THIS FILING IS	
Item 1: [X] An Initial (Original) Submission	OR [ ] Resubmission No. ____

Form 2 Approved
OMB No.1902-0028
(Expires 09/30/2017)

Form 3-Q Approved
OMB No.1902-0205
(Expires 11/30/2016)

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

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STATE OF WASH.
UTIL. AND TRANSP.
COMMISSION

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.	UBI # 179010055	End of 2014/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 2014/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 Michael J. Stranik	06 Title of Contact Person Controller & 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	This Report Is:	10 Date of Report (Mo, Da, Yr)
425-462-3202	(1) [X] An Original (2) [ ] A Resubmission	04/17/2015

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 Michael J. Stranik	12 Title Controller & PAO
13 Signature Michael J. Stranik	14 Date Signed 04/17/2015

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.

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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	04/17/2015	End of 2014/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."

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	04/17/2015	End of 2014/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."

Line No.	Title of Schedule (a)	Reference Page No. (b)	Date Revised (c)	Remarks (d)
38	Unamortized Loss and Gain on Reacquired Debt	260		
39	Reconciliation of Reported Net Income with Taxable Income for Federal Income Taxes	261		
40	Taxes Accrued, Prepaid, and Charged During Year	262-263		
41	Miscellaneous Current and Accrued Liabilities	268		
42	Other Deferred Credits	269		
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45	Other Regulatory Liabilities	278		
	INCOME ACCOUNT SUPPORTING SCHEDULES			
46	Monthly Quantity & Revenue Data by Rate Schedule	299		n/a
47	Gas Operating Revenues	300-301		
48	Revenues from Transportation of Gas of Others Through Gathering Facilities	302-303		n/a
49	Revenues from Transportation of Gas of Others Through Transmission Facilities	304-305		n/a
50	Revenues from Storage Gas of Others	306-307		n/a
51	Other Gas Revenues	308		
52	Discounted Rate Services and Negotiated Rate Services	313		n/a
53	Gas Operation and Maintenance Expenses	317-325		
54	Exchange and Imbalance Transactions	328		n/a
55	Gas Used in Utility Operations	331		
56	Transmission and Compression of Gas by Others	332		n/a
57	Other Gas Supply Expenses	334		n/a
58	Miscellaneous General Expenses-Gas	335		
59	Depreciation, Depletion, and Amortization of Gas Plant	336-338		
60	Particulars Concerning Certain Income Deduction and Interest Charges Accounts	340		
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61	Regulatory Commission Expenses	350-351		
62	Employee Pensions and Benefits (Account 926)	352		
63	Distribution of Salaries and Wages	354-355		
64	Charges for Outside Professional and Other Consultative Services	357		
65	Transactions with Associated (Affiliated) Companies	358		n/a
	GAS PLANT STATISTICAL DATA			
66	Compressor Stations	508-509		
67	Gas Storage Projects	512-513		n/a
68	Transmission Lines	514		
69	Transmission System Peak Deliveries	518		n/a
70	Auxiliary Peaking Facilities	519		
71	Gas Account-Natural Gas	520		
72	Shipper Supplied Gas for the Current Quarter	521		n/a
73	System Map	522		
74	Footnote Reference	551		
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76	Stockholder's Reports (check appropriate box)			
	[ ] Four copies will be submitted [X] No annual report to stockholders is prepared			

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	04/17/2015	End of 2014/Q4

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.
Michael J. Stranik, Controller & Principal Accounting Officer
P.O. Box 97034 PSE-08S
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
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

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Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/17/2015	End of 2014/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)	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	04/17/2015	End of 2014/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

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 Operation	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	04/17/2015	End of 2014/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:
12/31/2014	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	85,903,791	85,903,791		
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 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. None

2. None

3. PSE completed the sale of its electric infrastructure assets located in Jefferson County and the transition of electrical services in the county to JPUD on March 31, 2013. The proceeds from the sale exceeded the transferred assets' net carrying value of $46.7 million resulting in a pre-tax gain of approximately $60.0 million. In its 2010 order on the subject, the Washington Commission stated that PSE must file an accounting and ratemaking petition with the Washington Commission to determine how this gain will be allocated between customers and shareholders. As a result, the gain was deferred and recorded as a regulatory liability pending the Washington Commission's determination of the accounting and ratemaking treatment. On October 31, 2013, PSE filed an accounting petition for a Washington Commission order that would authorize PSE to retain the gain of $45.0 million and return $15.0 million to its remaining customers over a period of 48 months. On March 28, 2014, intervenors filed response testimonies containing their respective proposals for allocation of the gain, which included a proposal of up to $57.0 million to customers and $3.0 million to PSE. A final order was rendered on September 11, 2014 authorizing PSE to retain $7.5 million of the gain and return $52.7 million to customers. The customer portion is booked to a regulatory liability account in other current liabilities and accruing interest at PSE's after-tax rate of return. PSE and the parties to the case filed a joint motion to amend the final order to allow for the customer portion to be paid to customers through a bill credit in the month of December 2014. The Commission granted the joint motion on October 1, 2014.

In the November 2013 general election, City of Buckley voters approved the sale of the city's 57-year-old natural gas utility to the Company, which also serves electricity to Buckley. In July 2014 the City of Buckley transferred its natural gas and operating distribution system to the Company which will provide services to the 1,300 Buckley homes and businesses.

4. None

5. Jefferson Country PUD sale on March 31, 2013:

Class	Approximate Number of Customer Lost	Estimated Annual Revenue Lost
Residential	15,300.00	21,400,000.00
Commercial	2,900.00	7,850,000.00
Industrial	100.00	325,000.00
Lighting	300.00	125,000.00
Total	18,600.00	$ 29,700,000.00

6. Short-term debt outstanding as of December 31, 2014 is as follow:

PSE Operating Credit Facility	$	85,000,000.00
Puget Energy Loan to PSE	$	28,932,785.00
Total	$	**113,932,785.22**

PSE is allowed by the Washington Utilities and Transportation Commission (WUTC) to issue obligations as necessary to meet ongoing working capital needs.

7. None

8. Non-represented employees received an average 3% salary increase effective March 1, 2014. Employees represented by the UA received a 3.0% wage increase that went into effect October 1, 2014 and employees represented by the IBEW received a 2.5% wage increase that was effective April 1, 2013. The estimated annual effect of these changes is $9,618,942. The current labor contracts with UA and IBEW expire September 30, 2017 and March 31, 2017, respectively.

9. **Regulation and Rates**

On October 23, 2013, the Washington Commission approved an update on the Company's PCORC, effective November 1, 2013, which reflected decreases in the overall normalized power supply costs. This resulted in an estimated revenue decrease of $10.5 million or 0.5% annually.

On November 3, 2014 the Washington Commission issued an order on the settlement of the PCORC which PSE filed on May 23, 2014. The original filing proposed a decrease of $9.6 million (or an average of approximately 0.5%) in the Company's overall power supply costs. PSE filed joint testimony supporting a settlement stipulation. Customer rates decreased by approximately $19.4 million or 0.90% annually, as a result of the settlement, effective December 1, 2014.

On April 24, 2014, the Washington Commission approved PSE's request to change rates under its electric and natural gas decoupling mechanism, effective May 1, 2014. The rate change incorporated the effects of an increase to the allowed delivery revenue per customer as well as true-ups to the rate from the prior year. This represents a rate increase for electric of $10.6 million, or 0.5% annually, and a rate decrease for natural gas of $1.0 million, or 0.1% annually.

On April 24, 2014, the Washington Commission approved PSE's request to change rates under its electric and natural gas property tax tracker mechanism, effective May 1, 2014. The rate change incorporated the effects of an increase in the amount of property taxes paid as well as true-ups to the rate from the prior year. This represents a rate increase for electric of $11.0 million, or 0.5% annually, and a rate increase for natural gas of $5.6 million, or 0.6% annually.

On April 24, 2014, the Washington Commission also approved PSE's request to change rates under its electric and natural gas conservation riders, effective May 1, 2014. The rate change incorporated the effects of changes in the annual conservation budgets as well as true-ups to the rate from the prior year. The rate change represents a rate increase for electric of $12.2 million, or 0.5% annually, and a rate increase for natural gas of $0.3 million.

On November 3, 2014 the Washington Commission approved PSE's 2014 PCORC. The original filing proposed a decrease of $9.6 million (or an average of approximately 0.5%) in the Company's overall power supply costs with an effective date of December 1, 2014. PSE filed joint testimony supporting a settlement stipulation. Customer rates decreased by approximately $19.4 million or 0.90% as a result of the settlement, effective December 1, 2014.

On June 25, 2013, the Washington Commission approved PSE's electric and natural gas decoupling mechanism and expedited rate filing (ERF) tariff filings, effective July 1, 2013. The estimated revenue impact of the decoupling mechanism for electric is an increase of $21.4 million, or 1.0% annually. The estimated revenue impact of the ERF filings for electric is an increase of $30.7 million, or 1.5% annually. In its order, the Washington Commission approved a weighted cost of capital of 7.8% and a capital structure that included 48.0% common equity with a return on equity of 9.8%. Subsequently, certain parties to this proceeding petitioned the Washington Commission to reconsider the order. On December 13, 2013, the Washington Commission approved the settlement agreements for rates effective January 1, 2014. These settlement agreements do not materially change the revenues originally approved in June 2013.

On July 24, 2013, the Public Counsel Division of the Washington State Attorney General's Office (Public Counsel) and the Industrial Customers of Northwest Utilities (ICNU) each filed a petition in Thurston County Superior Court (the Court) seeking judicial reviews of various aspects of the Washington Commission's ERF and decoupling mechanism final order. The parties' petition argues that the order violates various procedural and substantive requirements of the Washington Administrative Procedure Act, and so requests that it be vacated and that the matter be remanded to the Washington Commission. Oral arguments regarding this matter were held on May 9, 2014. On June 25, 2014, the court issued a letter decision in which it affirmed the attrition adjustment (escalating factors referred to as the K-Factor) and the Washington Commission's decision not to consider the case as a general rate case, but reversed and remanded the cost of equity for further adjudication consistent with the court's decision. As a result, there will be evidentiary proceedings regarding Return on Equity (ROE) in February 2015 with an order anticipated in the first half of 2015.

On June 25, 2013, the Washington Commission approved PSE's electric and natural gas decoupling mechanism and ERF tariff filings, effective July 1, 2013. The estimated revenue impact of the decoupling mechanism for natural gas is an increase of $10.8 million, or 1.1% annually. The estimated revenue impact of the ERF filings for natural gas is a decrease of $2.0 million or a decrease of 0.2% annually. In its order, the Washington Commission approved a weighted cost of capital of 7.8% and a capital structure that included 48.0% common equity with a return on equity of 9.8%.

Subsequently, certain parties to this proceeding petitioned the Washington Commission to reconsider the order. On December 13, 2013, the Washington Commission approved a series of settlement agreements for rates effective January 1, 2014. These settlement agreements do not materially change the revenues originally approved in June 2013. As a result, certain high volume natural gas industrial customers rate schedules are excluded from the decoupling mechanism and will be subject to certain effects of abnormal weather, conservation impacts and changes in customer usage patterns.

On July 24, 2013, the Public Counsel Division of the Washington State Attorney General's Office (Public Counsel) and the Industrial Customers of Northwest Utilities (ICNU) each filed a petition in Thurston County Superior Court (the Court) seeking judicial review of various aspects of the Washington Commission's ERF and decoupling mechanism final order. The parties' petition argues that the order violates various procedural and substantive requirements of the Washington Administrative Procedure Act, and so requests that it be vacated and that the matter be remanded to the Washington Commission. Oral arguments regarding this matter were held on May 9, 2014. On June 25, 2014, the court issued a letter decision in which it affirmed the attrition adjustment K-Factor and the Washington Commission's decision not to consider the case as a general rate case, but reversed and remanded the cost of equity for further adjudication consistent with the court's decision. As a result, there will be evidentiary proceedings regarding ROE in February 2015 with an order anticipated in the first half of 2015.

Treasury Grants

PSE received two treasury grants with a total amount of $107.9 million, related to Baker and Snoqualmie hydro facilities. These grants have been accounted as a reduction to utility plant and will be amortized over the life of the plant based on the Washington Commission authorization.

Colstrip

PSE has a 50% ownership interest in Colstrip Units 1 and 2, and a 25% interest in Colstrip Units 3 and 4. On March 6, 2013, Sierra Club and Montana Environmental Information Center (MEIC) filed a Clean Air Act citizen suit against all Colstrip owners (including PSE) alleging numerous claims for relief, most of which relate to alleged prevention of significant deterioration (PSD) violations. One claim relates to the alleged failure to update the Title V permit to reflect the major modifications alleged in the first thirty-six claim, another claim alleges that the previous Title V compliance certifications have been incomplete because they did not address the alleged major modifications, and the last claim alleges opacity violations since 2007. The lawsuit was filed in U.S. District of Montana, Billings Division, requesting injunctive relief and civil penalties, including a request that the owners remediate environmental damage and that $100,000 of the civil penalties be used for beneficial mitigation projects. Discovery in the case is ongoing, and it has been bifurcated into separate liability and remedy trials. The liability trial is currently set for November 2015, and a date for the remedy trial has yet to be determined. PSE is litigating the allegations set forth in the notices, and as such, it is not reasonably possible to estimate the outcome of this matter.

Other Proceedings

The Company is also involved in litigation relating to claims arising out of its operations in the normal course of business. The Company has recorded reserves of $1.7 million and $1.4 million relating to these claims as of December 31, 2014 and 2013, respectively.

10. Kimberly Harris, who serves as the President and Chief Executive Officer, as well as a director of PSE, is married to Kyle Branum, a Principal at the law firm Riddell Williams P.S. since 2008. Riddell Williams or its predecessor firms have been one of PSE's primary law firms for nearly 50 years. Mr. Branum is among the lawyers at Riddell Williams who provide legal services to PSE. This work is performed under the direct supervision of the office of the general counsel and the compensation arrangements are comparable to other regional law firms providing legal services to PSE.

11. Gas operating revenue decreased $15.5 million, or 1.5%, to $1,012.9 million from $1,028.4 million for the year ended December 31, 2014 as compared to the same period in 2013. The decrease in gas operating revenue of $15.5 million was due primarily to lower natural gas retail sales revenue of $52.4 million as a result of lower natural gas costs. These items are discussed in detail below.

Natural gas retail sales revenue decreased $52.4 million, or 5.2%, to $950.9 million from $1,003.3 million for the year ended December 31, 2014 as compared to the same period in 2013. The decrease in natural gas retail sales for the year ended December 31, 2014 as compared to the same period in 2013 was primarily due to a decrease of $76.1 million, or 7.6%, in natural gas therm sales. In addition, decreases in PSE's decoupling rate of $1.0 million or 0.1% annually, effective May1, 2014, and PGA rate reduction of $19.9 million, or 2.1% annually, effective November 1, 2014.

Decoupling revenue resulted in an additional $31.3 million of revenue as a result of decoupling for the year ended December 31, 2014 due to lower volumetric revenues compared to the allowed decoupled revenue per customer. This is compared to a decrease of $5.2 million of revenue in the same period in 2013. The decoupling receivable will be recovered from customers through a future filing beginning May 1, 2015.

The following table sets forth natural gas rate adjustments that were approved by the Washington Commission and the corresponding impact to PSE's annual revenue based on the effective dates:

Type of Rate Adjustment	Effective Date	Average Percentage Increase (Decrease)	Annual Increase (Decrease) in Revenue
Purchased Gas Adjustment	November 1, 2014	(2.5)%	$(23.3)
Decoupling Rate Filing	May 1, 2014	(0.1)	(1.0)
Purchased Gas Adjustment	November 1, 2013	0.4	4.0
Decoupling Rate Filing	July 1, 2013	1.1	10.8
Expedited Rate Filing	July 1, 2013	(0.2)	(2.0)
Purchased Gas Adjustment	November 1, 2012	(7.7)	(77.0)
Natural Gas General Rate Case	May 14, 2012	1.3	13.4
Purchased Gas Adjustment	November 1, 2011	(4.3)	(43.5)
Natural Gas General Tariff Adjustment	April 1, 2011	1.8	19.0

In addition, PSE will be increasing the allowed delivery revenue per customer under the decoupling filing by 2.2% for natural gas customers on January 1 of each year until the conclusion of PSE's next general rate case.

The following table presents the number of PSE customers as of December 31, 2014 and 2013:

	Gas		
	December 31,		Percent
	2014	2013	Change
Customers:			
Residential	733,135	722,680	1.4 %
Commercial	55,021	54,569	0.8 %
Industrial	2,392	2,409	(0.7)%
Other	209	208	0.5 %
Total	790,757	779,866	1.4 %

12. On July 21, 2014, Jason Teller, joined the Company as Vice President of Customer Solutions.

13. None

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[Next Page is 110]

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	04/17/2015	End of 2014/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	12,970,138,750	12,657,379,401
3	Construction Work in Progress (107)	200-201	253,524,842	310,318,032
4	TOTAL Utility Plant (Total of lines 2 and 3)	200-201	13,223,663,592	12,967,697,433
5	(Less) Accum. Provision for Depr., Amort., Depl. (108, 111, 115)		4,762,767,983	4,566,548,281
6	Net Utility Plant (Total of line 4 less 5)		8,460,895,609	8,401,149,152
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)		8,460,895,609	8,401,149,152
11	Utility Plant Adjustments (116)	122	0	0
12	Gas Stored-Base Gas (117.1)	220	0	0
13	System Balancing Gas (117.2)	220	0	0
14	Gas Stored in Reservoirs and Pipelines-Noncurrent (117.3)	220	8,654,564	8,654,564
15	Gas Owed to System Gas (117.4)	220	0	0
16	**OTHER PROPERTY AND INVESTMENTS**			
17	Nonutility Property (121)		5,141,276	4,961,470
18	(Less) Accum. Provision for Depreciation and Amortization (122)		397,105	394,886
19	Investments in Associated Companies (123)	222-223	0	0
20	Investments in Subsidiary Companies (123.1)	224-225	29,865,413	36,465,651
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	53,230,149	53,449,207
24	Sinking Funds (125)		0	0
25	Depreciation Fund (126)		0	0
26	Amortization Fund - Federal (127)		0	0
27	Other Special Funds (128)		20,163,074	62,565,031
28	Long-Term Portion of Derivative Assets (175)		3,170,484	7,732,879
29	Long-Term Portion of Derivative Assets - Hedges (176)		0	0
30	TOTAL Other Property and Investments (Total of lines 17-20, 22-29)		111,173,291	164,779,352
31	**CURRENT AND ACCRUED ASSETS**			
32	Cash (131)		31,703,689	38,297,043
33	Special Deposits (132-134)		32,775,117	7,082,729
34	Working Funds (135)		3,826,953	3,125,417
35	Temporary Cash Investments (136)	222-223	0	0
36	Notes Receivable (141)		835,576	1,192,584
37	Customer Accounts Receivable (142)		191,448,383	245,419,541
38	Other Accounts Receivable (143)		85,075,078	145,001,227
39	(Less) Accum. Provision for Uncollectible Accounts - Credit (144)		7,471,996	7,385,209
40	Notes Receivable from Associated Companies (145)		0	0
41	Accounts Receivable from Associated Companies (146)		440,712	452,705
42	Fuel Stock (151)		19,977,277	20,739,826
43	Fuel Stock Expenses Undistributed (152)		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	04/17/2015	End of 2014/Q4

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)		78,091,011	82,717,229
46	Merchandise (155)		0	0
47	Other Materials and Supplies (156)		34,476	204,525
48	Nuclear Materials Held for Sale (157)		0	0
49	Allowances (158.1 and 158.2)		0	0
50	(Less) Noncurrent Portion of Allowances		0	0
51	Stores Expense Undistributed (163)		5,098,269	5,422,914
52	Gas Stored Underground-Current (164.1)	220	46,008,944	42,350,784
53	Liquefied Natural Gas Stored and Held for Processing (164.2 thru 164.3)	220	635,209	618,974
54	Prepayments (165)	230	25,570,607	25,140,188
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)		168,038,918	219,883,773
59	Miscellaneous Current and Accrued Assets (174)		0	0
60	Derivative Instrument Assets (175)		24,348,745	26,599,879
61	(Less) Long-Term Portion of Derivative Instrument Assets (175)		3,170,484	7,732,879
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)		703,266,484	849,131,250
65	DEFERRED DEBITS			
66	Unamortized Debt Expense (181)		28,687,998	31,195,825
67	Extraordinary Property Losses (182.1)	230	118,823,668	116,328,043
68	Unrecovered Plant and Regulatory Study Costs (182.2)	230	15,534,174	3,262,451
69	Other Regulatory Assets (182.3)	232	608,272,969	610,197,869
70	Preliminary Survey and Investigation Charges (Electric)(183)		200,491	8,182
71	Preliminary Survey and Investigation Charges (Gas)(183.1 and 183.2)		0	0
72	Clearing Accounts (184)		0	0
73	Temporary Facilities (185)		19,301	58,041
74	Miscellaneous Deferred Debits (186)	233	247,074,196	173,488,539
75	Deferred Losses from Disposition of Utility Plant (187)		514,431	382,030
76	Research, Development, and Demonstration Expend. (188)		0	0
77	Unamortized Loss on Reacquired Debt (189)		35,667,413	37,832,365
78	Accumulated Deferred Income Taxes (190)	234-235	654,528,779	548,785,238
79	Unrecovered Purchased Gas Costs (191)		21,073,055	(5,937,698)
80	TOTAL Deferred Debits (Total of lines 66 thru 79)		1,730,396,475	1,515,600,885
81	TOTAL Assets and Other Debits (Total of lines 10-15,30,64,and 80)		11,014,386,423	10,939,315,203

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	04/17/2015	End of 2014/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	2,775,196,691	2,775,196,691
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	217,249,893	297,459,772
12	Unappropriated Undistributed Subsidiary Earnings (216.1)	118-119	(14,632,037)	(8,031,791)
13	(Less) Reacquired Capital Stock (217)	250-251	0	0
14	Accumulated Other Comprehensive Income (219)	117	(170,956,349)	(95,737,745)
15	TOTAL Proprietary Capital (Total of lines 2 thru 14)		3,278,728,607	3,440,757,336
16	**LONG TERM DEBT**			
17	Bonds (221)	256-257	3,760,860,000	3,760,860,000
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	13,140	13,642
23	(Less) Current Portion of Long-Term Debt		0	0
24	TOTAL Long-Term Debt (Total of lines 17 thru 23)		3,760,846,860	3,760,846,358
25	**OTHER NONCURRENT LIABILITIES**			
26	Obligations Under Capital Leases-Noncurrent (227)		1,894,521	9,472,609
27	Accumulated Provision for Property Insurance (228.1)		0	0
28	Accumulated Provision for Injuries and Damages (228.2)		1,080,000	1,060,000
29	Accumulated Provision for Pensions and Benefits (228.3)		130,222,246	54,789,264
30	Accumulated Miscellaneous Operating Provisions (228.4)		331,913,968	244,303,032
31	Accumulated Provision for Rate Refunds (229)		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	04/17/2015	End of 2014/Q4

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		60,062,562	30,467,636
33	Long-Term Portion of Derivative Instrument Liabilities - Hedges		0	1,055,163
34	Asset Retirement Obligations (230)		48,909,172	48,686,890
35	TOTAL Other Noncurrent Liabilities (Total of lines 26 thru 34)		574,082,469	389,834,594
36	**CURRENT AND ACCRUED LIABILITIES**			
37	Current Portion of Long-Term Debt		0	0
38	Notes Payable (231)		85,000,000	162,000,000
39	Accounts Payable (232)		309,921,826	309,405,222
40	Notes Payable to Associated Companies (233)		28,932,785	29,597,785
41	Accounts Payable to Associated Companies (234)		0	0
42	Customer Deposits (235)		24,677,803	29,044,531
43	Taxes Accrued (236)	262-263	107,481,198	109,262,101
44	Interest Accrued (237)		55,345,644	55,262,485
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)		1,602,518	1,204,256
49	Miscellaneous Current and Accrued Liabilities (242)	268	19,310,895	16,990,908
50	Obligations Under Capital Leases-Current (243)		7,578,088	7,578,088
51	Derivative Instrument Liabilities (244)		194,980,461	69,869,432
52	(Less) Long-Term Portion of Derivative Instrument Liabilities		60,062,562	30,467,636
53	Derivative Instrument Liabilities - Hedges (245)		1,055,163	3,118,598
54	(Less) Long-Term Portion of Derivative Instrument Liabilities - Hedges		0	1,055,163
55	TOTAL Current and Accrued Liabilities (Total of lines 37 thru 54)		775,823,819	761,810,607
56	**DEFERRED CREDITS**			
57	Customer Advances for Construction (252)		59,178,236	57,241,155
58	Accumulated Deferred Investment Tax Credits (255)		0	2
59	Deferred Gains from Disposition of Utility Plant (256)		863,174	1,273,806
60	Other Deferred Credits (253)	269	330,906,907	386,371,700
61	Other Regulatory Liabilities (254)	278	136,458,810	146,019,989
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)		1,729,060,789	1,632,467,281
65	Accumulated Deferred Income Taxes - Other (283)		368,436,752	362,692,375
66	TOTAL Deferred Credits (Total of lines 57 thru 65)		2,624,904,668	2,586,066,308
67	TOTAL Liabilities and Other Credits (Total of lines 15,24,35,55,and 66)		11,014,386,423	10,939,315,203

