marine market. Following a mediation process and the filing of a settlement stipulation by PSE and all parties, the Washington Commission issued an order on October 31, 2016, that allowed PSE’s parent company, Puget Energy, to create a wholly-owned subsidiary, named Puget LNG, which was formed on November 29, 2016, for the sole purpose of owning, developing and financing the non-regulated activity of the Tacoma LNG facility. Puget LNG has entered into one fuel supply agreement with a maritime customer and is marketing the facility’s expected output to other potential customers.

The Tacoma LNG facility is currently under construction. Pursuant to the Washington Commission’s order, PSE will be allocated 43.0% of the capital and operating costs of the Tacoma LNG facility. PSE and Puget LNG are considered related parties with similar ownership by Puget Energy. Therefore, capital and operating costs that occur under PSE and are allocated to Puget LNG are related party transactions by nature. Per this allocation of costs, $207.7 million of construction work in progress related to PSE's portion of the Tacoma LNG facility is reported in the Utility plant – Natural gas plant" financial statement line item as of December 31, 2020, as PSE is a regulated entity. The portion of the Tacoma LNG facility allocated to PSE will be subject to regulation by the Washington Commission.

(17) Accumulated Other Comprehensive Income (Loss)

The following tables present the changes in the Company’s (loss) AOCI by component for the years ended December 31, 2020 and 2019, respectively:

Puget Sound Energy	Net unrealized gain (loss) and prior service cost on pension plans	Net unrealized gain (loss) on treasury interest rate swaps
Changes in AOCI, net of tax		

(Dollars in Thousands)

Balance at December 31, 2018	$ (185,130)	$ (5,754)	$ (190,884)
Other comprehensive income (loss) before reclassifications	(8,096)	—	(8,096)
Amounts reclassified from accumulated other comprehensive income (loss), net of tax	10,118	385	10,503
Net current-period other comprehensive income (loss)	2,022	385	$ 2,407
Balance at December 31, 2019	$ (183,108)	$ (5,369)	$ (188,477)
Other comprehensive income (loss) before reclassifications	(8,717)	—	(8,717)
Amounts reclassified from accumulated other comprehensive income (loss), net of tax	15,853	385	16,238
Net current-period other comprehensive income (loss)	7,136	385	7,521
Balance at December 31, 2020	$ (175,972)	$ (4,984)	$ (180,956)

Details about the reclassifications out of AOCI (loss) for the years ended December 31, 2020 and 2019, respectively, are as follows:

Puget Sound Energy

(Dollars in Thousands)

Details about accumulated other	Affected line item in the statement where net income (loss) is presented	Amount reclassified from accumulated	
		2020	2019
Net unrealized gain (loss) and prior service cost on pension plans:			
Amortization of prior service cost	(a)	$ 1,224	$ 1,240
Amortization of net gain (loss)	(a)	(21,291)	(14,048)
	Total before tax	$ (20,067)	$ (12,808)
	Tax (expense) or benefit	4,214	2,690
	Net of tax	$ (15,853)	$ (10,118)
Net unrealized gain (loss) on treasury interest rate swaps:			
Interest rate contracts	Interest expense	(487)	(487)

	Tax (expense) or benefit		102		102
	Net of Tax	$	(385)	$	(385)
Total reclassification for the period	Net of Tax	$	(16,238)	$	(10,503)

(a) *These AOCI components are included in the computation of net periodic pension cost, see Note 12, "Retirement Benefits" for additional details.*

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2021	End of 2020/Q4

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

Line No.	Item (a)	Total Company For the Current Quarter/Year
1	UTILITY PLANT	
2	In Service	
3	Plant in Service (Classified)	15,525,534,920
4	Property Under Capital Leases	173,048,588
5	Plant Purchased or Sold	
6	Completed Construction not Classified	384,793,885
7	Experimental Plant Unclassified	
8	TOTAL Utility Plant (Total of lines 3 thru 7)	16,083,377,393
9	Leased to Others	
10	Held for Future Use	46,081,282
11	Construction Work in Progress	712,204,459
12	Acquisition Adjustments	282,791,675
13	TOTAL Utility Plant (Total of lines 8 thru 12)	17,124,454,809
14	Accumulated Provisions for Depreciation, Amortization, & Depletion	6,638,902,173
15	Net Utility Plant (Total of lines 13 and 14)	10,485,552,636
16	DETAIL OF ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION	
17	In Service:	
18	Depreciation	6,068,762,320
19	Amortization and Depletion of Producing Natural Gas Land and Land Rights	
20	Amortization of Underground Storage Land and Land Rights	
21	Amortization of Other Utility Plant	415,067,740
22	TOTAL In Service (Total of lines 18 thru 21)	6,483,830,060
23	Leased to Others	
24	Depreciation	
25	Amortization and Depletion	
26	TOTAL Leased to Others (Total of lines 24 and 25)	
27	Held for Future Use	
28	Depreciation	162,425
29	Amortization	
30	TOTAL Held for Future Use (Total of lines 28 and 29)	162,425
31	Abandonment of Leases (Natural Gas)	
32	Amortization of Plant Acquisition Adjustment	154,909,688
33	TOTAL Accum. Provisions (Should agree with line 14 above)(Total of lines 22, 26, 30, 31, and 32)	6,638,902,173

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2021	End of 2020/Q4

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

Line No.	Electric (c)	Gas (d)	Other (specify) (e)	Common (f)
1				
2				
3	10,098,262,140	4,380,638,189		1,046,634,591
4				173,048,588
5				
6	234,046,693	127,004,027		23,743,165
7				
8	10,332,308,833	4,507,642,216		1,243,426,344
9				
10	38,707,048	7,374,234		
11	381,595,894	262,747,644		67,860,921
12	282,791,675			
13	11,035,403,450	4,777,764,094		1,311,287,265
14	4,457,465,879	1,711,590,160		469,846,134
15	6,577,937,571	3,066,173,934		841,441,131
16				
17				
18	4,232,191,897	1,690,779,506		145,790,917
19				
20				
21	70,201,869	20,810,654		324,055,217
22	4,302,393,766	1,711,590,160		469,846,134
23				
24				
25				
26				
27				
28	162,425			
29				
30	162,425			
31				
32	154,909,688			
33	4,457,465,879	1,711,590,160		469,846,134

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

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

Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
1	INTANGIBLE PLANT		
2	301 Organization	158,692	
3	302 Franchises and Consents	484,648	74,309
4	303 Miscellaneous Intangible Plant	27,430,296	24,699,350
5	TOTAL Intangible Plant (Enter Total of lines 2 thru 4)	28,073,636	24,773,659
6	PRODUCTION PLANT		
7	Natural Gas Production and Gathering Plant		
8	325.1 Producing Lands		
9	325.2 Producing Leaseholds		
10	325.3 Gas Rights		
11	325.4 Rights-of-Way		
12	325.5 Other Land and Land Rights		
13	326 Gas Well Structures		
14	327 Field Compressor Station Structures		
15	328 Field Measuring and Regulating Station Equipment		
16	329 Other Structures		
17	330 Producing Gas Wells-Well Construction		
18	331 Producing Gas Wells-Well Equipment		
19	332 Field Lines		
20	333 Field Compressor Station Equipment		
21	334 Field Measuring and Regulating Station Equipment		
22	335 Drilling and Cleaning Equipment		
23	336 Purification Equipment		
24	337 Other Equipment		
25	338 Unsuccessful Exploration and Development Costs		
26	339 Asset Retirement Costs for Natural Gas Production and		
27	TOTAL Production and Gathering Plant (Enter Total of lines 8		
28	PRODUCTS EXTRACTION PLANT		
29	340 Land and Land Rights		
30	341 Structures and Improvements		
31	342 Extraction and Refining Equipment		
32	343 Pipe Lines		
33	344 Extracted Products Storage Equipment		

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

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

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

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

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

Line No.	Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)
1				
2				158,692
3	29,285			529,672
4	450,847			51,678,799
5	480,132			52,367,163
6				
7				
8				
9				
10				
11				
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Name of Respondent Puget Sound Energy, Inc.	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 04/15/2021	Year/Period of Report End of 2020/Q4

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

Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
34	345 Compressor Equipment		
35	346 Gas Measuring and Regulating Equipment		
36	347 Other Equipment		
37	348 Asset Retirement Costs for Products Extraction Plant		
38	TOTAL Products Extraction Plant (Enter Total of lines 29 thru 37)		
39	TOTAL Natural Gas Production Plant (Enter Total of lines 27 and		
40	Manufactured Gas Production Plant (Submit Supplementary	2,043	
41	TOTAL Production Plant (Enter Total of lines 39 and 40)	2,043	
42	NATURAL GAS STORAGE AND PROCESSING PLANT		
43	Underground Storage Plant		
44	350.1 Land	1,342,895	
45	350.2 Rights-of-Way	37,078	
46	351 Structures and Improvements	1,309,370	(214,538)
47	352 Wells	14,894,422	1,126,325
48	352.1 Storage Leaseholds and Rights		
49	352.2 Reservoirs	1,757,701	
50	352.3 Non-recoverable Natural Gas	4,185,431	
51	353 Lines	3,330,266	
52	354 Compressor Station Equipment	20,452,111	127,167
53	355 Other Equipment	1,336,294	
54	356 Purification Equipment	2,821,447	
55	357 Other Equipment	462,935	(275)
56	358 Asset Retirement Costs for Underground Storage Plant		
57	TOTAL Underground Storage Plant (Enter Total of lines 44 thru	51,929,950	1,038,679
58	Other Storage Plant		
59	360 Land and Land Rights	1,704,569	
60	361 Structures and Improvements	4,155,602	
61	362 Gas Holders	3,683,221	
62	363 Purification Equipment		
63	363.1 Liquefaction Equipment		
64	363.2 Vaporizing Equipment	1,197,749	
65	363.3 Compressor Equipment	6,019	
66	363.4 Measuring and Regulating Equipment	621,394	
67	363.5 Other Equipment	2,158,877	
68	363.6 Asset Retirement Costs for Other Storage Plant		
69	TOTAL Other Storage Plant (Enter Total of lines 58 thru 68)	13,527,431	
70	Base Load Liquefied Natural Gas Terminaling and Processing Plant		
71	364.1 Land and Land Rights		
72	364.2 Structures and Improvements		
73	364.3 LNG Processing Terminal Equipment		
74	364.4 LNG Transportation Equipment	970,581	
75	364.5 Measuring and Regulating Equipment		
76	364.6 Compressor Station Equipment		
77	364.7 Communications Equipment		
78	364.8 Other Equipment		
79	364.9 Asset Retirement Costs for Base Load Liquefied Natural Gas	2,729,010	151,707
80	TOTAL Base Load Liquefied Nat'l Gas, Terminaling and	3,699,591	151,707

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2021	End of 2020/Q4

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

Line No.	Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)
34				
35				
36				
37				
38				
39				
40				2,043
41				2,043
42				
43				
44				1,342,895
45				37,078
46	785			1,094,047
47	33,013			15,987,734
48				
49				1,757,701
50				4,185,431
51				3,330,266
52				20,579,278
53				1,336,294
54				2,821,447
55	7,541			455,119
56				
57	41,339			52,927,290
58				
59				1,704,569
60				4,155,602
61				3,683,221
62				
63				
64				1,197,749
65				6,019
66				621,394
67				2,158,877
68				
69				13,527,431
70				
71				
72				
73				
74				970,581
75				
76				
77				
78				
79				2,880,717
80				3,851,298

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2021	End of 2020/Q4

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

Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
81	TOTAL Nat'l Gas Storage and Processing Plant (Total of lines 57,	69,156,972	1,190,386
82	TRANSMISSION PLAN		
83	365.1 Land and Land Rights		
84	365.2 Rights-of-Way		
85	366 Structures and Improvements		
86	367 Mains		
87	368 Compressor Station Equipment		
88	369 Measuring and Regulating Station Equipment		
89	370 Communication Equipment		
90	371 Other Equipment		
91	372 Asset Retirement Costs for Transmission Plant		
92	TOTAL Transmission Plant (Enter Totals of lines 83 thru 91)		
93	DISTRIBUTION PLANT		
94	374 Land and Land Rights	23,512,270	
95	375 Structures and Improvements	20,911,480	
96	376 Mains	2,143,599,873	144,298,587
97	377 Compressor Station Equipment		
98	378 Measuring and Regulating Station Equipment-General	130,869,719	5,874,883
99	379 Measuring and Regulating Station Equipment-City Gate		
100	380 Services	1,249,446,452	76,921,027
101	381 Meters	134,380,821	21,938,346
102	382 Meter Installations	205,354,803	23,449,235
103	383 House Regulators	18,967,775	789,186
104	384 House Regulator Installations	83,047,352	240,515
105	385 Industrial Measuring and Regulating Station Equipment	47,927,922	2,601,751
106	386 Other Property on Customers' Premises	21,257,004	2,752,657
107	387 Other Equipment	5,296,352	149,627
108	388 Asset Retirement Costs for Distribution Plant	8,922,228	1,646,839
109	TOTAL Distribution Plant (Enter Total of lines 94 thru 108)	4,093,494,051	280,662,653
110	GENERAL PLANT		
111	389 Land and Land Rights	121,045	
112	390 Structures and Improvements	18,903,659	
113	391 Office Furniture and Equipment	4,286,046	771,670
114	392 Transportation Equipment	6,172,582	180,158
115	393 Stores Equipment		
116	394 Tools, Shop, and Garage Equipment	7,445,566	258,697
117	395 Laboratory Equipment	2,750,795	
118	396 Power Operated Equipment	17,564	20,018
119	397 Communication Equipment	1,575,519	260,580
120	398 Miscellaneous Equipment	155,624	
121	Subtotal (Enter Total of lines 111 thru 120)	41,428,400	1,491,123
122	399 Other Tangible Property		
123	399.1 Asset Retirement Costs for General Plant		
124	TOTAL General Plant (Enter Total of lines 121, 122 and 123)	41,428,400	1,491,123
125	TOTAL (Accounts 101 and 106)	4,232,155,102	308,117,821
126	Gas Plant Purchased (See Instruction 8)		
127	(Less) Gas Plant Sold (See Instruction 8)		
128	Experimental Gas Plant Unclassified		
129	TOTAL Gas Plant In Service (Enter Total of lines 125 thru 128)	4,232,155,102	308,117,821

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

Line No.	Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)
81	41,339			70,306,019
82				
83				
84				
85				
86				
87				
88				
89				
90				
91				
92				
93				
94	58,240		58,240	23,512,270
95				20,911,480
96	2,787,921			2,285,110,539
97				
98				136,744,602
99				
100	3,650,440			1,322,717,039
101	886,403		3,746,691	159,179,455
102	405,469		(3,746,691)	224,651,878
103	306,295			19,450,666
104	30,015			83,257,852
105				50,529,673
106	22,593,213			1,416,448
107				5,445,979
108				10,569,067
109	30,717,996		58,240	4,343,496,948
110				
111				121,045
112				18,903,659
113				5,057,716
114	1,028,470			5,324,270
115				
116	400,459			7,303,804
117				2,750,795
118				37,582
119	20,551			1,815,548
120				155,624
121	1,449,480			41,470,043
122				
123				
124	1,449,480			41,470,043
125	32,688,947		58,240	4,507,642,216
126				
127				
128				
129	32,688,947		58,240	4,507,642,216

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2021	End of 2020/Q4

Gas Property and Capacity Leased from Others

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

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

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2021	End of 2020/Q4

Gas Property and Capacity Leased to Others

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

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

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2021	End of 2020/Q4

Gas Plant Held for Future Use (Account 105)

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

Line No.	Description and Location of Property (a)	Date Originally Included in this Account (b)	Date Expected to be Used in Utility Service (c)	Balance at End of Year (d)
1	Property Held for Future Use $1 Mil. or More			
2	SWARR STATION	03/31/2019	12/31/2024	5,999,767
3	Other Property (less than $1,000,000)			1,374,467
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45	**Total**			**7,374,234**

Construction Work in Progress-Gas (Account 107)

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

Line No.	Description of Project (a)	Construction Work in Progress-Gas (Account 107) (b)	Estimated Additional Cost of Project (c)
1	LNG Facility Project	206,247,873	
2	IWM Release Gas Operations Project		
3			
4	CWIP less than $1,000,000 each - Gas Distribution	49,719,726	
5	CWIP less than $1,000,000 each - Gas General Plant &		
	Intangibles	3,170,329	
6	CWIP less than $1,000,000 each - Gas Underground	(427)	
7	Storage		
8	Vashon HP Upgrade	1,875,193	
9	JP - Compressor Station Filtration	1,725,034	
10	CWIP less than $1,000,000 each - Gas Generation	9,916	
11			
12			
13			
14			
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45	**Total**	**262,747,644**	