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	04/17/2015	End of 2014/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	3,197,806,242	3,326,941,159	0	0
3	Operating Expenses					
4	Operation Expenses (401)	317-325	1,661,204,032	1,798,130,018	0	0
5	Maintenance Expenses (402)	317-325	165,811,329	155,271,656	0	0
6	Depreciation Expense (403)	336-338	369,492,120	362,753,289	0	0
7	Depreciation Expense for Asset Retirement Costs (403.1)	336-338	1,468,524	1,570,258	0	0
8	Amortization and Depletion of Utility Plant (404-405)	336-338	42,340,247	40,392,575	0	0
9	Amortization of Utility Plant Acu. Adjustment (406)	336-338	13,859,026	13,794,396	0	0
10	Amort. of Prop. Losses, Unrecovered Plant and Reg. Study Costs (407.1)		17,495,991	17,213,410	0	0
11	Amortization of Conversion Expenses (407.2)		0	0	0	0
12	Regulatory Debits (407.3)		50,352,083	43,747,744	0	0
13	(Less) Regulatory Credits (407.4)		94,502,619	56,677,296	0	0
14	Taxes Other than Income Taxes (408.1)	262-263	310,321,156	302,765,686	0	0
15	Income Taxes-Federal (409.1)	262-263	0	0	0	0
16	Income Taxes-Other (409.1)	262-263	0	0	0	0
17	Provision of Deferred Income Taxes (410.1)	234-235	2,294,996,459	540,441,469	0	0
18	(Less) Provision for Deferred Income Taxes-Credit (411.1)	234-235	2,118,990,660	298,567,820	0	0
19	Investment Tax Credit Adjustment-Net (411.4)		(2)	(3,496)	0	0
20	(Less) Gains from Disposition of Utility Plant (411.6)		694,857	694,857	0	0
21	Losses from Disposition of Utility Plant (411.7)		149,128	149,128	0	0
22	(Less) Gains from Disposition of Allowances (411.8)		47,072	51,498	0	0
23	Losses from Disposition of Allowances (411.9)		0	0	0	0
24	Accretion Expense (411.10)		1,303,578	1,241,497	0	0
25	TOTAL Utility Operating Expenses (Total of lines 4 thru 24)		2,714,558,463	2,921,476,159	0	0
26	Net Utility Operating Income (Total of lines 2 less 25) (Carry forward to page 116, line 27)		483,247,779	405,465,000	0	0

Name of Respondent Puget Sound Energy, Inc.	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 04/17/2015	Year/Period of Report End of 2014/Q4

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	2,184,947,113	2,298,584,625	1,012,859,129	1,028,356,534	0	0
3						
4	1,067,747,139	1,173,809,276	593,456,893	624,320,742	0	0
5	145,988,003	133,622,742	19,823,326	21,648,914	0	0
6	257,633,788	252,217,244	111,858,332	110,536,045	0	0
7	992,961	793,492	475,563	776,766	0	0
8	30,391,040	28,122,139	11,949,207	12,270,436	0	0
9	13,859,026	13,794,396	0	0	0	0
10	17,495,991	17,213,410	0	0	0	0
11	0	0	0	0	0	0
12	50,352,083	43,747,744	0	0	0	0
13	94,502,619	56,677,296	0	0	0	0
14	207,444,301	200,730,843	102,876,855	102,034,843	0	0
15	0	0	0	0	0	0
16	0	0	0	0	0	0
17	1,632,233,298	338,945,372	662,763,161	201,496,097	0	0
18	1,517,738,350	154,102,815	601,252,310	144,465,005	0	0
19	0	0	(2)	(3,496)	0	0
20	633,008	633,008	61,849	61,849	0	0
21	132,649	132,649	16,479	16,479	0	0
22	47,072	51,498	0	0	0	0
23	0	0	0	0	0	0
24	1,262,992	1,192,372	40,586	49,125	0	0
25	1,812,612,222	1,992,857,062	901,946,241	928,619,097	0	0
26	372,334,891	305,727,563	110,912,888	99,737,437	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	04/17/2015	End of 2014/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)		483,247,779	405,465,000	0	0
28	**OTHER INCOME AND DEDUCTIONS**					
29	Other Income					
30	Nonutility Operating Income					
31	Revenues form Merchandising, Jobbing and Contract Work (415)		1,143,766	784,913	0	0
32	(Less) Costs and Expense of Merchandising, Job & Contract Work (416)		1,074,754	684,674	0	0
33	Revenues from Nonutility Operations (417)		13,964,522	1,190,524	0	0
34	(Less) Expenses of Nonutility Operations (417.1)		16,633,573	4,270,772	0	0
35	Nonoperating Rental Income (418)		0	0	0	0
36	Equity in Earnings of Subsidiary Companies (418.1)	119	1,899,754	(1,108,288)	0	0
37	Interest and Dividend Income (419)		5,619,834	16,657,645	0	0
38	Allowance for Other Funds Used During Construction (419.1)		7,002,239	15,930,161	0	0
39	Miscellaneous Nonoperating Income (421)		(16,771,841)	10,466,484	0	0
40	Gain on Disposition of Property (421.1)		7,483,196	26,360	0	0
41	TOTAL Other Income (Total of lines 31 thru 40)		2,633,143	38,992,353	0	0
42	Other Income Deductions					
43	Loss on Disposition of Property (421.2)		0	0	0	0
44	Miscellaneous Amortization (425)		795	795	0	0
45	Donations (426.1)	340	32,754	70,682	0	0
46	Life Insurance (426.2)		(2,942,394)	(3,845,049)	0	0
47	Penalties (426.3)		335,499	583,005	0	0
48	Expenditures for Certain Civic, Political and Related Activities (426.4)		5,650,148	4,873,682	0	0
49	Other Deductions (426.5)		74,267,981	(83,201,626)	0	0
50	TOTAL Other Income Deductions (Total of lines 43 thru 49)	340	77,344,783	(81,518,511)	0	0
51	Taxes Applic. to Other Income and Deductions					
52	Taxes Other than Income Taxes (408.2)	262-263	294,473	117,996	0	0
53	Income Taxes-Federal (409.2)	262-263	0	0	0	0
54	Income Taxes-Other (409.2)	262-263	0	0	0	0
55	Provision for Deferred Income Taxes (410.2)	234-235	(87,659,631)	(80,387,162)	0	0
56	(Less) Provision for Deferred Income Taxes-Credit (411.2)	234-235	27,835	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)		(87,392,993)	(80,269,166)	0	0
60	Net Other Income and Deductions (Total of lines 41, 50, 59)		12,681,353	200,780,030	0	0
61	**INTEREST CHARGES**					
62	Interest on Long-Term Debt (427)		225,414,534	227,624,722	0	0
63	Amortization of Debt Disc. and Expense (428)	258-259	3,165,817	3,465,724	0	0
64	Amortization of Loss on Reacquired Debt (428.1)		2,379,511	2,285,732	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	181,681	112,275	0	0
68	Other Interest Expense (431)	340	33,784,752	27,888,255	0	0
69	(Less) Allowance for Borrowed Funds Used During Construction-Credit (432)		5,611,082	11,260,684	0	0
70	Net Interest Charges (Total of lines 62 thru 69)		259,315,213	250,116,024	0	0
71	Income Before Extraordinary Items (Total of lines 27,60 and 70)		236,613,919	356,129,006	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)		236,613,919	356,129,006	0	0

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[Next Page is 117]

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	04/17/2015	End of 2014/Q4

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		(175,998,672)		
2	Preceding Quarter/Year to Date Reclassifications from Account 219 to Net Income				
3	Preceding Quarter/Year to Date Changes in Fair Value		88,594,581		
4	Total (lines 2 and 3)		88,594,581		
5	Balance of Account 219 at End of Preceding Quarter/Year		(87,404,091)		
6	Balance of Account 219 at Beginning of Current Year		(87,404,091)		
7	Current Quarter/Year to Date Reclassifications from Account 219 to Net Income				
8	Current Quarter/Year to Date Changes in Fair Value		(76,876,803)		
9	Total (lines 7 and 8)		(76,876,803)		
10	Balance of Account 219 at End of Current Quarter/Year		(164,280,894)		

Statement of Accumulated Comprehensive Income and Hedging Activities(continued)

Line No.	Other Cash Flow Hedges Interest Rate Swaps (f)	Other Cash Flow Hedges (Insert 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	(6,623,535)	(4,576,338)	(187,198,545)		
2	316,968	2,549,248	2,866,216		
3			88,594,581		
4	316,968	2,549,248	91,460,797	356,129,006	447,589,803
5	(6,306,567)	(2,027,090)	(95,737,748)		
6	(6,306,567)	(2,027,090)	(95,737,748)		
7	316,968	1,341,235	1,658,203		
8			(76,876,803)		
9	316,968	1,341,235	(75,218,600)	236,613,919	161,395,319
10	(5,989,599)	(685,855)	(170,956,348)		

FOOTNOTE DATA

Schedule Page: 117 Line No.: 6 Column: g

Category - Gas for Power

Schedule Page: 117 Line No.: 7 Column: g

Category - Gas for Power

Schedule Page: 117 Line No.: 9 Column: g

Category - Gas for Power

Schedule Page: 117 Line No.: 10 Column: g

Category - Gas for Power

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Category - Gas for Power

Schedule Page: 117 Line No.: 2 Column: g

Category - Gas for Power

Schedule Page: 117 Line No.: 4 Column: g

Category - Gas for Power

Schedule Page: 117 Line No.: 5 Column: g

Category - Gas for Power

Name of Respondent Puget Sound Energy, Inc.	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 04/17/2015	Year/Period of Report End of 2014/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		286,201,805	340,449,149
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)		630,610	507,490
6	Balance Transferred from Income (Acct 433 less Acct 418.1)		234,714,165	357,237,294
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)		323,424,044	410,977,148
13	Transfers from Account 216.1, Unappropriated Undistributed Subsidiary Earnings		8,500,000	
14	Balance-End of Period (Total of lines 1, 4, 5, 6, 8, 10, 12, and 13)		205,361,316	286,201,805
15	APPROPRIATED RETAINED EARNINGS (Account 215)			
16	TOTAL Appropriated Retained Earnings (Account 215) (footnote details)		11,888,577	11,257,967
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		11,888,577	11,257,967
20	TOTAL Retained Earnings (Accounts 215, 215.1, 216) (Total of lines 14 and 1		217,249,893	297,459,772
21	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS (Account 216.1)			
	Report only on an Annual Basis no Quarterly			
22	Balance-Beginning of Year (Debit or Credit)		(8,031,790)	(6,923,502)
23	Equity in Earnings for Year (Credit) (Account 418.1)		1,899,754	(1,108,288)
24	(Less) Dividends Received (Debit)		8,500,000	
25	Other Changes (Explain)			
26	Balance-End of Year		(14,632,036)	(8,031,790)

Name of Respondent Puget Sound Energy, Inc.	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 04/17/2015	Year/Period of Report End of 2014/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)	236,613,919	356,129,006
3	Noncash Charges (Credits) to Income:		
4	Depreciation and Depletion	372,079,968	392,431,896
5	Amortization of (Specify) (footnote details)	31,355,017	31,007,806
6	Deferred Income Taxes (Net)	88,318,333	161,482,990
7	Investment Tax Credit Adjustments (Net)		
8	Net (Increase) Decrease in Receivables	166,236,690	(113,516,196)
9	Net (Increase) Decrease in Inventory	2,209,066	15,845,360
10	Net (Increase) Decrease in Allowances Inventory		
11	Net Increase (Decrease) in Payables and Accrued Expenses	(5,074,458)	24,166,257
12	Net (Increase) Decrease in Other Regulatory Assets	(247,794,087)	(146,413,845)
13	Net Increase (Decrease) in Other Regulatory Liabilities	18,363,850	68,916,060
14	(Less) Allowance for Other Funds Used During Construction	7,002,239	15,930,161
15	(Less) Undistributed Earnings from Subsidiary Companies	1,899,762	(1,108,288)
16	Other (footnote details):	237,823,571	43,895,729
17	Net Cash Provided by (Used in) Operating Activities		
18	(Total of Lines 2 thru 16)	891,229,868	819,123,190
19			
20	Cash Flows from Investment Activities:		
21	Construction and Acquisition of Plant (including land):		
22	Gross Additions to Utility Plant (less nuclear fuel)	(605,792,026)	(583,765,541)
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	(7,002,239)	(15,930,161)
27	Other (footnote details):		
28	Cash Outflows for Plant (Total of lines 22 thru 27)	(598,789,787)	(567,835,380)
29			
30	Acquisition of Other Noncurrent Assets (d)		
31	Proceeds from Disposal of Noncurrent Assets (d)	9,706,447	108,495,157
32			
33	Investments in and Advances to Assoc. and Subsidiary Companies		
34	Contributions and Advances from Assoc. and Subsidiary Companies	8,500,000	
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)		

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	04/17/2015	End of 2014/Q4

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):	106,192,530	(17,556)
48	Net Cash Provided by (Used in) Investing Activities		
49	(Total of lines 28 thru 47)	(474,390,810)	(459,357,779)
50			
51	Cash Flows from Financing Activities:		
52	Proceeds from Issuance of:		
53	Long-Term Debt (b)		161,860,000
54	Preferred Stock		
55	Common Stock		
56	Other (footnote details):		
57	Net Increase in Short-term Debt (c)		
58	Other (footnote details):	4,050,556	(4,322,959)
59	Cash Provided by Outside Sources (Total of lines 53 thru 58)	4,050,556	157,537,041
60			
61	Payments for Retirement of:		
62	Long-Term Debt (b)		(174,860,000)
63	Preferred Stock		
64	Common Stock		
65	Other (footnote details):		
66	Net Decrease in Short-Term Debt (c)	(77,665,000)	(19,000,000)
67			
68	Dividends on Preferred Stock		
69	Dividends on Common Stock	(323,424,044)	(410,977,148)
70	Net Cash Provided by (Used in) Financing Activities		
71	(Total of lines 59 thru 69)	(397,038,488)	(447,300,107)
72			
73	Net Increase (Decrease) in Cash and Cash Equivalents		
74	(Total of line 18, 49 and 71)	19,800,570	(87,534,696)
75			
76	Cash and Cash Equivalents at Beginning of Period	48,505,189	136,039,885
77			
78	Cash and Cash Equivalents at End of Period	68,305,759	48,505,189

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	04/17/2015	2014/Q4

FOOTNOTE DATA

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

Other components of investing cash flows		**2014**		**2013**
Treasury Grants	$	107,875,804	$	-
Other		(1,683,274)		(17,556)
	$	106,192,530	$	(17,556)

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

Other components of financing cash flows		**2014**		**2013**
Debt Issuance Costs	$	(861,734)	$	(5,481,944)
Refundable cash received for customer construction projects		12,490,378		8,737,072
Landis Gyr Capital Lease		(7,578,087)		(7,578,087)
	$	4,050,557	$	(4,322,959)

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

Other components of operating cash flows		**2014**		**2013**
Other Long-Term Assets	$	(76,572,486)	$	(39,839,736)
Other Long-Term Liabilities		143,094,493		102,581,960
Conservation Amortization		104,095,540		105,897,025
Pension Funding		(18,000,000)		(20,400,000)
Net Unrealized (Gain) Loss on Derivative Transactions		85,636,443		(98,879,652)
Prepayments and Other		(430,419)		(5,463,868)
	$	237,823,571	$	43,895,729

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 and 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 6,000 square miles, primarily in the Puget Sound region. The results of PSE's subsidiaries are presented on an equity basis.

Certain amounts previously reported have been reclassified to conform with current year presentations with no effect on total equity or net income.

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 its natural gas fired combustion turbines 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.

Non-Utility Property, Plant and Equipment

For PSE, the costs of other property, plant and equipment 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. Replacement of minor items are expensed on a current basis. Gains and losses on assets sold or retired are reflected in earnings.

Depreciation and Amortization

For financial statement purposes, 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 depreciation of vehicles and equipment is allocated to the asset and expense accounts based on usage. The annual depreciation provision stated as a percent of a depreciable electric utility plant was 2.8% and 2.8% in 2014 and 2013, respectively; depreciable gas utility plant was 3.4% and 3.4% in 2014 and 2013, respectively; and depreciable common utility plant was 8.5% and 11.4% in 2014 and 2013, respectively. The decrease in depreciable common utility plant that occurred between 2014 and 2013 was primarily due to asset retirement. Depreciation on other property, plant and equipment is calculated primarily on a straight-line basis over the useful lives of the assets. The cost of removal is collected from PSE's customers through depreciation expense and any excess is recorded as a regulatory liability.

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 cash and cash equivalents balance at PSE was $37.5 million and $44.1 million as of December 31, 2014 and 2013, respectively. The 2014 and 2013 balances did not consist of any cash equivalents.

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. PSE records these items at weighted-average cost.

Fuel and Gas Inventory

Fuel and 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. Gas inventory consists of natural gas and liquefied natural gas (LNG) held in storage for future sales. PSE records these items at the lower of cost or market value using the weighted-average cost 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 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 and losses 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 due to the length of the amortization. For further details regarding regulatory assets and liabilities, see Note 3.

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 principally 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 and is credited to interest expense and as a non-cash item to other income. Cash inflow related to AFUDC does not occur until these charges are reflected in rates.

The AFUDC rates authorized by the Washington Commission for natural gas and electric utility plant additions based on the effective dates are as follows:

Effective Date	Washington Commission AFUDC Rates
July 1, 2013 - present	7.77%
May 14, 2012 - June 30, 2013	7.80

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, in accordance with ASC 605, "Revenue Recognition" (ASC 605). PSE's estimate of unbilled revenue is based on a calculation using meter readings from its automated meter reading (AMR) 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 schedule to estimate the unbilled revenues by customer.

Revenue from retail sales is billed based on tariff rates approved by the Washington Commission. Sales of Renewable Energy Credits (RECs) are deferred as a regulatory liability.

Beginning July 1, 2013, PSE's electric and gas operations contain a revenue decoupling mechanism under which PSE's actual energy delivery revenues related to electric transmission and distribution, gas operations and general administrative costs are compared with authorized revenues allowed under the mechanism. Any differences are deferred to a regulatory asset for under recovery or regulatory liability for over recovery. Revenues associated with power costs under the PCA mechanism and PGA rates are excluded from the decoupling mechanism.

Allowance for Doubtful Accounts

Allowance for doubtful accounts are provided for electric and natural gas customer accounts based upon a historical experience rate of write-offs of energy accounts receivable along with information on future economic outlook. The allowance account is adjusted monthly for this experience rate. The allowance account is maintained until either receipt of payment or the likelihood of collection is considered remote at which time the allowance account and corresponding receivable balance are written off.

The Company's allowance for doubtful accounts at December 31, 2014 and 2013 was $7.5 million and $7.4 million, respectively.

Self-Insurance

PSE is self-insured for storm damage and environmental contamination 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. The Washington Commission has approved the deferral of certain uninsured qualifying storm damage costs that exceed $8.0 million which will be requested for collection in future rates. 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.

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. Taxes payable or receivable are settled with Puget Holdings.

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.

Non-Core Gas Sales

As part of the Company's electric operations, PSE provides natural gas to 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 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 other electric operating revenue and are included in the PCA mechanism.

Production Tax Credit

Production Tax Credits (PTCs) represent federal income tax incentives available to taxpayers that generate energy from qualifying renewable sources. PSE records the benefit of the PTCs as a regulatory liability until such time as PSE utilizes the tax credit on its tax return. Once utilized, PSE will pass the benefit to customers.

Accounting for Derivatives

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 energy related derivatives due to the PCA mechanism and PGA mechanism.

PSE elected to de-designate all energy related derivative contracts previously recorded as cash flow hedges for the purpose of simplifying its financial reporting in 2009. The contracts that were de-designated related to physical electric supply contracts and natural gas swap contracts used to fix the price of natural gas for electric generation. For these contracts and for contracts initiated after such date, all mark-to-market adjustments are recognized through earnings. The amount previously recorded in accumulated OCI is transferred to earnings in the same period or periods during which the hedged transaction affects earnings or sooner if management determines that the forecasted transaction is probable of not occurring. As a result, the Company will continue to experience the earnings impact of these reversals from OCI in future periods. When these contracts are settled, the contract price becomes part of purchased electricity or electric generation fuel which becomes part of PSE's PCA mechanism and the unrealized gain or loss is listed separately under energy costs, as it represents the non-rate treatment of energy costs.

The Company may enter into swap instruments or other financial derivative instruments to manage the interest rate risk associated with its long-term debt financing and debt instruments. As of December 31, 2014, PSE did not have interest rate swap contracts outstanding related to its long-term debt. 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.

Accumulated Other Comprehensive Income (Loss)

The following tables set forth the components of the Company's accumulated other comprehensive income (loss) at:

	December 31,		
(Dollars in Thousands)		2014	2013
Net unrealized loss on energy derivative instruments	$	(686)	$ (2,027)
Net unrealized loss on treasury interest rate swaps		(5,990)	(6,307)
Net unrealized loss and prior service cost on pension plans		(164,281)	(87,405)
Total PSE, net of tax	$	(170,957)	$ (95,739)

(2) New Accounting Pronouncements

Income Statement

In May 2014, the FASB issued Accounting Standards Update (ASU) No. 2014-09, "Revenue from Contracts with Customers (Topic 606)", that outlines a single comprehensive model for use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance, including industry-specific guidance. The ASU is based on the principle that an entity should recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The ASU also requires additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments and assets recognized from costs incurred to fulfill a contract.

ASU 2014-09 is effective for fiscal years, and interim periods within those years, beginning after December 15, 2016. Early adoption of the ASU is not permitted. Entities have the option of using either a full retrospective or a modified retrospective approach for the adoption of the new standard. The Company initiated a steering committee and project team to evaluate the impact of this standard, update any policies and procedures that may be affected and implement the new revenue recognition guidance. At this time, the Company cannot determine the impact this standard will have on its consolidated financial statements.

Extraordinary and Unusual Items

In January 2015, the FASB issued ASU 2015-01, "Income Statement - Extraordinary and Unusual Items (Subtopic 225-20): Simplifying Income Statement Presentation by Eliminating the Concept of Extraordinary Items." As part of FASB's initiative to reduce complexity in accounting standards, it issued ASU 2015-01, which eliminates from GAAP the concept of extraordinary items. Currently, Subtopic 225-20 requires an entity to separately classify, present and disclose extraordinary events and transactions. ASU 2015-01 will align GAAP income statement presentation guidance with International Accounting Standards 1, Presentation of Financial Statements, which prohibits the presentation and disclosure of extraordinary items.

ASU 2015-01 is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2015. The Company is permitted to apply amendments prospectively or retrospectively to all prior periods presented in the financial statements. Early adoption is permitted, provided that the guidance is applied from the beginning of the fiscal year of adoption. At this time, the Company doesn't expect this standard to have a material effect on the Company's financial position or results of operations.

(3) Regulation and Rates

Regulatory Assets and Liabilities

ASC 980 requires 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 and losses that are expected to be returned to customers in the future.

Below is a chart with the allowed return on the net regulatory assets and liabilities and the associated time periods:

Period	Rate of Return	After-Tax Return
July 1, 2013 - present	7.77%	6.69%
May 14, 2012 - June 30, 2013	7.80	6.71

The net regulatory assets and liabilities at December 31, 2014 and 2013 included the following:

Puget Sound Energy (Dollars in Thousands)	Remaining Amortization Period	December 31, 2014	2013
PGA deferral of unrealized losses on derivative instruments	(a) $	69,280 $	27,555
Chelan PUD contract initiation	16.8 Years	119,316	126,404
Storm damage costs electric	1 to 4 years	118,824	116,328
Environmental remediation	(a)	66,018	57,342
Baker Dam licensing operating and maintenance costs	44 years	61,577	57,270
Snoqualmie licensing operating and maintenance costs	30 years	9,202	10,881
Colstrip common property	9.5 years	6,764	7,479
Deferred income taxes	(a)	94,913	146,350
Deferred Washington Commission AFUDC	35 years	53,709	55,495
Energy conservation costs	1 to 2 years	42,374	35,987
Unamortized loss on reacquired debt	1 to 21.5 years	35,667	37,832
White River relicensing and other costs	17.9 years	26,685	28,190
Mint Farm ownership and operating costs	10.3 years	20,320	22,320
Investment in Bonneville Exchange power contract	2.5 years	8,816	12,343
Ferndale	4.8 years	19,232	22,811
Lower Snake River	1.3 to 22.3 years	86,275	92,924
Snoqualmie	3.8 years	6,798	8,009
Property tax tracker	Less than 2 years	32,253	22,134
PGA receivable	1 year	21,073	—
PCA mechanism	(a)	4,623	—
Electron unrecovered loss	4 years	14,008	—
Decoupling under-collection	Less than 2 years	55,363	—
Various other regulatory assets	Varies	14,312	8,078
Total PSE regulatory assets	$	987,402 $	895,732
Cost of removal	(b) $	(313,088)$	(269,536)
Production tax credits	(c)	(93,616)	(93,618)
PGA payable	1 year	—	(5,938)
PCA mechanism	(a)	—	(5,345)
Decoupling over-collection	Less than 2 years	(12,582)	(20,535)
Summit purchase option buy-out	5.8 years	(9,188)	(10,763)
Deferred gain on Jefferson County sale	Less than 1 year	(4,731)	(60,844)
Deferred credit on Biogas sale	1 year	(1,445)	(10,908)
Deferred credit on gas pipeline capacity	Varies up to 3.8 years	(3,564)	(4,508)
Renewable energy credits	1 year	(2,383)	(5,820)
Treasury grants	5 to 44 years	(180,496)	(203,889)
Deferral of treasury grant amortization	Less than 4 years	(8,197)	—
Various other regulatory liabilities	Up to 4 years	(6,092)	(5,755)
Total PSE regulatory liabilities	$	(635,382)$	(697,459)
PSE net regulatory assets (liabilities)	$	352,020 $	198,273

(a) *Amortization periods vary depending on timing of underlying transactions or awaiting regulatory approval in a future Washington Commission rate proceeding.*

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

(c) *Amortization will begin once PTCs are utilized by PSE on its tax return.*

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," PSE reclassified from accumulated depreciation to a regulatory liability $313.1 million and $269.5 million in 2014 and 2013, respectively, for the cost of removal of utility plant. These amounts are collected from PSE's customers through depreciation rates.

Electric Regulation and Rates

Storm Damage Deferral Accounting

The Washington Commission issued a general rate case order that defined deferrable catastrophic/extraordinary losses and provided that costs in excess of $8.0 million annually may be deferred for qualifying storm damage costs that meet the modified IEEE outage criteria for system average interruption duration index. In 2014 and 2013, PSE incurred $29.7 million and $9.4 million, respectively, in storm-related electric transmission and distribution system restoration costs, of which $18.0 million was deferred in 2014 and no amount was deferred in 2013.

Power Cost Only Rate Case

Power Cost Only Rate Case (PCORC), a limited-scope proceeding, was approved in 2002 by the Washington Commission to periodically reset power cost rates. In addition to providing the opportunity to reset all power costs, the PCORC proceeding also provides for timely review of new resource acquisition costs and inclusion of such costs in rates at the time the new resource goes into service. To achieve this objective, the Washington Commission has used an expedited six-month PCORC decision timeline rather than the statutory 11-month timeline for a general rate case.

On October 23, 2013, the Washington Commission approved an update on the Company's PCORC, effective November 1, 2013, which reflected decreases in the overall normalized power supply costs. This resulted in an estimated revenue decrease of $10.5 million or 0.5% annually.

On November 3, 2014 the Washington Commission issued an order on the settlement of the PCORC which PSE filed on May 23, 2014. The original filing proposed a decrease of $9.6 million (or an average of approximately 0.5%) in the Company's overall power supply costs. PSE filed joint testimony supporting a settlement stipulation. Customer rates decreased by approximately $19.4 million or 0.90% annually, as a result of the settlement, effective December 1, 2014.

Electric Rate Case

On April 24, 2014, the Washington Commission approved PSE's request to change rates under its electric and natural gas decoupling mechanism, effective May 1, 2014. The rate change incorporated the effects of an increase to the allowed delivery revenue per customer as well as true-ups to the rate from the prior year. This represents a rate increase for electric of $10.6 million, or 0.5% annually, and a rate decrease for natural gas of $1.0 million, or 0.1% annually.

On April 24, 2014, the Washington Commission approved PSE's request to change rates under its electric and natural gas property tax tracker mechanism, effective May 1, 2014. The rate change incorporated the effects of an increase in the amount of property taxes paid as well as true-ups to the rate from the prior year. This represents a rate increase for electric of $11.0 million, or 0.5% annually, and a rate increase for natural gas of $5.6 million, or 0.6% annually.

On April 24, 2014, the Washington Commission also approved PSE's request to change rates under its electric and natural gas conservation riders, effective May 1, 2014. The rate change incorporated the effects of changes in the annual conservation budgets as well as true-ups to the rate from the prior year. The rate change represents a rate increase for electric of $12.2 million, or 0.5% annually, and a rate increase for natural gas of $0.3 million.

On November 3, 2014 the Washington Commission approved PSE's 2014 PCORC. The original filing proposed a decrease of $9.6 million (or an average of approximately 0.5%) in the Company's overall power supply costs with an effective date of December 1, 2014. PSE filed joint testimony supporting a settlement stipulation. Customer rates decreased by approximately $19.4 million or 0.90% as a result of the settlement, effective December 1, 2014.

On June 25, 2013, the Washington Commission approved PSE's electric and natural gas decoupling mechanism and expedited rate filing (ERF) tariff filings, effective July 1, 2013. The estimated revenue impact of the decoupling mechanism for electric is an increase of $21.4 million, or 1.0% annually. The estimated revenue impact of the ERF filings for electric is an increase of $30.7 million, or 1.5% annually. In its order, the Washington Commission approved a weighted cost of capital of 7.8% and a capital structure that included 48.0% common equity with a return on equity of 9.8%. Subsequently, certain parties to this proceeding petitioned the Washington Commission to reconsider the order. On December 13, 2013, the Washington Commission approved the settlement agreements for rates effective January 1, 2014. These settlement agreements do not materially change the revenues originally approved in June 2013.

On July 24, 2013, the Public Counsel Division of the Washington State Attorney General's Office (Public Counsel) and the Industrial Customers of Northwest Utilities (ICNU) each filed a petition in Thurston County Superior Court (the Court) seeking judicial reviews of various aspects of the Washington Commission's ERF and decoupling mechanism final order. The parties' petition argues that the order violates various procedural and substantive requirements of the Washington Administrative Procedure Act, and so requests that it be vacated and that the matter be remanded to the Washington Commission. Oral arguments regarding this matter were held on May 9, 2014. On June 25, 2014, the court issued a letter decision in which it affirmed the attrition adjustment (escalating factors referred to as the K-Factor) and the Washington Commission's decision not to consider the case as a general rate case, but reversed and remanded the cost of equity for further adjudication consistent with the court's decision. As a result, there will be evidentiary proceedings regarding Return on Equity (ROE) in February 2015 with an order anticipated in the first half of 2015.

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

Type of Rate Adjustment	Effective Date	Average Percentage Increase (Decrease) in Rates	Increase (Decrease) in Revenue (Dollars in Millions)
PCORC	December 1, 2014	(0.9)%	$(19.4)
Conservation Rider	May 1, 2014	0.5%	12.2
Decoupling Rate Filing	May 1, 2014	0.5	10.6
Property Tax Tracker	May 1, 2014	0.5	11.0
PCORC	November 1, 2013	(0.5)	(10.5)
Decoupling Rate Filing	July 1, 2013	1.0	21.4
Expedited Rate Filing	July 1, 2013	1.5	30.7

In addition, PSE will be increasing the allowed delivery revenue per customer under the ERF filing by 3.0% for electric customers on January 1 of each year until the conclusion of PSE's next general rate case.

Accounting Orders and Petitions

On November 27, 2013, the Washington Commission issued an order authorizing PSE to provide the net proceeds from the sale of natural gas supply produced from a landfill-gas recovery project in King County (Biogas) prior to October 31, 2013 as a bill credit to customers over a one-year period in its RECs adjusting price schedule which became effective January 1, 2014. Additionally, the Washington Commission order authorized that all net proceeds from Biogas produced after October 31, 2013 plus the internal labor needed to obtain the net proceeds is reflected as a PSE below-the-line item (i.e., not included in the revenues and expenses considered when setting electric customer rates) and excluded from utility operations.

PSE completed the sale of its electric infrastructure assets located in Jefferson County and the transition of electrical services in the county to JPUD on March 31, 2013. The proceeds from the sale exceeded the transferred assets' net carrying value of $46.7 million resulting in a pre-tax gain of approximately $60.0 million. In its 2010 order on the subject, the Washington Commission stated that PSE must file an accounting and ratemaking petition with the Washington Commission to determine how this gain will be allocated between customers and shareholders. As a result, the gain was deferred and recorded as a regulatory liability pending the Washington Commission's determination of the accounting and ratemaking treatment. On October 31, 2013, PSE filed an accounting petition for a Washington Commission order that would authorize PSE to retain the gain of $45.0 million and return $15.0 million to its remaining customers over a period of 48 months. On March 28, 2014, intervenors filed response testimonies containing their respective proposals for allocation of the gain, which included a proposal of up to $57.0 million to customers and $3.0 million to PSE. A final order was rendered on September 11, 2014 authorizing PSE to retain $7.5 million of the gain and return $52.7 million to customers. The customer portion is booked to a regulatory liability account in other current liabilities and accruing interest at PSE's after-tax rate of return. PSE and the parties to the case filed a joint motion to amend the final order to allow for the customer portion to be paid to customers through a bill credit in the month of December 2014. The Commission granted the joint motion on October 1, 2014.

PCA Mechanism

In 2002, the Washington Commission approved a PCA mechanism that provides for a rate adjustment process if PSE's costs to provide customers' electricity vary from a baseline power cost rate established in a rate proceeding. All significant variable power supply cost variables (hydroelectric and wind generation, market price for purchased power and surplus power, natural gas and coal fuel price, generation unit forced outage risk and transmission cost) are included in the PCA mechanism.

The PCA mechanism apportions increases or decreases in power costs, on a calendar year basis, between PSE and its customers on a graduated scale.

The graduated scale is as follows:

Annual Power Cost Variability	Customers' Share	Company's Share
+/- $20 million	0%	100%
+/- $20 million - $40 million	50%	50%
+/- $40 million - $120 million	90%	10%
+/- $120 + million	95%	5%

Treasury Grant

Section 1603 of the American Recovery and Reinvestment Tax Act of 2009 (Section 1603) authorizes the United States Department of the Treasury (U.S. Treasury) to make grants (Treasury Grants) to taxpayers who place specified energy property in service provided certain conditions are met. Section 1603 precludes a recipient from claiming PTCs on property for which a grant is claimed.

PSE received two treasury grants with a total amount of $107.9 million, related to Baker and Snoqualmie hydro facilities. These grants have been accounted as a reduction to utility plant and will be amortized over the life of the plant based on the Washington Commission authorization.

The Wild Horse Wind Project (Wild Horse) expansion facility was placed into service on November 9, 2009. The capacity of the Wild Horse facility was expanded from 229 megawatts (MW) to 273 MW through the addition of wind turbines. In February 2010, the U.S. Treasury approved a Treasury Grant of $28.7 million. The 343 MW Lower Snake River facility was placed into service on February 29, 2012. In December 2012, the U.S. Treasury approved a Treasury Grant of $205.3 million.

On February 29, 2012, PSE filed proposed tariff revisions, with stated effective dates of April 1, 2012, and subsequently revised by filing on March 29, 2012 with stated effective dates of June 1, 2012, to pass-through $2.4 million in interest on the unamortized balance of the Wild Horse Expansion Treasury Grant. On June 26, 2012, the Washington Commission approved PSE's methods and calculations and new rates became effective on July 3, 2012.

On January 31, 2013, the Washington Commission approved a rate change to the PSE's Federal Incentive Tracker tariff, effective February 1, 2013, which incorporated the effects of the Treasury Grant related to the Lower Snake River wind generation project and keeping the ten year amortization period and inclusion of interest on the unamortized balance of the grants. The rate change passed through 11 months of amortization for both grants to eligible customers over 11 months beginning February 1, 2013. Of the total credit, $34.6 million represents the pass-back of grant amortization and $23.8 million represents the pass through of interest. This represents an overall average rate decrease of 2.8%.

On December 27, 2013, the Washington Commission approved the annual true-up and rate filing to the PSE's Federal Incentive Tracker tariff, effective January 1, 2014. The true-up filing resulted in a total credit of $58.5 million to be passed back to eligible customers over the twelve months beginning January 1, 2014. Of the total credit, $37.8 million represents the pass-back of grant amortization and $20.6 million represents the pass through of interest, in addition to a minor true-up associated with the 2013 rate period. This filing represents an overall average rate increase of 0.3%.

Gas Regulation and Rates

Gas General Rate Cases and Other Filings Affecting Rates

On June 25, 2013, the Washington Commission approved PSE's electric and natural gas decoupling mechanism and ERF tariff filings, effective July 1, 2013. The estimated revenue impact of the decoupling mechanism for natural gas is an increase of $10.8 million, or 1.1% annually. The estimated revenue impact of the ERF filings for natural gas is a decrease of $2.0 million, or a decrease of 0.2% annually. In its order, the Washington Commission approved a weighted cost of capital of 7.8% and a capital structure that included 48.0% common equity with a return on equity of 9.8%.

Subsequently, certain parties to this proceeding petitioned the Washington Commission to reconsider the order. On December 13, 2013, the Washington Commission approved a series of settlement agreements for rates effective January 1, 2014. These settlement agreements do not materially change the revenues originally approved in June 2013. As a result, certain high volume natural gas industrial customers rate schedules are excluded from the decoupling mechanism and will be subject to certain effects of abnormal weather, conservation impacts and changes in customer usage patterns.

On July 24, 2013, the Public Counsel Division of the Washington State Attorney General's Office (Public Counsel) and the Industrial Customers of Northwest Utilities (ICNU) each filed a petition in Thurston County Superior Court (the Court) seeking judicial review of various aspects of the Washington Commission's ERF and decoupling mechanism final order. The parties' petition argues that the order violates various procedural and substantive requirements of the Washington Administrative Procedure Act, and so requests that it be vacated and that the matter be remanded to the Washington Commission. Oral arguments regarding this matter were held on May 9, 2014. On June 25, 2014, the court issued a letter decision in which it affirmed the attrition adjustment K-Factor and the Washington Commission's decision not to consider the case as a general rate case, but reversed and remanded the cost of equity for further adjudication consistent with the court's decision. As a result, there will be evidentiary proceedings regarding ROE in February

2015 with an order anticipated in the first half of 2015.

Purchased Gas Adjustment

PSE has a PGA mechanism in retail natural gas rates to recover variations in natural gas supply and transportation costs. Variations in natural gas rates are passed through to customers; therefore, PSE's net income is not affected by such variations. Changes in the PGA rates affect PSE's revenue, but do not impact net operating income as the changes to revenue are offset by increased or decreased purchased gas and gas transportation costs.

On October 30, 2014, the Washington Commission approved the PGA natural gas tariff which proposed to reflect changes in wholesale gas and pipeline transportation costs and changes in deferral amortization rates. The impact of PGA rates is an annual revenue decrease of $23.3 million , or 2.5% annually, with no impact on net operating income.

On October 30, 2013, the Washington Commission approved PSE's PGA natural gas tariff, effective on November 1, 2013, which reflected changes in wholesale gas and pipeline transportation costs and changes in deferral amortization rates. The estimated revenue impact of the approved change is an increase of $4.0 million, or 0.4% annually, with no impact on net operating income.

On October 31, 2012, the Washington Commission approved PSE's PGA natural gas tariff filing and allowed the rates to go into effect on November 1, 2012 on a temporary basis subject to revision. The rates resulted in a decrease to the rates charged to customers under the PGA. On May 1, 2013, the Washington Commission approved the proposed rates and allowed them to be made permanent. The estimated revenue impact of the approved change is a decrease of $77.0 million, or 7.7% annually, with no impact on net operating income.

The following table sets forth natural gas rate adjustments that were approved by the Washington Commission and the corresponding impact to PSE's annual revenue based on the effective dates:

Type of Rate Adjustment	Effective Date	Average Percentage Increase (Decrease) in Rates	Annual Increase (Decrease) in Revenue (Dollars in Millions)
Purchased Gas Adjustment	November 1, 2014	(2.5)%	$(23.3)
Decoupling Rate Filing	May 1, 2014	(0.1)	(1.0)
Purchased Gas Adjustment	November 1, 2013	0.4	4.0
Decoupling Rate Filing	July 1, 2013	1.1	10.8
Expedited Rate Filing	July 1, 2013	(0.2)	(2.0)

In addition, PSE will be increasing the allowed delivery revenue per customer under the decoupling filing by 2.2% for natural gas customers on January 1 of each year until the conclusion of PSE's next general rate case.

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 manufactured gas plant sites. PSE has implemented an ongoing program to test, replace and remediate certain underground storage tanks (UST) as required by federal and state laws. The UST replacement component of this effort is finished, but PSE continues its work remediating and/or monitoring relevant sites. During 1992, the Washington Commission issued orders regarding the treatment of costs incurred by the Company for certain sites under its environmental remediation program. The orders authorize the Company to accumulate and defer prudently incurred cleanup costs paid to third parties for recovery in rates established in future rate proceedings, subject to Washington Commission review. The

Washington Commission consolidated the gas and electric methodological approaches to remediation and deferred accounting in an order issued October 8, 2008. Per 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 $35.4 million for gas and $5.7 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, Washington and Bellingham, Washington. The Company has taken the lead for both projects. As of December 31, 2014, the Company's share of future remediation costs is estimated to be approximately $25.2 million. The Company's deferred electric environmental costs are $13.4 million and $12.3 million at December 31, 2014 and 2013, respectively, net of insurance proceeds. The Company's deferred natural gas environmental costs are $52.6 million and $45.1 million at December 31, 2014 and 2013, 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, 2014, approximately $438.4 million of unrestricted retained earnings was available for the payment of dividends under the most restrictive mortgage indenture covenant.

Beginning February 6, 2009, 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 Adjusted 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 to one. The common equity ratio, calculated on a regulatory basis, was 47.7% at December 31, 2014, and the EBITDA to interest expense was 4.3 to one for the twelve months then ended.

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, 2014, the Company was in compliance with all applicable covenants, including those pertaining to the payment of dividends.

(5) Utility Plant

(Dollars In Thousands)	Estimated Useful Life (Years)	At December 31, 2014	2013
Electric, gas and common utility plant classified by prescribed accounts :			
Distribution plant	10-50	$ 6,417,551	$ 6,127,732
Production plant	25-125	3,907,224	3,948,270
Transmission plant	45-65	1,306,009	1,162,929
General plant	5-35	553,130	599,156
Intangible plant (including capitalized software)	3-50	304,135	309,972
Plant acquisition adjustment	7-30	282,792	282,792
Underground storage	25-60	42,494	41,501
Liquefied natural gas storage	25-45	14,498	14,492
Plant held for future use	NA	55,148	28,895
Recoverable Cushion Gas	NA	8,655	8,655
Plant not classified	1-100	91,519	124,589
Grant	NA	(105,659)	—
Capital leases, net of accumulated amortization [1]	5	9,473	17,051
Less: accumulated provision for depreciation		(4,449,680)	(4,297,012)
Subtotal		$ 8,437,289	$ 8,369,022
Construction work in progress	NA	239,690	310,318
Net utility plant		$ 8,676,979	$ 8,679,340

1 *Accumulated amortization of capital leases at PSE was $28.4 million in 2014 and $20.8 million in 2013.*

Jointly owned generating plant service costs are included in utility plant service cost at the Company's ownership share. The following table indicates the Company's percentage ownership and the extent of the Company's investment in jointly owned generating plants in service at December 31, 2014. These amounts are also included in the Utility Plant table above.

Jointly Owned Generating Plant (Dollars in Thousands)	Energy Source (Fuel)	Company's Ownership Share	Puget Sound Energy's Share: Plant in Service at Cost	Accumulated Depreciation
Colstrip Units 1 & 2	Coal	50 %	$ 293,103	$ (146,635)
Colstrip Units 3 & 4	Coal	25 %	509,619	(303,594)
Colstrip Units 1 – 4 Common Facilities	Coal	various	252	(189)
Frederickson 1	Gas	49.85 %	70,719	(14,698)
Jackson Prairie	Gas Storage	33.34 %	42,494	(18,409)

1 *The Company's ownership is 50% for Colstrip 1&2 and 25% for Colstrip Units 3 &4.*

As of December 31, 2014, there are no new Asset Retirement Obligations (ARO) in 2014 and $0.4 million in 2013.

The following table describes all changes to the Company's ARO liability:

(Dollars in Thousands)		At December 31, 2014	2013
Asset retirement obligation at beginning of period	$	48,687 $	45,496
New asset retirement obligation recognized in the period		—	350
Liability settled in the period		(602)	(1,188)
Revisions in estimated cash flows		(480)	2,769
Accretion expense		1,304	1,260
Asset retirement obligation at end of period	$	48,909 $	48,687

The Company has identified the following obligations, as defined by ASC 410, "Asset Retirement and Environmental Obligations," which were not recognized because the liability for these assets cannot be reasonably estimated at December 31, 2014 due to:

- 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 FERC orders the project to be decommissioned, although PSE contends that 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

(Dollars in Thousands)

Series	Type	Due	At December 31, 2014	2013
Puget Sound Energy:				
7.350%	First Mortgage Bond	2015	$ 10,000	$ 10,000
7.360%	First Mortgage Bond	2015	2,000	2,000
5.197%	Senior Secured Note	2015	150,000	150,000
6.750%	Senior Secured Note	2016	250,000	250,000
6.740%	Senior Secured Note	2018	200,000	200,000
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
4.700%	Senior Secured Note	2051	45,000	45,000
6.974%	Junior Subordinated Note	2067	250,000	250,000
	Unamortized discount on senior notes		(13)	(14)
PSE long-term debt			$ 3,760,847	$ 3,760,846

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, 2014, 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

PSE has in effect a shelf registration statement under which it may issue, from time to time, up to $800 million aggregate principal amount of senior notes secured by pledged first mortgage bonds. The Company remains subject to the restrictions of PSE's indentures and credit agreements on the amount of first mortgage bonds that PSE may issue.

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, 2014, the earnings available for interest exceeded the required amount.

Puget Sound Energy Pollution Control Bonds

PSE has two series of Pollution Control Bonds (the Bonds) outstanding. Amounts outstanding were borrowed from the City of Forsyth, Montana who obtained the funds from the sale of Customized Pollution Control Refunding Bonds issued to finance pollution control facilities at Colstrip Units 3 & 4.

In May 2013, PSE refinanced $161.9 million of the Bonds to a lower weighted average interest rate from 5.01% to 3.91%. The Bonds will mature on March 1, 2031. On or after March 1, 2023, the Company may elect to call the bonds at a redemption price of 100% of the principal amount thereof, without premium, plus accrued interest, if any, to the redemption date. Due to the refinance of the Bonds, Puget Energy wrote off $18.0 million of fair value related to the Bonds that were redeemed to interest expense.

Each series of the Bonds is collateralized by a pledge of PSE's first mortgage bonds, the terms of which match those of the Bonds. No payment is due with respect to the related series of first mortgage bonds so long as payment is made on the Bonds.

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)	2015	2016	2017	2018	2019	Thereafter	Total
Maturities of:							
PSE long-term debt	$ 162,000	$ 250,000	$ 2,412	$ 200,000	$ —	$ 3,148,860	$ 3,763,272

Financial Covenants

As of December 31, 2014, the Company is in compliance with its long-term debt financial covenants.

(7) Liquidity Facilities and Other Financing Arrangements

As of December 31, 2014 and 2013, PSE had $85.0 million and $162.0 million in short-term debt outstanding, respectively, exclusive of the demand promissory note with Puget Energy. PSE's weighted-average interest rate on short-term debt, including borrowing rate, commitment fees and the amortization of debt issuance costs, during 2014 and 2013 was 4.05% and 3.93%, respectively. As of December 31, 2014, PSE had several committed credit facilities that are described below.

Puget Sound Energy Credit Facilities

PSE has two unsecured revolving credit facilities which provide, in aggregate, $1.0 billion of short-term liquidity needs. These facilities consist of a $650.0 million revolving liquidity facility (which includes a liquidity letter of credit facility and a swingline facility) to be used for general corporate purposes, including a backstop to the Company's commercial paper program and a $350.0 million revolving energy hedging facility (which includes an energy hedging letter of credit facility). The $650.0 million liquidity facility includes a swingline feature allowing same day availability on borrowings up to $75.0 million. The credit facilities also have an accordion feature which, upon the banks' approval, would increase the total size of these facilities to $1.450 billion.

In April 2014, the Company completed a one-year extension on both of the liquidity and hedging facilities, extending the maturity from February 2018 to April 2019, and updating or clarifying the definitions of other terms and conditions of the facilities from when they were committed in 2013. The credit agreements are syndicated among numerous lenders and contain usual and customary affirmative and negative covenants that, among other things, place limitations on PSE's ability to transact with affiliates, make asset dispositions and investments or permit liens to exist. The credit agreements also contain 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, 2014, PSE was in compliance with all applicable covenant ratios.

The credit agreements provide PSE with the ability to borrow at different interest rate options. The credit agreements allow PSE to borrow at the bank's prime rate or to make floating rate advances at the London Interbank Offered Rate (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 facilities. 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, 2014, no amounts were drawn and outstanding under PSE's liquidity facility. No amounts were drawn and outstanding under the $350.0 million energy hedging facility. No letters of credit were outstanding under either facility, and $85.0 million was outstanding under the commercial paper program. Outside of the credit agreements, PSE had a $4.2 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 interest rate or PSE's senior unsecured revolving credit facility. Absent such borrowings, interest is charged at one-month LIBOR plus 0.25%. At December 31, 2014, the outstanding balance of the Note was $28.9 million.

(8) Leases

PSE leases buildings and assets under operating leases. Certain leases contain purchase options, renewal options and escalation provisions. Operating lease expenses net of sublease receipts were:

(Dollars in Thousands) At December 31,		
2014	$	30,737
2013		29,392

Payments received for the subleases of properties were immaterial for each of the years ended 2014 and 2013.

Future minimum lease payments for non-cancelable leases net of sublease receipts are:

(Dollars in Thousands) At December 31,		Operating		Capital
2015	$	17,677	$	8,160
2016		21,454		2,178
2017		22,179		—
2018		20,423		—
2019		15,180		—
Thereafter		120,791		—
Total minimum lease payments	$	217,704	$	10,338

(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 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. The forward physical electric agreements are both fixed and variable (at index), while the physical natural gas contracts are variable. To fix the price of wholesale electricity and natural gas, PSE may enter into fixed-for-floating swap (financial) contracts with various counterparties. PSE also utilizes natural gas call and put options as an additional hedging instrument to increase the hedging portfolio's flexibility to react to commodity price fluctuations.