Non-Traditional Rate Treatment Afforded New Projects

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

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

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2021	End of 2020/Q4

Non-Traditional Rate Treatment Afforded New Projects (continued)

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

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

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

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2021	End of 2020/Q4

General Description of Construction Overhead Procedure (continued)

COMPUTATION OF ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION RATES

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

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

Line No.	Title (a)		Amount (b)	Capitalization Ration (percent) (c)		Cost Rate Percentage (d)
	(1) Average Short-Term Debt	S	153,671,199			
	(2) Short-Term Interest				s	1.02
	(3) Long-Term Debt	D	4,059,141,681	50.31	d	5.42
	(4) Preferred Stock	P			p	
	(5) Common Equity	C	4,009,571,697	49.69	c	9.50
	(6) Total Capitalization		8,068,713,378	100.00		
	(7) Average Construction Work In Progress Balance	W	701,508,897			

2. Gross Rate for Borrowed Funds s(S/W) + d[(D/(D+P+C)) (1-(S/W))] 2.35

3. Rate for Other Funds [1-(S/W)] [p(P/(D+P+C)) + c(C/(D+P+C))] 3.69

4. Weighted Average Rate Actually Used for the Year:

a. Rate for Borrowed Funds - 2.95

b. Rate for Other Funds - 4.60

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Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2021	End of 2020/Q4

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

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

Line No.	Item (a)	Total (c+d+e) (b)	Gas Plant in Service (c)	Gas Plant Held for Future Use (d)	Gas Plant Leased to Others (e)
	Section A. BALANCES AND CHANGES DURING YEAR				
1	Balance Beginning of Year	1,601,931,073	1,601,931,073		
2	Depreciation Provisions for Year, Charged to				
3	(403) Depreciation Expense	123,643,119	123,643,119		
4	(403.1) Depreciation Expense for Asset Retirement Costs	134,206	134,206		
5	(413) Expense of Gas Plant Leased to Others				
6	Transportation Expenses - Clearing				
7	Other Clearing Accounts				
8	Other Clearing (Specify) (footnote details):				
9					
10	TOTAL Deprec. Prov. for Year (Total of lines 3 thru 8)	123,777,325	123,777,325		
11	Net Charges for Plant Retired:				
12	Book Cost of Plant Retired	(32,208,816)	(32,208,816)		
13	Cost of Removal	(10,811,699)	(10,811,699)		
14	Salvage (Credit)	3,346,045	3,346,045		
15	TOTAL Net Chrgs for Plant Ret. (Total of lines 12 thru 14)	(46,366,560)	(46,366,560)		
16	Other Debit or Credit Items (Describe) (footnote details):	11,437,668	11,437,668		
17					
18	Book Cost of Asset Retirement Costs				
19	Balance End of Year (Total of lines 1,10,15,16 and 18)	1,690,779,506	1,690,779,506		
	Section B. BALANCES AT END OF YEAR ACCORDING TO FUNCTIONAL CLASSIFICATIONS				
21	Productions-Manufactured Gas	6,348,561	6,348,561		
22	Production and Gathering-Natural Gas				
23	Products Extraction-Natural Gas				
24	Underground Gas Storage	23,904,994	23,904,994		
25	Other Storage Plant	5,983,374	5,983,374		
26	Base Load LNG Terminaling and Processing Plant	688,950	688,950		
27	Transmission				
28	Distribution	1,639,877,569	1,639,877,569		
29	General	13,976,058	13,976,058		
30	TOTAL (Total of lines 21 thru 29)	1,690,779,506	1,690,779,506		

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2021	End of 2020/Q4

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

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

Line No.	Description (a)	(Account 117.1) (b)	(Account 117.2) (c)	Noncurrent (Account 117.3) (d)	(Account 117.4) (e)	Current (Account 164.1) (f)	LNG (Account 164.2) (g)	LNG (Account 164.3) (h)	Total (i)
1	Balance at Beginning of	8,654,564				34,945,592	76,243		43,676,399
2	Gas Delivered to Storage					29,702,240	119,075		29,821,315
3	Gas Withdrawn from					33,952,630	120,638		34,073,268
4	Other Debits and Credits								
5	Balance at End of Year	8,654,564				30,695,202	74,680		39,424,446
6	Dth	5,725,904				16,337,072	11,481		22,074,457
7	Amount Per Dth	1.5115				1.8789	6.5047		1.7860

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2021	End of 2020/Q4

Investments (Account 123, 124, and 136)

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

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

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

Line No.	Description of Investment (a)	* (b)	Book Cost at Beginning of Year (If book cost is different from cost to respondent, give cost to respondent in a footnote and explain difference) (c)	Purchases or Additions During the Year (d)
1	Account 124 - Other Investments			
2	Life Insurance		49,976,246	1,729,724
3	Notes Receivable - Intolight		110,356	
4	Notes Receivable - BOA Projects		838,875	
5	Temporary Cash Investment - Taxable			285,000,000
6	Notes Receivable - UESC Navy Keyport		527,530	
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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2021	End of 2020/Q4

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

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

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

Line No.	Sales or Other Dispositions During Year (e)	Principal Amount or No. of Shares at End of Year (f)	Book Cost at End of Year (If book cost is different from cost to respondent, give cost to respondent in a footnote and explain difference) (g)	Revenues for Year (h)	Gain or Loss from Investment Disposed of (i)
1					
2			51,705,970	1,729,724	
3	41,732		68,624	6,850	
4	172,937		665,938	39,844	
5	285,000,000				
6	268,000		259,530	(268,000)	
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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2021	End of 2020/Q4

Investments in Subsidiary Companies (Account 123.1)

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

Line No.	Description of Investment (a)	Date Acquired (b)	Date of Maturity (c)	Amount of Investment at Beginning of Year (d)
1	PUGET WESTERN, INC.	05/31/1960		
2	Common			10,200
3	Retained Earnings			(20,292,289)
4	Additional Paid in Capital			47,237,244
5	Subtotal			26,955,155
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40	**TOTAL Cost of Account 123.1 $** 1,817,902		**TOTAL**	26,955,155

Investments in Subsidiary Companies (Account 123.1) (continued)

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

Line No.	Equity in Subsidiary Earnings for Year (e)	Revenues for Year (f)	Amount of Investment at End of Year (g)	Gain or Loss from Investment Disposed of (h)
1				
2			10,200	
3	(467,098)		(20,759,387)	
4	2,285,000		49,522,244	
5	1,817,902		28,773,057	
6				
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40	1,817,902		28,773,057	

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

PREPAYMENTS (ACCOUNT 165)

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

Line No.	Nature of Payment (a)	Balance at End of Year (in dollars) (b)
1	Prepaid Insurance	7,548,288
2	Prepaid Rents	
3	Prepaid Taxes	
4	Prepaid Interest	77,061
5	Miscellaneous Prepayments	40,276,636
6	TOTAL	47,901,985

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

EXTRAORDINARY PROPERTY LOSSES (ACCOUNT 182.1)

Line No.	Description of Extraordinary Loss [include the date of loss, the date of Commission authorization to use Account 182.1 and period of amortization (mo, yr, to mo, yr)] Add rows as necessary to report all data. (a)	Balance at Beginning of Year (b)	Total Amount of Loss (c)	Losses Recognized During Year (d)	Written off During Year Account Charged (e)	Written off During Year Amount (f)	Balance at End of Year (g)
7	2012 Storm	36,469,729			407	11,776,485	24,693,244
8	2015 Storm	9,302,743			407	9,302,743	
9	2016 Storm	10,437,020			407	3,505,402	6,931,618
10	2017 Storm Excess Costs	12,707,858					12,707,858
11	2017 Storm Recovery	12,215,519					12,215,519
12	2018 Storm Excess Costs	12,247,269					12,247,269
13	2019 Storm Excess Costs	28,513,473					28,513,473
14	2020 Storm Excess Costs			11,182,144			11,182,144
15	**Total**	121,893,611		11,182,144		24,584,630	108,491,125

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2021	End of 2020/Q4

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

UNRECOVERED PLANT AND REGULATORY STUDY COSTS (ACCOUNT 182.2)

Line No.	Description of Unrecovered Plant and Regulatory Study Costs [Include in the description of costs, the date of Commission authorization to use Account 182.2 and period of amortization (mo, yr, to mo, yr)] Add rows as necessary to report all data. Number rows in sequence beginning with the next row number after the last row number used for extraordinary property losses. (a)	Balance at Beginning of Year (b)	Total Amount of Charges (c)	Costs Recognized During Year (d)	Written off During Year Account Charged (e)	Written off During Year Amount (f)	Balance at End of Year (g)
16	Colstrip 1&2 Unrecovered Plant	126,549,623			403, 187	15,577,404	110,972,219
17	Contra PTCs Monetized for Unrecovered Plant	(82,224,443)			108	28,747,776	(110,972,219)
18							
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25							
26	**Total**	44,325,180				44,325,180	

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

Row Labels	Sum of AMOUNT
Energy Purchase	3,453,003.94
HW/SW Maint	15,921,841.38
LT Plant Maint	15,475,784.66
Misc	5,101,802.24
Netting LT/ST	-
Permits	324,203.79
Misc Total	**40,276,636.01**

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

Colstrip units 1&2 have been shut down with an effective date of 12/31/2019 which will be considered the retirement date. All assets related to Colstrip units 1&2 have been retired in PowerPlant, and transferred to a 182.2 account for unrecovered plant. Per the 2019 GRC order, PSE's rates no longer include depreciation expense for Colstrip Units 1&2, therefore all depreciation related to Colstrip Units 1&2 should cease being recorded effective on the eventual rate effective date for electric (pro-rated for October).

Schedule Page: 230 Line No.: 17 Column: a

Colstrip units 1&2 have been shut down with an effective date of 12/31/2019 which will be considered the retirement date. All assets related to Colstrip units 1&2 have been retired in PowerPlant, and transferred to a 182.2 account for unrecovered plant. Per the 2017 GRC order, unrecovered plant is recoverable through existing balances of Production Tax Credits (PTC's). Per the 2019 GRC order, PSE's rates no longer include depreciation expense for Colstrip Units 1&2, therefore all depreciation related to Colstrip Units 1&2 should cease being recorded effective on the eventual rate effective date for electric (pro-rated for October).

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

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

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

The 2017 General Rate Case on Dockets UE-170033 and UG-170034 was approved by the WUTC to amortize 2010-2017 storm deferral costs over a 4 year period, beginning in December 2017. The storms were to be amortized at a total monthly rate of $1,355,128. The storm deferrals are to be amortized in order of occurrence, beginning with the 2014 storm deferral cost. The 2014 storm deferral amortization was completed in February of 2019, at which time the 2015 storm deferral amortization began at a prorated amount of $1,304,212 for February.

Name of Respondent Puget Sound Energy, Inc.	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 04/15/2021	Year/Period of Report End of 2020/Q4

Other Regulatory Assets (Account 182.3)

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

Line No.	Description and Purpose of Other Regulatory Assets (a)	Balance at Beginning Current Quarter/Year (b)	Debits (c)	Written off During Quarter/Year Account Charged (d)	Written off During Period Amount Recovered (e)	Written off During Period Amount Deemed Unrecoverable (f)	Balance at End of Current Quarter/Year (g)
1	Unamortized Energy Conservation Costs	25,272,250	241,359,031	182.3, 908	258,621,828		8,009,453
2	WUTC Deferred AFUDC	57,553,295	5,049,363	406	2,839,505		59,763,153
3	Colstrip 1&2 Western Energy Coal Reserve - 10 years	2,565,332	52,533,703	501, 406	576,479		54,522,556
4	Colstrip 3&4 Deferred Depreciation - 17.5 years	622,429		406	138,804		483,625
5	Environmental Remediation Costs	30,516,287	15,387,073	Multiple	19,680,524		26,222,836
6	Property Tax Tracker	22,442,303	39,873,518	408	37,455,656		24,860,165
7	Decoupling Mechanism	43,509,129	177,674,777	Multiple	124,677,130		96,506,776
8	Low Income Home Energy Assistance Program	1	27,330,384	108, 253	27,330,384		1
9	Power Cost Adjustment Mechanism	41,744,976	87,170,453	557, 419	46,114,601		82,800,828
10	White River Regulatory Asset - 3 years	6,398,912		182.3, 407	6,395,132		3,780
11	Chelan PUD - 20 years	83,875,443		555	7,088,066		76,787,377
12	Mint Farm Deferral - 15 years	14,980,283		407.3	2,885,052		12,095,231
13	Lower Snake River Deferral - 25 years	67,694,566		253, 407.3	4,733,855		62,960,711
14	Credit Card Fee Deferral - 3 years	861,608	326,762	182.3, 407	1,188,370		
15	WUTC AMI, EV and GTZ Deferral	14,162,763	65,784,468	Multiple	8,683,978		71,263,253
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40	**Total**	**412,199,577**	**712,489,532**		**548,409,364**	**0**	**576,279,745**

Schedule Page: 232 Line No.: 1 Column: a
Included in Washington Commission Dockets UE-080389, UG-080390, UE-970686 and UG-120812.
Schedule Page: 232 Line No.: 2 Column: a
Included in Washington Commission Dockets UE-130137, UG-130138, UE-072300 and UG-072301.
Schedule Page: 232 Line No.: 3 Column: a
Included in Washington Commission Dockets UE-111048 and UG-111049. Amortization expired in December 2019.
Schedule Page: 232 Line No.: 4 Column: a
Included in Washington Commission Dockets UE-072300 and UG-072301. Amortization expires in May 2024.
Schedule Page: 232 Line No.: 5 Column: a
Included in Washington Commission Dockets UE-991796, UE-072300, UG-072301, UE-911476, UE-021537, UE-130137 and UG-130138.
Schedule Page: 232 Line No.: 6 Column: a
Included in Washington Commission Dockets UE-111048, UG-111049, and UE -140599 effective May 1, 2014.
Schedule Page: 232 Line No.: 7 Column: a
Included in Washington Commission Dockets UE-170033 and UG-170034.
Schedule Page: 232 Line No.: 8 Column: a
No docket number required.
Schedule Page: 232 Line No.: 9 Column: a
Included in Washington Commission Docket UE-011570. Total includes interest recorded on the customer balance of the PCA.
Schedule Page: 232 Line No.: 10 Column: a
Included in Washington Commission Dockets UE-170033 and UG-170034. New GRC 2017 for White River amortization of 3 years. Effective December 19, 2017 and expires in December 2020.
Schedule Page: 232 Line No.: 11 Column: a
Included in Washington Commission Dockets UE-060266 and UE-060539. Amortization began in November 2011 and expires in October 2031.
Schedule Page: 232 Line No.: 12 Column: a
Included in Washington Commission Docket UE-090704. Amortization began in April 2010 and expires in March 2025.
Schedule Page: 232 Line No.: 13 Column: a
Included in Washington Commission Dockets UE-111048, UG-111049, UE-130583, UE-131099 and UE-131230. Amortization began in May 2012 and expires in April 2037.
Schedule Page: 232 Line No.: 14 Column: a
Included in Washington Commission Dockets UE-170033 and UG-170034. PSE sought recovery of the deferral in rates that become effective December 19, 2017 and expires in December 2020.
Schedule Page: 232 Line No.: 15 Column: a
Included in Washington Commission Dockets UE-180899, UG-180900, UE-190129, UE-160799 and UE-180877. Amortization began in March 2019.