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. As of December 31, 2014, Puget Energy had two interest rate swap contracts outstanding which extend to January 2017. PSE did not have any outstanding interest rate swap instruments.

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

	Year Ended December 31,					
(Dollars in Thousands)	Volumes (millions)		Assets [1]		Liabilities [2]	
	2014	2013	2014	2013	2014	2013
Electric portfolio derivatives	*	*	$ 4,822	$ 18,479	$ 107,228	$ 37,312
Natural gas derivatives (MMBtus) [3]	360.4	423.5	19,526	8,121	88,807	35,676
Total derivative contracts			$ 24,348	$ 26,600	$ 196,035	$ 72,988
Current			$ 21,178	$ 18,867	$ 135,973	$ 41,465
Long-term			3,170	7,733	60,062	31,523
Total derivative contracts			$ 24,348	$ 26,600	$ 196,035	$ 72,988

1 *Balance sheet location: Current and Long-term Unrealized gain on derivative instruments.*

2 *Balance sheet location: Current and Long-term Unrealized loss on derivative instruments.*

3 *PSE had a net derivative liability and an offsetting regulatory asset of $69.3 million at December 31, 2014 and $27.6 million at December 31, 2013 related to contracts used to economically hedge the cost of physical gas purchased to serve natural gas customers. All fair value adjustments on derivatives relating to the natural gas business have been deferred in accordance with ASC 980, due to the PGA mechanism.*

* *Electric portfolio derivatives consist of electric generation fuel of 140.2 million One Million British Thermal Units (MMBtus) and purchased electricity of 5.4 million Megawatt Hours (MWhs) at December 31, 2014 and 145.6 million MMBtus and 8.6 million MWhs at December 31, 2013.*

For further details regarding the fair value of derivative instruments, see Note 10.

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; ISDA agreements which standardize financial gas and electric contracts; and NAESB agreements which standardize physical 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 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.

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

At December 31, 2014 (Dollars in Thousands)	Gross Amount Recognized in the Statement of Financial Position [1]	Gross Amounts Offset in the Statement of Financial Position	Net of Amounts Presented in the Statement of Financial Position	Gross Amounts Not Offset in the Statement of Financial Position: Commodity Contracts	Gross Amounts Not Offset in the Statement of Financial Position: Cash Collateral Received/Posted	Net Amount
Assets						
Energy Derivative Contracts	$ 24,348	$ —	$ 24,348	$ (23,066)	$ —	$ 1,282
Liabilities						
Energy Derivative Contracts	$ 196,035	$ —	$ 196,035	$ (23,066)	$ (20)	$ 172,949

At December 31, 2013 (Dollars in Thousands)	Gross Amount Recognized in the Statement of Financial Position [1]	Gross Amounts Offset in the Statement of Financial Position	Net of Amounts Presented in the Statement of Financial Position	Gross Amounts Not Offset in the Statement of Financial Position: Commodity Contracts	Gross Amounts Not Offset in the Statement of Financial Position: Cash Collateral Received/Posted	Net Amount
Assets						
Energy Derivative Contracts	$ 26,600	$ —	$ 26,600	$ (19,491)	$ —	$ 7,109
Liabilities						
Energy Derivative Contracts	$ 72,988	$ —	$ 72,988	$ (19,491)	$ —	$ 53,497

1 *All Derivative Contract deals are executed under ISDA, NAESB and WSPP Master Netting Agreements with Right of Offset.*

The following tables present the effect and locations of the Company's derivatives not designated as hedging instruments, recorded on the statements of income:

(Dollars in Thousands)	Location	Year Ended December 31, 2014	Year Ended December 31, 2013
Commodity contracts:			
Electric derivatives	Unrealized gain (loss) on derivative instruments, net	$ (85,636)	$ 98,880
	Electric generation fuel	6,511	(27,008)
	Purchased electricity	(4,212)	(38,299)
Total gain (loss) recognized in income on derivatives		$ (83,337)	$ 35,573

The unrealized gain or loss on derivative contracts is reported in the statement of cash flows under the operating activities section.

For derivative instruments previously designated as cash flow hedges (including both commodity and interest rate swap contracts), the effective portion of the gain or loss on the derivative was recorded as a component of OCI, and then is reclassified into earnings in the same period(s) during which the hedged transaction affects earnings.

PSE expects $1.1 million of losses in accumulated OCI will be reclassified into earnings within the next twelve months. The Company does not attempt cash flow hedging for any new transactions and records all mark-to-market adjustments through earnings.

The following tables present the Company's pre-tax gain (loss) on derivatives that were previously in a cash flow hedge relationship, and subsequently reclassified out of accumulated OCI into income:

		Year Ended December 31,	
(Dollars in Thousands)	Location	2014	2013
Interest rate contracts:	Interest expense	$ (488)	$ (488)
Commodity contracts:			
Electric derivatives	Electric generation fuel	—	—
	Purchased electricity	(2,063)	(3,922)
Total		$ (2,551)	$ (4,410)

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, exposure monitoring and exposure mitigation.

The Company monitors counterparties that have significant swings in credit default swap rates, have credit rating changes by external rating agencies, have changes in ownership or are experiencing 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, 2014, approximately 99.3% of the Company's energy portfolio exposure, excluding NPNS transactions, is with counterparties that are rated at least investment grade by the major rating agencies and 0.7% are either rated below investment grade or not rated by rating agencies. The Company assesses credit risk internally for counterparties that are not rated.

As the Company generally enters into transactions using the WSPP, ISDA and NAESB master agreements, it believes that such agreements reduce credit risk exposure because they provide for the netting and offsetting of monthly payments and, in the event of counterparty default, termination payments.

The Company computes credit reserves at a master agreement level by counterparty (i.e., WSPP, ISDA, or NAESB). 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, 2014, 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 quarter. The majority of the Company's derivative contracts are with financial institutions and other utilities operating within the Western Electricity Coordinating Council. As of December 31, 2014, PSE has posted a $1.0 million letter of credit as a condition of transacting on a physical energy exchange and clearinghouse in Canada. PSE did not trigger any collateral requirements with any of its counterparties nor were any of PSE's counterparties required to post collateral resulting from credit rating downgrades.

The table below presents the fair value of the overall contractual contingent liability positions for the Company's derivative activity at December 31, 2014:

Contingent Feature (Dollars in Thousands)	Fair Value [1] Liability	Posted Collateral	Contingent Collateral
Credit rating [2]	$ (37,398)	$ —	$ 37,398
Requested credit for adequate assurance	(66,468)	—	—
Forward value of contract [3]	(2,490)	—	—
Total	$ (106,356)	$ —	$ 37,398

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 because 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. For interest rate swaps, the Company obtains monthly mark-to-market values from an independent external pricing service for LIBOR forward rates, which is a significant input. Some of the inputs of the interest rate swap valuations, which are less significant, include the credit standing of the counterparties, assumptions for time value and the impact of the Company's nonperformance risk of its liabilities. The Company classifies cash and cash equivalents, and restricted cash as Level 1 financial instruments due to cash being at stated value, and cash equivalents at quoted market prices.

The Company considers its electric, natural gas and interest rate swap contracts as Level 2 derivative instruments as such contracts are commonly traded as over-the-counter forwards with indirectly observable price quotes. Management's assessment was 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 (e.g., Level 2 in the fair value hierarchy) used to value commodity contracts with the actual prices of commodity contracts entered into during the most recent quarter. However, certain energy derivative instruments with maturity dates falling outside the range of observable price quotes are classified as Level 3 in the fair value hierarchy.

Assets and Liabilities with Estimated Fair Value

The following table presents the carrying value for cash, cash equivalents, restricted cash, notes receivable and short-term debt by level, within the fair value hierarchy. The carrying values below are representative of fair values due to the short-term nature of these financial instruments.

	Carrying / Fair Value At December 31, 2014			Carrying / Fair Value At December 31, 2013		
(Dollars in Thousands)	Level 1	Level 2	Total	Level 1	Level 2	Total
Assets:						
Cash and Cash Equivalents	$ 35,531	$ —	$ 35,531	$ 41,422	$ —	$ 41,422
Restricted Cash	32,775	—	32,775	7,083	—	7,083
Notes Receivable and Other	—	53,503	53,503	—	53,449	53,449
Total assets	$ 68,306	$ 53,503	$ 121,809	$ 48,505	$ 53,449	$ 101,954
Liabilities:						
Short-term debt	$ 85,000	$ —	$ 85,000	$ 162,000	$ —	$ 162,000
Short-term debt owed to parent	—	28,933	28,933	—	29,598	29,598
Total liabilities	$ 85,000	$ 28,933	$ 113,933	$ 162,000	$ 29,598	$ 191,598

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 credit spreads as inputs, interpolating to the maturity date of each issue. Carrying values and estimated fair values were as follows:

		December 31, 2014		December 31, 2013	
(Dollars in Thousands)	Level	Carrying Value	Fair Value	Carrying Value	Fair Value
Liabilities:					
Junior subordinated notes	2	$ 250,000	$ 276,235	$ 250,000	$ 269,366
Long-term debt (fixed-rate), net of discount	2	3,510,847	4,434,816	3,510,846	4,035,703
Total		$ 3,760,847	$ 4,711,051	$ 3,760,846	$ 4,305,069

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:

	Fair Value At December 31, 2014			Fair Value At December 31, 2013		
(Dollars in Thousands)	Level 2	Level 3	Total	Level 2	Level 3	Total
Assets:						
Electric derivative instruments	$ 1,654	$ 3,168	$ 4,822	$ 14,661	$ 3,818	$ 18,479
Natural gas derivative instruments	18,064	1,462	19,526	5,448	2,673	8,121
Total assets	$ 19,718	$ 4,630	$ 24,348	$ 20,109	$ 6,491	$ 26,600
Liabilities:						
Electric derivative instruments	$ 91,998	$ 15,230	$ 107,228	$ 18,073	$ 19,239	$ 37,312
Natural gas derivative instruments	85,305	3,502	88,807	32,642	3,034	35,676
Total liabilities	$ 177,303	$ 18,732	$ 196,035	$ 50,715	$ 22,273	$ 72,988

	Year Ended December 31,					
Level 3 Roll-Forward Net (Liability)	2014			2013		
(Dollars in Thousands)	Electric	Gas	Total	Electric	Gas	Total
Balance at beginning of period	$ (15,421)	$ (361)	$ (15,782)	$ (33,924)	$ (1,602)	$ (35,526)
Changes during period						
Realized and unrealized energy derivatives:						
Included in earnings 1	(5,537)	—	(5,537)	(10,491)	—	(10,491)
Included in regulatory assets / liabilities	—	1,630	1,630	—	(945)	(945)
Settlements 2	1,036	(1,534)	(498)	11,609	(754)	10,855
Transferred into Level 3	5,155	(585)	4,570	(7,799)	—	(7,799)
Transferred out of Level 3	2,705	(1,190)	1,515	25,184	2,940	28,124
Balance at end of period	$ (12,062)	$ (2,040)	$ (14,102)	$ (15,421)	$ (361)	$ (15,782)

1 *Income Statement location: 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 $(9.6) million and $(13.4) million for the years ended December 31, 2014 and 2013, 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, 2014 and 2013. The Company does periodically 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 performs a 15-month regression against 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, 2014:

(Dollars in Thousands)

Derivative Instrument	Fair Value		Valuation Technique	Unobservable Input	Range		Weighted Average
	Assets [1]	Liabilities [1]			Low	High	
Electric	$3,168	$15,230	Discounted cash flow	Power Prices	$21.79 per MWh	$35.46 per MWh	$32.89 per MWh
Natural gas	$1,462	$3,502	Discounted cash flow	Natural Gas Prices	$3.11 per MMBtu	$3.83 per MMBtu	$3.28 per MMBtu

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, 2014, 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 $3.9 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 $14.9 million and $14.6 million for the years 2014 and 2013, 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:

- For employees under the Cash Balance retirement plan formula, PSE will match 100% of an employee's contribution up to 6% of plan compensation each paycheck, and will make an additional year-end contribution equal to 1% of base pay.
- For employees grandfathered under the Final Average Earning retirement plan formula, PSE will match 55% of an employee's contribution up to 6% of plan compensation each paycheck.

UA-represented employees hired on or after January 1, 2014 will have access to the 401k Plan. Non-represented employees hired on or after January 1, 2014, and IBEW-represented employees hired on or after December 12, 2014, will have access to the 401(k) plan and will choose how they want to accumulate funds for retirement, with two contribution sources from PSE:

- 401(k) Company Matching: New non-represented, UA-represented and IBEW-represented employees will receive company match each paycheck based on a new schedule-100% match on the first 3% of pay contributed and 50% match on the next 3% of pay contributed. An employee who contributes 6% of pay will receive 4.5% of pay in company match. Company matching will be immediately vested.
- Company Contribution: New UA-represented employees will receive an annual company contribution of 4% of eligible pay placed in the Cash Balance retirement plan. New non-represented and IBEW-represented employees will receive an annual company contribution of 4% of eligible pay, placed either in the Investment Plan 401(k) plan or in PSE's Retirement Plan (Cash Balance retirement plan). New non-represented and IBEW-represented employees will make a one-time election within 30 days of hire and direct that PSE put the 4% contribution either into the 401(k) plan or into an account in the Cash Balance retirement plan. The Company's 4% contribution will vest after three years of service.

(12) Retirement Benefits

PSE has a defined benefit pension plan covering substantially all 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. Beginning in 2014, all new UA employees and those new non-represented employees who elect to accumulate the Company contribution in the Cash Balance pension, (effective January 1, 2014) and all new IBEW (effective December 12, 2014), will receive annual pay credits of 4% each year. They will also receive interest credits like other participants in the Cash Balance pension, which are at least 1% per quarter. When a newly-hired employee with a vested Cash Balance benefit leaves PSE, he or she will have annuity and lump sum options for distribution, with annuities calculated according to the Pension Protection Act. Those who select the lump sum option will receive their current cash balance amount. Participation by continuing employees in the Cash Balance pension plan is not affected. PSE also maintains a non-qualified Supplemental Executive Retirement Plan (SERP) for its key senior management employees.

In addition to providing pension benefits, PSE provides group health care and life insurance 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 year.

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, 2014 and 2013:

	Qualified Pension Benefits		SERP Pension Benefits		Other Benefits	
(Dollars in Thousands)	2014	2013	2014	2013	2014	2013
Change in benefit obligation:						
Benefit obligation at beginning of period	$ 573,317	$ 616,290	$ 47,279	$ 51,795	$ 14,939	$ 17,672
Service cost	17,437	19,285	1,042	1,498	112	134
Interest cost	28,039	24,754	2,310	2,045	684	664
Amendment	—	—	—	478	—	—
Actuarial loss/(gain)	104,618	(48,559)	7,162	(1,687)	1,108	(2,240)
Benefits paid	(33,217)	(38,453)	(1,938)	(6,850)	(1,424)	(1,536)
Medicare part D subsidy received	—	—	—	—	269	245
Benefit obligation at end of period	$ 690,194	$ 573,317	$ 55,855	$ 47,279	$ 15,688	$ 14,939

	Qualified Pension Benefits		SERP Pension Benefits		Other Benefits	
(Dollars in Thousands)	2014	2013	2014	2013	2014	2013
Change in plan assets:						
Fair value of plan assets at beginning of period	$ 615,721	$ 531,183	$ —	$ —	$ 8,774	$ 7,541
Actual return on plan assets	25,669	102,591	—	—	522	1,861
Employer contribution	18,000	20,400	1,938	6,850	488	908
Benefits paid	(33,217)	(38,453)	(1,938)	(6,850)	(1,424)	(1,536)
Fair value of plan assets at end of period	$ 626,173	$ 615,721	$ —	$ —	$ 8,360	$ 8,774
Funded status at end of period	$ (64,021)	$ 42,404	$ (55,855)	$ (47,279)	$ (7,328)	$ (6,165)

	Qualified Pension Benefits		SERP Pension Benefits		Other Benefits	
(Dollars in Thousands)	2014	2013	2014	2013	2014	2013
Amounts recognized in Statement of Financial Position consist of:						
Noncurrent assets	$ —	$ 42,404	$ —	$ —	$ —	$ —
Current liabilities	—	—	(4,386)	(3,981)	(355)	(421)
Noncurrent liabilities	(64,021)	—	(51,469)	(43,298)	(6,973)	(5,744)
Net assets / (liabilities)	$ (64,021)	$ 42,404	$ (55,855)	$ (47,279)	$ (7,328)	$ (6,165)

	Qualified Pension Benefits		SERP Pension Benefits		Other Benefits	
(Dollars in Thousands)	2014	2013	2014	2013	2014	2013
Pension Plans with an Accumulated Benefit Obligation in excess of Plan Assets:						
Project benefit obligation	$ 690,194	$ 573,317	$ 55,855	$ 47,279	$ 15,688	$ 14,939
Accumulated benefit obligation	681,745	566,689	50,137	40,892	15,553	14,794
Fair value of plan assets	$ 626,173	$ 615,721	$ —	$ —	$ 8,360	$ 8,774

The following table summarizes Puget Sound Energy's pension benefit amounts recognized in Accumulated Other Comprehensive income for the years ended December 31, 2014 and 2013:

	Qualified Pension Benefits		SERP Pension Benefits		Other Benefits	
(Dollars in Thousands)	2014	2013	2014	2013	2014	2013
Amounts recognized in Accumulated Other Comprehensive Income consist of:						
Net loss/(gain)	$ 247,331	$ 138,324	$ 19,751	$ 14,050	$ (3,733)	$ (5,556)
Prior service cost/(credit)	(10,952)	(12,525)	339	383	3	6
Total	$ 236,379	$ 125,799	$ 20,090	$ 14,433	$ (3,730)	$ (5,550)

The following tables summarize PSE's net periodic benefit cost for the years ended December 31, 2014 and 2013:

	Qualified Pension Benefits		SERP Pension Benefits		Other Benefits	
(Dollars in Thousands)	2014	2013	2014	2013	2014	2013
Components of net periodic benefit cost:						
Service cost	$ 17,437	$ 19,285	$ 1,042	$ 1,498	$ 112	$ 134
Interest cost	28,039	24,753	2,310	2,045	684	664
Expected return on plan assets	(43,252)	(40,685)	—	—	(535)	(436)
Amortization of prior service cost/(credit)	(1,573)	(1,573)	44	(16)	3	30
Amortization of net loss/(gain)	13,195	20,612	1,461	2,191	(702)	(284)
Amortization of transition obligation	—	—	—	—	—	—
Net periodic benefit cost	$ 13,846	$ 22,392	$ 4,857	$ 5,718	$ (438)	$ 108

The following tables summarize PSE's benefit obligations recognized in other comprehensive income for the years ended December 31, 2014 and 2013:

	Qualified Pension Benefit		SERP Pension Benefits		Other Benefits	
(Dollars in Thousands)	2014	2013	2014	2013	2014	2013
Other changes (pre-tax) in plan assets and benefit obligations recognized in other comprehensive income:						
Net loss/(gain)	$ 122,202	$ (110,465)	$ 7,162	$ (1,687)	$ 1,121	$ (3,665)
Amortization of net (loss)/gain	(13,195)	(20,612)	(1,461)	(2,191)	702	284
Prior service cost/(credit)	—	—	—	477	—	—
Amortization of prior service cost/(credit)	1,573	1,573	(44)	16	(3)	(30)
Amortization of transition obligation	—	—	—	—	—	—
Total change in other comprehensive income for year	$ 110,580	$ (129,504)	$ 5,657	$ (3,385)	$ 1,820	$ (3,411)

The estimated net (loss) gain and prior service cost (credit) for the pension plans that will be amortized from accumulated OCI into net periodic benefit cost in 2015 by Puget Sound Energy are $20.5 million and $1.6 million, respectively. The estimated net loss (gain) and prior service cost (credit) for the SERP that will be amortized from accumulated OCI into net periodic benefit cost in 2015 are $2.1 million. The estimated prior service cost (credit) for the SERP that will be amortized from accumulated OCI into net periodic benefit cost in 2015 is immaterial. The estimated net (loss) gain for the other postretirement plan that will be amortized from accumulated OCI into net periodic benefit cost in 2015 is $0.3 million and prior service cost (credit) and transition (obligation) asset for the other postretirement plans are immaterial.

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, 2015 are expected to be at least $18.0 million, $4.4 million and $0.5 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	2014	2013	2014	2013	2014	2013
Discount rate [1]	4.25%	5.10%	4.25%	5.10%	4.25%	5.10%
Rate of compensation increase	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%
Medical trend rate	—	—	—	—	5.70%	6.80%
Benefit Cost Assumptions						
Discount rate	5.10%	4.15%	5.10%	4.15%	5.10%	4.15%
Rate of plan assets	7.75%	7.75%	—	—	7.00%	6.90%
Rate of compensation increase	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%
Medical trend rate	—	—	—	—	6.70%	8.20%

1. The Company calculates the present value of the pension liability using a discount rate of 4.25% which represents the single-rate equivalent of the AA rated *corporate bond yield curve.*

The assumed medical inflation rate used to determine benefit obligations is 6.70% in 2015 grading down to 4.30% in 2016. A 1.0% change in the assumed medical inflation rate would have the following effects:

	2014		2013	
(Dollars in Thousands)	1% Increase	1% Decrease	1% Increase	1% Decrease
Effect on post-retirement benefit obligation	$ 47	$ (47)	$ 66	$ (66)
Effect on service and interest cost components	2	(2)	3	(3)

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 as follows. PSE market-related value of assets 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.

PSE's pension and other postretirement benefits income or costs depend on several factors and assumptions, including plan design, timing and amount of cash contributions to the plan, earnings on plan assets, discount rate, expected long-term rate of return, mortality and health care costs trends. Changes in any of these factors or assumptions will affect the amount of income or expense that PSE records in its financial statements in future years and its projected benefit obligation. PSE has selected an expected return on plan assets based on a historical analysis of rates of return and PSE's investment mix, market conditions, inflation and other factors. As required by merger accounting rules, market-related value was reset to market value effective with the merger.

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.

Plan Benefits

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

(Dollars in Thousands)	2015	2016	2017	2018	2019	2020-2024
Qualified Pension total benefits	$ 41,100	$ 41,400	$ 42,100	$ 43,300	$ 43,900	$ 237,300
SERP Pension total benefits	4,386	2,595	1,940	5,346	5,811	18,759
Other Benefits total with Medicare Part D subsidy	1,080	1,136	1,113	1,085	1,062	5,935
Other Benefits total without Medicare Part D subsidy	1,429	1,414	1,398	1,380	1,362	6,340

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	0%	9%	15%
Non-U.S. equity	10%	25%	30%
Fixed income	15%	25%	30%
Real estate	0%	0%	10%
Absolute return	5%	10%	15%
Cash	0%	0%	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: (1) how investment allocation decisions are made, including the factors that are pertinent to an understanding of investment policies and strategies; (2) major categories of plan assets; (3) inputs and valuation techniques used to measure the fair value of plan assets; (4) effect of fair value measurements using significant unobservable inputs (Level 3) on changes in plan assets for the period; and (5) 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, 2014 and 2013:

	Recurring Fair Value Measures As of December 31, 2014				Recurring Fair Value Measures As of December 31, 2013			
(Dollars in Thousands)	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets:								
Equities:								
Non-US equity [1]	$ 71,026	$ 74,131	$ —	$ 145,157	$ 76,188	$ 78,816	$ —	$ 155,004
Domestic large cap equity [2]	134,765	68,336	—	203,101	157,874	35,851	—	193,725
Domestic small cap equity [3]	59,657	—	—	59,657	62,867	—	—	62,867
Total equities	265,448	142,467	—	407,915	296,929	114,667	—	411,596
Tactical asset allocation [4]	—	—	—	—	—	—	—	—
Fixed income securities [5]	72,331	67,182	—	139,513	135,007	—	—	135,007
Absolute return [6]	—	—	65,251	65,251	—	—	62,278	62,278
Cash and cash equivalents [7]	12,650	—	—	12,650	—	7,054	—	7,054
Subtotal	$ 350,429	$ 209,649	$ 65,251	$ 625,329	$ 431,936	$ 121,721	$ 62,278	$ 615,935
Net (payable) receivable	—	—	—	844	—	—	—	(417)
Accrued income	—	—	—	—	—	—	—	203
Total assets				$ 626,173				$ 615,721

1. *Non – US Equity investments are comprised of a (1) mutual fund; and a (2) commingled fund. The investment in the mutual fund is valued using quoted market prices multiplied by the number of shares owned as of December 31, 2014. The investment in the commingled fund is valued at the net asset value per share multiplied by the number of shares held as of December 31, 2014.*
2. *Domestic large cap equity investments are comprised of (1) common stock, and a (2) commingled fund. Investments in common stock are valued using quoted market prices multiplied by the number of shares owned as of December 31, 2014. The investment in the commingled fund is valued at the net asset value per share multiplied by the number of shares held as of December 31, 2014.*
3. *Domestic small cap equity investments are comprised of (1) common stock and a (2) mutual fund. The investments in common stock are valued using quoted market prices multiplied by the number of shares owned as of December 31, 2014. The investment in the mutual fund is valued using quoted market prices multiplied by the number of shares owned as of December 31, 2014.*
4. *The tactical asset allocation investment is comprised of a commingled fund, which is valued at the net asset value per share multiplied by the number of shares held as of the measurement date.*
5. *Fixed income securities consist of a mutual fund. The investment in the mutual fund is valued using quoted market prices multiplied by the number of shares owned as of December 31, 2014.*
6. *As of December 31, 2014 absolute return investments consist of two partnerships. The partnerships are valued using the financial reports as of December 31, 2014. These investments are a Level 3 under ASC 820 because the significant valuation inputs are primarily internal to the partnerships with little third party involvement.*
7. *The investment consists of a money market fund, which is valued at the net asset value per share of $1.00 per unit as of December 31, 2014. The money market fund invests primarily in commercial paper, notes, repurchase agreements, and other evidences of indebtedness which are payable on demand or short-term in nature.*

Level 3 Roll-Forward

The following table sets forth a reconciliation of changes in the fair value of the plan's Level 3 assets:

	As of December 31, 2014			As of December 31, 2013		
(Dollars in Thousands)	Partnership	Mutual Funds	Total	Partnership	Mutual Funds	Total
Balance at beginning of year	$ 62,278	$ —	$ 62,278	$ 55,614	$ —	$ 55,614
Additional investments	—	—	—	—	—	—
Distributions	—	—	—	—	—	—
Realized losses on distributions	—	—	—	—	—	—
Unrealized gains relating to instruments still held at the reporting date	2,973	—	2,973	6,664	—	6,664
Transferred out of level 3 [1]	—	—	—	—	—	—
Balance at end of year	$ 65,251	$ —	$ 65,251	$ 62,278	$ —	$ 62,278

1 *The plan had no transfers between level 2 and level 1 during the years ended December 31, 2014 or 2013*

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 As of December 31, 2014			Recurring Fair Value Measures As of December 31, 2013		
(Dollars in Thousands)	Level 1	Level 2	Total	Level 1	Level 2	Total
Assets:						
Mutual fund [1]	$ 8,301	$ —	$ 8,301	$ 8,703	$ —	$ 8,703
Cash equivalents [2]	59	—	59	—	71	71
Total assets	$ 8,360	$ —	$ 8,360	$ 8,703	$ 71	$ 8,774

1. *This is a publicly traded balanced mutual fund. The fund seeks regular income, conservation of principal, and an opportunity for long-term growth of principal and income. The fair value is determined by taking the number of shares owned by the plan, and multiplying by the market price as of December 31, 2014.*
2. *This is a money market fund. The money market fund investments are valued at the net asset value per share of $1.00 per unit as of December 31, 2014. The money market fund invests primarily in commercial paper, notes, repurchase agreements, and other evidences of indebtedness which are payable on demand or short-term in nature.*

(13) Income Taxes

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

	Year Ended December 31,	
(Dollars in Thousands)	2014	2013
Charged to operating expenses:		
Current:		
Federal	$ —	$ —
State	—	—
Deferred:		
Federal	88,318	161,483
State	—	—
Total income tax expense	$ 88,318	$ 161,483

The following reconciliation compares pre-tax book income at the federal statutory rate of 35.0% to the actual income tax expense in the Statements of Income:

	Year Ended December 31,	
(Dollars in Thousands)	2014	2013
Income taxes at the statutory rate	$ 113,061	$ 181,552
Increase (decrease):		
Production tax credit	(23,073)	(22,414)
AFUDC excluded from taxable income	(3,790)	(9,406)
Capitalized interest	2,948	7,294
Utility plant differences	7,090	9,527
Treasury grant amortization	(8,808)	(7,651)
Tenaska gas contract		1
Other - net	890	2,580
Total income tax expense	$ 88,318	$ 161,483
Effective tax rate	27.1%	31.2%

The Company's deferred tax liability at December 31, 2014 and 2013 is composed of amounts related to the following types of temporary differences:

	At December 31,	
(Dollars In Thousands)	2014	2013
Utility plant and equipment	$ 1,720,730	$ 1,625,107
Regulatory asset for income taxes	94,913	146,350
Other deferred tax liabilities	171,380	131,977
Subtotal deferred tax liabilities	1,987,023	1,903,434
Net operating loss carryforward	(181,514)	(173,068)
Production tax credit carryforward	(158,604)	(135,531)
Regulatory liability on production tax credit	(84,344)	(71,880)
Fair value of derivative instruments	(39,067)	(9,988)
Other deferred tax assets	(82,084)	(69,175)
Subtotal deferred tax assets	(545,613)	(459,642)
Total	$ 1,441,410	$ 1,443,792

The above amounts have been classified in the Consolidated Balance Sheets as follows:

	At December 31,	
(Dollars in Thousands)	2014	2013
Current deferred taxes	$ (208,447)	$ (141,058)
Non-current deferred taxes	1,649,857	1,584,850
Total	$ 1,441,410	$ 1,443,792

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. The Company's PTC carryforwards expire from 2026 through 2034. The Company's net operating loss carryforwards expire from 2029 through 2034.

For ratemaking purposes, deferred taxes are not provided for certain temporary differences. PSE has established a regulatory asset for income taxes recoverable through future rates related to those temporary differences for which no deferred taxes have been provided, based on prior and expected future ratemaking treatment.

The Company accounts for uncertain tax position 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, 2014 and 2013, the Company had no material unrecognized tax benefits. As a result, no interest or penalties were accrued for unrecognized tax benefits during the year.

For ASC 740 purposes, the Company has open tax years from 2010 through 2014. The Company classifies interest as interest expense and penalties as other expense in the financial statements.

(14) Litigation

Colstrip

PSE has a 50% ownership interest in Colstrip Units 1 and 2, and a 25% interest in Colstrip Units 3 and 4. On March 6, 2013, Sierra Club and Montana Environmental Information Center (MEIC) filed a Clean Air Act citizen suit against all Colstrip owners (including PSE) alleging numerous claims for relief, most of which relate to alleged prevention of significant deterioration (PSD) violations. One claim relates to the alleged failure to update the Title V permit to reflect the major modifications alleged in the first thirty-six claim, another claim alleges that the previous Title V compliance certifications have been incomplete because they did not address the alleged major modifications, and the last claim alleges opacity violations since 2007. The lawsuit was filed in U.S. District of Montana, Billings Division, requesting injunctive relief and civil penalties, including a request that the owners remediate environmental damage and that $100,000 of the civil penalties be used for beneficial mitigation projects. Discovery in the case is ongoing, and it has been bifurcated into separate liability and remedy trials. The liability trial is currently set for November 2015, and a date for the remedy trial has yet to be determined. PSE is litigating the allegations set forth in the notices, and as such, it is not reasonably possible to estimate the outcome of this matter.

Other Proceedings

The Company is also involved in litigation relating to claims arising out of its operations in the normal course of business. The Company has recorded reserves of $1.7 million and $1.4 million relating to these claims as of December 31, 2014 and 2013, respectively.

(15) Commitments and Contingencies

For the year ended December 31, 2014, approximately 14.9% of the Company's energy output was obtained at an average cost of approximately $0.021 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 shares 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 through substantially level 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)	2014	2013
PUD contract costs	$ 69,661	$ 63,365

As of December 31, 2014, the Company purchased portions of the power output of the PUDs' projects as set forth in the following table:

	Company's Current Share of:						
(Dollars in Thousands)	Contract Expiration	Percent of Output	Megawatt Capacity	Estimated 2015 Costs	2015 Debt Service Costs	Interest included in 2015 Debt Service Costs	Debt Outstanding
Chelan County PUD:							
Rock Island Project	2031	25.0%	156	$ 29,854	$ 11,009	$ 6,174	$ 98,191
Rocky Reach Project	2031	25.0%	325	27,583	8,245	3,343	53,299
Douglas County PUD:							
Wells Project	2018	29.9%	251	17,277	9,383	2,597	64,931
Grant County PUD:							
Priest Rapids Development	2052	0.8%	8	3,689	2,087	1,245	19,828
Wanapum Development	2052	0.8%	9	3,689	2,087	1,245	19,828
Total			749	$ 82,092	$ 32,811	$ 14,604	$ 256,077

The following table summarizes the Company's estimated payment obligations for power purchases from the Columbia River projects, contracts with other utilities and contracts with non-utilities. These contracts have varying terms and may include escalation and termination provisions.

(Dollars in Thousands)	2015	2016	2017	2018	2019	Thereafter	Total
Columbia River projects	$ 73,023	$ 75,360	$ 74,851	$ 65,981	$ 53,837	$ 644,666	$ 987,718
Other utilities	16,136	18,884	11,823	1,257	890	—	48,990
Non-utility contracts	117,372	153,863	199,056	204,292	209,699	1,354,191	2,238,473
Total	$ 206,531	$ 248,107	$ 285,730	$ 271,530	$ 264,426	$ 1,998,857	$ 3,275,181

Total purchased power contracts provided the Company with approximately 12.1 million and 10.7 million MWhs of firm energy at a cost of approximately $401.4 million and $348.7 million for the years 2014 and 2013, respectively.

The Company has natural gas-fired generation facility obligations for natural gas supply amounting to an estimated $63.6 million in 2015. Longer term agreements for natural gas supply amount to an estimated $286.7 million for 2016 through 2019.

PSE enters into short-term energy supply contracts to meet its core customer needs. These contracts are sometimes classified as NPNS, however in most cases recorded at fair value in accordance with ASC 815. Commitments under these contracts are $105.8 million and $32.4 million in 2015 and 2016, respectively.

Natural Gas Supply Obligations

The Company has also entered into various firm supply, transportation and storage service contracts in order to ensure adequate availability of natural gas supply for its firm customers. The transportation and storage contracts, which have remaining terms from less than one year to 30 years, provide that the Company must pay a fixed demand charge each month, regardless of actual usage. 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

Company incurred demand charges in 2014 for firm transportation service and firm storage and peaking service of $155.0 million and $6.6 million, respectively. The demand charge for firm natural gas supply was immaterial in 2014. The Company incurred demand charges in 2014 for firm transportation and firm storage service for the natural gas supply for its combustion turbines in the amount of $35.7 million, which is included in the total Company demand charges.

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

Demand Charge Obligations

(Dollars in Thousands)	2015	2016	2017	2018	2019	Thereafter	Total
Firm transportation service	$ 154,121	$ 147,424	$ 144,751	$ 131,484	$ 112,249	$ 373,958	$ 1,063,987
Firm storage service	6,528	5,337	5,209	1,407	1,535	1,258	21,274
Total	$ 160,649	$ 152,761	$ 149,960	$ 132,891	$ 113,784	$ 375,216	$ 1,085,261

Service Contracts

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

Service Contract Obligations

(Dollars in Thousands)	2015	2016	2017	2018	2019	Thereafter	Total
Energy production service contracts	$ 32,979	$ 15,650	$ 5,558	$ 4,064	$ 2,372	$ 23,443	$ 84,066
Automated meter reading system	25,402	16,081	13,362	13,996	14,602	51,986	135,429
Total	$ 58,381	$ 31,731	$ 18,920	$ 18,060	$ 16,974	$ 75,429	$ 219,495

Other Contingencies

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

(16) Related Party Transactions

On October 10, 2014, U.S. Bancorp announced the appointment of Kimberly Harris to its board of directors effective October 20, 2014. Ms. Harris is the president and chief executive officer of both Puget Energy and PSE. U.S. Bancorp is the parent company of U.S. Bank N.A., which directly or through its subsidiaries or affiliates provides credit, banking, investment and trust services to both Puget Energy and PSE. For the year ended December 31, 2014, Puget Energy and PSE paid a total of approximately $1.0 million in fees and interest to U.S. Bank N.A. and its subsidiaries or affiliates.

In 2006, PSE entered into a revolving credit facility with Puget Energy in the form of a Demand Promissory Note (Note). At December 31, 2014 and 2013, the outstanding balance of the Note was $28.9 million and $29.6 million, respectively, and the interest rate was 0.391% and 0.325%, respectively. (See Note 7).

(17) Segment Information

PSE operates one reportable business segment referred to as the regulated utility segment. PSE's regulated utility operation generates, purchases and sells electricity and purchases, transports and sells natural gas. The service territory of PSE covers approximately 6,000 square miles in the state of Washington. In managing the business, management reviews the consolidated financial statements for PSE during the year.

(18) Accumulated Other Comprehensive Income (Loss)

The following tables present the changes in the Company's accumulated other comprehensive income (loss) (AOCI) by component for the years ended December 31, 2014 and 2013 respectively.

Changes in AOCI, net of tax (Dollars in Thousands)	Net unrealized gain (loss) and prior service cost on pension plans	Net unrealized gain (loss) on energy derivative instruments	Net unrealized gain (loss) on treasury interest rate swaps	Total
Balance at December 31, 2012	$ (175,998)	$ (4,576)	$ (6,624)	$ (187,198)
Other comprehensive income (loss) before reclassifications	74,969	—	—	74,969
Amounts reclassified from accumulated other comprehensive income (loss), net of tax	13,624	2,549	317	16,490
Net current-period other comprehensive income (loss)	88,593	2,549	317	91,459
Balance at December 31, 2013	$ (87,405)	$ (2,027)	$ (6,307)	$ (95,739)
Other comprehensive income (loss) before reclassifications	(84,955)	—	—	(84,955)
Amounts reclassified from accumulated other comprehensive income (loss), net of tax	8,079	1,341	317	9,737
Net current-period other comprehensive income (loss)	(76,876)	1,341	317	(75,218)
Balance at December 31, 2014	$ (164,281)	$ (686)	$ (5,990)	$ (170,957)

Details about these reclassifications out of accumulated other comprehensive income (loss) for the years ended December 31, 2014 and 2013 respectively, are as follows:

(Dollars in Thousands)

Details about accumulated other comprehensive income (loss) components	Affected line item in the statement where net income (loss) is presented	Amount reclassified from accumulated other comprehensive income (loss) 2014	2013
Net unrealized gain (loss) and prior service cost on pension plans:			
Amortization of prior service cost	(a)	$ 1,526	$ 1,559
Amortization of net gain (loss)	(a)	(13,954)	(22,519)
Amortization of transition obligation	(a)	—	—
	Total before tax	(12,428)	(20,960)
	Tax (expense) or benefit	4,349	7,336
	Net of tax	$ (8,079)	$ (13,624)
Net unrealized gain (loss) on energy derivative instruments:			
Commodity contracts:			
Electric derivatives	Electric generation fuel	—	—
	Purchased electricity	(2,063)	(3,922)
	Total before tax	(2,063)	(3,922)
	Tax (expense) or benefit	722	1,373
	Net of Tax	$ (1,341)	$ (2,549)
Net unrealized gain (loss) on treasury interest rate swaps:			
Interest rate contracts	Interest expense	(488)	(488)
	Tax (expense) or benefit	171	171
	Net of Tax	$ (317)	$ (317)
Total reclassification for the period	Net of Tax	$ (9,737)	$ (16,490)

(a) *These accumulated other comprehensive income components are included in the computation of net periodic pension cost (see Note 12 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	04/17/2015	End of 2014/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)	12,545,042,209
4	Property Under Capital Leases	9,472,609
5	Plant Purchased or Sold	
6	Completed Construction not Classified	77,683,902
7	Experimental Plant Unclassified	
8	TOTAL Utility Plant (Total of lines 3 thru 7)	12,632,198,720
9	Leased to Others	
10	Held for Future Use	55,148,355
11	Construction Work in Progress	253,524,842
12	Acquisition Adjustments	282,791,675
13	TOTAL Utility Plant (Total of lines 8 thru 12)	13,223,663,592
14	Accumulated Provisions for Depreciation, Amortization, & Depletion	4,762,767,983
15	Net Utility Plant (Total of lines 13 and 14)	8,460,895,609
16	DETAIL OF ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION	
17	In Service:	
18	Depreciation	4,540,942,144
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	120,641,076
22	TOTAL In Service (Total of lines 18 thru 21)	4,661,583,220
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	301,157
29	Amortization	
30	TOTAL Held for Future Use (Total of lines 28 and 29)	301,157
31	Abandonment of Leases (Natural Gas)	
32	Amortization of Plant Acquisition Adjustment	100,883,606
33	TOTAL Accum. Provisions (Should agree with line 14 above)(Total of lines 22, 26, 30, 31, and 32)	4,762,767,983

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	04/17/2015	End of 2014/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	8,897,593,087	3,176,765,514		470,683,608
4				9,472,609
5				
6	29,753,961	43,849,698		4,080,243
7				
8	8,927,347,048	3,220,615,212		484,236,460
9				
10	49,527,245	5,621,110		
11	176,992,359	47,926,656		28,605,827
12	282,791,675			
13	9,436,658,327	3,274,162,978		512,842,287
14	3,377,311,832	1,200,582,792		184,873,359
15	6,059,346,495	2,073,580,186		327,968,928
16				
17				
18	3,246,454,487	1,193,958,003		100,529,654
19				
20				
21	29,672,582	6,624,789		84,343,705
22	3,276,127,069	1,200,582,792		184,873,359
23				
24				
25				
26				
27				
28	301,157			
29				
30	301,157			
31				
32	100,883,606			
33	3,377,311,832	1,200,582,792		184,873,359

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	04/17/2015	End of 2014/Q4

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	244,682	47,004
4	303 Miscellaneous Intangible Plant	17,870,402	147,283
5	TOTAL Intangible Plant (Enter Total of lines 2 thru 4)	18,273,776	194,287
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		

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	04/17/2015	End of 2014/Q4

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			10,339	302,025
4				18,017,685
5			10,339	18,478,402
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
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24				
25				
26				
27				
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29				
30				
31				
32				
33				

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	04/17/2015	End of 2014/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	6,737,083	
41	TOTAL Production Plant (Enter Total of lines 39 and 40)	6,737,083	
42	NATURAL GAS STORAGE AND PROCESSING PLANT		
43	Underground Storage Plant		
44	350.1 Land	464,428	
45	350.2 Rights-of-Way		
46	351 Structures and Improvements	827,089	21
47	352 Wells	11,235,560	17,881
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	2,585,602	
52	354 Compressor Station Equipment	17,016,894	888,596
53	355 Other Equipment	460,731	70,008
54	356 Purification Equipment	2,662,647	
55	357 Other Equipment	304,967	42,243
56	358 Asset Retirement Costs for Underground Storage Plant		
57	TOTAL Underground Storage Plant (Enter Total of lines 44 thru	41,501,050	1,018,749
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)	13,521,412	6,019
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		
80	TOTAL Base Load Liquefied Nat'l Gas, Terminaling and	970,581	

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				6,737,083
41				6,737,083
42				
43				
44				464,428
45				
46				827,110
47				11,253,441
48				
49				1,757,701
50				4,185,431
51				2,585,602
52	4,330			17,901,160
53				530,739
54				2,662,647
55	21,502			325,708
56				
57	25,832			42,493,967
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				
80				970,581

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	04/17/2015	End of 2014/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,	55,993,043	1,024,768
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	17,507,398	597,785
95	375 Structures and Improvements	35,065,780	60,597
96	376 Mains	1,547,475,780	81,532,245
97	377 Compressor Station Equipment		
98	378 Measuring and Regulating Station Equipment-General	99,273,499	6,387,941
99	379 Measuring and Regulating Station Equipment-City Gate		
100	380 Services	867,353,369	57,807,749
101	381 Meters	66,921,474	2,759,258
102	382 Meter Installations	145,501,451	9,266,989
103	383 House Regulators	15,111,437	842,311
104	384 House Regulator Installations	78,011,630	215,383
105	385 Industrial Measuring and Regulating Station Equipment	34,033,105	3,637,558
106	386 Other Property on Customers' Premises	32,614,852	2,941,627
107	387 Other Equipment	5,922,537	179,763
108	388 Asset Retirement Costs for Distribution Plant	13,279,350	(2,223,641)
109	TOTAL Distribution Plant (Enter Total of lines 94 thru 108)	2,958,071,662	164,005,565
110	GENERAL PLANT		
111	389 Land and Land Rights	22,729	
112	390 Structures and Improvements	355,786	39,931
113	391 Office Furniture and Equipment	11,698,682	807
114	392 Transportation Equipment	6,302,462	
115	393 Stores Equipment	50,148	
116	394 Tools, Shop, and Garage Equipment	9,939,704	799,970
117	395 Laboratory Equipment	2,630,396	28,911
118	396 Power Operated Equipment	483,584	
119	397 Communication Equipment	4,561,540	
120	398 Miscellaneous Equipment	216,293	13
121	Subtotal (Enter Total of lines 111 thru 120)	36,261,324	869,632
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)	36,261,324	869,632
125	TOTAL (Accounts 101 and 106)	3,075,336,888	166,094,252
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)	3,075,336,888	166,094,252

Name of Respondent Puget Sound Energy, Inc.	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 04/17/2015	Year/Period of Report End of 2014/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)
81	25,832			56,991,979
82				
83				
84				
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86				
87				
88				
89				
90				
91				
92				
93				
94			(121,040)	17,984,143
95				35,126,377
96	3,575,821	(262,447)	(601,303)	1,624,568,454
97				
98	97,183			105,564,257
99				
100	2,874,106			922,287,012
101	299,423		144,309	69,525,618
102	178,155		28,067	154,618,352
103	62,309		45,381	15,936,820
104	41,903		13,976	78,199,086
105	1			37,670,662
106	6,323,414	1,364,168		30,597,233
107				6,102,300
108	3,399,275			7,656,434
109	16,851,590	1,101,721	(490,610)	3,105,836,748
110				
111				22,729
112				395,717
113	4,577,396		17,440	7,139,533
114				6,302,462
115				50,148
116				10,739,674
117				2,659,307
118				483,584
119				4,561,540
120				216,306
121	4,577,396		17,440	32,571,000
122				
123				
124	4,577,396		17,440	32,571,000
125	21,454,818	1,101,721	(462,831)	3,220,615,212
126				
127				
128				
129	21,454,818	1,101,721	(462,831)	3,220,615,212

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	04/17/2015	End of 2014/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	Easement Tolt Row (Northeast King County)	06/01/2010	12/31/2015	4,702,851
2	Told HP Gas Station Land (King County)	11/01/2013	01/31/2022	611,314
3	Tacoma LNG Pipeline Land (Pierce County)	12/01/2014	12/31/2017	306,945
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44				
45	**Total**	[redacted]		**5,621,110**

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	04/17/2015	End of 2014/Q4

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	Alaska Way Viaduct Gas Relocation Project	2,623,385	
2	Bare Steel Replacement Project	1,948,158	
3	Gas Management System	1,252,341	
4	LNG Facility & Distribution System Development Project	8,374,658	
5	Tolt HP 16" Project	1,505,147	
6	Minor Projects Less than $1,000,000 each:		
7	Gas Distribution	30,509,165	
8	Gas General Plant & Intangibles	1,516,721	
9	Gas Underground Storage	197,081	
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44			
45	**Total**	**47,926,656**	

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.

EXPLANATION OF CONSTRUCTION OVERHEADS

INDIRECT OVERHEAD - REGULAR PROJECTS

Construction support:

Certain expenses applicable to construction including for service of personnel whose general activities preclude the charging of expenditures directly to specific orders are charged to CWIP through the Construction Support. The rate is a ratio of those expenses to construction charges capitalized during the period and applied on the current month construction charges only. For certain construction projects where services and/or equipment are purchased from a third party, the rate applied may be less than described above.

Materials:

Stores' expenses are allocated to CWIP on the basis of materials charged to orders. OH rate is a ratio of stores' expenses to outstanding balance on Inventory account.

Employee Pension and Benefits:

Expenditures for pension and benefits are allocated to CWIP on the basis of payroll charges.

INDIRECT OVERHEAD - MAJOR CONSTRUCTION PROJECTS

Puget as the sponsor of a Jointly Owned Project - Indirect overhead is applied monthly to direct payroll. The rate is contractually fixed as agreed upon by the participants.

Puget as a participant in Jointly Owned Project - No indirect overhead for administrative and general expenses is applied.

ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION

The AFUDC rate is the Company's rate of return allowed by the Washington Utilities and Transportation Commission. PSE's Gas Operation is not under the FERC's jurisdiction. Therefore, the significant deviation test per FERC Order #561 does not apply.
For recording the current month's AFUDC, work order accumulated charges at the beginning of the month are multiplied by 1/12 of the annual rate and current month's charges are multiplied by 1/24 the annual rate.

The Washington Utilities and Transportation Commission in Cause U-81-41 authorized the annual compounding of accrued allowance for funds used during construction. Cause U-83-54 changed the tax accounting for AFUDC from the normalization method to the flow-through method. Therefore, effective October 1984, the FERC and the WUTC rates were the gross-of-tax rate.

Periodically, the Short-Term debt balance has exceeded Construction Work in Progress. In accordance with Federal Power Commission Order 561-A, the AFUDC rate used was the weighted average Short-Term Debt Rate. To the extent the WUTC approved rate of return was greater than Short-Term rate, the difference between these two rates was credited to Account 419.1, Allowance for other funds used during construction.