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2021	End of 2020/Q4

Miscellaneous Deferred Debits (Account 186)

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

Line No.	Description of Miscellaneous Deferred Debits (a)	Balance at Beginning of Year (b)	Debits (c)	Credits Account Charged (d)	Credits Amount (e)	Balance at End of Year (f)
1	Incurred not Reported Worker Comp	2,048,905	26,902	186, 253	1,024,850	1,050,957
2	Tacoma LNG		13,174,119	253	52,533,703	(39,359,584)
3	Damage Claims	4,517,228	13,068,674	186	13,627,454	3,958,448
4	Clearing Account Charges	5,181,408	687,262	184, 186	5,483,755	384,915
5	FAS133 Net Unrealized		43,167,303	244	43,167,303	
6	Chelan Prepayments - 20 Yrs	5,877,077	271,676	555	643,972	5,504,781
7	Ferndale Maintenance - 12 Yrs	1,803,708		553	240,494	1,563,214
8	Encogen Maintenance - 10 Yrs	7,525,876		553	1,172,145	6,353,731
9	Environmental Remediation Exp	37,969,867	49,788,224	186, 228	11,333,914	76,424,177
10	Real Estate Operating Leases - 7 Yrs	7,549,261	772,252	Various	16,135	8,305,378
11	FSAS 71 - Snoqualmie License	7,442,314		253	7,562	7,434,752
12	Baker Article	4,759,765	4,362	242	457,521	4,306,606
13	SFAS 71 - Baker License	56,426,750	718,239	253	2,791,351	54,353,638
14	Colstrip Maintenance - 3 Yrs	2,936,909	3,819,766	Various	2,413,925	4,342,750
15	AMI	3,295,137	13,199,657	Various	7,756,602	8,738,192
16	Fredonia Maintenance - 9 Yrs	7,200,776	9,261	553	1,042,482	6,167,555
17	Fredrickson Maintenance - 7 Yrs	3,549,360		513, 553	862,291	2,687,069
18	Goldendale Maintenance - 4-8 Yrs	1,698,301		514, 553	694,251	1,004,050
19	Whitehorn Maintenance - 6 Yrs	1,796,180		186, 553	483,577	1,312,603
20	Mint Farm Maintenance - 3-7 Yrs	1,052,168	269,143	513, 553	353,038	968,273
21	Sumas Maintenance - 11 Yrs	2,856,306		553	322,721	2,533,585
22	Non-Temp Facility	7,785,798	16,464,910	186	12,360,364	11,890,344
23	Residential Exchange	6,397,663	56,287,964	253	55,545,802	7,139,825
24	GTZ Depreciation	22,148,375	44,031,941	186	63,392,272	2,788,044
25	Minor Items	3,610,957	17,657,971	186, 456	13,788,406	7,480,522
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39	Miscellaneous Work in Progress					
40	**Total**	**205,430,089**	**273,419,626**		**291,515,890**	**187,333,825**

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2021	End of 2020/Q4

Accumulated Deferred Income Taxes (Account 190)

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

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	Changes During Year Amounts Debited to Account 410.1 (c)	Changes During Year Amounts Credited to Account 411.1 (d)
1	Account 190			
2	Electric	849,976,725	129,155,291	92,624,683
3	Gas	346,045,184	26,558,492	25,065,468
4	Other (Define) (footnote details)			
5	Total (Total of lines 2 thru 4)	1,196,021,909	155,713,783	117,690,151
6	Other (Specify) (footnote details)			
7	TOTAL Account 190 (Total of lines 5 thru 6)	1,196,021,909	155,713,783	117,690,151
8	Classification of TOTAL			
9	Federal Income Tax			
10	State Income Tax			
11	Local Income Tax			

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2021	End of 2020/Q4

Accumulated Deferred Income Taxes (Account 190) (continued)

Line No.	Changes During Year Amounts Debited to Account 410.2 (e)	Changes During Year Amounts Credited to Account 411.2 (f)	Adjustments Debits Account No. (g)	Adjustments Debits Amount (h)	Adjustments Credits Account No. (i)	Adjustments Credits Amount (j)	Balance at End of Year (k)
1							
2			Various	(272,223,867)	Various	(764,627,425)	321,042,559
3			Various	(8,937,502)	Various	(309,095,344)	44,394,318
4							
5				(281,161,369)		(1,073,722,769)	365,436,877
6							
7				(281,161,369)		(1,073,722,769)	365,436,877
8							
9							
10							
11							

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2021	End of 2020/Q4

Capital Stock (Accounts 201 and 204)

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

Line No.	Class and Series of Stock and Name of Stock Exchange (a)	Number of Shares Authorized by Charter (b)	Par or Stated Value per Share (c)	Call Price at End of Year (d)
1	Account 201 - Common Stock	150,000,000	0.01	
2				
3	Total Common	150,000,000		
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Capital Stock (Accounts 201 and 204)

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

Line No.	Outstanding per Bal. Sheet (total amt outstanding without reduction for amts held by respondent) Shares (e)	Outstanding per Bal. Sheet Amount (f)	Held by Respondent As Reacquired Stock (Acct 217) Shares (g)	Held by Respondent As Reacquired Stock (Acct 217) Cost (h)	Held by Respondent In Sinking and Other Funds Shares (i)	Held by Respondent In Sinking and Other Funds Amount (j)
1	85,903,791	859,038				
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3	85,903,791	859,038				
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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2021	End of 2020/Q4

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

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

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

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

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

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2021	End of 2020/Q4

Other Paid-In Capital (Accounts 208-211)

1. Report below the balance at the end of the year and the information specified below for the respective other paid-in capital accounts. Provide a subheading for each account and show a total for the account, as well as a total of all accounts for reconciliation with the balance sheet, page 112. Explain changes made in any account during the year and give the accounting entries effecting such change.

(a) Donations Received from Stockholders (Account 208) - State amount and briefly explain the origin and purpose of each donation.

(b) Reduction in Par or Stated Value of Capital Stock (Account 209) - State amount and briefly explain the capital changes that gave rise to amounts reported under this caption including identification with the class and series of stock to which related.

(c) Gain or Resale or Cancellation of Reacquired Capital Stock (Account 210) - Report balance at beginning of year, credits, debits, and balance at end of year with a designation of the nature of each credit and debit identified by the class and series of stock to which related.

(d) Miscellaneous Paid-In Capital (Account 211) - Classify amounts included in this account according to captions that, together with brief explanations, disclose the general nature of the transactions that gave rise to the reported amounts.

Line No.	Item (a)	Amount (b)
1	Account 211 - Miscellaneous Paid in Capital	3,014,096,691
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40	**Total**	**3,014,096,691**

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2021	End of 2020/Q4

DISCOUNT ON CAPITAL STOCK (ACCOUNT 213)

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

Line No.	Class and Series of Stock (a)	Balance at End of Year (b)
1		
2		
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12		
13		
14		
	TOTAL	

CAPITAL STOCK EXPENSE (ACCOUNT 214)

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

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

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
	(1) X An Original	(Mo, Da, Yr)	
Puget Sound Energy, Inc.	(2) __ A Resubmission	04/15/2021	2020/Q4

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

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

Securities Issued or Assumed:
NONE

Securities Refunded or Retired:
Common Stock $0.01, Stated Value: NONE

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2021	End of 2020/Q4

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

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

Line No.	Class and Series of Obligation and Name of Stock Exchange (a)	Nominal Date of Issue (b)	Date of Maturity (c)	Outstanding (Total amount outstanding without reduction for amts held by respondent) (d)
1	ACCOUNT 221			
2				
3	First Mortgage Bonds Senior MTN 7.02% Series A	12/22/1997	12/01/2027	300,000,000
4	First Mortgage Bonds Senior MTN 7.00% Series B	03/09/1999	03/09/2029	100,000,000
5	5.483% Senior Notes Due 06/35	05/27/2005	06/01/2035	250,000,000
6	6.724% Senior Notes Due 06/36	06/30/2006	06/15/2036	250,000,000
7	6.274% Senior Notes Due 03/37	09/18/2006	03/15/2037	300,000,000
8	5.757% Senior Notes Due 10/39	09/11/2009	10/01/2039	350,000,000
9	5.795% Senior Notes Due 03/40	03/08/2010	03/15/2040	325,000,000
10	5.764% Senior Notes Due 07/40	06/29/2010	07/15/2040	250,000,000
11	4.434% Senior Notes Due 11/41	11/16/2011	11/15/2041	250,000,000
12	4.700% Senior Notes Due 11/51	11/22/2011	11/15/2051	45,000,000
13	5.638% Senior Notes Due 04/41	03/25/2011	04/15/2041	300,000,000
14	4.300% Senior Notes Due 05/45	05/26/2015	05/20/2045	425,000,000
15	4.223% Senior Notes Due 06/48	06/04/2018	06/15/2048	600,000,000
16	3.250% Senior Notes Due 09/49	08/30/2019	09/15/2049	450,000,000
17	3.9% Pollution Control Bonds Rev Series 2013A	05/23/2013	03/01/2031	138,460,000
18	4.0% Pollution Control Bonds Rev Series 2013B	05/23/2013	03/01/2031	23,400,000
19				
20				
21				
22				
23	Bonds assumed which were originally issued by Washington Natural Gas Company			
24				
25	Secured Medium Term Notes - 7.15% Series C	12/20/1995	12/19/2025	15,000,000
26	Secured Medium Term Notes - 7.20% Series C	12/22/1995	12/22/2025	2,000,000
27				
28				
29				
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31				
32				
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39				
40	**TOTAL**			4,373,860,000

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

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

Line No.	Interest for Year Rate (in %) (e)	Interest for Year Amount (f)	Held by Respondent Reacquired Bonds (Acct 222) (g)	Held by Respondent Sinking and Other Funds (h)	Redemption Price per $100 at End of Year (i)
1					
2					
3	7.020	21,060,000			
4	7.000	7,000,000			
5	5.483	13,707,500			
6	6.724	16,810,000			
7	6.274	18,822,000			
8	5.757	20,149,500			
9	5.795	18,833,750			
10	5.764	14,410,000			
11	4.434	11,085,000			
12	4.700	2,115,000			
13	5.638	16,914,000			
14	4.300	18,275,000			
15	4.223	25,338,000			
16	3.250	14,625,000			
17	3.900	5,399,940			
18	4.000	936,000			
19					
20					
21					
22					
23					
24					
25	7.150	1,072,500			
26	7.200	144,000			
27					
28					
29					
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31					
32					
33					
34					
35					
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37					
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39					
40		226,697,190			

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2021	End of 2020/Q4

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

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

Line No.	Designation of Long-Term Debt (a)	Principal Amount of Debt Issued (b)	Total Expense Premium or Discount (c)	Amortization Period Date From (d)	Amortization Period Date To (e)
1	Account 181 - Unamortized Debt Expense				
2	First Mortgage Bonds Senior MTN 7.02% Series A	300,000,000	3,010,746	12/22/1997	12/01/2027
3	First Mortgage Bonds Senior MTN 7.00% Series B	100,000,000	954,608	03/09/1999	03/09/2029
4	5.483% Senior Notes Due 06/35	250,000,000	2,460,125	05/27/2005	06/01/2035
5	6.724% Senior Notes Due 06/36	250,000,000	2,527,628	06/30/2006	06/15/2036
6	6.274% Senior Notes Due 03/37	300,000,000	2,921,148	09/18/2006	03/01/2037
7	Amort Costs for $600M Sr Notes Due June 2048	600,000,000	1,429,461	06/14/2018	06/14/2048
8	PSE $800M Credit Facility due 2022		2,765,284	11/30/2017	11/30/2022
9	5.757% Senior Notes Due 10/39	350,000,000	3,557,361	09/11/2009	09/01/2039
10	5.795% Senior Notes Due 3/40	325,000,000	3,384,066	03/08/2010	03/15/2040
11	5.764% Senior Notes Due 7/40	250,000,000	2,587,276	06/29/2010	07/15/2040
12	5.638% Senior Notes Due 4/41	300,000,000	3,071,895	03/25/2011	05/15/2041
13	4.434% Senior Notes Due 11/41	250,000,000	2,592,616	11/16/2011	11/01/2041
14	4.70% Senior Notes Due 11/51	45,000,000	511,229	11/22/2011	11/01/2051
15	3.9% Pollution Control Rev Series 2013A Due 3/2031	138,460,000	1,473,301	05/23/2013	03/01/2031
16	4% Pollution Control Rev Series 2013B Due 3/2031	23,400,000	248,243	05/23/2013	03/01/2031
17	$350M Hedging Credit Facility PSE 2018		1,333,855	02/04/2013	11/01/2022
18	$650M Liquidity Credit Facility PSE 2018		2,438,676	02/04/2013	11/01/2022
19	$425M 4.30% Sr Notes due 2045	425,000,000	3,718,750	05/26/2015	05/01/2045
20	$450M 3.25% Sr Notes due 2049	450,000,000	1,083,311	08/30/2019	08/29/2049
21	Subtotal	4,356,860,000	42,069,579		
22					
23	ACCOUNT 226 - UNAMORTIZED DISCOUNT ON LONG-TERM DEBT				
24	5.638% Senior Notes Due 4/41	300,000,000	15,000	03/25/2011	02/15/2041
25	$425M 4.30% Sr Notes due 2045	425,000,000	1,912,500	05/26/2015	05/20/2045
26	$450M 3.25% Sr Notes due 2049	450,000,000	6,849,000	08/30/2019	08/29/2049
27	$600M Sr Notes Due June 2048	600,000,000	5,250,000	06/14/2018	06/14/2048
28	Subtotal	1,775,000,000	14,026,500		
29					
30	ACCOUNT 181 - UNAMORTIZED DEBT EXPENSE				
31	Bonds assumed which were originally issued by Washington Gas Company				
32	Secured MTN, Series C 2025 7.15%	15,000,000	112,500	12/20/1995	12/01/2025
33	Secured MTN, Series C 2025 7.20%	2,000,000	15,000	12/21/1995	12/01/2025
34	Subtotal	17,000,000	127,500		
35					
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40					

Name of Respondent Puget Sound Energy, Inc.	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 04/15/2021	Year/Period of Report End of 2020/Q4

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

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

Line No.	Balance at Beginning of Year (f)	Debits During Year (g)	Credits During Year (h)	Balance at End of Year (i)
1				
2	800,974		101,176	699,798
3	292,613		31,835	260,778
4	1,264,427		82,017	1,182,410
5	1,393,858		84,611	1,309,247
6	1,646,987		95,941	1,551,046
7	1,372,460		48,298	1,324,162
8	2,188,496		570,912	1,617,584
9	2,334,868		118,721	2,216,147
10	2,275,599		112,839	2,162,760
11	1,769,390		85,962	1,683,428
12	2,183,344		102,062	2,081,282
13	1,893,708		86,735	1,806,973
14	407,577		12,804	394,773
15	923,747		82,724	841,023
16	156,108		13,980	142,128
17	176,240		62,202	114,038
18	349,611		122,537	227,074
19	3,910,946		154,379	3,756,567
20	1,175,331	8,694	39,905	1,144,120
21	26,516,284	8,694	2,009,640	24,515,338
22				
23				
24	10,629		502	10,127
25	1,619,427		63,750	1,555,677
26	6,753,875		228,300	6,525,575
27	4,980,208		175,000	4,805,208
28	13,364,139		467,552	12,896,587
29				
30				
31				
32	23,319		3,940	19,379
33	3,106		526	2,580
34	26,425		4,466	21,959
35				
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Schedule Page: 258 Line No.: 12 Column: a

This bond has both unamortized expenses (Account 181) and unamortized discounts (Account 226) and is therefore reported twice on this page. See line 24

Schedule Page: 258 Line No.: 19 Column: a

This bond has both unamortized expenses (Account 181) and unamortized discounts (Account 226) and is therefore reported twice on this page. See line 25

Schedule Page: 258 Line No.: 20 Column: a

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

Schedule Page: 258 Line No.: 7 Column: a

This bond has both unamortized expenses (Account 181) and unamortized discounts (Account 226) and is therefore reported twice on this page. See line 27

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2021	End of 2020/Q4

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

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

Line No.	Designation of Long-Term Debt (a)	Date Reacquired (b)	Principal of Debt Reacquired (c)	Net Gain or Loss (d)	Balance at Beginning of Year (e)	Balance at End of Year (f)
1	1st Mortgage Bonds 9.5/8% Series due 1/2024	02/07/1994	50,000,000	(4,911,597)	689,594	520,714
2	PCB 1991A 7.05% Series due 2/2031	03/24/2003	27,500,000	(1,270,958)	507,865	462,384
3	PCB 1991B 7.25% Series due 2/2031	03/24/2003	23,400,000	(965,944)	385,935	351,374
4	PCB 1992 6.8% Series due 2/2031	03/24/2003	87,500,000	(2,957,968)	1,181,717	1,075,891
5	PCB 1993 5.875% Series due 2/2031	03/24/2003	23,460,000	(902,771)	360,660	328,362
6	VRN Floating Rate Notes, due 6/2035	05/27/2005	200,000,000	(512,599)	263,417	246,331
7	Trust Prefered Notes 8.231% due 5/2027	06/02/2005	42,500,000	(5,144,214)	1,704,380	1,474,576
8	Capital Trust Bond 8.4% due 6/2036	06/30/2006	200,000,000	(5,899,813)	3,250,852	3,053,831
9	$650M Liquidity Credit Facility 2013 10/2022				53,722	34,761
10	1st Mortgage Bonds 8.4% Series due 12/2021	03/27/2003	3,000,000	(21,491)	2,282	1,141
11	1st Mortgage Bonds 8.39% Series due 12/2021	03/27/2003	7,000,000	(50,146)	5,324	2,662
12	1st Mortgage Bonds 8.25% Series due 8/2022	05/29/2003	25,000,000	(1,208,364)	166,629	104,143
13	1st Mortgage Bonds 7.19% Series due 8/2023	08/18/2003	3,000,000	(213,220)	38,186	27,530
14	Loss on Extinguishment on Jr.				4,772,614	4,671,961
15	1st Mortgage Bonds 9.57% Series due 10/2051	12/23/2011	25,000,000	(15,987,378)	12,749,850	12,349,332
16	PCB 5% Series 2003A Bonds due 2/2031	06/24/2013	138,460,000	(5,290,431)	3,340,272	3,041,143
17	PCB 5.1% Series 2003B Bonds due 2/2031	06/24/2013	23,400,000	(894,093)	564,513	513,959
18	2015 Prem Exp Senior Note 5/2045			(2,462,215)	2,086,401	2,004,099
19	2015 Prem Exp Senior Note 5/2045			(9,473,106)	8,025,804	7,709,154
20	$350M Hedging Facility 2013 10/2022				27,270	17,645
21						
22						
23						
24						
25						
26						
27						
28						
29	Subtotal Unamortized Losses (189)		879,220,000	(58,166,308)	40,177,287	37,990,993
30	Total Unamortized Loss/Gains (189 & 257)		879,220,000	(58,166,308)	40,177,287	37,990,993
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Reconciliation of Reported Net Income with Taxable Income for Feder Income Taxes