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	04/17/2015	End of 2014/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 48,208,543		
	(2) Short-Term Interest			s 4.06
	(3) Long-Term Debt	D 3,760,860,000	52.16	d 6.16
	(4) Preferred Stock	P		p
	(5) Common Equity	C 3,448,789,126	47.84	c 9.80
	(6) Total Capitalization	7,209,649,126	100.00	
	(7) Average Construction Work In Progress Balance	W 293,312,081		

2. Gross Rate for Borrowed Funds s(S/W) + d[(D/(D+P+C)) (1-(S/W))] 3.35

3. Rate for Other Funds [1-(S/W)] [p(P/(D+P+C)) + c(C/(D+P+C))] 3.92

4. Weighted Average Rate Actually Used for the Year:
   - a. Rate for Borrowed Funds - 3.07
   - b. Rate for Other Funds - 4.70

Name of Respondent Puget Sound Energy, Inc.	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 04/17/2015	Year/Period of Report End of 2014/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	1,114,278,750	1,114,278,750		
2	Depreciation Provisions for Year, Charged to				
3	(403) Depreciation Expense	104,926,734	104,926,734		
4	(403.1) Depreciation Expense for Asset Retirement Costs	454,693	454,693		
5	(413) Expense of Gas Plant Leased to Others				
6	Transportation Expenses - Clearing	569,480	569,480		
7	Other Clearing Accounts				
8	Other Clearing (Specify) (footnote details):				
9					
10	TOTAL Deprec. Prov. for Year (Total of lines 3 thru 8)	105,950,907	105,950,907		
11	Net Charges for Plant Retired:				
12	Book Cost of Plant Retired	(21,192,518)	(21,192,518)		
13	Cost of Removal	(8,068,599)	(8,068,599)		
14	Salvage (Credit)				
15	TOTAL Net Chrgs for Plant Ret. (Total of lines 12 thru 14)	(29,261,117)	(29,261,117)		
16	Other Debit or Credit Items (Describe) (footnote details):	2,989,463	2,989,463		
17					
18	Book Cost of Asset Retirement Costs				
19	Balance End of Year (Total of lines 1,10,15,16 and 18)	1,193,958,003	1,193,958,003		
	Section B. BALANCES AT END OF YEAR ACCORDING TO FUNCTIONAL CLASSIFICATIONS				
21	Productions-Manufactured Gas	6,120,544	6,120,544		
22	Production and Gathering-Natural Gas				
23	Products Extraction-Natural Gas				
24	Underground Gas Storage	18,779,643	18,779,643		
25	Other Storage Plant	3,843,595	3,843,595		
26	Base Load LNG Terminaling and Processing Plant	528,307	528,307		
27	Transmission				
28	Distribution	1,150,265,569	1,150,265,569		
29	General	14,420,345	14,420,345		
30	TOTAL (Total of lines 21 thru 29)	1,193,958,003	1,193,958,003		

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	04/17/2015	2014/Q4

FOOTNOTE DATA

Schedule Page: 219 Line No.: 16 Column: b

Schedule Page 219
Line 16 (b) included transfer, manual adjustment and gain/loss.

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		42,350,784	618,974		51,624,322
2	Gas Delivered to Storage					58,186,487	144,137		58,330,624
3	Gas Withdrawn from					54,528,327	127,902		54,656,229
4	Other Debits and Credits								
5	Balance at End of Year			8,654,564		46,008,944	635,209		55,298,717
6	Dth			5,725,904		11,407,115	252,535		17,385,554
7	Amount Per Dth			1.5115		4.0334	2.5153		3.1807

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	04/17/2015	End of 2014/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		50,975,194	2,942,394
3	Notes Receivable - BOA Projects		1,617,759	165,762
4	Notes Receivable - Intolight		648,723	92,104
5	Notes Receivable - City of Buckley		144,231	
6	Notes Receivable - West Coast Hospitality		63,300	
7	Temporary Cash Investment - Taxable			1,548,000,000
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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	04/17/2015	End of 2014/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	3,010,174		50,907,414	2,942,394	
3	192,359		1,591,162	30,217	
4	106,237		634,590	65,919	
5	50,000		94,231	3,075	
6	60,548		2,752		
7	1,548,000,000				
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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
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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			(8,031,793)
4	Additional Paid in Capital			44,487,244
5	Subtotal			36,465,651
6				
7				
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9				
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40	TOTAL Cost of Account 123.1 $		TOTAL	36,465,651

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	04/17/2015	End of 2014/Q4

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	1,899,762	8,500,000	(14,632,031)	
4			44,487,244	
5	1,899,762	8,500,000	29,865,413	
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40	1,899,762	8,500,000	29,865,413	

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	04/17/2015	End of 2014/Q4

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	5,400,506
2	Prepaid Rents	398,312
3	Prepaid Taxes	
4	Prepaid Interest	8,072
5	Miscellanecus Prepayments	19,763,717
6	TOTAL	25,570,607

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	12/13/2006 Storm	38,470,165	79,593,401		407	7,959,336	30,510,829
8	2007 Storm	1,517,469	13,794,354		407	1,517,469	
9	2008 Storm	2,084,964			407	2,084,964	
10	2010 Storm	13,959,955			407	3,915,627	10,044,328
11	2012 Storm	60,295,490					60,295,490
12	2014 Storm			17,973,019			17,973,019
13							
14							
15	**Total**	116,328,043	93,387,755	17,973,019		15,477,396	118,823,666

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	04/17/2015	End of 2014/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	White River Plant Costs	32,750,327			407	1,494,702	31,255,625
17	White River Plant Sales	(30,211,680)					(30,211,680)
18	Upper Baker Regulatory Cost Study	723,804			407	241,268	482,536
19	Electron Unrecovered Plant Costs			14,290,319	407	282,625	14,007,694
20							
21							
22							
23							
24							
25							
26	**Total**	3,262,451		14,290,319		2,018,595	15,534,175

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	04/17/2015	2014/Q4

FOOTNOTE DATA

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

Prepayment Description	Amount
Prepaid Energy Purchases	1,931,525
Prepaid Statutory Assessment	2,303,806
Prepaid Lime Contract	750,000
Prepaid Permit & Easements	521,768
Prepaid Long Term Plant Maintenance	8,218,677
Prepaid Software Maintenance	5,815,138
Prepaid Miscellaneous	222,803
Total:	$ 19,763,717.00

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

The 12/13/2006 storm deferral cost was approved for amortization over 10 years in WUTC Dockets UE-072300 and UG-072301. Monthly amortization commenced on November 1, 2008 for $7,959,341 annually. The storm is amortized separately from the other storm losses.

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

The 2007 storm deferral cost was approved for amortization over four years in WUTC Dockets UE-090704 and UG 090705. Monthly amortization commenced on May 14, 2012 for $7,518,060 annually. The 2007 storm was fully amortized in March 2014 and the 2008 storm was applied for continuing the next amortization.

Schedule Page: 230 Line No.: 9 Column: a

The 2008 storm deferral cost was approved for amortization over four years in WUTC Dockets UE-090704 and UG 090705. Monthly amortization commenced on May 14, 2012 for $7,518,060 annually. The 2008 storm was fully amortized in June 2014 and the 2010 storm has been applied for continuing the next amortization.

Schedule Page: 230 Line No.: 10 Column: a

The 2010 storm deferral cost was approved for amortization over four years in WUTC Dockets UE-090704 and UG 090705. Monthly amortization commenced on May 14, 2012 for $7,518,060 annually. The 2010 storm has been continuing to be applied after completing the 2008 storm amortization.

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

In May 2005, WUTC approved PSE's request for rate recovery of its unrecovered investment in the White River Project of approximately $47.8 million over a 31 year period in Docket AC05-33-000. Monthly amortization for the recovery commenced in January 2004 for $1,494,702 annually and the amortization will be completed in 2035.

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

In May 2009, WUTC approved the sale of certain assets related to White River Hydroelectric Project to Cascade Water Alliance in Docket UE-090399. PSE received $39.6 million for the sale which included $29.9 million purchased price along with reimbursement of $9.7 million for processing and conveyance costs. The White River land was sold to City of Buckley for $300K in April 2011.

The amortization for gain has not yet been approved and as per WUTC commission order is dependent upon the sale of all remaining properties associated with White River, with such approval to be sought in the rate filing thereafter.

Schedule Page: 230 Line No.: 18 Column: a

In December 2011, WUTC approved PSE's accounting petition to defer non-construction related regulatory study costs and to amortize $1.2 million over a five year period in Dockets UE-021577 and UE-070074. Monthly amortization for the regulatory study costs commenced in January 2012 for $241K annually and the amortization will be completing in 2016.

Schedule Page: 230 Line No.: 19 Column: a

In November 2014, WUTC approved Docket UE-141141 granted PSE's request for the recovery of Electron Unrecovered Plant cost as a regulatory asset amortized over 48 months. Monthly amortization for the regulatory costs commenced in December 2014 for $3,392K annually and the amortization will be completing in March 2019.

Name of Respondent Puget Sound Energy, Inc.	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 04/17/2015	Year/Period of Report End of 2014/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 Conservation Costs - 1 to 10 years	35,986,622	230,870,431	908	224,482,592		42,374,461
2	Deferred AFUDC	55,494,775	633,459	406	2,419,440		53,708,794
3	Colstrip Common - 37.5 years	9,024,203		406, 501	1,076,479		7,947,724
4	Colstrip Deferred - 27.5 years	1,455,253		406	138,804		1,316,449
5	BPA Power Exchange - 27.5 years	12,343,078		555	3,526,620		8,816,458
6	Regulatory Tax Asset	146,349,572	30,397,328	283	81,833,411		94,913,489
7	Environmental Remidiation Costs	3,868,581	128,553	Various	409,964		3,587,170
8	Tree Watch Program - 10 years	176,422		403	176,422		
9	Gas Rental Equipment Pipe & Rental	4,993	1,518,795	403, 182	1,523,788		
10	Property Tax Tracker	22,134,188	45,844,640	408	35,725,574		32,253,254
11	Decoupling Mechanism	293,465	66,792,183	Various	11,722,487		55,363,161
12	Power Cost Adjustment Mechanism	(5,344,536)	10,405,438	Various	437,573		4,623,329
13	White River Relicensing & Reg Asset	25,650,903	141,314	182	150,932		25,641,285
14	Chelan PUD - 20 years	126,403,837		555	7,088,066		119,315,771
15	Mint Farm Deferral - 1.9 years and 15 years	32,290,595		407	2,885,052		29,405,543
16	Lower Snake River Deferral - 4 years and 20 years	102,817,202	119,192	407, 253	8,496,010		94,440,384
17	Ferndale Deferral - 6 years	26,013,656	2,675	407	4,167,621		21,848,710
18	Baker Deferral - 6 years	3,121,070	1,599	407	541,488		2,581,181
19	Snoqualmie Deferral - 6 years	12,113,990	2,292	407	1,980,476		10,135,806
20							
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40	**Total**	**610,197,869**	**386,857,899**		**388,782,799**	**0**	**608,272,969**

FOOTNOTE DATA

Schedule Page: 232 Line No.: 1 Column: a

Included in Washington Commission Dockets UE-080389, UE-080390, UE-072300 and UG-072301 and UG-120812.

Schedule Page: 232 Line No.: 2 Column: a

Included in Washington Commission Dockets UE-072300 and UG-072301.

Schedule Page: 232 Line No.: 3 Column: a

Included in Washington Commission Dockets U-89-2688. Amortization expires in June 2024.

Schedule Page: 232 Line No.: 4 Column: a

Included in Washington Commission Dockets UE-072300 and UG-072301. Amortization expires in June 2024.

Schedule Page: 232 Line No.: 5 Column: a

Included in Washington Commission Dockets UE-89-2688-T, UE-090704 and UG-090705. Amortization expires in June 2017.

Schedule Page: 232 Line No.: 6 Column: a

No docket number required. FAS 109 balance.

Schedule Page: 232 Line No.: 7 Column: a

Included in Washington Commission Dockets UE-991796, UE-072300, UG-072301, UE-0911476, UG-920781, UG-920782 and UE-021537.

Schedule Page: 232 Line No.: 8 Column: a

Included in Washington Commission Dockets UE-980877. Amortization expired in December 2014.

Schedule Page: 232 Line No.: 9 Column: a

Included in Washington Commission dockets UG-001315, UE-072300, UG-072301, UE-090704, and UG-090705. The amortization period is over 5.5 years for conversion burners and 16.25 years for water heaters, ending November 2023.

Schedule Page: 232 Line No.: 10 Column: a

Included in Washington Commission Dockets UE-130137 and UG-130138.

Schedule Page: 232 Line No.: 11 Column: a

Included in Washington Commission Dockets UE-121697 and UG-121705.

Schedule Page: 232 Line No.: 12 Column: a

Included in Washington Commission Dockets UE-011570. Total includes interest recorded on the customer balance of the PCA.

Schedule Page: 232 Line No.: 13 Column: a

Included in Washington Commission Dockets UE-032043, UE-031725, UG-040640 and UE-040641.

Schedule Page: 232 Line No.: 14 Column: a

Included in Washington Commission Dockets UE-060266, UG-060267 and UG-060539. Amortization began in November 2011 and expires in October 2031.

Schedule Page: 232 Line No.: 15 Column: a

Included in Washington Commission Dockets UE-090704 and UG-090705. Amortization began April 2010 and expires in March 2025.

Schedule Page: 232 Line No.: 16 Column: a

Included in Washington Commission Dockets UE-111048, UE-100882 and UG-111049. Amortization began in May 2012 and expires in April 2016 and April 2037.

Schedule Page: 232 Line No.: 17 Column: a

Included in Washington Commission Dockets UE-130617. Amortization is for 6 years and began in November 2013 and expires in October 2019.

Schedule Page: 232 Line No.: 18 Column: a

Included in Washington Commission Dockets UE-130617. Amortization is for 6 years and began in November 2013 and expires in October 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	04/17/2015	2014/Q4

FOOTNOTE DATA

Schedule Page: 232 Line No.: 19 Column: a

Included in Washington Commission Dockets UE-130617. Amortization is for 6 years and began in November 2013 and expires in October 2019.

Schedule Page: 232 Line No.: 7 Column: d

Offset accounts are 228 and 182

Schedule Page: 232 Line No.: 12 Column: d

Offset accounts are 419, 431 and 557

Schedule Page: 232 Line No.: 11 Column: d

Offset accounts are 419, 431, 456 and 495

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	04/17/2015	End of 2014/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	3,685,684	679,851	186,253	222,025	4,143,510
2	Environmental Remediation Exp	53,473,094	19,450,846	Various	10,492,742	62,431,198
3	Accumulated BOA Cost	107,762	2,531,222	186	2,624,700	14,284
4	Non-Temp Facility	1,992,116	4,896,119	Various	5,736,134	1,152,101
5	Damage Claims	3,601,939	23,510,689	186	23,669,039	3,443,589
6	FAS 133 Net Unrealized GN/(Ls)	27,554,735	144,358,038	175,244	102,632,319	69,280,454
7	Colstrip Exp Billable to MPC	1,372	32,622	Various	38,333	(4,339)
8	Real Estate Broker Fee - Ranch	3,175	5,182,048	Various	6,862	5,178,361
9	SFAS 71 - Snoqualmie License	10,881,402		253	1,678,926	9,202,476
10	Shelf Registration	10,312	162,854	Various	10,312	162,854
11	SFAS 71 - Baker License Expense	60,816,632	7,173,014	253	1,803,260	66,186,386
12	Colstrip Deferred Asset	809,783	62,500	Various	874,130	(1,847)
13	Major Maintenance		17,299,947	513,553	1,811,605	15,488,342
14	Gas Path Inspection	1,533,908	1,292,381	553	752,665	2,073,624
15	Chelan Prepayment	8,202,531	74,829	555	464,151	7,813,209
16	Carbon Offset Program	171,019	414,668	495	417,933	167,754
17	Clearing Acct Charge	254,749	322,701	Various	347,320	230,130
18	Tax Assessment	388,326	75,138	408,431	351,354	112,110
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37						
38						
39	Miscellaneous Work in Progress					
40	**Total**	**173,488,539**	**227,519,467**		**153,933,810**	**247,074,196**

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	04/17/2015	End of 2014/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	481,377,741	195,592,122	163,025,940
3	Gas	67,407,496	73,855,338	83,132,820
4	Other Non-Operating		(87,541,221)	729,682
5	Total (Total of lines 2 thru 4)	548,785,237	181,906,239	246,888,442
6	Other (Specify) (footnote details)			
7	TOTAL Account 190 (Total of lines 5 thru 6)	548,785,237	181,906,239	246,888,442
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	04/17/2015	End of 2014/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	(81,996,091)	Various	(109,436,527)	421,371,123
3			Various	(1,495,346)	Various	(71,935,978)	6,244,346
4			Various	(138,642,409)	Various		226,913,312
5				(222,133,846)		(181,372,505)	654,528,781
6							
7				(222,133,846)		(181,372,505)	654,528,781
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	04/17/2015	End of 2014/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	Common Stock	150,000,000	0.01	
2				
3				
4	Total Common	150,000,000		
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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	04/17/2015	End of 2014/Q4

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				
2						
3						
4	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	04/17/2015	End of 2014/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**

FOOTNOTE DATA

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

Adjustment for Premium on Capital Stock previously issued by Washington Energy Co. with shares adjusted for conversion ratio of .86; 9,583,670 shares for $122,847,945.

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	04/17/2015	End of 2014/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	2,775,196,691
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40	**Total**	**2,775,196,691**

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	04/17/2015	End of 2014/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	0	
2		
3		
4		
5		
6		
7		
8		
9		
10		
11		
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
Puget Sound Energy, Inc.	(1) X An Original (2) _ A Resubmission	(Mo, Da, Yr) 04/17/2015	2014/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 $.01, Stated Value: NONE

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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	04/17/2015	End of 2014/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 6.74% Series A	06/15/1998	06/15/2018	200,000,000
5	First Mortgage Bonds Senior MTN 7.00% Series B	03/09/1999	03/09/2029	100,000,000
6	5.483% Senior Notes Due 06/35	05/27/2005	06/01/2035	250,000,000
7	5.197% Senior Notes Due 10/15	10/12/2005	10/01/2015	150,000,000
8	6.724% Senior Notes Due 06/36	06/30/2006	06/15/2036	250,000,000
9	6.274% Senior Notes Due 03/37	09/18/2006	03/15/2037	300,000,000
10	Junior Subordinated Notes (Hybrid) 6.974%	06/01/2007	06/01/1967	250,000,000
11	6.75% Senior Notes Due 01/16	01/23/2009	01/15/2016	250,000,000
12	5.757% Senior Notes Due 10/39	09/11/2009	10/01/2039	350,000,000
13	5.795% Senior Notes Due 03/40	03/08/2010	03/15/2040	325,000,000
14	5.764% Senior Notes Due 07/40	06/29/2010	07/15/2040	250,000,000
15	4.434% Senior Notes Due 11/41	11/16/2011	11/15/2041	250,000,000
16	4.700% Senior Notes Due 11/51	11/22/2011	11/15/2051	45,000,000
17	5.638% Senior Notes Due 04/41	03/25/2011	04/15/2041	300,000,000
18	3.9% Pollution Control Bonds Rev Series 2013A	05/23/2013	03/01/2031	138,460,000
19	4.0% Pollution Control Bonds Rev Series 2013B	05/23/2013	03/01/2031	23,400,000
20				
21				
22	Bonds assumed which were originally issued by Washington Natural Gas Company			
23				
24	Secured Medium Term Notes - 7.35% Series C	09/11/1995	09/11/2015	10,000,000
25	Secured Medium Term Notes - 7.36% Series C	09/15/1995	09/15/2015	2,000,000
26	Secured Medium Term Notes - 7.15% Series C	12/20/1995	12/19/2025	15,000,000
27	Secured Medium Term Notes - 7.20% Series C	12/22/1995	12/22/2025	2,000,000
28				
29				
30				
31				
32				
33				
34				
35				
36				
37				
38				
39				
40	**TOTAL**			3,760,860,000

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	04/17/2015	End of 2014/Q4

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	6.740	13,480,000			
5	7.000	7,000,000			
6	5.483	13,707,500			
7	5.197	7,795,500			
8	6.724	16,810,000			
9	6.274	18,822,000			
10	6.974	17,435,000			
11	6.750	16,875,000			
12	5.757	20,149,500			
13	5.795	18,833,750			
14	5.764	14,410,000			
15	4.434	11,085,000			
16	4.700	2,115,000			
17	5.638	16,914,000			
18	3.900	5,399,940			
19	4.000	936,000			
20					
21					
22					
23					
24	7.350	735,000			
25	7.360	147,200			
26	7.150	1,072,500			
27	7.200	144,000			
28					
29					
30					
31					
32					
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39					
40		224,926,890			

Schedule Page: 256 Line No.: 40 Column: f

The total of Account 427 includes an additional $487,644 of treasury lock and forward swap interest expenses not reported in Interest for Year Amount (f).

Schedule Page: 256 Line No.: 18 Column: a

In accordance with WAC 480-90-242 (6) and WAC 480-100-242 (6), Puget Sound Energy sent an original and two copies of the final terms and conditions of the Pollution Control Bond Refinance, Docket No. UE-130733 on May 30, 2013 to the Washington Utilities and Transportation Commission.

Schedule Page: 256 Line No.: 19 Column: a

In accordance with WAC 480-90-242 (6) and WAC 480-100-242 (6), Puget Sound Energy sent an original and two copies of the final terms and conditions of the Pollution Control Bond Refinance, Docket No. UE-130733 on May 30, 2013 to the Washington Utilities and Transportation Commission.

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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	04/17/2015	End of 2014/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 6.74% Series A	200,000,000	2,018,425	06/15/1998	06/15/2018
4	First Mortgage Bonds Senior MTN 7.00% Series B	100,000,000	954,608	03/09/1999	03/09/2029
5	5.483% Senior Notes Due 06/35	250,000,000	2,460,125	05/27/2005	06/01/2035
6	5.197% Senior Notes Due10/15	150,000,000	1,206,051	10/12/2005	10/01/2015
7	6.724% Senior Notes Due 06/36	250,000,000	2,527,628	06/30/2006	06/15/2036
8	6.274% Senior Notes Due 03/37	300,000,000	2,921,148	09/18/2006	03/15/2037
9	Junior Subordinate Notes 6.974%	250,000,000	4,400,860	06/01/2007	06/01/2017
10	6.75% Senior Notes Due 01/2016	250,000,000	1,900,142	01/23/2009	01/15/2016
11	PSE Operating Credit Agreement		1,251,236	02/04/2013	04/15/2019
12	PSE Hedging Credit Agreement		963,995	02/04/2013	04/15/2019
13	5.757% Senior Notes Due 10/39	350,000,000	3,557,361	09/11/2009	10/01/2039
14	5.795% Senior Notes Due 3/40	325,000,000	3,384,066	03/08/2010	03/15/2040
15	5.764% Senior Notes Due 7/40	250,000,000	2,587,276	06/29/2010	07/15/2040
16	5.638% Senior Notes Due 4/41	300,000,000	3,071,895	03/25/2011	04/15/2041
17	4.434% Senior Notes Due 11/41	250,000,000	2,592,616	11/16/2011	11/15/2041
18	4.70% Senior Notes Due 11/51	45,000,000	511,229	11/22/2011	11/15/2051
19	3.9% Pollution Control Rev Series 2013A Due 3/2031	138,460,000	1,473,301	05/23/2013	03/01/2031
20	4% Pollution Control Rev Series 2013B Due 3/2031	23,400,000	248,243	05/23/2013	03/01/2031
21	$350M Hedging Credit Facility PSE 2018		1,333,855	02/04/2013	02/04/2018
22	$650M Liquidity Credit Facility PSE 2018		2,438,676	02/04/2013	02/04/2018
23	Subtotal	3,731,860,000	44,813,482		
24					
25	ACCOUNT 226 - UNAMORTIZED DISCOUNT ON LONG-TERM DEBT				
26	5.638% Senior Notes Due 4/41	300,000,000	15,000	03/25/2011	04/15/2041
27	Subtotal	300,000,000	15,000		
28					
29	ACCOUNT 181 - UNAMORTIZED DEBT EXPENSE				
30	Bonds assumed which were originally issued by Washington Gas Company				
31	Secured MTN, Series C 2015 7.35%	10,000,000	113,301	09/11/1995	09/11/2015
32	Secured MTN, Series C 2015 7.36%	2,000,000	22,660	09/11/1995	09/15/2015
33	Secured MTN, Series C 2025 7.15%	15,000,000	112,500	12/20/1995	12/19/2025
34	Secured MTN, Series C 2025 7.20%	2,000,000	15,000	12/21/1995	12/22/2025
35	Subtotal	29,000,000	263,461		
36					
37					
38					
39					
40					

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	04/17/2015	End of 2014/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	1,408,029		101,176	1,306,853
3	449,975		100,929	349,046
4	483,619		31,834	451,785
5	1,756,529		82,017	1,674,512
6	211,845		121,054	90,791
7	1,901,521		84,611	1,816,910
8	2,222,633		95,941	2,126,692
9	1,500,384		448,998	1,051,386
10	548,564		274,183	274,381
11	1,094,831		268,122	826,709
12	843,496		206,570	636,926
13	3,047,199		118,722	2,928,477
14	2,952,638		112,840	2,839,798
15	2,285,163		85,962	2,199,201
16	2,789,681	6,032	102,062	2,693,651
17	2,409,707	11,448	93,868	2,327,287
18	484,351	1,114	13,870	471,595
19	1,419,835	6,984	89,616	1,337,203
20	239,955	1,171	15,145	225,981
21	1,089,359	338,151	345,510	1,082,000
22	1,991,729	595,622	663,915	1,923,436
23	31,131,043	960,522	3,456,945	28,634,620
24				
25				
26	13,642		502	13,140
27	13,642		502	13,140
28				
29				
30				
31	9,634		5,781	3,853
32	1,927		1,156	771
33	46,959		3,940	43,019
34	6,262		526	5,736
35	64,782		11,403	53,379
36				
37				
38				
39				
40				