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

Line No.	Details (a)	Amount (b)
1	Net Income for the Year (Page 116)	274,280,295
2	Reconciling Items for the Year	
3		
4	Taxable Income Not Reported on Books	
5		
6		
7		
8	TOTAL	
9	Deductions Recorded on Books Not Deducted for Return	
10	Provision for Federal Income Taxes	26,367,331
11	Others	101,406,328
12		
13	TOTAL	127,773,659
14	Income Recorded on Books Not Included in Return	
15		
16		
17		
18	TOTAL	
19	Deductions on Return Not Charged Against Book Income	
20	Other	(201,969,193)
21		
22		
23		
24		
25		
26	TOTAL	(201,969,193)
27	Federal Tax Net Income	
28	Show Computation of Tax:	
29	Taxable Income	200,084,761
30	Tax @21%	42,017,800
31	PTC	(31,410,902)
32	Current Federal Tax	10,606,898
33	Current State Tax	383,340
34	Deferred Tax	15,377,093
35	Total Tax	26,367,331

Schedule Page: 261 Line No.: 11 Column: b

Line 11 Details:	
Capitalized Interest	11,236,537
Conservation Activity	17,262,798
Derivative Instruments	26,807,229
Environmental Costs	6,712,565
Non-Deductible Items	3,986,712
Property Tax Rate Tracker	728,243
Other Adjustment	21,269,756
Storm Related Activity	13,402,487
Subtotal	101,406,327

Schedule Page: 261 Line No.: 20 Column: b

Line 20 Details:	
Allowance for Funds Used During Construction	(40,259,694)
Decoupling Revenue	(21,554,591)
Electric and Gas Purchase Contracts	(17,773,637)
Plant Related	(5,564,119)
Pensions and Other Compensation	(9,139,369)
Regulatory Assets	(65,131,206)
Treasury Grant Amortization	(42,546,578)
Subtotal	(201,969,194)
Total Adjustments to Tax Expense	(100,562,867)

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2021	End of 2020/Q4

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

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

Line No.	Kind of Tax (See Instruction 5) (a)	Balance at Beg. of Year Taxes Accrued (b)	Balance at Beg. of Year Prepaid Taxes (c)
1			
2	Income	(712,472)	
3	Employment	418,347	
4	Other		
5			
6			
7	Property	63,183,481	
8	Excise	16,978,697	
9	Municipal	18,779,311	
10	Other	964,183	
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	TOTAL	99,611,547	

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2021	End of 2020/Q4

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

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

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

Line No.	Electric (Account 408.1, 409.1) (i)	Gas (Account 408.1, 409.1) (j)	Other Utility Dept. (Account 408.1, 409.1) (k)	Other Income and Deductions (Account 408.2, 409.2) (l)
1				
2	46,951,001	23,884,436		(59,845,199)
3	8,498,657	3,890,781		14,040,011
4				
5				
6				
7	54,316,257	18,159,466		2,639,290
8	81,665,533	38,440,495		118,214
9	79,625,628	42,998,215		(358,343)
10	1,745,628	(1,375,624)		9,314,639
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39				
TOTAL	272,802,704	125,997,769		(34,091,388)

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2021	End of 2020/Q4

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

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

Line No.	Taxes Charged During Year (d)	Taxes Paid During Year (e)	Adjustments (f)	Balance at End of Year Taxes Accrued (Account 236) (g)	Balance at End of Year Prepaid Taxes (Included in Acct 165) (h)
1					
2	10,990,238	(11,561,702)	(314,477)	(1,598,413)	
3	26,429,449	(26,846,284)		1,512	
4					
5					
6					
7	75,115,012	(70,426,758)	(162,559)	67,709,176	
8	120,224,242	(117,117,812)	(140,691)	19,944,436	
9	122,265,500	(122,751,814)		18,292,997	
10	9,684,644	(9,784,579)	314,477	1,178,725	
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TOTAL	364,709,085	(358,488,949)	(303,250)	105,528,433	

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2021	End of 2020/Q4

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

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

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

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

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2021	End of 2020/Q4

Miscellaneous Current and Accrued Liabilities (Account 242)

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

Line No.	Item (a)	Balance at End of Year (b)
1	401(K) Company Contributions	5,591,102
2	401(K) Company Contributions - Incentive	836,407
3	FERC Trading Floor Payable	247,470
4	Lower Snake River Wind Facility Maintenance	449,583
5	NERC Standards Compliance Loss Reserve	1,154,500
6	WUTC Electric Utility Ammial Regulatory Fees	4,568,263
7	WUTC Gas Utility Annual Regulatory Fees	1,948,883
8	FERC Licensing & Land Use Fees - Snoqualmie, Baker	475,412
9	U.S. Treasury Grants	(2,432,439)
10	Baker License Articles Funding	6,867,268
11	Miscellaneous	387,612
12	Deferral of Transferred Frequency Response	1,555,600
13	Baker License Agreement	734,671
14	TCJA Over Collection	1,191,866
15		
16		
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45	**Total**	**23,576,198**

Other Deferred Credits (Account 253)

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

Line No.	Description of Other Deferred Credits (a)	Balance at Beginning of Year (b)	Debit Contra Account (c)	Debit Amount (d)	Credits (e)	Balance at End of Year (f)
1	Deferred Comp - Salary	8,478,766	Various	3,027,743	3,553,515	9,004,538
2	SFAS 106 Unfunded Liability	34,446,862	417	27,604,289	7,581,327	14,423,900
3	Low Income Program	27,278,861	Various	42,211,682	43,910,444	28,977,623
4	Sch 85 Line Extension Cost	13,134,990	456	476,573	1,075,722	13,734,139
5	Green Power Tariff	7,660,757	456	3,431,218	2,462,291	6,691,830
6	Landlord Incentives - 5-11 Yrs	9,039,832	931	2,561,897	1,930,448	8,408,383
7	PTC Deferred Post June '10	(2)	407		2	
8	Workers Comp - IBNR	2,348,577	186	983,227		1,365,350
9	Residential Exchange		555	189,977,697	189,977,697	
10	Operating Lease Obligation		186			
11	Decoupling	(1)	456	19,542,488	27,545,181	8,002,692
12	Lower Snake River License O&M - 25 Yrs	9,036,284	Various	9,260,737	8,807,105	8,582,652
13	Snoqualmie License O&M	7,442,314	186	7,562		7,434,752
14	Ferndale License Misc Def - 6 Yrs					
15	Baker License Misc Def	56,426,750	186	2,791,351	718,239	54,353,638
16	Unearned Revenue - 11-20 Yrs	3,572,338	454	6,638,167	4,760,516	1,694,687
17	Deferred Pole Contact			8,871,281	8,871,281	
18	PGA Unrealized Gain	2,757,356	175, 244	192,554,556	194,721,765	4,924,565
19	Equity Reserve AMI	1,180,824	419, 186	40,516	2,101,190	3,241,498
20	Montana PTC	67,495,756	Various	124,245,292	95,577,499	38,827,963
21	Unclaimed Property	97,976	131	839,635	849,806	108,147
22	Colstrip 3&4 Final	40,970	131	1,097,360	1,097,591	41,201
23	Mint Farm Misc Def Credit - 15 Yrs	4,661,989	419	884,724		3,777,265
24	Deferred Interchange		555	2,772,928	2,772,928	
25	Tacoma LNG		Various		12,818,652	12,818,652
26	Green Direct Liquidated Damages		143			
27	Microsoft Special Contract Regulat					
28	Minor Items	210,650	Various	105,000	565,986	671,636
29	Covid-19 Help		182, 131	26,544,016	42,483,451	15,939,435
30	Microsoft EA		232		928,775	928,775
31	Service Now		232		835,118	835,118
32						
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44						
45	**Total**	**255,311,849**		**666,469,939**	**655,946,529**	**244,788,439**

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2021	End of 2020/Q4

Accumulated Deferred Income Taxes-Other Property (Account 282)

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

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)
1	Account 282			
2	Electric	1,344,468,676	17,681,047	37,698,459
3	Gas	599,261,239	13,670,151	12,798,767
4	Other (Define) (footnote details)		(16,980)	633,715
5	Total (Enter Total of lines 2 thru 4)	1,943,729,915	31,334,218	51,130,941
6	Other (Specify) (footnote details)			
7	TOTAL Account 282 (Enter Total of lines 5 thr	1,943,729,915	31,334,218	51,130,941
8	Classification of TOTAL			
9	Federal Income Tax	1,943,729,915		
10	State Income Tax			
11	Local Income Tax			

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2021	End of 2020/Q4

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

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

Line No.	Changes during Year Amounts Debited to Account 410.2 (e)	Changes during Year Amounts Credited to Account 411.2 (f)	Adjustments Debits Acct. No. (g)	Adjustments Debits Amount (h)	Adjustments Credits Account No. (i)	Adjustments Credits Amount (j)	Balance at End of Year (k)
1							
2			Various	(545,711,896)	Various	(13,063,341)	791,802,709
3			Various	(232,737,353)	Various	(3,562,979)	370,958,249
4							(650,695)
5				(778,449,249)		(16,626,320)	1,162,110,263
6							
7				(778,449,249)		(16,626,320)	1,162,110,263
8							
9							1,943,729,915
10							
11							

Schedule Page: 274 Line No.: 2 Column: g

Related to Electric FAS 109.

Schedule Page: 274 Line No.: 3 Column: g

Related to Gas FAS 109.

Schedule Page: 274 Line No.: 2 Column: h

Related to Electric FAS 109.

Schedule Page: 274 Line No.: 3 Column: h

Related to Gas FAS 109.

Schedule Page: 274 Line No.: 2 Column: i

Related to Electric FAS 109.

Schedule Page: 274 Line No.: 3 Column: i

Related to Gas FAS 109.

Schedule Page: 274 Line No.: 2 Column: j

Related to Electric FAS 109.

Schedule Page: 274 Line No.: 3 Column: j

Related to Gas FAS 109.

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2021	End of 2020/Q4

Accumulated Deferred Income Taxes-Other (Account 283)

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

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	Changes During Year Amounts Debited to Account 410.1 (c)	Changes During Year Amounts Credited to Account 411.1 (d)
1	Account 283			
2	Electric	202,988,052	55,973,534	92,275,574
3	Gas	28,787,467	33,772,174	36,122,123
4	Other (Define) (footnote details)			
5	Total (Total of lines 2 thru 4)	231,775,519	89,745,708	128,397,697
6	Other (Specify) (footnote details)			
7	TOTAL Account 283 (Total of lines 5 thru	231,775,519	89,745,708	128,397,697
8	Classification of TOTAL			
9	Federal Income Tax			
10	State Income Tax			
11	Local Income Tax			

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2021	End of 2020/Q4

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

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

Line No.	Changes during Year Amounts Debited to Account 410.2 (e)	Changes during Year Amounts Credited to Account 411.2 (f)	Adjustments Debits Acct. No. (g)	Adjustments Debits Amount (h)	Adjustments Credits Account No. (i)	Adjustments Credits Amount (j)	Balance at End of Year (k)
1							
2			Various	(4,211,775)	Various	(4,169,207)	166,643,444
3			Various	(1,989,512)	Various	(2,043,858)	26,491,864
4							
5				(6,201,287)		(6,213,065)	193,135,308
6							
7				(6,201,287)		(6,213,065)	193,135,308
8							
9							
10							
11							

Name of Respondent Puget Sound Energy, Inc.	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 04/15/2021	Year/Period of Report End of 2020/Q4

Other Regulatory Liabilities (Account 254)

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

Line No.	Description and Purpose of Other Regulatory Liabilities (a)	Balance at Beginning of Current Quarter/Year (b)	Written off during Quarter/Period Account Credited (c)	Written off During Period Amount Refunded (d)	Written off During Period Amount Deemed Non-Refundable (e)	Credits (f)	Balance at End of Current Quarter/Year (g)
1	Unamort. Gain from Disposition of Allowance	225	411.8	241		16	
2	Summit Purchase Buyout	1,312,500	456, 495	1,312,500			
3	Renewable Energy Credits	1,417,447	Multiple	6,879,979		5,897,889	435,357
4	Treasury Grants - Wind Project Expansion	879,877	407.4	9,172,184		8,463,347	171,040
5	PTC Cost Deferral	85,322,773	407.3	51,252,319		11,491,685	45,562,139
6	Decoupling Mechanisms	8,500,273	Multiple	48,932,984		56,880,263	16,447,552
7	Regulatory Liability Tax Reform	946,935,959	190	1,012,063,574		9,462,930	(55,664,685)
8	Microsoft Special Contract Reg Liability	12,661,278	253, 254	22,759,303		10,098,025	
9	Green Direct Liquidated Damages	2,420,712	143, 254	2,686,721		14,579,288	14,313,279
10	Gain on Sale Shuffleton - Electric	12,482,801	187, 254	12,572,250		60,016	(29,433)
11	FAS 109 EDIT Unprotected Gas & Electric		254	3,820,869		49,140,076	45,319,207
12	FAS 109 EDIT Protected Gas & Electric		254	13,098,586		977,431,404	964,332,818
13							
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44							
45	**Total**	**1,071,933,845**	[redacted]	**1,184,551,510**	**0**	**1,143,504,939**	**1,030,887,274**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Included in Washington Commission Docket UE-161123 effective July 13, 2017. The Special Contract will have a 20-year initial term with automatic 5-year extension so long as Microsoft does not have any cost-effective alternative to PSE for distribution service, all as set forth in the Special Contract.

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

Shookumchuck Wind Energy Project accrual on liquidated damages. The foundation completion of 11 Turbines to be erected has currently been achieved as of December 16, 2019.

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

Included in Washington Commission Docket UE-190606 effective August 29, 2019. On July 16, 2019, PSE filed with WUTC an application seeking a determination that 7.74 acres at its Shuffleton Switching Station Property will no longer be necessary or useful under WAC 480-143-180, and authorization for accounting treatment for the gain on sale will be recorded in FERC Account 254 (Other Regulatory Liabilities).

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

In the 2019 GRC, paragraph 325 in Order No. 10, the Commission has ordered PSE to defer grossed-up Unprotected EDIT in the amount of $47.9 million for electric and $3.8 million for gas to separate FERC 254 – Other Regulatory Liabilities Accounts. The Commission has also ordered PSE to begin amortizing the balance from these accounts over a period of 3 years, amounting to approximately $16 million for electric and $1.3 million for natural gas per year.

Schedule Page: 278 Line No.: 12 Column: a

For purposes of tracking the Schedule 141X activity, the Tax Department shall create two new FAS 109 (electric and gas) 254 Commission regulatory liability accounts which will represent grossed-up protected EDIT amounts of $1,032,172,942 to be passed back to customers. The total of the two new Commission 254 regulatory liability grossed up PP EDIT balances of $1,032,172,942 will be passed back to customers over several years through Schedule 141X.

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2021	End of 2020/Q4

Monthly Quantity & Revenue Data by Rate Schedule

1. Reference to account numbers in the USofA is provided in parentheses beside applicable data. Quantities must not be adjusted for discounts.
2. Total Quantities and Revenues in whole numbers
3. Report revenues and quantities of gas by rate schedule. Where transportation services are bundled with storage services, reflect only transportation Dth. When reporting storage, report Dth of gas withdrawn from storage and revenues by rate schedule.
4. Revenues in Column (c) include transition costs from upstream pipelines. Revenue (Other) in Column (e) includes reservation charges received by the pipeline plus usage charges, less revenues reflected in Columns (c) and (d). Include in Column (e), revenue for Accounts 490-495.
5. Enter footnotes as appropriate.

Line No.	Item (a)	Month 1 Quantity (b)	Month 1 Revenue Costs and Take-or-Pay (c)	Month 1 Revenue (GRI & ACA) (d)	Month 1 Revenue (Other) (e)	Month 1 Revenue (Total) (f)
1	Total Sales (480-488)					
2	Transportation of Gas for Others (489.2 and 489..3)	[redacted]				
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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2021	End of 2020/Q4

Monthly Quantity & Revenue Data by Rate Schedule (continued)

Line No.	Item (a)	Month 1 Quantity (b)	Month 1 Revenue Costs and Take-or-Pay (c)	Month 1 Revenue (GRI & ACA) (d)	Month 1 Revenue (Other) (e)	Month 1 Revenue (Total) (f)
48						
49						
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54						
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56						
57						
58						
59						
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61						
62						
63	Total Transportation (Other than Gathering)					
64	Storage (489.4)					
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72						
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75						
76						
77						
78						
79						
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82						
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84						
85						
86						
87						
88						
89						
90	Total Storage					
91	Gathering (489.1)					
92	Gathering-Firm					
93	Gathering-Interruptible					
94	Total Gathering (489.1)					
95	Additional Revenues					
96	Products Sales and Extraction (490-492)					
97	Rents (493-494)					
98	Other Gas Revenues (495)					
99	(Less) Provision for Rate Refunds					
100	Total Additional Revenues					
101	Total Operating Revenues (Total of Lines 1,63,90,94 & 100)					

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2021	End of 2020/Q4

Monthly Quantity & Revenue Data by Rate Schedule

1. Reference to account numbers in the USofA is provided in parentheses beside applicable data. Quantities must not be adjusted for discounts.
2. Total Quantities and Revenues in whole numbers
3. Report revenues and quantities of gas by rate schedule. Where transportation services are bundled with storage services, reflect only transportation Dth. When reporting storage, report Dth of gas withdrawn from storage and revenues by rate schedule.
4. Revenues in Column (c) include transition costs from upstream pipelines. Revenue (Other) in Column (e) includes reservation charges received by the pipeline plus usage charges, less revenues reflected in Columns (c) and (d). Include in Column (e), revenue for Accounts 490-495.
5. Enter footnotes as appropriate.

Line No.	Month 2 Quantity (g)	Month 2 Revenue Costs and Take-or-Pay (h)	Month 2 Revenue (GRI & ACA) (i)	Month 2 Revenue (Other) (j)	Month 2 Revenue (Total) (k)	Month 3 Quantity (l)	Month 3 Revenue Costs and Take-or-Pay (m)	Month 3 Revenue (GRI & ACA) (n)	Month 3 Revenue (Other) (o)	Month 3 Revenue (Total) (p)
1										
2	[redacted]									
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Monthly Quantity & Revenue Data by Rate Schedule (continued)

Line No.	Month 2 Quantity (g)	Month 2 Revenue Costs and Take-or-Pay (h)	Month 2 Revenue (GRI & ACA) (i)	Month 2 Revenue (Other) (j)	Month 2 Revenue (Total) (k)	Month 3 Quantity (l)	Month 3 Revenue Costs and Take-or-Pay (m)	Month 3 Revenue (GRI & ACA) (n)	Month 3 Revenue (Other) (o)	Month 3 Revenue (Total) (p)
48										
49										
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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2021	End of 2020/Q4

Gas Operating Revenues

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

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

Gas Operating Revenues

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

Line No.	Other Revenues Amount for Current Year (f)	Other Revenues Amount for Previous Year (g)	Total Operating Revenues Amount for Current Year (h)	Total Operating Revenues Amount for Previous Year (i)	Dekatherm of Natural Gas Amount for Current Year (j)	Dekatherm of Natural Gas Amount for Previous Year (k)
1	662,502,964	613,618,716	662,502,964	613,618,716	59,281,026	60,531,377
2	272,590,890	252,380,360	272,590,890	252,380,360	31,779,761	34,572,894
3						
4						
5						
6						
7	169,211	766,930	169,211	766,930		
8	2,976,830	3,533,375	2,976,830	3,533,375		
9						
10						
11	19,555,100	19,870,755	19,555,100	19,870,755	21,232,973	22,765,698
12	1,555,935	1,359,584	1,555,935	1,359,584		
13						
14						
15						
16	4,710,102	5,512,529	4,710,102	5,512,529		
17						
18	11,625,688	(26,541,289)	11,625,688	(26,541,289)		
19	975,686,720	870,500,960	975,686,720	870,500,960		
20	(5,226,621)	(4,869,732)	(5,226,621)	(4,869,732)		
21	980,913,341	875,370,692	980,913,341	875,370,692		

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2021	End of 2020/Q4

Revenues from Transporation of Gas of Others Through Gathering Facilities (Account 489.1)

1. Report revenues and Dth of gas delivered through gathering facilities by zone of receipt (i.e. state in which gas enters respondent's system).
2. Revenues for penalties including penalties for unauthorized overruns must be reported on page 308.

Line No.	Rate Schedule and Zone of Receipt (a)	Revenues for Transition Costs and Take-or-Pay Amount for Current Year (b)	Revenues for Transaction Costs and Take-or-Pay Amount for Previous Year (c)	Revenues for GRI and ACA Amount for Current Year (d)	Revenues for GRI and ACA Amount for Current Year (d)
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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2021	End of 2020/Q4

Revenues from Transporation of Gas of Others Through Gathering Facilities (Account 489.1)

3. Other Revenues in columns (f) and (g) include reservation charges received by the pipeline plus usage charges, less revenues reflected in columns (b) through (e).
4. Delivered Dth of gas must not be adjusted for discounting.

Line No.	Other Revenues Amount for Current Year (f)	Other Revenues Amount for Previous Year (g)	Total Operating Revenues Amount for Current Year (h)	Total Operating Revenues Amount for Previous Year (i)	Dekatherm of Natural Gas Amount for Current Year (j)	Dekatherm of Natural Gas Amount for Previous Year (k)
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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2021	End of 2020/Q4

Revenues from Transportation of Gas of Others Through Transmission Facilities (Account 489.2)

1. Report revenues and Dth of gas delivered by Zone of Delivery by Rate Schedule. Total by Zone of Delivery and for all zones. If respondent does not have separate zones, provide totals by rate schedule.
2. Revenues for penalties including penalties for unauthorized overruns must be reported on page 308.
3. Other Revenues in columns (f) and (g) include reservation charges received by the pipeline plus usage charges for transportation and hub services, less revenues reflected in columns (b) through (e).

Line No.	Zone of Delivery, Rate Schedule (a)	Revenues for Transition Costs and Take-or-Pay Amount for Current Year (b)	Revenues for Transition Costs and Take-or-Pay Amount for Previous Year (c)	Revenues for GRI and ACA Amount for Current Year (d)	Revenues for GRI and ACA Amount for Previous Year (e)
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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2021	End of 2020/Q4

Revenues from Transportation of Gas of Others Through Transmission Facilities (Account 489.2)

4. Delivered Dth of gas must not be adjusted for discounting.
5. Each incremental rate schedule and each individually certificated rate schedule must be separately reported.
6. Where transportation services are bundled with storage services, report total revenues but only transportation Dth.

Line No.	Other Revenues Amount for Current Year (f)	Other Revenues Amount for Previous Year (g)	Total Operating Revenues Amount for Current Year (h)	Total Operating Revenues Amount for Previous Year (i)	Dekatherm of Natural Gas Amount for Current Year (j)	Dekatherm of Natural Gas Amount for Previous Year (k)
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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2021	End of 2020/Q4

Revenues from Storing Gas of Others (Account 489.4)

1. Report revenues and Dth of gas withdrawn from storage by Rate Schedule and in total.
2. Revenues for penalties including penalties for unauthorized overruns must be reported on page 308.
3. Other revenues in columns (f) and (g) include reservation charges, deliverability charges, injection and withdrawal charges, less revenues reflected in columns (b) through (e).

Line No.	Rate Schedule (a)	Revenues for Transition Costs and Take-or-Pay Amount for Current Year (b)	Revenues for Transaction Costs and Take-or-Pay Amount for Previous Year (c)	Revenues for GRI and ACA Amount for Current Year (d)	Revenues for GRI and ACA Amount for Previous Year (e)
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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2021	End of 2020/Q4

Revenues from Storing Gas of Others (Account 489.4)

4. Dth of gas withdrawn from storage must not be adjusted for discounting.
5. Where transportation services are bundled with storage services, report only Dth withdrawn from storage.

Line No.	Other Revenues Amount for Current Year (f)	Other Revenues Amount for Previous Year (g)	Total Operating Revenues Amount for Current Year (h)	Total Operating Revenues Amount for Previous Year (i)	Dekatherm of Natural Gas Amount for Current Year (j)	Dekatherm of Natural Gas Amount for Previous Year (k)
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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2021	End of 2020/Q4

Other Gas Revenues (Account 495)

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

Line No.	Description of Transaction (a)	Amount (in dollars) (b)
1	Commissions on Sale or Distribution of Gas of Others	
2	Compensation for Minor or Incidental Services Provided for Others	
3	Profit or Loss on Sale of Material and Supplies not Ordinarily Purchased for Resale	
4	Sales of Stream, Water, or Electricity, including Sales or Transfers to Other Departments	
5	Miscellaneous Royalties	
6	Revenues from Dehydration and Other Processing of Gas of Others except as provided for in the Instructions to Account 495	
7	Revenues for Right and/or Benefits Received from Others which are Realized Through Research, Development, and Demonstration Ventures	
8	Gains on Settlements of Imbalance Receivables and Payables	
9	Revenues from Penalties earned Pursuant to Tariff Provisions, including Penalties Associated with Cash-out Settlements	
10	Revenues from Shipper Supplied Gas	
11	Other revenues (Specify):	
12	Transactions $250,000 or more	
13	Rule 23 and Rule 29 Curtailment and Entitlement	(2,259,137)
14	Decoupling Revenue	12,427,184
15	AMI return deferral - gas	1,545,391
16	Summit buyout final amortization Jan-Oct 2020	457,356
17	Carbon offset	(548,735)
18	Transactions below $250,000	
19	Miscellaneous Other Gas Revenue	3,629
20		
21		
22		
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	Total	**11,625,688**

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2021	End of 2020/Q4

Discounted Rate Services and Negotiated Rate Services

1. In column b, report the revenues from discounted rate services.
2. In column c, report the volumes of discounted rate services.
3. In column d, report the revenues from negotiated rate services.
4. In column e, report the volumes of negotiated rate services.

Line No.	Account (a)	Discounted Rate Services Revenue (b)	Discounted Rate Services Volumes (c)	Negotiated Rate Services Revenue (d)	Negotiated Rate Services Volumes (e)
1	Account 489.1, Revenues from transportation of gas of others through gathering facilities.				
2	Account 489.2, Revenues from transportation of gas of others through transmission facilities.				
3	Account 489.4, Revenues from storing gas of others.				
4	Account 495, Other gas revenues.				
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	Total				

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2021	End of 2020/Q4

Gas Operation and Maintenance Expenses

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
1	1. PRODUCTION EXPENSES		
2	A. Manufactured Gas Production		
3	Manufactured Gas Production (Submit Supplemental Statement)	151,438	102,117
4	B. Natural Gas Production		
5	B1. Natural Gas Production and Gathering		
6	Operation		
7	750 Operation Supervision and Engineering	0	0
8	751 Production Maps and Records	0	0
9	752 Gas Well Expenses	0	0
10	753 Field Lines Expenses	0	0
11	754 Field Compressor Station Expenses	0	0
12	755 Field Compressor Station Fuel and Power	0	0
13	756 Field Measuring and Regulating Station Expenses	0	0
14	757 Purification Expenses	0	0
15	758 Gas Well Royalties	0	0
16	759 Other Expenses	0	0
17	760 Rents	0	0
18	TOTAL Operation (Total of lines 7 thru 17)	0	0
19	Maintenance		
20	761 Maintenance Supervision and Engineering	0	0
21	762 Maintenance of Structures and Improvements	0	0
22	763 Maintenance of Producing Gas Wells	0	0
23	764 Maintenance of Field Lines	0	0
24	765 Maintenance of Field Compressor Station Equipment	0	0
25	766 Maintenance of Field Measuring and Regulating Station Equipment	0	0
26	767 Maintenance of Purification Equipment	0	0
27	768 Maintenance of Drilling and Cleaning Equipment	0	0
28	769 Maintenance of Other Equipment	0	0
29	TOTAL Maintenance (Total of lines 20 thru 28)	0	0
30	TOTAL Natural Gas Production and Gathering (Total of lines 18 and 29)	0	0

Gas Operation and Maintenance Expenses(continued)

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

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2021	End of 2020/Q4

Gas Operation and Maintenance Expenses(continued)

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
59	C. Exploration and Development		
60	Operation		
61	795 Delay Rentals	0	0
62	796 Nonproductive Well Drilling	0	0
63	797 Abandoned Leases	0	0
64	798 Other Exploration	0	0
65	TOTAL Exploration and Development (Total of lines 61 thru 64)	0	0
66	D. Other Gas Supply Expenses		
67	Operation		
68	800 Natural Gas Well Head Purchases	0	0
69	800.1 Natural Gas Well Head Purchases, Intracompany Transfers	0	0
70	801 Natural Gas Field Line Purchases	0	0
71	802 Natural Gas Gasoline Plant Outlet Purchases	0	0
72	803 Natural Gas Transmission Line Purchases	0	0
73	804 Natural Gas City Gate Purchases	311,861,557	410,534,333
74	804.1 Liquefied Natural Gas Purchases	0	0
75	805 Other Gas Purchases	303,244	201,134
76	(Less) 805.1 Purchases Gas Cost Adjustments	(46,455,081)	116,662,915
77	TOTAL Purchased Gas (Total of lines 68 thru 76)	358,619,882	294,072,552
78	806 Exchange Gas	0	0
79	Purchased Gas Expenses		
80	807.1 Well Expense-Purchased Gas	0	0
81	807.2 Operation of Purchased Gas Measuring Stations	0	0
82	807.3 Maintenance of Purchased Gas Measuring Stations	0	0
83	807.4 Purchased Gas Calculations Expenses	0	0
84	807.5 Other Purchased Gas Expenses	2,238,560	2,158,101
85	TOTAL Purchased Gas Expenses (Total of lines 80 thru 84)	2,238,560	2,158,101

Gas Operation and Maintenance Expenses(continued)

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
86	808.1 Gas Withdrawn from Storage-Debit	35,556,222	53,339,091
87	(Less) 808.2 Gas Delivered to Storage-Credit	31,304,269	56,435,766
88	809.1 Withdrawals of Liquefied Natural Gas for Processing-Debit	0	0
89	(Less) 809.2 Deliveries of Natural Gas for Processing-Credit	0	0
90	Gas used in Utility Operation-Credit		
91	810 Gas Used for Compressor Station Fuel-Credit	0	0
92	811 Gas Used for Products Extraction-Credit	0	0
93	812 Gas Used for Other Utility Operations-Credit	22,430	33,051
94	TOTAL Gas Used in Utility Operations-Credit (Total of lines 91 thru 93)	22,430	33,051
95	813 Other Gas Supply Expenses	543,844	535,182
96	TOTAL Other Gas Supply Exp. (Total of lines 77,78,85,86 thru 89,94,95)	365,631,809	293,636,109
97	TOTAL Production Expenses (Total of lines 3, 30, 58, 65, and 96)	365,783,247	293,738,226
98	2. NATURAL GAS STORAGE, TERMINALING AND PROCESSING EXPENSES		
99	A. Underground Storage Expenses		
100	Operation		
101	814 Operation Supervision and Engineering	174,392	168,735
102	815 Maps and Records	0	0
103	816 Wells Expenses	19,908	17,243
104	817 Lines Expense	1,848	40,782
105	818 Compressor Station Expenses	309,989	274,849
106	819 Compressor Station Fuel and Power	53,091	34,323
107	820 Measuring and Regulating Station Expenses	2,362	6,045
108	821 Purification Expenses	0	2,999
109	822 Exploration and Development	0	0
110	823 Gas Losses	0	0
111	824 Other Expenses	40,961	71,269
112	825 Storage Well Royalties	19,280	33,885
113	826 Rents	0	0
114	TOTAL Operation (Total of lines of 101 thru 113)	621,831	650,130

Gas Operation and Maintenance Expenses(continued)