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	04/17/2015	End of 2014/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)	1,702,875	1,533,995
2	1st Mortgage Bonds 9.14% Series due 6/2018	06/22/1998	30,000,000	(70,146)	15,744	12,245
3	PCB 1991A 7.05% Series due 2/2031	03/24/2003	27,500,000	(1,270,958)	780,748	735,267
4	PCB 1991B 7.25% Series due 2/2031	03/24/2003	23,400,000	(965,944)	593,304	558,742
5	PCB 1992 6.8% Series due 2/2031	03/24/2003	87,500,000	(2,957,968)	1,816,669	1,710,845
6	PCB 1993 5.875% Series due 2/2031	03/24/2003	23,460,000	(902,771)	554,446	522,148
7	VRN Floating Rate Notes, due 6/2035	05/27/2005	200,000,000	(512,599)	365,937	348,850
8	Trust Prefered Notes 8.231% due 5/2027	06/02/2005	42,500,000	(5,144,214)	3,083,206	2,853,401
9	Capital Trust Bond 8.4% due 6/2036	06/30/2006	200,000,000	(5,899,813)	4,432,981	4,235,960
10	1st Mortgage Bonds 10.25% Series due 11/2016	12/15/1995	30,000,000	(382,790)	52,742	34,406
11	1st Mortgage Bonds 8.4% Series due 11/2021	03/27/2003	3,000,000	(21,491)	9,128	7,988
12	1st Mortgage Bonds 8.39% Series due 12/2021	03/27/2003	7,000,000	(50,146)	21,299	18,637
13	1st Mortgage Bonds 8.25% Series due 8/2022	05/29/2003	25,000,000	(1,208,364)	541,543	479,057
14	1st Mortgage Bonds 7.19% Series due 8/2023	08/18/2003	3,000,000	(213,220)	102,121	91,465
15	Capital Trust Bond 8.231% due 5/2017	06/01/2007	37,750,000	(1,909,548)	652,429	461,474
16	1st Mortgage Bonds 9.57% Series due 10/2051	12/23/2011	25,000,000	(15,987,378)	15,152,964	14,752,445
17	2009 PSE Operating CR Facility due 1/2018			(378,265)	258,483	195,181
18	2009 PSE Hedging CR Facility due 1/2018			(460,462)	339,528	256,378
19	2009 PSE CapEx CR Facility due 1/2018			(1,629,534)	1,353,342	1,021,911
20	PCB 5% Series 2003A Bonds due 2/2031	06/24/2013	138,460,000	(5,290,431)	5,135,044	4,835,915
21	PCB 5.1% Series 2003B Bonds due 2/2031	06/24/2013	23,400,000	(894,093)	867,831	817,279
22	2014 PSE Operating CR Facility due 4/2019			(127,965)		118,825
23	2014 PSE E Hedging CR Facility due 4/2019			(42,624)		40,299
24	2014 PSE G Hedging CR Facility due 4/2019			(26,124)		24,700
25	Subtotal Unamortized Losses (189)		976,970,000	(51,258,445)	37,832,364	35,667,413
26	Total Unamortized Loss/Gains (189 & 257)		976,970,000	(51,258,445)	37,832,364	35,667,413
27						
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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)	236,613,919
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	88,268,190
11	Others	138,042,415
12		
13	TOTAL	226,310,605
14	Income Recorded on Books Not Included in Return	
15		
16		
17		
18	TOTAL	
19	Deductions on Return Not Charged Against Book Income	
20	Others	459,175,161
21		
22		
23		
24		
25		
26	TOTAL	459,175,161
27	Federal Tax Net Income	
28	Show Computation of Tax:	
29	Tax at 35% for Electric, Gas and Non-Utility	
30		
31		
32		
33	TOTAL TAX	
34		
35	FEDERAL INCOME TAX ACCRUAL (Lines 15,53 and 76 of Pages 114-117)	

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

Line 20 Details:	
Allowance for Funds Used During Construction	(10,827,340)
Conservation Activity	(7,144,837)
Decoupling Revenue	(63,021,941)
Depreciation Related Activity	(241,901,987)
Environmental Cost	(3,331,382)
Green Attributes	(9,460,623)
Involuntary Conversion	(59,962,315)
NOL Carryforward	(7,669,581)
Other Items	(4,023,267)
Pensions and Other Compensation	(6,159,472)
Property Tax Rate Tracker	(10,119,066)
Regulatory Assets	(4,454,093)
Renewable Energy Credits	(3,439,256)
Storm Related Activity	(2,495,623)
Treasury Grant Amortization	(25,164,378)
	(459,175,161)

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

Line 11 Details:	
Capitalized Interest	8,421,374
Derivative Instruments	85,636,444
Electric and Gas Purchase Contracts	3,026,868
Non Deductible Items	3,444,615
Regulatory Asset for PTC	35,613,360
Gain from Subsidiary	1,899,754
	138,042,415

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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	04/17/2015	End of 2014/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	FEDERAL		
2	Inome		
3	Employment	2,633	
4	Other Federal Taxes	2,194	1,503
5			
6	STATE		
7	Property	67,393,939	
8	State Excise	22,711,348	
9	Municipal Excise	18,558,206	
10	Other	593,780	
11			
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	TOTAL	109,262,100	1,503

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	04/17/2015	End of 2014/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	1,530	(1,530)			
3	15,850,091	(15,831,287)		21,437	
4	7,572	(9,501)		264	1,503
5					
6					
7	78,811,058	(68,849,533)	(4,379,420)	72,976,044	
8	113,983,825	(118,459,486)		18,235,687	
9	117,928,272	(120,768,583)		15,717,896	
10	3,637,601	(3,701,511)		529,870	
11					
12					
13					
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39					
TOTAL	330,219,949	(327,621,431)	(4,379,420)	107,481,198	1,503

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	04/17/2015	End of 2014/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				
3	8,979,885	4,117,793		
4				
5				
6				
7	45,594,477	18,583,747		294,473
8	76,408,737	37,374,508		60,300
9	75,075,968	42,800,807		
10	1,385,233			
11				
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TOTAL	207,444,300	102,876,855		354,773

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	04/17/2015	End of 2014/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					
2				1,530	
3				2,752,413	
4				7,572	
5					
6					
7				14,338,361	
8				140,280	
9				51,497	
10				2,252,368	
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17					
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39					
TOTAL				19,544,021	

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	04/17/2015	End of 2014/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	WUTC Electric Utility Annual Regulatory Fees	4,158,714
2	WUTC Gas Utility Annual Regulatory Fees	2,025,718
3	NERC Standards Compliance Loss Reserve	609,978
4	FERC Hydropower Annual Fee for Land Use	242,697
5	FERC Trading Floor Payable	172,250
6	401(k) Company Contributions	2,034,865
7	401(k) Company Contributions - Incentive Plan	1,121,967
8	Lower Snake River U.S. Treasury Grants	376,565
9	Wild Horse U.S. Treasury Grants	62,571
10	LSR Wind Facility Maintenance	976,066
11	FERC Licensing Fees - Baker & Snoqualmie	708,611
12	Baker License Article Funding	6,702,102
13	Miscellaneous	118,793
14		
15		
16		
17		
18		
19		
20		
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45	**Total**	**19,310,897**

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	04/17/2015	End of 2014/Q4

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	14,433,090	Various	4,191,355	1,178,937	11,420,672
2	SFAS 106 Unfunded Liability	4,988,307	426.5	2,442,805	4,637,462	7,182,964
3	Deferred Interchange		555	8,789,531	8,789,531	
4	Misc Items	99,999	Various	112,212	19,114	6,901
5	Colstrip 3 & 4	52,620	232	1,073,508	1,123,603	102,715
6	Unclaimed Property	11,340	131	504,091	499,867	7,116
7	Unearned Revenue	318,836	454	40,707		278,129
8	Limited Use Permit	1,000	131			1,000
9	Unearned Revenue - Pole	2,664,559	454	8,208,280	8,414,069	2,870,348
10	Low Income Program	3,573,973	908	22,372,727	23,612,866	4,814,112
11	Sch 85 Extension Cost	8,522,731	456	283,621	712,944	8,952,054
12	Green Power Tariff	2,259,334	456	683,536	1,694,682	3,270,480
13	Deferred Elec Conservtn	70,275	908	70,275		
14	Snoqualmie License O & M	10,881,402	186	1,678,926		9,202,476
15	Unearned Deferred Pole Contract Comp Fee		454	605,648	865,758	260,110
16	Landlord Incentives	7,442,392	931	2,292,225		5,150,167
17	Baker License O & M Liab	57,270,147	186	100,255	4,407,065	61,576,957
18	Mint Farm Def Credit	9,970,331	419	884,724		9,085,607
19	Eq Res Snoq Def Ret	4,104,490	407	766,286		3,338,204
20	LSR BPA Transmission	11,570,445	565,419	9,246,558	8,834,370	11,158,257
21	PTC Deferred Post June '10	111,753,458	407		35,613,360	147,366,818
22	Misc Cash Receipt		143		50,179	50,179
23	Staples Loyalty Incentive	119,865	920	102,556	13,694	31,003
24	Int'l Paper WCST Cap	170,926	804	35,985		134,941
25	Landis Gyr AMR	3,512,000	902	1,764,000		1,748,000
26	Carbon Offset Program		495	232,126	232,126	
27	Equity Reserve Baker	1,032,044	419	192,677		839,367
28	Ferndale Equity Def Credit	3,202,712	419	586,412		2,616,300
29	Cedar Hills Green Gas Attribute	(1,369)	456	1,211	2,580	
30	Lower Snake River Def Credit	3,437,284	456	1,451,384		1,985,900
31	Junior Achievement	150,000	426.1	25,000		125,000
32	BofA Signing Bonus	100,000	131			100,000
33	Workers Comp - IBNR	3,685,683	186	120,027	577,853	4,143,509
34	Collateral Dep w/PSE	100,000	131		60,000	160,000
35	Residential Exchange	60,028,881	555	266,056,123	234,268,720	28,241,478
36	Def Cr-Jefferson Co Gain	59,962,315	102	60,282,117	319,802	
37	Unclaimed Vendor Pay	574	131	27,323	26,749	
38	Def Cr-Jefferson CIAC	882,057	252	882,057		
39	Lease Security Deposit		186,454		65,623	65,623
40	Operating Leases Obligation		186		4,620,520	4,620,520
41	BklCali Carbon Obligation		158	47,200	47,200	
42	Other Def Cr - Hopkins Ridge		553	983,886	983,886	
43						
44						
45	**Total**	**386,371,701**		**397,137,354**	**341,672,560**	**330,906,907**

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	04/17/2015	End of 2014/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	1,176,220,645	1,358,809,255	1,299,200,559
3	Gas	456,246,636	521,677,217	484,692,404
4	Other (Define) (footnote details)			
5	Total (Enter Total of lines 2 thru 4)	1,632,467,281	1,880,486,472	1,783,892,963
6	Other (Specify) (footnote details)			
7	TOTAL Account 282 (Enter Total of lines 5 thr	1,632,467,281	1,880,486,472	1,783,892,963
8	Classification of TOTAL			
9	Federal Income Tax			
10	State Income Tax			
11	Local Income Tax			

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	480,502	1,235,348,839
3			Various	480,502			493,711,951
4							
5				480,502		480,502	1,729,060,790
6							
7				480,502		480,502	1,729,060,790
8							
9							
10							
11							

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	330,310,548	76,563,458	53,598,765
3	Gas	32,381,827	67,284,160	33,916,124
4	Other Non-Operating		1,096,506	
5	Total (Total of lines 2 thru 4)	362,692,375	144,944,124	87,514,889
6	Other (Specify) (footnote details)			
7	TOTAL Account 283 (Total of lines 5 thru	362,692,375	144,944,124	87,514,889
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	04/17/2015	End of 2014/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	(336,374,659)	Various	(239,423,126)	256,323,708
3			Various	(27,495,186)	Various	(17,885,190)	56,139,867
4			Various	(1,966,203)	Various	(56,842,874)	55,973,177
5				(365,836,048)		(314,151,190)	368,436,752
6							
7				(365,836,048)		(314,151,190)	368,436,752
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	04/17/2015	End of 2014/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	125,509	411.8	47,008			78,501
2	DETM Westcoast Pipeline Capacity 10% Agreement	14,365	804	14,365			
3	Summit Purchase Buyout	10,762,500	456, 495	1,575,000			9,187,500
4	BNP-Westcoast Cap Agrmnt-Non-Core Gas	2,598,527	547	537,626			2,060,901
5	FBE-Westcoast Cap Agrmnt-Non-Core Gas	1,895,487	547	392,170			1,503,317
6	Renewable Energy Credits	110,088,984	Various	85,662,739		81,888,719	106,314,964
7	Decoupling Mechanism	20,534,617	Various	109,026,609		101,074,365	12,582,373
8	JPUD Gain to Customers		407, 431	51,811,554		56,542,808	4,731,254
9							
10							
11							
12							
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43							
44							
45	Total	146,019,989	[redacted]	249,067,071	0	239,505,892	136,458,810

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

Offset accounts are 407,431, 417 and 456

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

Offset accounts are 431, 456 and 495.

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

Included in Washington Commission Docket UE-001157. Effective in June 2000, each sale amortizes over ten years from the date of sale. Amortization will expire in May 2016, April 2020, May 2018, June 2017, May 2019, May 2014, May 2015, and in April 2021.

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

Included in Washington Commission Docket UG-060019. Amortization expired on January 2014.

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

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

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

Included in Washington Commission Docket UE-1005503. Amortization expires October 2018.

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

Included in Washington Commission Docket UE-082013. Amortization expires October 2018.

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

Included in Washington Commission Docket UE-070725, UE-101581, UE-111048, UE-091570, UE-120277, UE131276, UE-132185, UE-130583, UE-130617, UE131099, 131230, UE141141. The REC liability balance is used to offset PTC receivables.

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

Included in Washington Commission Docket UG-121697 and UG121705, effective July 2013.There was outstanding electric ROR at year end.

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

Included in Washington Commission Docket UE-132027. Puget Sound Energy credited $51.5 million back to customers in the month of December 2014. PSE will credit the remaining amount in 2015.

Name of Respondent Puget Sound Energy, Inc.	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 04/17/2015	Year/Period of Report End of 2014/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	644,054,556	682,636,480	644,054,556	682,636,480	52,742,316	57,266,764
2	306,891,929	320,689,436	306,891,929	320,689,436	31,468,875	33,586,565
3						
4						
5						
6						
7	1,708,626	1,527,035	1,708,626	1,527,035		
8	2,465,630	2,300,616	2,465,630	2,300,616		
9						
10						
11	17,069,069	16,530,664	17,069,069	16,530,664	21,142,908	21,969,638
12	980,178	1,667,017	980,178	1,667,017		
13						
14						
15						
16	7,372,334	7,536,313	7,372,334	7,536,313		
17						
18	32,316,807	(4,531,027)	32,316,807	(4,531,027)		
19	1,012,859,129	1,028,356,534	1,012,859,129	1,028,356,534		
20						
21	1,012,859,129	1,028,356,534	1,012,859,129	1,028,356,534		

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	04/17/2015	End of 2014/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	Decoupling Revenue	31,323,693
14	Summit Buyout	548,892
15	Misc. Income - Non-Consumption Billing	403,319
16	Transactions Bellow $250,000:	0
17	Miscellaneous Other Gas Revenue	40,903
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	Total	**32,316,807**

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	04/17/2015	2014/Q4

FOOTNOTE DATA

Schedule Page: 308   Line No.: 13   Column: b

The Washington Utilities and Transportation Commission Docket no. UE-071876 authorized PSE to defer a gain of approximately $18.9 million that resulted from the termination of a purchase option to buy PSE's corporation headquarter facilities (Summit Building) in Bellevue, Washington. The gain will be amortized over the remaining life of the lease beginning November 2008.

Schedule Page: 308   Line No.: 16   Column: b

Schedule Page: 308   Line No.: 15   Column: b

Schedule Page: 308   Line No.: 12   Column: b

The Washington Utilities and Transportation Commission Docket no. UG-121705 allowed PSE to implement decoupling mechanism for its natural gas operations. As part of the mechanism PSE is less dependent on the volumes of sales to customers and effects of weather on revenues. The decoupling mechanism went into effect on July 1, 2013 and will remain in place, at minimum, until the effective date of new rates set in PSE's next general rate case which will be filled mid-2015.

Schedule Page: 308   Line No.: 17   Column: b

Miscellaneous Other Gas Revenue consist of the $44K of damage claims and non-consumption billings as well as ($3K) of gas carbon offset program.

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	04/17/2015	End of 2014/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)	180,002	283,418
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

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	04/17/2015	End of 2014/Q4

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	04/17/2015	End of 2014/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	488,850,660	486,571,042
74	804.1 Liquefied Natural Gas Purchases	0	0
75	805 Other Gas Purchases	63,907	81,941
76	(Less) 805.1 Purchases Gas Cost Adjustments	26,549,395	22,785,298
77	TOTAL Purchased Gas (Total of lines 68 thru 76)	462,365,172	463,867,685
78	806 Exchange Gas	0	0
79	Purchased Gas Expenses		
80	807.1 Well Expense-Purchased Gas	0	381,343
81	807.2 Operation of Purchased Gas Measuring Stations	416,792	0
82	807.3 Maintenance of Purchased Gas Measuring Stations	0	0
83	807.4 Purchased Gas Calculations Expenses	52,008	47,777
84	807.5 Other Purchased Gas Expenses	0	0
85	TOTAL Purchased Gas Expenses (Total of lines 80 thru 84)	468,800	429,120

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	58,397,346	66,879,812
87	(Less) 808.2 Gas Delivered to Storage-Credit	62,071,741	42,546,555
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	105,715	88,037
94	TOTAL Gas Used in Utility Operations-Credit (Total of lines 91 thru 93)	105,715	88,037
95	813 Other Gas Supply Expenses	0	0
96	TOTAL Other Gas Supply Exp. (Total of lines 77,78,85,86 thru 89,94,95)	459,053,862	488,542,025
97	TOTAL Production Expenses (Total of lines 3, 30, 58, 65, and 96)	459,233,864	488,825,443
98	2. NATURAL GAS STORAGE, TERMINALING AND PROCESSING EXPENSES		
99	A. Underground Storage Expenses		
100	Operation		
101	814 Operation Supervision and Engineering	213,138	199,106
102	815 Maps and Records	0	0
103	816 Wells Expenses	32,446	28,794
104	817 Lines Expense	1,523	6,415
105	818 Compressor Station Expenses	171,735	159,639
106	819 Compressor Station Fuel and Power	35,753	34,874
107	820 Measuring and Regulating Station Expenses	20,335	12,989
108	821 Purification Expenses	0	21,372
109	822 Exploration and Development	0	0
110	823 Gas Losses	0	0
111	824 Other Expenses	86,032	48,063
112	825 Storage Well Royalties	41,697	38,084
113	826 Rents	(5,768)	(4,689)
114	TOTAL Operation (Total of lines of 101 thru 113)	596,891	544,647

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Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/17/2015	End of 2014/Q4

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	194,102	184,723
117	831 Maintenance of Structures and Improvements	10,040	11,709
118	832 Maintenance of Reservoirs and Wells	27,947	12,417
119	833 Maintenance of Lines	4,080	169
120	834 Maintenance of Compressor Station Equipment	250,705	266,856
121	835 Maintenance of Measuring and Regulating Station Equipment	0	0
122	836 Maintenance of Purification Equipment	5,467	1,767
123	837 Maintenance of Other Equipment	14,704	7,168
124	TOTAL Maintenance (Total of lines 116 thru 123)	507,045	484,809
125	TOTAL Underground Storage Expenses (Total of lines 114 and 124)	1,103,936	1,029,456
126	B. Other Storage Expenses		
127	Operation		
128	840 Operation Supervision and Engineering	0	0
129	841 Operation Labor and Expenses	333,611	246,203
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)	333,611	246,203
135	Maintenance		
136	843.1 Maintenance Supervision and Engineering	0	0
137	843.2 Maintenance of Structures	450	418
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)	450	418
146	TOTAL Other Storage Expenses (Total of lines 134 and 145)	334,061	246,621

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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	0	76,637
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)	0	76,637
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)	0	76,637
177	TOTAL Natural Gas Storage (Total of lines 125, 146, and 176)	1,437,997	1,352,714

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Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/17/2015	End of 2014/Q4

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	335	27,893
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)	335	27,893
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)	335	27,893
202	4. DISTRIBUTION EXPENSES		
203	Operation		
204	870 Operation Supervision and Engineering	1,881,387	1,728,347
205	871 Distribution Load Dispatching	1,263,824	1,170,119
206	872 Compressor Station Labor and Expenses	0	0
207	873 Compressor Station Fuel and Power	0	0

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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	18,193,627	14,899,543
209	875 Measuring and Regulating Station Expenses-General	2,372,350	2,519,351
210	876 Measuring and Regulating Station Expenses-Industrial	129,631	136,939
211	877 Measuring and Regulating Station Expenses-City Gas Check Station	0	0
212	878 Meter and House Regulator Expenses	5,952,776	5,404,146
213	879 Customer Installations Expenses	4,965,144	5,068,991
214	880 Other Expenses	3,874,184	3,687,901
215	881 Rents	181,806	332,495
216	TOTAL Operation (Total of lines 204 thru 215)	38,814,729	34,947,832
217	Maintenance		
218	885 Maintenance Supervision and Engineering	0	0
219	886 Maintenance of Structures and Improvements	157,756	181,664
220	887 Maintenance of Mains	6,685,206	7,378,607
221	888 Maintenance of Compressor Station Equipment	0	0
222	889 Maintenance of Measuring and Regulating Station Equipment-General	649,356	465,000
223	890 Maintenance of Meas. and Reg. Station Equipment-Industrial	608,957	674,330
224	891 Maintenance of Meas. and Reg. Station Equip-City Gate Check Station	0	0
225	892 Maintenance of Services	3,123,439	4,120,231
226	893 Maintenance of Meters and House Regulators	745,623	1,205,210
227	894 Maintenance of Other Equipment	1,120,665	1,269,050
228	TOTAL Maintenance (Total of lines 218 thru 227)	13,091,002	15,294,092
229	TOTAL Distribution Expenses (Total of lines 216 and 228)	51,905,731	50,241,924
230	5. CUSTOMER ACCOUNTS EXPENSES		
231	Operation		
232	901 Supervision	116,894	133,199
233	902 Meter Reading Expenses	13,302,849	12,774,048
234	903 Customer Records and Collection Expenses	13,693,264	14,071,133

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	04/17/2015	End of 2014/Q4

Gas Operation and Maintenance Expenses(continued)

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
235	904 Uncollectible Accounts	6,426,738	4,058,026
236	905 Miscellaneous Customer Accounts Expenses	0	(21,338)
237	TOTAL Customer Accounts Expenses (Total of lines 232 thru 236)	33,539,745	31,015,068
238	6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES		
239	Operation		
240	907 Supervision	0	0
241	908 Customer Assistance Expenses	17,128,661	24,031,788
242	909 Informational and Instructional Expenses	707,218	622,061
243	910 Miscellaneous Customer Service and Informational Expenses	106,062	62,276
244	TOTAL Customer Service and Information Expenses (Total of lines 240 thru 243)	17,941,941	24,716,125
245	7. SALES EXPENSES		
246	Operation		
247	911 Supervision	0	0
248	912 Demonstrating and Selling Expenses	3,739	69,216
249	913 Advertising Expenses	0	0
250	916 Miscellaneous Sales Expenses	0	0
251	TOTAL Sales Expenses (Total of lines 247 thru 250)	3,739	69,216
252	8. ADMINISTRATIVE AND GENERAL EXPENSES		
253	Operation		
254	920 Administrative and General Salaries	13,746,145	12,900,489
255	921 Office Supplies and Expenses	2,491,833	1,948,899
256	(Less) 922 Administrative Expenses Transferred-Credit	91,983	91,813
257	923 Outside Services Employed	3,526,279	5,134,026
258	924 Property Insurance	526,039	444,899
259	925 Injuries and Damages	2,708,365	2,091,958
260	926 Employee Pensions and Benefits	13,008,054	15,318,559
261	927 Franchise Requirements	0	0
262	928 Regulatory Commission Expenses	2,580,968	2,049,696
263	(Less) 929 Duplicate Charges-Credit	0	0
264	930.1General Advertising Expenses	4,366	4,103
265	930.2Miscellaneous General Expenses	1,157,575	1,055,582
266	931 Rents	3,334,399	2,995,278
267	TOTAL Operation (Total of lines 254 thru 266)	42,992,040	43,851,676
268	Maintenance		
269	932 Maintenance of General Plant	6,224,827	5,869,597
270	TOTAL Administrative and General Expenses (Total of lines 267 and 269)	49,216,867	49,721,273
271	TOTAL Gas O&M Expenses (Total of lines 97,177,201,229,237,244,251, and 270)	613,280,219	645,969,656

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	04/17/2015	End of 2014/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.)		25,148	105,715		
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25	**Total**		25,148	105,715		

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	04/17/2015	End of 2014/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.	561,467
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	Other expenses	
5	Board of Directors Fees & Expenses	341,908
6	Other Membership Dues	37,333
7	Communication Services	31,299
8	Treasury Fees & Expenses	94,273
9	Misc General Expenses-Gas	80,619
10	State/Fed Govt Related Industry Expenses	10,676
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25	**Total**	1,157,575