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
115	Maintenance		
116	830 Maintenance Supervision and Engineering	151,402	145,688
117	831 Maintenance of Structures and Improvements	84,712	103,137
118	832 Maintenance of Reservoirs and Wells	1,226,599	1,247,566
119	833 Maintenance of Lines	14,815	14,604
120	834 Maintenance of Compressor Station Equipment	497,991	431,387
121	835 Maintenance of Measuring and Regulating Station Equipment	0	0
122	836 Maintenance of Purification Equipment	30,665	140,700
123	837 Maintenance of Other Equipment	13,501	11,579
124	TOTAL Maintenance (Total of lines 116 thru 123)	2,019,685	2,094,661
125	TOTAL Underground Storage Expenses (Total of lines 114 and 124)	2,641,516	2,744,791
126	B. Other Storage Expenses		
127	Operation		
128	840 Operation Supervision and Engineering	0	0
129	841 Operation Labor and Expenses	807,123	842,488
130	842 Rents	0	0
131	842.1 Fuel	0	0
132	842.2 Power	0	0
133	842.3 Gas Losses	0	0
134	TOTAL Operation (Total of lines 128 thru 133)	807,123	842,488
135	Maintenance		
136	843.1 Maintenance Supervision and Engineering	0	0
137	843.2 Maintenance of Structures	0	0
138	843.3 Maintenance of Gas Holders	0	0
139	843.4 Maintenance of Purification Equipment	0	0
140	843.5 Maintenance of Liquefaction Equipment	0	0
141	843.6 Maintenance of Vaporizing Equipment	0	0
142	843.7 Maintenance of Compressor Equipment	0	0
143	843.8 Maintenance of Measuring and Regulating Equipment	0	0
144	843.9 Maintenance of Other Equipment	0	0
145	TOTAL Maintenance (Total of lines 136 thru 144)	0	0
146	TOTAL Other Storage Expenses (Total of lines 134 and 145)	807,123	842,488

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Gas Operation and Maintenance Expenses(continued)

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
147	C. Liquefied Natural Gas Terminaling and Processing Expenses		
148	Operation		
149	844.1 Operation Supervision and Engineering	456	405
150	844.2 LNG Processing Terminal Labor and Expenses	0	0
151	844.3 Liquefaction Processing Labor and Expenses	0	0
152	844.4 Liquefaction Transportation Labor and Expenses	0	0
153	844.5 Measuring and Regulating Labor and Expenses	0	0
154	844.6 Compressor Station Labor and Expenses	0	0
155	844.7 Communication System Expenses	0	0
156	844.8 System Control and Load Dispatching	0	0
157	845.1 Fuel	0	0
158	845.2 Power	0	0
159	845.3 Rents	0	0
160	845.4 Demurrage Charges	0	0
161	(less) 845.5 Wharfage Receipts-Credit	0	0
162	845.6 Processing Liquefied or Vaporized Gas by Others	0	0
163	846.1 Gas Losses	0	0
164	846.2 Other Expenses	0	0
165	TOTAL Operation (Total of lines 149 thru 164)	456	405
166	Maintenance		
167	847.1 Maintenance Supervision and Engineering	0	0
168	847.2 Maintenance of Structures and Improvements	0	0
169	847.3 Maintenance of LNG Processing Terminal Equipment	0	0
170	847.4 Maintenance of LNG Transportation Equipment	0	0
171	847.5 Maintenance of Measuring and Regulating Equipment	0	0
172	847.6 Maintenance of Compressor Station Equipment	0	0
173	847.7 Maintenance of Communication Equipment	0	0
174	847.8 Maintenance of Other Equipment	0	0
175	TOTAL Maintenance (Total of lines 167 thru 174)	0	0
176	TOTAL Liquefied Nat Gas Terminaling and Proc Exp (Total of lines 165 and 175)	456	405
177	TOTAL Natural Gas Storage (Total of lines 125, 146, and 176)	3,449,095	3,587,684

Gas Operation and Maintenance Expenses(continued)

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
178	3. TRANSMISSION EXPENSES		
179	Operation		
180	850 Operation Supervision and Engineering	0	0
181	851 System Control and Load Dispatching	0	0
182	852 Communication System Expenses	0	0
183	853 Compressor Station Labor and Expenses	0	0
184	854 Gas for Compressor Station Fuel	0	0
185	855 Other Fuel and Power for Compressor Stations	0	0
186	856 Mains Expenses	0	0
187	857 Measuring and Regulating Station Expenses	0	0
188	858 Transmission and Compression of Gas by Others	0	0
189	859 Other Expenses	0	0
190	860 Rents	0	0
191	TOTAL Operation (Total of lines 180 thru 190)	0	0
192	Maintenance		
193	861 Maintenance Supervision and Engineering	0	0
194	862 Maintenance of Structures and Improvements	0	0
195	863 Maintenance of Mains	0	0
196	864 Maintenance of Compressor Station Equipment	0	0
197	865 Maintenance of Measuring and Regulating Station Equipment	0	0
198	866 Maintenance of Communication Equipment	0	0
199	867 Maintenance of Other Equipment	0	0
200	TOTAL Maintenance (Total of lines 193 thru 199)	0	0
201	TOTAL Transmission Expenses (Total of lines 191 and 200)	0	0
202	4. DISTRIBUTION EXPENSES		
203	Operation		
204	870 Operation Supervision and Engineering	2,350,346	2,187,538
205	871 Distribution Load Dispatching	303,168	258,821
206	872 Compressor Station Labor and Expenses	0	0
207	873 Compressor Station Fuel and Power	0	0

Gas Operation and Maintenance Expenses(continued)

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
208	874 Mains and Services Expenses	19,563,391	16,786,166
209	875 Measuring and Regulating Station Expenses-General	1,515,488	1,759,722
210	876 Measuring and Regulating Station Expenses-Industrial	647,458	367,009
211	877 Measuring and Regulating Station Expenses-City Gas Check Station	0	0
212	878 Meter and House Regulator Expenses	1,825,525	1,898,324
213	879 Customer Installations Expenses	1,983,229	3,403,918
214	880 Other Expenses	13,167,433	14,137,699
215	881 Rents	250,406	283,240
216	TOTAL Operation (Total of lines 204 thru 215)	41,606,444	41,082,437
217	Maintenance		
218	885 Maintenance Supervision and Engineering	27,120	95,326
219	886 Maintenance of Structures and Improvements	344,933	140,998
220	887 Maintenance of Mains	8,322,017	8,518,328
221	888 Maintenance of Compressor Station Equipment	0	0
222	889 Maintenance of Measuring and Regulating Station Equipment-General	793,382	827,228
223	890 Maintenance of Meas. and Reg. Station Equipment-Industrial	163,535	237,640
224	891 Maintenance of Meas. and Reg. Station Equip-City Gate Check Station	0	0
225	892 Maintenance of Services	4,577,033	4,226,767
226	893 Maintenance of Meters and House Regulators	706,631	617,959
227	894 Maintenance of Other Equipment	718,544	732,053
228	TOTAL Maintenance (Total of lines 218 thru 227)	15,653,195	15,396,299
229	TOTAL Distribution Expenses (Total of lines 216 and 228)	57,259,639	56,478,736
230	5. CUSTOMER ACCOUNTS EXPENSES		
231	Operation		
232	901 Supervision	100,810	93,364
233	902 Meter Reading Expenses	8,901,850	8,916,142
234	903 Customer Records and Collection Expenses	15,448,529	16,697,207

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Gas Operation and Maintenance Expenses(continued)

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
235	904 Uncollectible Accounts	4,251,335	3,269,965
236	905 Miscellaneous Customer Accounts Expenses	0	0
237	TOTAL Customer Accounts Expenses (Total of lines 232 thru 236)	28,702,524	28,976,678
238	6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES		
239	Operation		
240	907 Supervision	0	0
241	908 Customer Assistance Expenses	23,153,596	20,997,485
242	909 Informational and Instructional Expenses	1,457,160	1,301,367
243	910 Miscellaneous Customer Service and Informational Expenses	54	146
244	TOTAL Customer Service and Information Expenses (Total of lines 240 thru 243)	24,610,810	22,298,998
245	7. SALES EXPENSES		
246	Operation		
247	911 Supervision	0	0
248	912 Demonstrating and Selling Expenses	(57,245)	(64,037)
249	913 Advertising Expenses	0	0
250	916 Miscellaneous Sales Expenses	0	0
251	TOTAL Sales Expenses (Total of lines 247 thru 250)	(57,245)	(64,037)
252	8. ADMINISTRATIVE AND GENERAL EXPENSES		
253	Operation		
254	920 Administrative and General Salaries	27,106,184	24,510,756
255	921 Office Supplies and Expenses	3,324,384	5,062,987
256	(Less) 922 Administrative Expenses Transferred-Credit	12,374,966	11,890,784
257	923 Outside Services Employed	6,281,757	4,364,888
258	924 Property Insurance	43,898	145,625
259	925 Injuries and Damages	3,201,453	3,155,786
260	926 Employee Pensions and Benefits	14,425,061	14,284,018
261	927 Franchise Requirements	0	0
262	928 Regulatory Commission Expenses	2,529,420	2,562,228
263	(Less) 929 Duplicate Charges-Credit	0	0
264	930.1General Advertising Expenses	0	201
265	930.2Miscellaneous General Expenses	3,786,365	4,268,661
266	931 Rents	2,973,433	3,518,044
267	TOTAL Operation (Total of lines 254 thru 266)	51,296,989	49,982,410
268	Maintenance		
269	932 Maintenance of General Plant	8,866,624	9,160,867
270	TOTAL Administrative and General Expenses (Total of lines 267 and 269)	60,163,613	59,143,277
271	TOTAL Gas O&M Expenses (Total of lines 97,177,201,229,237,244,251, and 270)	539,911,683	464,159,562

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Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2021	End of 2020/Q4

Exchange and Imbalance Transactions

1. Report below details by zone and rate schedule concerning the gas quantities and related dollar amount of imbalances associated with system balancing and no-notice service. Also, report certificated natural gas exchange transactions during the year. Provide subtotals for imbalance and no-notice quantities for exchanges. If respondent does not have separate zones, provide totals by rate schedule. Minor exchange transactions (less than 100,000 Dth) may be grouped.

Line No.	Zone/Rate Schedule (a)	Gas Received from Others Amount (b)	Gas Received from Others Dth (c)	Gas Delivered to Others Amount (d)	Gas Delivered to Others Dth (e)
1					
2					
3					
4					
5					
6					
7					
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10					
11					
12					
13					
14					
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21					
22					
23					
24					
25	**Total**	**0**	**0**	**0**	**0**

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2021	End of 2020/Q4

Gas Used in Utility Operations

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

Line No.	Purpose for Which Gas Was Used (a)	Account Charged (b)	Natural Gas Gas Used Dth (c)	Natural Gas Amount of Credit (in dollars) (d)	Natural Gas Amount of Credit (in dollars) (d)	Natural Gas Amount of Credit (in dollars) (d)
1	810 Gas Used for Compressor Station Fuel - Credit					
2	811 Gas Used for Products Extraction - Credit					
3	Gas Shrinkage and Other Usage in Respondent's Own Processing					
4	Gas Shrinkage, etc. for Respondent's Gas Processed by Others					
5	812 Gas Used for Other Utility Operations - Credit (Report separately for each principal use. Group minor uses.)		11,988	22,430		
6						
7						
8						
9						
10						
11						
12						
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14						
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24						
25	**Total**		11,988	22,430		

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2021	End of 2020/Q4

Transmission and Compression of Gas by Others (Account 858)

1. Report below details concerning gas transported or compressed for respondent by others equalling more than 1,000,000 Dth and amounts of payments for such services during the year. Minor items (less than 1,000,000) Dth may be grouped. Also, include in column (c) amounts paid as transition costs to an upstream pipeline.
2. In column (a) give name of companies, points of delivery and receipt of gas. Designate points of delivery and receipt so that they can be identified readily on a map of respondent's pipeline system.
3. Designate associated companies with an asterisk in column (b).

Line No.	Name of Company and Description of Service Performed (a)	* (b)	Amount of Payment (in dollars) (c)	Dth of Gas Delivered (d)
1				
2				
3				
4				
5				
6				
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23				
24				
25	**Total**			

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2021	End of 2020/Q4

Other Gas Supply Expenses (Account 813)

1. Report other gas supply expenses by descriptive titles that clearly indicate the nature of such expenses. Show maintenance expenses, revaluation of monthly encroachments recorded in Account 117.4, and losses on settlements of imbalances and gas losses not associated with storage separately. Indicate the functional classification and purpose of property to which any expenses relate. List separately items of $250,000 or more.

Line No.	Description (a)	Amount (in dollars) (b)
1		
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23		
24		
25	**Total**	

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2021	End of 2020/Q4

Miscellaneous General Expenses (Account 930.2)

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

Line No.	Description (a)	Amount (in dollars) (b)
1	Industry association dues.	476,251
2	Experimental and general research expenses.	
	a. Gas Research Institute (GRI)	
	b. Other	
3	Publishing and distributing information and reports to stockholders, trustee, registrar, and transfer	
	agent fees and expenses, and other expenses of servicing outstanding securities of the respondent	
4	Board of Director Fees and Expenses	364,168
5	Other Membership Dues	305,035
6	Communication Services	
7	Treasury Fees & Expenses	87,377
8	Misc General Expenses	2,556,412
9	State/Fed Govt Related Industry Expenses	2,166
10		
11		
12		
13		
14		
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24		
25	**Total**	3,791,409

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2021	End of 2020/Q4

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

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

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

Line No.	Functional Classification (a)	Depreciation Expense (Account 403) (b)	Amortization Expense for Asset Retirement Costs (Account 403.1) (c)	Amortization and Depletion of Producing Natural Gas Land and Land Rights (Account 404.1) (d)	Amortization of Underground Storage Land and Land Rights (Account 404.2) (e)
1	Intangible plant				
2	Production plant, manufactured gas				
3	Production and gathering plant, natural gas				
4	Products extraction plant				
5	Underground gas storage plant	1,261,158			
6	Other storage plant	336,846			
7	Base load LNG terminaling and processing plant	22,517			
8	Transmission plant				
9	Distribution plant	119,922,566	134,206		
10	General plant	2,100,033			
11	Common plant-gas	9,551,186	17,955		
12	TOTAL	133,194,306	152,161		

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

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

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

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

Line No.	Amortization of Other Limited-term Gas Plant (Account 404.3) (f)	Amortization of Other Gas Plant (Account 405) (g)	Total (b to g) (h)	Functional Classification (a)
1	4,677,469		4,677,469	Intangible plant
2				Production plant, manufactured gas
3				Production and gathering plant, natural gas
4				Products extraction plant
5			1,261,158	Underground gas storage plant
6			336,846	Other storage plant
7			22,517	Base load LNG terminaling and processing plant
8				Transmission plant
9			120,056,772	Distribution plant
10			2,100,033	General plant
11	37,717,047		47,286,188	Common plant-gas
12	42,394,516		175,740,983	TOTAL

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

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

Section B. Factors Used in Estimating Depreciation Charges

Line No.	Functional Classification (a)	Plant Bases (in thousands) (b)	Applied Depreciation or Amortization Rates (percent) (c)
1	Production and Gathering Plant		
2	Offshore (footnote details)		
3	Onshore (footnote details)	6,584	
4	Underground Gas Storage Plant (footnote details)	51,584	
5	Transmission Plant		
6	Offshore (footnote details)		
7	Onshore (footnote details)		
8	General Plant (footnote details)	42,506	
9	Intangible Plant	52,208	
10	LNG Terminating and Processing	15,674	
11	Distribution Plant	4,332,777	
12			
13			
14			
15			

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Particulars Concerning Certain Income Deductions and Interest Charges Accounts

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

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

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

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

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

Line No.	Item (a)	Amount (b)
1	Account 425 - Miscellaneous Amortization	
2	Total	
3		
4	Account 426.1 - Donations:	
5	Education	15,000
6	Environment	3,000
7	Human Services	9,200
8	Miscellaneous	25,000
9		
10	Total	52,200
11		
12	Account 426.2 - Life Insurance:	
13	Gain on Corporate Life Insurance	(1,729,724)
14	Total	(1,729,724)
15		
16	Account 426.3 - Penalties:	
17	Tax Penalties	(123,826)
18	WUTC Fines & Penalties	72,000
19	Unclaimed Property Penalties	62,010
20	WUTC Penalty for Greenwood	(1,250,000)
21	NERC Standards Compliance Penalty	(73,000)
22	Total	(1,312,816)
23		
24	Account 426.4 - Civic, Political & Related Activity:	
25	Federal	1,088,993
26	Local	5,237,718
27	State	768,290
28	Total	7,095,001
29		
30		
31		
32		
33		
34		
35		

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
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Particulars Concerning Certain Income Deductions and Interest Charges Accounts (continued)

Line No.	Item (a)	Amount (b)
1	Account 426.5 - Other Deductions:	
2	Advertising & Trademarks	3,724,549
3	Dues & Memberships	154,296
4	Customer Service Guaranteed	42,952
5	Miscellaneous Over $100k	1,166,115
6	Miscellaneous Under $100k	50,241
7	Public Relations	57,930
8	SFAS 106 Post Retirement Benefits	(38,000)
9	SFAS 133 Loss on Fair Value Purchases	24,125,059
10	Employee Retirement Benefits	10,741,278
11	Low Income Weatherization	556,466
12	Non-Utility Write Off	11,173,515
13	Total	51,754,401
14		
15	Account 430 - Interest on Debt to Associated Companies	
16	Total	
17		
18	Account 431 - Other Interest Expense:	
19	Bond Interest	2,370,256
20	Interest on Capital Lease	
21	Interest on Customer Deposits @ 3.25%	776,598
22	Interest on Deferred Compensation	886,185
23	Interest on Federal Incentive	4,598,198
24	Interest on Decoupling	138,985
25	Interest on Tax	6,490,641
26	Renewable Energy Credits	65,466
27	Total	15,326,329
28		
29		
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34		
35		

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2021	End of 2020/Q4

Regulatory Commission Expenses (Account 928)

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

Line No.	Description (Furnish name of regulatory commission or body, the docket number, and a description of the case.) (a)	Assessed by Regulatory Commission (b)	Expenses of Utility (c)	Total Expenses to Date (d)	Deferred in Account 182.3 at Beginning of Year (e)
1	WUTC Filing Fee	1,939,143		1,939,143	
2	FERC Regulatory Compliance		57,587	57,587	
3	State Regulatory Legal Fees		46,689	46,689	
4	General Rate Case Legal Fees		479,936	479,936	
5					
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12					
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23					
24					
25	**Total**	1,939,143	584,212	2,523,355	

Regulatory Commission Expenses (Account 928)

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

Line No.	Expenses Incurred During Year Charged Currently To Department (f)	Expenses Incurred During Year Charged Currently To Account No. (g)	Expenses Incurred During Year Charged Currently To Amount (h)	Expenses Incurred During Year Deferred to Account 182.3 (i)	Amortized During Year Contra Account (j)	Amortized During Year Amount (k)	Deferred in Account 182.3 End of Year (l)
1	Gas	928	1,939,143				
2	Gas	928	57,587				
3	Gas	928	46,689				
4	Gas	928	479,936				
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25			2,523,355				

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2021	End of 2020/Q4

Employee Pensions and Benefits (Account 926)

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

Line No.	Expense (a)	Amount (b)
1	Pensions – defined benefit plans	4,235,926
2	Pensions – other	
3	Post-retirement benefits other than pensions (PBOP)	5,361,744
4	Post- employment benefit plans	
5	Other (Specify)	(5,810,912)
6	Health & Warfare	10,638,303
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	Total	**14,425,061**

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2021	End of 2020/Q4

Distribution of Salaries and Wages

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

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

Line No.	Classification (a)	Direct Payroll Distribution (b)	Payroll Billed by Affiliated Companies (c)	Allocation of Payroll Charged for Clearing Accounts (d)	Total (e)
1	Electric				
2	Operation				
3	Production	23,324,921		1,265	23,326,186
4	Transmission	8,039,978		436	8,040,414
5	Distribution	18,011,512		977	18,012,489
6	Customer Accounts	8,787,592		477	8,788,069
7	Customer Service and Informational	2,316,804		126	2,316,930
8	Sales	595,405		32	595,437
9	Administrative and General	34,770,514		1,886	34,772,400
10	TOTAL Operation (Total of lines 3 thru 9)	95,846,726		5,199	95,851,925
11	Maintenance				
12	Production	4,765,022		258	4,765,280
13	Transmission	2,467,901		134	2,468,035
14	Distribution	10,555,676		573	10,556,249
15	Administrative and General	214,076		12	214,088
16	TOTAL Maintenance (Total of lines 12 thru 15)	18,002,675		977	18,003,652
17	Total Operation and Maintenance				
18	Production (Total of lines 3 and 12)	28,089,943		1,523	28,091,466
19	Transmission (Total of lines 4 and 13)	10,507,879		570	10,508,449
20	Distribution (Total of lines 5 and 14)	28,567,188		1,550	28,568,738
21	Customer Accounts (line 6)	8,787,592		477	8,788,069
22	Customer Service and Informational (line 7)	2,316,804		126	2,316,930
23	Sales (line 8)	595,405		32	595,437
24	Administrative and General (Total of lines 9 and 15)	34,984,590		1,898	34,986,488
25	TOTAL Operation and Maintenance (Total of lines 18 thru 24)	113,849,401		6,176	113,855,577
26	Gas				
27	Operation				
28	Production - Manufactured Gas	79,933		4	79,937
29	Production - Natural Gas(Including Exploration and Development)				
30	Other Gas Supply	2,180,063		118	2,180,181
31	Storage, LNG Terminaling and Processing	955,211		52	955,263
32	Transmission				
33	Distribution	20,019,408		1,086	20,020,494
34	Customer Accounts	6,211,504		337	6,211,841
35	Customer Service and Informational	1,286,390		70	1,286,460
36	Sales	(42,328)		(2)	(42,330)
37	Administrative and General	15,433,254		837	15,434,091
38	TOTAL Operation (Total of lines 28 thru 37)	46,123,435		2,502	46,125,937
39	Maintenance				
40	Production - Manufactured Gas				
41	Production - Natural Gas(Including Exploration and Development)				
42	Other Gas Supply				
43	Storage, LNG Terminaling and Processing	284,120		15	284,135
44	Transmission				
45	Distribution	5,984,079		325	5,984,404

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2021	End of 2020/Q4

Distribution of Salaries and Wages (continued)

Line No.	Classification (a)	Direct Payroll Distribution (b)	Payroll Billed by Affiliated Companies (c)	Allocation of Payroll Charged for Clearing Accounts (d)	Total (e)
46	Administrative and General	138,709		8	138,717
47	TOTAL Maintenance (Total of lines 40 thru 46)	6,406,908		348	6,407,256
48	Gas (Continued)				
49	Total Operation and Maintenance				
50	Production - Manufactured Gas (Total of lines 28 and 40)	79,933		4	79,937
51	Production - Natural Gas (Including Expl. and Dev.)(ll. 29 and 41)				
52	Other Gas Supply (Total of lines 30 and 42)	2,180,063		118	2,180,181
53	Storage, LNG Terminaling and Processing (Total of ll. 31 and 43)	1,239,331		67	1,239,398
54	Transmission (Total of lines 32 and 44)				
55	Distribution (Total of lines 33 and 45)	26,003,487		1,411	26,004,898
56	Customer Accounts (Total of line 34)	6,211,504		337	6,211,841
57	Customer Service and Informational (Total of line 35)	1,286,390		70	1,286,460
58	Sales (Total of line 36)	(42,328)		(2)	(42,330)
59	Administrative and General (Total of lines 37 and 46)	15,571,963		845	15,572,808
60	Total Operation and Maintenance (Total of lines 50 thru 59)	52,530,343		2,850	52,533,193
61	Other Utility Departments				
62	Operation and Maintenance				
63	TOTAL ALL Utility Dept. (Total of lines 25, 60, and 62)	166,379,744		9,026	166,388,770
64	Utility Plant				
65	Construction (By Utility Departments)				
66	Electric Plant	63,329,124		3,436	63,332,560
67	Gas Plant	29,580,100		1,605	29,581,705
68	Other	47,406,288		2,572	47,408,860
69	TOTAL Construction (Total of lines 66 thru 68)	140,315,512		7,613	140,323,125
70	Plant Removal (By Utility Departments)				
71	Electric Plant	2,698,301		146	2,698,447
72	Gas Plant	1,508,769		82	1,508,851
73	Other	17,333		1	17,334
74	TOTAL Plant Removal (Total of lines 71 thru 73)	4,224,403		229	4,224,632
75	Other Accounts (Specify) (footnote details)	28,056,106		1,522	28,057,628
76	TOTAL Other Accounts	28,056,106		1,522	28,057,628
77	TOTAL SALARIES AND WAGES	338,975,765		18,390	338,994,155

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

Description	Direct Payroll Distribution (b)	Allocation of Payroll Charged to Clearing Accounts (c)	Total (d) (Col-7 + Col8)
121 Non Utility Property	18,389	1	18,390
163 Store Expense	3,908,469	212	3,908,681
182 Regulatory Asset	12,510,299	679	12,510,978
185 Temporary Facilities	17,609	1	1,7610
149 Misc. Deferred Debits	1,403,506	76	1,403,582
186 Misc. Deferred Debits	2,396,557	130	2,396,687
Misc. 400 Accounts	4,893,881	265	4,894,146
143 Accts Receivable Misc.			0
Prelim Survey OG 183			0
Allocated OG 184	2,904,940	158	2,905,098
Misc. 200 Accounts	2,456	0	2,456
Jackson Prairie Joint Venture - Capital - PSE Share			0
Jackson Prairie Joint Venture - Expense - PSE Share			0
TOTAL	28,056,106	1,522	28,057,628

Name of Respondent Puget Sound Energy, Inc.	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 04/15/2021	Year/Period of Report End of 2020/Q4

Charges for Outside Professional and Other Consultative Services

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

Line No.	Description (a)	Amount (in dollars) (b)
1	QUANTA SERVICES INC	167,043,820
2	INFRASOURCE SERVICES LLC	120,306,680
3	AA ASPHALTING LLC	44,285,069
4	CBI SERVICES LLC	27,790,374
5	ASPLUNDH TREE EXPERT LLC	26,458,267
6	LANDIS + GYR TECHNOLOGY INC	26,004,702
7	HYDROMAX USA LLC	23,709,373
8	VESTAS	16,636,296
9	ACCENTURE INTERNATIONAL LIMITED	14,676,600
10	ELM LOCATING & UTILITY SERVICE	14,506,887
11	SIEMENS GAMESA RENEWABLE ENERG	9,609,086
12	HARRIS PACIFIC NORTHWEST LLC	8,040,965
13	MICHELS POWER INC	7,818,621
14	ASPLUNDH CONSTRUCTION LLC	7,400,316
15	GE INTERNATIONAL INC	6,644,353
16	FISERV SOLUTIONS LLC	6,529,805
17	JOHANSEN CONSTRUCTION COMPANY	6,438,158
18	PERKINS COIE LLP	6,362,424
19	METER READINGS HOLDING LLC	6,095,352
20	CARL T MADSEN INC	5,165,767
21	UNIFY CONSULTING LLC	5,144,534
22	PW POWER SYSTEMS INC	5,054,274
23	JH KELLY LLC	4,778,183
24	ACCENTURE LLP	4,525,561
25	OSMOSE UTILITIES SERVICES INC	4,454,383
26	NW UTILITY SERVICES LLC	4,236,581
27	WESTERN REFINERY SERVICES INC	3,899,485
28	HDR ENGINEERING INC	3,725,334
29	VAN NESS FELDMAN LLP	3,408,909
30	SAFWAY INTERMEDIATE HOLDING LL	3,205,098
31	BGIS GLOBAL INTEGRATED SOLUTIO	3,176,231
32	GEOENGINEERS INC	3,121,788
33	BOSTON CONSULTING GROUP INC	3,045,000
34	ESM CONSULTING ENGINEERS LLC	2,990,251
35	MEDIA MOSAIC INC	2,941,894

Charges for Outside Professional and Other Consultative Services (continued)

Line No.	Description (a)	Amount (in dollars) (b)
1	PRICEWATERHOUSECOOPERS LLP	2,886,415
2	FABER CONSTRUCTION CORP	2,565,199
3	BAKER BOTTS LLP	2,543,066
4	TEMPO HOLDING COMPANY LLC	2,542,504
5	GARTNER INC	2,517,404
6	NORTHWEST ENERGY EFFICIENCY	2,420,216
7	NITOR PARTNERS LLC	2,404,100
8	AEROTEK INC	2,318,338
9	CONVERGENT OUTSOURCING INC	2,176,073
10	PROKARMA INC	2,120,569
11	POTELCO INC	2,115,172
12	ORACLE AMERICA INC	2,065,034
13	MCKINSTRY ESSENTION LLC	2,046,144
14	FAST WATER HEATER COMPANY	1,961,197
15	BHI ENERGY POWER SERVICES LLC	1,958,594
16	SAP INDUSTRIES INC	1,794,450
17	QUANTA UTILITY ENGINEERING	1,771,157
18	POTTLE & SONS CONSTRUCTION INC	1,678,014
19	DAVID EVANS & ASSOCIATES INC	1,669,015
20	CLEARESULT CONSULTING INC	1,652,905
21	ACTIVE TELESOURCE INC	1,630,540
22	BAKER HUGHES OILFIELD OPERATIO	1,516,080
23	STANDARD & POORS FINANCIAL	1,513,848
24	APEX SYSTEMS LLC	1,509,571
25	CITY OF SEATTLE	1,501,794
26	KPMG LLP	1,498,761
27	WIDENET CONSULTING GROUP	1,481,890
28	MCMILLEN LLC	1,473,237
29	SHANNON & WILSON INC	1,440,225
30	NAVISTAR INC	1,395,876
31	POWER ENGINEERS INC	1,358,336
32	SIA PARTNERS US INC	1,355,633
33	KUBRA DATA TRANSFER LTD	1,343,189
34	COGNIZANT TECHNOLOGY SOLUTIONS	1,318,114
35	POWERPLAN INC	1,276,117

Charges for Outside Professional and Other Consultative Services (continued)

Line No.	Description (a)	Amount (in dollars) (b)
1	TAMAZARI INC	1,207,435
2	COLEHOUR & COHEN INC	1,182,119
3	LG CONSULTING LLC	1,161,492
4	FIRE PROTECTION INC	1,149,819
5	VOITH HYDRO INC	1,063,403
6	RIZING LLC	1,011,920
7	DJS ELECTRICAL INC	969,495
8	WILLDAN ENERGY SOLUTIONS	950,907
9	COHEN VENTURES INC	944,011
10	PA CONSULTING GROUP INC	920,378
11	APPLIED PROFESSIONAL SERVICES	909,976
12	MEYER UTILITY STRUCTURES LLC	900,000
13	SULZER TURBO SERVICES	889,339
14	TELVENT USA LLC	878,835
15	BUDGET TOWING & AUTO REPAIR IN	877,761
16	PEREGRINE STIMULATION SERVICES	872,043
17	DNV GL ENERGY INSIGHTS USA INC	871,997
18	MOODYS INVESTORS SERVICE INC	850,750
19	COMMONSTREET CONSULTING LLC	840,913
20	ENVIROISSUES INC	840,843
21	GORDON TILDEN THOMAS & CORDELL	828,370
22	3DEGREES GROUP INC	772,313
23	EN ENGINEERING LLC	767,122
24	PUGET SOUND SECURITY SERVICES	747,003
25	POWER COSTS INC	740,809
26	ALTEC INDUSTRIES INC	720,227
27	DAVID C RYDER PS	719,567
28	CONTRACT LAND STAFF LLC	713,128
29	PIERCE COUNTY RECYCLING COMPOS	693,679
30	SUMMIT LAW GROUP PLLC	684,698
31	PARTNERS FOR ENERGY PROGRESS	680,000
32	SECURITAS SECURITY SERVICES US	652,790
33	UTILITIES UNDERGROUND LOCATION	649,699
34	ZECO SYSTEMS INC	647,117
35	THE CADMUS GROUP LLC	643,340

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2021	End of 2020/Q4

Charges for Outside Professional and Other Consultative Services (continued)

Line No.	Description (a)	Amount (in dollars) (b)
1	OXBOW LLC	630,553
2	FITCH RATINGS INC	627,486
3	KEELEY	627,235
4	KENT PERFORMANCE AUTO CENTER	626,914
5	WORLD WIDE TECHNOLOGY INC	624,522
6	MCKINSTRY CO LLC	623,531
7	BANK OF AMERICA	619,489
8	TITAN ELECTRIC INC	613,985
9	INSIGHT GLOBAL INC	613,485
10	SNOWS OIL FIELD SERVICE INC	609,738
11	OPEN TEXT INC	601,704
12	COPPEI CREEK INC	599,638
13	LIMITED ENERGY SERVICES INC	573,386
14	CREATIVE CIRCLE LLC	564,417
15	SOLAR TURBINES INC	561,236
16	LONQUIST FIELD SERVICE LLC	559,041
17	CENTRIC CONSULTING, LLC	558,869
18	VECA ELECTRIC & TECHNOLOGIES	556,283
19	MARSH USA INC	549,493
20	ARCUS DATA LLC	548,311
21	MODERN GRID SOLUTIONS	529,246
22	CANNON CONSTRUCTORS LLC	524,236
23	TEKSYSTEMS INC	522,495
24	ACUREN INSPECTION INC	484,503
25	COLUMBIAGRID INC	484,054
26	AURITAS LLC	476,426
27	PROTIVITI INC	463,221
28	WASTE MANAGEMENT INC	456,389
29	SOUND VIEW STRATEGIES LLC	456,095
30	SURVEYING AND MAPPING LLC	454,871
31	UNIVERSAL FIELD SERVICES INC	448,728
32	PLANNING & MANAGEMENT SERVICES	446,835
33	PRS GROUP INC	443,806
34	E M KAELIN TRUCKING	443,282
35	STOEL RIVES LLP	431,430

Charges for Outside Professional and Other Consultative Services (continued)

Line No.	Description (a)	Amount (in dollars) (b)
1	EASI LLC	429,785
2	ALLTECK LINE CONTRACTORS INC	424,980
3	GROOME INDUSTRIAL SERVICE GROU	416,310
4	ADVANTIX SOLUTIONS GROUP	412,136
5	ENERGY & ENVIRONMENTAL ECONOMI	408,267
6	ELECTRIC POWER RESEARCH INSTIT	406,985
7	NEXANT INC	405,400
8	THE LISBON GROUP LLC	398,198
9	WALKER HEAVY CONSTRUCTION INC	397,702
10	BLOCKED P2 SOLUTIONS GROUP LLC	393,807
11	GUIDACENT INC	386,743
12	OMEGA MORGAN RIGGING WA INC	382,169
13	TOKUSAKU CONSULTING	381,758
14	VENTILATION POWER CLEANING INC	374,910
15	FRANKLIN ENERGY SERVICES LLC	374,238
16	USDA FOREST SERVICE	371,070
17	SIGNATURE LANDSCAPE SERVICES L	365,733
18	DAVIS WRIGHT TREMAINE LLP	357,006
19	LES SCHWAB TIRE CENTERS OF	354,181
20	OPINION DYNAMICS CORPORATION	348,096
21	TEREX USA LLC	345,274
22	UTOPIA GLOBAL INC	339,988
23	BRADSON TECHNOLOGY PROFESSIONA	327,105
24	DELOITTE CONSULTING LLP	319,570
25	SYSTEM TRANSFER & STORAGE CO	316,747
26	INSIGHT STRATEGIC PARTNERS LLC	309,310
27	LIMEADE INC	301,736
28	COMMUNITY ACTION OF SKAGIT COU	299,488
29	ENEXIO US LLC	298,923
30	PUGET SOUND EXECUTIVE SERVICES	296,243
31	WESTERN INC	291,963
32	WATERSHED COMPANY	291,518
33	ROHLINGER ENTERPRISES INC	291,226
34	GEOSYNTEC CONSULTANTS INC	290,510
35	MILLENNIAL ENTERPRISE TECHNOLO	289,520

Charges for Outside Professional and Other Consultative Services (continued)

Line No.	Description (a)	Amount (in dollars) (b)
1	WEATHERFORD US LP	289,491
2	SLR INTERNATIONAL CORP	288,720
3	PAYMENTUS CORPORATION	284,708
4	LANGTON SPIETH LLC	284,175
5	WA STATE DEPT OF FISH & WILDLI	282,015
6	WILSON CONSTRUCTION CO	281,319
7	LYNDEN INCORPORATED	278,347
8	AI ENGINEERING LLC	277,147
9	ASAM HOLDINGS INC	274,323
10	AIR SYSTEMS ENGINEERING INC	270,968
11	PUTNAM ROBY WILLIAMSON	268,279
12	AON CONSULTING INC	265,100
13	COWLITZ CLEAN SWEEP	264,812
14	SCI INFRASTRUCTURE LLC	263,067
15	GUIDEHOUSE INC	262,462
16	INTERGRAPH CORPORATION	255,611
17	STENSTROM GROUP INC	253,000
18	PROLIANCE CONSULTING LLC	250,926
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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2021	End of 2020/Q4

Charges for Outside Professional and Other Consultative Services (continued)

Line No.	Description (a)	Amount (in dollars) (b)
1		
2	Other<$250,000	33,890,565
3		
4	Total	774,141,059
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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2021	End of 2020/Q4

Transactions with Associated (Affiliated) Companies

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

Line No.	Description of the Good or Service (a)	Name of Associated/Affiliated Company (b)	Account(s) Charged or Credited (c)	Amount Charged or Credited (d)
1	Goods or Services Provided by Affiliated Company			
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20	Goods or Services Provided for Affiliated Company			
21	General and Adminstrative Expenses	Puget Energy, Inc.	146	932,492
22	Operations and Maintenance Expenses	Puget LNG, LLC	146	310,215
23	General and Adminstrative Expenses	Puget Holdings, LLC	146	919,544
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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2021	End of 2020/Q4

Compressor Stations

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

Line No.	Name of Station and Location (a)	Number of Units at Station (b)	Certificated Horsepower for Each Station (c)	Plant Cost (d)
1	Jackson Prairie Storage Project (Note 1)	9	34,200	58,530,082
2				
3	Note 1: Jointly owned by:			
4	33.34% Puget Sound Energy, Inc.			
5	33.33% Avista			
6	33.33% Williams Gas Pipeline			
7				
8	Column (e) represents 100% of Plant Cost			
9	PSE's 33.34% interest = $19,513,929.38			
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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2021	End of 2020/Q4

Compressor Stations

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

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

Line No.	Expenses (except depreciation and taxes) Fuel (e)	Expenses (except depreciation and taxes) Power (f)	Expenses (except depreciation and taxes) Other (g)	Gas for Compressor Fuel in Dth (h)	Electricity for Compressor Station in kWh (i)	Operational Data Total Compressor Hours of Operation During Year (j)	Operational Data Number of Compressors Operated at Time of Station Peak (k)	Date of Station Peak (l)
1				229,233		7,482	5	02/04/2020
2								
3								
4								
5								
6								
7								
8								
9								
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11								
12								
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Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2021	End of 2020/Q4

Gas Storage Projects

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

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

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Gas Storage Projects

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

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

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Transmission Lines

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

Line No.	Designation (Identification) of Line or Group of Lines (a)	* (b)	Total Miles of Pipe (c)
1			
2			
3			
4			
5			
6			
7			
8			
9			
10	NOTE - Although reported in the past, the Jackson Prairie station lines do not meet		
11	FERC's definition of transmission lines and therefore are no longer reported on		
12	page 514.		
13			
14			
15			
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Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2021	End of 2020/Q4

Transmission System Peak Deliveries

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

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

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
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Auxiliary Peaking Facilities

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

Line No.	Location of Facility (a)	Type of Facility (b)	Maximum Daily Delivery Capacity of Facility Dth (c)	Cost of Facility (in dollars) (d)	Was Facility Operated on Day of Highest Transmission Peak Delivery?
1	LNG SATELLITE - GIG HARBOR	LNG	16,082	14,523,117	**Yes**
2	JACKSON PRAIRIE - CHEHALIS	UNDERGROUND STORAGE	1,196,000	52,927,292	**Yes**
3					
4					
5					
6					
7	PSE's Non - Recoverable Cushion Gas				
8	is valued at $4,185,430.83 and is				
9	included within the amount listed in 2d				
10					
11	Schedule Page # 519 Line No. 2, Column:d				
12	Cost is shown for PSEs 1/3 share of				
13	entire plant that is jointly owned by:				
14	33.34% Puget Sound Energy Inc.				
15	33.33% Avista				
16	33.33% Williams Gas Pipeline				
17					
18					
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30					

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Gas Account - Natural Gas

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

Line No.	Item (a)	Ref. Page No. of (FERC Form Nos. 2/2-A) (b)	Total Amount of Dth Year to Date (c)	Current Three Months Ended Amount of Dth Quarterly Only
01	Name of System:			
2	GAS RECEIVED			
3	Gas Purchases (Accounts 800-805)		92,011,091	25,843,155
4	Gas of Others Received for Gathering (Account 489.1)	303		
5	Gas of Others Received for Transmission (Account 489.2)	305		
6	Gas of Others Received for Distribution (Account 489.3)	301	21,232,973	5,872,263
7	Gas of Others Received for Contract Storage (Account 489.4)	307		
8	Gas of Others Received for Production/Extraction/Processing (Account 490 and 491)			
9	Exchanged Gas Received from Others (Account 806)	328		
10	Gas Received as Imbalances (Account 806)	328		
11	Receipts of Respondent's Gas Transported by Others (Account 858)	332		
12	Other Gas Withdrawn from Storage (Explain)		16,706,687	7,524,161
13	Gas Received from Shippers as Compressor Station Fuel			
14	Gas Received from Shippers as Lost and Unaccounted for			
15	Other Receipts (Specify) (footnote details)			
16	Total Receipts (Total of lines 3 thru 15)		129,950,751	39,239,579
17	GAS DELIVERED			
18	Gas Sales (Accounts 480-484)		91,060,787	29,730,897
19	Deliveries of Gas Gathered for Others (Account 489.1)	303		
20	Deliveries of Gas Transported for Others (Account 489.2)	305		
21	Deliveries of Gas Distributed for Others (Account 489.3)	301	21,232,973	5,872,263
22	Deliveries of Contract Storage Gas (Account 489.4)	307		
23	Gas of Others Delivered for Production/Extraction/Processing (Account 490 and 491)			
24	Exchange Gas Delivered to Others (Account 806)	328		
25	Gas Delivered as Imbalances (Account 806)	328		
26	Deliveries of Gas to Others for Transportation (Account 858)	332		
27	Other Gas Delivered to Storage (Explain)		17,003,484	2,607,457
28	Gas Used for Compressor Station Fuel	509	461,894	86,761
29	Other Deliveries and Gas Used for Other Operations		343,934	325,680
30	Total Deliveries (Total of lines 18 thru 29)		130,103,072	38,623,058
31	GAS LOSSES AND GAS UNACCOUNTED FOR			
32	Gas Losses and Gas Unaccounted For		(152,321)	616,521
33	TOTALS			
34	Total Deliveries, Gas Losses & Unaccounted For (Total of lines 30 and 32)		129,950,751	39,239,579

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Shipper Supplied Gas for the Current Quarter

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

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

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Shipper Supplied Gas for the Current Quarter (continued)

Line No.	Item (a)	Month 1 Discounted rate Dth (b)	Month 1 Negotiated Rate Dth (c)	Month 1 Recourse Rate Dth (d)	Month 1 Total Dth (e)
	NET EXCESS OR (DEFICIENCY)				
31	Other Losses				
32	Gathering				
33	Production/Extraction				
34	Transmission				
35	Distribution				
36	Storage				
37	**Total Net Excess Or (Deficiency)**				
38	**DISPOSITION OF EXCESS GAS:**				
39	Gas sold to others				
40	Gas used to meet imbalances				
41	Gas added to system gas				
42	Gas returned to shippers				
43	Other (list)				
44					
45					
46					
47					
48					
49					
50					
51	**Total Disposition Of Excess Gas**				
52	**GAS ACQUIRED TO MEET DEFICIENCY:**				
53	System gas				
54	Purchased gas				
55	Other (list)				
56					
57					
58					
59					
60					
61					
62					
63					
64					
65	**Total Gas Acquired To Meet Deficiency**				
	SEPARATION OF FORWARDHAUL AND BACKHAUL THROUGHPUT				
66	Forwardhaul Volume in Dths for the Quarter				
67	Backhaul Volume in Dths for the Quarter				
68	**TOTAL (Lines 66 and 67)**				

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Shipper Supplied Gas for the Current Quarter

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

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

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Shipper Supplied Gas for the Current Quarter (continued)

Line No.	Item (a)	Month 2 Discounted rate Dth (p)	Month 2 Negotiated Rate Dth (q)	Month 2 Recourse Rate Dth (r)	Month 2 Total Dth (s)
	NET EXCESS OR (DEFICIENCY)				
31	Other Losses				
32	Gathering				
33	Production/Extraction				
34	Transmission				
35	Distribution				
36	Storage				
37	**Total Net Excess Or (Deficiency)**				
38	**DISPOSITION OF EXCESS GAS:**				
39	Gas sold to others				
40	Gas used to meet imbalances				
41	Gas added to system gas				
42	Gas returned to shippers				
43	Other (list)				
44					
45					
46					
47					
48					
49					
50					
51	**Total Disposition Of Excess Gas**				
52	**GAS ACQUIRED TO MEET DEFICIENCY:**				
53	System gas				
54	Purchased gas				
55	Other (list)				
56					
57					
58					
59					
60					
61					
62					
63					
64					
65	**Total Gas Acquired To Meet Deficiency**				

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Shipper Supplied Gas for the Current Quarter

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

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

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2021	End of 2020/Q4

Shipper Supplied Gas for the Current Quarter (continued)

Line No.	Item (a)	Month 3 Discounted rate Dth (dd)	Month 3 Negotiated Rate Dth (ee)	Month 3 Recourse Rate Dth (ff)	Month 3 Total Dth (gg)
	NET EXCESS OR (DEFICIENCY)				
31	Other Losses				
32	Gathering				
33	Production/Extraction				
34	Transmission				
35	Distribution				
36	Storage				
37	**Total Net Excess Or (Deficiency)**				
38	**DISPOSITION OF EXCESS GAS:**				
39	Gas sold to others				
40	Gas used to meet imbalances				
41	Gas added to system gas				
42	Gas returned to shippers				
43	Other (list)				
44					
45					
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51	**Total Disposition Of Excess Gas**				
52	**GAS ACQUIRED TO MEET DEFICIENCY:**				
53	System gas				
54	Purchased gas				
55	Other (list)				
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65	**Total Gas Acquired To Meet Deficiency**				

Name of Respondent Puget Sound Energy, Inc.	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 04/15/2021	Year/Period of Report End of 2020/Q4

Shipper Supplied Gas for the Current Quarter (continued)

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Line No.	Amount Collected (Dollars)				Volume (in Dth) Not Collected				Month 1 Account(s) Debited (n)	Month 1 Account(s) Credited (o)
	Month 1 Discounted Rate Amount (f)	Month 1 Negotiated Rate Amount (g)	Month 1 Recourse rate Amount (h)	Month 1 Total Amount (i)	Month 1 Waived Dth (j)	Month 1 Discounted Dth (k)	Month 1 Negotiated Dth (l)	Month 1 Total Dth (m)		
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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2021	End of 2020/Q4

Shipper Supplied Gas for the Current Quarter (continued)

Line No.	Amount Collected (Dollars)				Volume (in Dth) Not Collected				Month 1 Account(s) Debited (n)	Month 1 Account(s) Credited (o)
	Month 1 Discounted Rate Amount (f)	Month 1 Negotiated Rate Amount (g)	Month 1 Recourse rate Amount (h)	Month 1 Total Amount (i)	Month 1 Waived Dth (j)	Month 1 Discounted Dth (k)	Month 1 Negotiated Dth (l)	Month 1 Total Dth (m)		
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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/15/2021	End of 2020/Q4

Shipper Supplied Gas for the Current Quarter (continued)

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Line No.	Amount Collected (Dollars)				Volume (in Dth) Not Collected				Month 2 Account(s) Debited (bb)	Month 2 Account(s) Credited (cc)
	Month 2 Discounted Rate Amount (t)	Month 2 Negotiated Rate Amount (u)	Month 2 Recourse rate Amount (v)	Month 2 Total Amount (w)	Month 2 Waived Dth (x)	Month 2 Discounted Dth (y)	Month 2 Negotiated Dth (z)	Month 2 Total Dth (aa)		
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Shipper Supplied Gas for the Current Quarter (continued)

Line No.	Amount Collected (Dollars)				Volume (in Dth) Not Collected				Month 2 Account(s) Debited (bb)	Month 2 Account(s) Credited (cc)
	Month 2 Discounted Rate Amount (t)	Month 2 Negotiated Rate Amount (u)	Month 2 Recourse rate Amount (v)	Month 2 Total Amount (w)	Month 2 Waived Dth (x)	Month 2 Discounted Dth (y)	Month 2 Negotiated Dth (z)	Month 2 Total Dth (aa)		
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Shipper Supplied Gas for the Current Quarter (continued)

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Line No.	Amount Collected (Dollars)				Volume (in Dth) Not Collected				Month 3 Account(s) Debited (pp)	Month 3 Account(s) Credited (qq)
	Month 3 Discounted Rate Amount (hh)	Month 3 Negotiated Rate Amount (ii)	Month 3 Recourse rate Amount (jj)	Month 3 Total Amount (kk)	Month 3 Waived Dth (ll)	Month 3 Discounted Dth (mm)	Month 3 Negotiated Dth (nn)	Month 3 Total Dth (oo)		
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Name of Respondent Puget Sound Energy, Inc.	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 04/15/2021	Year/Period of Report End of 2020/Q4

Shipper Supplied Gas for the Current Quarter (continued)

Line No.	Amount Collected (Dollars)				Volume (in Dth) Not Collected				Month 3 Account(s) Debited (pp)	Month 3 Account(s) Credited (qq)
	Month 3 Discounted Rate Amount (hh)	Month 3 Negotiated Rate Amount (ii)	Month 3 Recourse rate Amount (jj)	Month 3 Total Amount (kk)	Month 3 Waived Dth (ll)	Month 3 Discounted Dth (mm)	Month 3 Negotiated Dth (nn)	Month 3 Total Dth (oo)		
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System Maps

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

No changes to facilites listed.