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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) 04/17/2015	Year/Period of Report End of 2014/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	60,214			
3	Production and gathering plant, natural gas				
4	Products extraction plant				
5	Underground gas storage plant	846,167			
6	Other storage plant	377,579			
7	Base load LNG terminaling and processing plant	31,156			
8	Transmission plant				
9	Distribution plant	102,434,549	454,693		
10	General plant	1,171,955			
11	Common plant-gas	6,936,712	20,869		
12	TOTAL	111,858,332	475,562		

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	04/17/2015	End of 2014/Q4

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	2,315,624		2,315,624	Intangible plant
2			60,214	Production plant, manufactured gas
3				Production and gathering plant, natural gas
4				Products extraction plant
5			846,167	Underground gas storage plant
6			377,579	Other storage plant
7			31,156	Base load LNG terminaling and processing plant
8				Transmission plant
9			102,889,242	Distribution plant
10			1,171,955	General plant
11	9,633,583		16,591,164	Common plant-gas
12	11,949,207		124,283,101	TOTAL

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)	42,030	
5	Transmission Plant		
6	Offshore (footnote details)		
7	Onshore (footnote details)		
8	General Plant (footnote details)	32,192	
9	Intangible Plant	18,478	
10	LNG Terminaling and Processing	12,793	
11	Distribution Plant	3,097,363	
12			
13			
14			
15			

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	Whitehorn Acquisition Amortization	795
3	Total	795
4		
5	Account 426.1 - Donations:	
6	Human Services	5,900
7	Education	15,000
8	Civic	3,060
9	Arts and Culture	200
10	Environment	100
11	Miscellaneous	8,494
12	Total	32,754
13		
14	Account 426.2 - Life Insurance:	
15	Gain on Corporate Life Insurance	(2,942,394)
16	Total	(2,942,394)
17		
18	Account 426.3 - Penalties:	
19	NERC Standards Compliance Penalty Reserve	331,448
20	Muncipal Tax Penalty	2,051
21	NWCAA Penalty	2,000
22	Total	335,499
23		
24	Account 426.4 - Civic, Political & Related Activity:	
25	Federal	1,295,227
26	State	849,315
27	Local and Community	3,505,606
28	Total	5,650,148
29		
30	Account 426.5 - Other Deductions:	
31	Employee Retirement Benefits	5,020,673
32	Customer Service Guaranteed	20,750
33	Low Income Weatherization	379,005
34	Dues and Memberships	77,645
35	SFAS 106 Post - Retirement Benefits	(356,000)

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Particulars Concerning Certain Income Deductions and Interest Charges Accounts (continued)

Line No.	Item (a)	Amount (b)
1	SFAS 133 Loss on Fair Value Purchases	68,229,433
2	Advertising & Trademarks	627,935
3	Miscellaneous Over $100K	138,736
4	Miscellneous Under $100K	129,806
5	Total	74,267,983
6		
7	Account 430 - Interest on Debt to Associated Companies:	
8	Interest on Puget Energy Note @0.615% Weighted Average rate	181,681
9	Total	181,681
10		
11	Account 431 - Other Interest Expense:	
12	Bond Interest	1,957,944
13	Interest on Federal Incentives	30,053,767
14	Interest on Deferred Compensation	820,631
15	Interest on Power Cost Adjustment/Purchase Gas Adjustment	183,697
16	Interest on Renewable Energy Credits	183,619
17	Interest on Biogas	379,833
18	Interest on Customer Deposits @3.25%	78,969
19	Interest on Tax	126,292
20	Total	33,784,752
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Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/17/2015	End of 2014/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 Fees	2,032,635			
2	FERC Natural Gas Compliance		28,697		
3	CNG Regulatory		91,236		
4	Compliance Counsel		3,602		
5	WUTC Mics		424,798		
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24					
25	**Total**	2,032,635	548,333		

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	2,032,635				
2	Gas	928	28,697				
3	Gas	928	91,236				
4	Gas	928	3,602				
5	Gas	928	424,798				
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25			2,580,968				

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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	8,694,256
2	Pensions – other	
3	Post-retirement benefits other than pensions (PBOP)	9,608,838
4	Post- employment benefit plans	
5	Other (Specify)	1,712,158
6	Flex Benefits	21,423,522
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	Total	**41,438,774**

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Puget Sound Energy, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/17/2015	End of 2014/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	19,043,700		217,863	19,261,563
4	Transmission	6,196,721		70,892	6,267,613
5	Distribution	14,108,301		161,401	14,269,702
6	Customer Accounts	11,236,685		128,550	11,365,235
7	Customer Service and Informational	1,554,447		17,783	1,572,230
8	Sales	295,272		3,378	298,650
9	Administrative and General	27,083,604		309,841	27,393,445
10	TOTAL Operation (Total of lines 3 thru 9)	79,518,730		909,708	80,428,438
11	Maintenance				
12	Production	5,530,074		63,265	5,593,339
13	Transmission	2,165,306		24,771	2,190,077
14	Distribution	11,761,950		134,559	11,896,509
15	Administrative and General	317,889		3,637	321,526
16	TOTAL Maintenance (Total of lines 12 thru 15)	19,775,219		226,232	20,001,451
17	Total Operation and Maintenance				
18	Production (Total of lines 3 and 12)	24,573,774		281,128	24,854,902
19	Transmission (Total of lines 4 and 13)	8,362,027		95,663	8,457,690
20	Distribution (Total of lines 5 and 14)	25,870,251		295,960	26,166,211
21	Customer Accounts (line 6)	11,236,685		128,550	11,365,235
22	Customer Service and Informational (line 7)	1,554,447		17,783	1,572,230
23	Sales (line 8)	295,272		3,378	298,650
24	Administrative and General (Total of lines 9 and 15)	27,401,493		313,478	27,714,971
25	TOTAL Operation and Maintenance (Total of lines 18 thru 24)	99,293,949		1,135,940	100,429,889
26	Gas				
27	Operation				
28	Production - Manufactured Gas	108,135		1,237	109,372
29	Production - Natural Gas(Including Exploration and Development)	213,408		2,441	215,849
30	Other Gas Supply	501,022		5,732	506,754
31	Storage, LNG Terminaling and Processing				
32	Transmission	19,263,038		220,372	19,483,410
33	Distribution	1,093,175		12,506	1,105,681
34	Customer Accounts	6,688,544		76,518	6,765,062
35	Customer Service and Informational	830,954		9,506	840,460
36	Sales	1,888,463		21,604	1,910,067
37	Administrative and General	11,008,049		125,936	11,133,985
38	TOTAL Operation (Total of lines 28 thru 37)	41,594,788		475,852	42,070,640
39	Maintenance				
40	Production - Manufactured Gas				
41	Production - Natural Gas(Including Exploration and Development)				
42	Other Gas Supply				
43	Storage, LNG Terminaling and Processing	295,539		3,381	298,920
44	Transmission				
45	Distribution	4,745,881		54,294	4,800,175

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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	390,177		4,464	394,641
47	TOTAL Maintenance (Total of lines 40 thru 46)	5,431,597		62,139	5,493,736
48	Gas (Continued)				
49	Total Operation and Maintenance				
50	Production - Manufactured Gas (Total of lines 28 and 40)	108,135		1,237	109,372
51	Production - Natural Gas (Including Expl. and Dev.)(ll. 29 and 41)	213,408		2,441	215,849
52	Other Gas Supply (Total of lines 30 and 42)	501,022		5,732	506,754
53	Storage, LNG Terminaling and Processing (Total of ll. 31 and 43)	295,539		3,381	298,920
54	Transmission (Total of lines 32 and 44)	19,263,038		220,372	19,483,410
55	Distribution (Total of lines 33 and 45)	5,839,056		66,800	5,905,856
56	Customer Accounts (Total of line 34)	6,688,544		76,518	6,765,062
57	Customer Service and Informational (Total of line 35)	830,954		9,506	840,460
58	Sales (Total of line 36)	1,888,463		21,604	1,910,067
59	Administrative and General (Total of lines 37 and 46)	11,398,226		130,400	11,528,626
60	Total Operation and Maintenance (Total of lines 50 thru 59)	47,026,385		537,991	47,564,376
61	Other Utility Departments				
62	Operation and Maintenance				
63	TOTAL ALL Utility Dept. (Total of lines 25, 60, and 62)	146,320,334		1,673,931	147,994,265
64	Utility Plant				
65	Construction (By Utility Departments)				
66	Electric Plant	36,443,145		416,915	36,860,060
67	Gas Plant	18,595,226		212,732	18,807,958
68	Other	12,489,622		142,883	12,632,505
69	TOTAL Construction (Total of lines 66 thru 68)	67,527,993		772,530	68,300,523
70	Plant Removal (By Utility Departments)				
71	Electric Plant	1,823,211		20,858	1,844,069
72	Gas Plant	849,758		9,721	859,479
73	Other	811,320		9,282	820,602
74	TOTAL Plant Removal (Total of lines 71 thru 73)	3,484,289		39,861	3,524,150
75	Other Accounts (Specify) (footnote details)	20,948,852		239,657	21,188,509
76	TOTAL Other Accounts	20,948,852		239,657	21,188,509
77	TOTAL SALARIES AND WAGES	238,281,468		2,725,979	241,007,447

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FOOTNOTE DATA

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

Other Accounts	Direct Payroll Distribution	Allocation of Payroll Charged for Clearing Accounts	Total
121 Non Utility Property	201,813	2,309	204,122
163 Store Expense	3,446,204	39,425	3,485,629
182 Regulatory Asset	12,270,902	140,381	12,411,283
185 Temporary Facilities	2,225	25	2,250
186 Misc. Deferred Debits	3,411,250	39,025	3,450,275
Misc. 400 Accounts	1,463,194	16,739	1,479,933
143 Accts Receivable Misc.	91,121	1,042	92,163
Prelim Survey OG 183	(4,799)	(55)	(4,854)
Misc. 200 Accounts	21,382	247	21,629
Jackson Prairie Joint Venture - Capital - PSE Share	45,560	521	46,081
Jackson Prairie Joint Venture - Expense - PSE Share	0	0	0
TOTAL	20,948,852	239,659	21,188,511

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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	126,019,232
2	INFRASOURCE SERVICES LLC	97,228,966
3	CELLNET TECHNOLOGY MIDWEST INC	32,182,456
4	AA ASPHALTING INC	24,302,834
5	ASPLUNDH TREE EXPERTS	18,593,365
6	VESTAS	14,546,902
7	POTELCO INC	8,529,422
8	SIEMENS ENERGY INC	6,140,478
9	HYDROMAX USA LLC	5,762,717
10	SULZER TURBO SERVICES	5,451,334
11	PERKINS COIE LLP	5,007,012
12	MECHANICAL DYNAMICS & ANALYSIS LTD	4,912,474
13	GE INTERNATIONAL INC	4,611,594
14	GEOENGINEERS INC	4,279,143
15	USIC LOCATING SERVICES INC	3,829,923
16	SAP INDUSTRIES INC	3,609,403
17	BARNARD CONSTRUCTION COMPANY INC	3,128,926
18	PRICEWATERHOUSECOOPERS LLP	2,821,614
19	DMI DRILLING CONSTRUCTION	2,720,486
20	WILSON CONSTRUCTION CO INC	2,611,611
21	AEROTEK INC	2,513,479
22	SURVEYS & ANALYSIS INC	2,373,891
23	BROAD REACH IT INC	2,177,362
24	BANK OF AMERICA	2,118,938
25	ACTIVE TELESOURCE INC	2,038,742
26	NW UTILITY SERVICES LLC	2,000,675
27	RIDDELL WILLIAMS PS	1,978,473
28	ENVIROISSUES INC	1,923,048
29	METROPOLITAN CONTRACTING LLC	1,911,336
30	CONVERGENT OUTSOURCING INC	1,852,941
31	HODGE CONSTRUCTION INC	1,714,824
32	MICHELS POWER	1,583,151
33	FISERV ELECTRONIC PAYMENT SERVICES	1,535,935
34	WYSER CONSTRUCTION CO INC	1,520,597
35	BOSTON CONSULTING GROUP INC	1,500,000

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Charges for Outside Professional and Other Consultative Services (continued)

Line No.	Description (a)	Amount (in dollars) (b)
1	HDR ENGINEERING INC	1,455,072
2	POWER ENGINEERS INC	1,372,543
3	ECOVA INC	1,322,463
4	ALVAREZ & MARSAL BUSINESS CONSULTIN	1,272,441
5	POTTLE & SONS CONSTRUCTION INC	1,214,641
6	UBISENSE INC	1,191,919
7	MINE DEVELOPMENT & ENGINEERING	1,042,374
8	ELM LOCATING & UTILITY SERVICES	1,030,533
9	WASHINGTON ENERGY SERVICES CO	975,343
10	DAVID EVANS & ASSOCIATES INC	948,967
11	JOHANSEN EXCAVATING INC	945,241
12	ORACLE AMERICA INC	920,794
13	KUBRA DATA TRANSFER LTD	885,186
14	COLEHOUR & COHEN INC	883,272
15	SCOTTMADDEN INC	865,800
16	OPOWER INC	855,035
17	KENWORTH NORTHWEST INC	836,767
18	ABB INC	829,575
19	TAMAZARI INC	816,921
20	HELICAL PIER SYSTEMS INC	810,207
21	HYDRO CONSULTING & MAINTENANCE	796,619
22	ARROW INSULATION INC	766,187
23	WA STATE DEPT OF TRANSPORTATION	758,830
24	SOLAR TURBINES INC	752,963
25	BLACK & VEATCH CORPORATION	739,131
26	POWER SYSTEMS CONSULTANTS INC	738,883
27	AIM CONSULTING GROUP LLC	712,787
28	TETRA TECH INC	705,360
29	WALKER HEAVY CONSTRUCTION INC	685,143
30	GORDON TILDEN THOMAS & CORDELL	668,278
31	PROTIVITI INC	655,951
32	MCKINSTRY ESSENTION LLC	654,258
33	SOGETI USA LLC	617,540
34	CYIENTINC	605,585
35	VAN NESS FELDMAN LLP	604,668

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Charges for Outside Professional and Other Consultative Services (continued)

Line No.	Description (a)	Amount (in dollars) (b)
1	MAGNUM POWER LLC	599,743
2	SAFWAY SERVICES LLC	596,641
3	LOCATING INC	594,777
4	OSMOSE UTILITIES SERVICES INC	593,229
5	KLOHN CRIPPEN BERGER LTD	582,559
6	LIMITED ENERGY SERVICES INC	581,922
7	EASI LLC	541,620
8	UCONS LLC	538,995
9	COLUMBIAGRID INC	529,275
10	PUGET SOUND SECURITY SERVICES INC	515,277
11	CH2M HILL ENGINEERS INC	507,306
12	PORTLAND ENERGY CONSERVATION INC	499,687
13	LIMEADE INC	496,674
14	MERCER HUMAN RESOURCE CONSULTING	492,577
15	STOEL RIVES LLP	471,109
16	LITOSTROJ HYDRO INC	422,260
17	LEVEL FOUR SOLUTIONS GROUP INC	420,323
18	BRADSON TECHNOLOGY PROFESSIONALS	418,240
19	CLEARESULT CONSULTING	413,599
20	CONSERVATION SERVICES GROUP INC	411,208
21	ALSTOM POWER INC	408,129
22	SHANNON & WILSON INC	409,186
23	PA CONSULTING GROUP INC	403,500
24	KEMA INC	402,235
25	UNIVERSAL FIELD SERVICES INC	401,895
26	IMCO GENERAL CONSTRUCTION INC	398,195
27	OPENLINK FINANCIAL LLC	398,066
28	DELOITTE CONSULTING LLP	397,467
29	APPLIED PROFESSIONAL SERVICES INC	396,710
30	SIGNATURE LANDSCAPE SERVICES INC	390,451
31	SERVICENOW INC	386,000
32	E M KAELIN TRUCKING	384,439
33	SOUND VIEW STRATEGIES LLC	384,208
34	GE ENERGY CONTROL SOLUTIONS INC	377,038
35	NEXUS IS INC	376,861

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Charges for Outside Professional and Other Consultative Services (continued)

Line No.	Description (a)	Amount (in dollars) (b)
1	STEELHEAD COMMUNICATIONS INC	368,487
2	UTILITIES UNDERGROUND LOCATION CTR	365,406
3	SNC-LAVALIN CONSTRUCTORS INC	364,640
4	POINT B INC	350,938
5	CADMUS GROUP INC	346,620
6	EMERALD CITY MOVING & STORAGE	346,315
7	CORNERSTONE ONDEMAND INC	345,633
8	FORD QUALITY FLEET CARE	342,534
9	EASTSIDE CORRIDOR CONSTRUCTORS	341,173
10	TEREX UTILITIES INC	335,592
11	PUTNAM ROBY WILLIAMSON	335,475
12	TAIT NORTH AMERICA INC	334,607
13	SALISH CONSTRUCTION COMPANY	334,113
14	APS SURVEY AND MAPPING LLC	331,103
15	CORPORATE EXECUTIVE BOARD	321,516
16	NAVISTAR INC	320,935
17	GEODIGITAL INTERNATIONAL CORP	319,686
18	VAROLII CORPORATION	318,697
19	DAVIS WRIGHT TREMAINE LLP	318,194
20	NESS & CAMPBELL CRANE INC	314,430
21	WILLDAN ENERGY SOLUTIONS	312,907
22	ALLTECK LINE CONTRACTORS INC	309,219
23	GOLDER ASSOCIATES INC	308,517
24	JANICKI LOGGING & CONSTRUCTION INC	307,784
25	COMMONWEALTH ASSOCIATES INC	306,638
26	SEATTLE WUNDERMAN NETWORK LLC	305,529
27	WESTERN INC (TOTAL)	301,009
28	BAKER BOTTS LLP	292,766
29	AI ENGINEERING LLC	292,257
30	FUJI ELECTRIC CORPORATION OF	289,536
31	SYSTEM TRANSFER & STORAGE CO	286,563
32	CBI SERVICES INC	282,041
33	RPM SERVICES LLC	278,395
34	STRATEGIC ASSET MANAGEMENT INC	277,836
35	KPMG LLP	277,794

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	04/17/2015	End of 2014/Q4

Charges for Outside Professional and Other Consultative Services (continued)

Line No.	Description (a)	Amount (in dollars) (b)
1	ROHLINGER ENTERPRISES INC	274,852
2	NAVIGANT CONSULTING INC	270,150
3	TENSING HOLDINGS USA LLC	269,989
4	ADAPT INC	265,510
5	BLUE SKY LANDSCAPE SERVICES	264,204
6	EMC RESEARCH INC	261,785
7	STENSTROM GROUP INC	261,370
8	CASCADE ENERGY ENGINEERING INC	256,813
9	NORTHWEST PIPELINE GP	256,733
10	FORRESTER RESEARCH INC	256,524
11	NORTH SKY ENGINEERING INC	256,483
12	PARAGO SERVICES CORP	256,228
13	BANK OF AMERICA LEASING & CAPITAL L	256,225
14	MOODYS INVESTORS SERVICE INC	256,000
15	CASTLE WALLS LLC	254,975
16	ALTEC INDUSTRIES INC	254,293
17	AGT SERVICES INC	252,000
18	Others <$250,000	34,641,374
19		
20	Total	502,362,355
21		
22		
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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	04/17/2015	End of 2014/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	9	34,200	51,302,862
2				
3				
4				
5	Note: Jointly owned by:			
6	33.34% Puget Sound Energy			
7	33.33% Avista			
8	33.33% Williams Gas Pipeline			
9				
10	Column (d) represents 100% of Plant Cost			
11	PSE's 33.34% interest = $17,104,374.31			
12				
13				
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15				
16				
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22				
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25				

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				207,432		6,172	6	02/06/2014
2								
3								
4								
5								
6								
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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	04/17/2015	End of 2014/Q4

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	NOTE - Although reported in the past, the Jackson Prairie station lines do not		
6	meet FERC's definition of transmission lines and therefore are no longer		
7	reported on Page 514.		
8			
9			
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Name of Respondent	This Report Is:	Date of Report	Year of Report
Puget Sound Energy, Inc.	(1) * An Original (2) A Resubmission	(Mo, Da, Yr) 4/17/2015	Dec. 31, 2014

TRANSMISSION MAINS

(Supplement to Page 514)

Type Of Material (A)	Lengths of Pipe in Feet				
	Diameter Pipe Inches (B)	Beginning Of Year (C)	Laid During Year (D)	Abandoned During Year (E)	End Of Year (F)
ST	2	0	0	0	0
ST	4	0	0	0	0
ST	6	0	0	0	0
ST	8	0	0	0	0
ST	12	0	0	0	0
ST	16	0	0	0	0
ST	20	0	0	0	0
STW	12	0	0	0	0
STW	16	0	0	0	0
STW	20	0	0	0	0
	Totals	0	0	0	0

NOTE - After review of the company's gas plant and applying definitions 29 (B) & (C) of the Uniform System of Accounts, it was determined that the company's gas mains are more appropriately classified as distribution property for accounting purposes.

Name of Respondent	This Report Is:		Date of Report	Year of Report
Puget Sound Energy, Inc.	(1) * An Original (2) A Resubmission		(Mo, Da, Yr) April 17, 2015	December 31, 2014

DISTRIBUTION MAINS

(Supplement to Page 514)

Kind Of Material (A)	Diameter Pipe Inches (B)	Lengths of Pipe in Feet: Beginning Of Year (C)	Laid During Year (D)	Abandoned During Year (E)	Transferred During Year (F)	End Of Year (G)
CI	03.000	0	0	0	0	0
CI	04.000	0	0	0	0	0
CI	06.000	0	0	0	0	0
CI	08.000	0	0	0	0	0
CI	10.000	0	0	0	0	0
CI	12.000	0	0	0	0	0
CI	16.000	0	0	0	0	0
CI	20-24	0	0	0	0	0
Total Cast Iron		0	0	0	0	0
PE	01.125	78,426	1,890	105	0	80,211
PE	01.250	2,445,970	10,222	2,184	(3)	2,454,005
PE	02.000	16,881,331	556,167	8,512	0	17,428,986
PE	03.000	62,921	1	4	0	62,918
PE	04.000	5,600,383	135,258	13,196	0	5,722,445
PE	06.000	2,471,034	70,083	1,823	0	2,539,294
PE	08.000	728,268	37,517	757	0	765,028
PE	1.250-2	17,498,799	0	45,321	0	17,453,478
Total Plastic		45,767,132	811,138	71,902	(3)	46,506,365
ST (Bare Steel)	0.750-2.50	99,919	30	99,949	0	0
ST	03.000	0	0	0	0	0
ST	4.000-5	54,133	0	54,133	0	0
ST	06.000	12,970	0	12,970	0	0
ST	8.000-10	9,271	0	9,271	0	0
ST	12.000	0	0	0	0	0
ST	14.000-16	0	0	0	0	0
ST	16.000	0	0	0	0	0
ST	20.000	0	0	0	0	0
Total Bare Steel		176,293	30	176,323	0	0
STW (Steel Wrap)	0.750-01.750	12,996,883	17	9,694	(5,042,260)	7,944,946
STW	01.250	5,468	95,434	686	5,042,260	5,142,476
STW	02.000	3,776,356	11,662	41,809	0	3,746,209
STW	03.000	12,383	0	0	0	12,383
STW	04.000	1,283,458	21,792	1,140	0	1,304,110
STW	4.000-5	1,537,971	0	5,965	0	1,532,006
STW	06.000	1,896,923	5,086	5,806	0	1,896,203
STW	08.000	603,455	669	1,138	0	602,986
STW	8.000-10	182,013	0	972	0	181,041
STW	12.000	719,461	2,675	134	0	722,002
STW	14.000-16	6,696	0	0	0	6,696
STW	16.000	771,312	2,104	901	0	772,515
STW	20.000	39,242	0	0	0	39,242
Total Steel Wrap		23,831,621	139,439	68,245	0	23,902,815
Total Steel		24,007,914	139,469	244,568	0	23,902,815
Combined Total		69,775,046	950,607	316,470	(3)	70,409,180

Name of Respondent	This Report Is;	Date of Report	Year of Report
Puget Sound Energy, Inc.	(1) * An Original (2) A Resubmission	(Mo, Da, Yr) April 17, 2015	Dec. 31, 2014

SERVICE PIPES FERC 380- GAS
(Supplement to Page 514)

Type of Service			Number of services				
Type of Material (A)	Type of Service Facility (B)	Pipe Inches (C)	Beginning Of Year (D)	Added (E)	Retired (F)	End Of Year (G)	Average Length Feet (I)
KR	EXTN	.50 - 2.00	48	0	1	13	
KR	STUB	.50 - 2.00		0	1	33	
TOTAL KR			48	0	2	46	
PE	EUF	0.625	1,078,082	0	0	1	9
PE	EXTN	0.625		1,355	1,417	542,587	
PE	STUB	0.625		1,332	1,242	517,976	
PE	TWIN	0.625		10	247	17,309	
PE	EUF	1.125	126,178	0	6	79	29
PE	EXTN	1.125		7,817	156	70,915	
PE	STUB	1.125		10,209	125	70,724	
PE	TWIN	1.125		276	9	2,466	
PE	EUF	1.25	43,853	2	1	72	74
PE	EXTN	1.25		401	127	21,781	
PE	STUB	1.25		429	90	22,440	
PE	TWIN	1.25		9	17	166	
PE	EUF	2	20,716	0	2	59	96
PE	EXTN	2		154	38	10,676	
PE	STUB	2		161	19	10,234	
PE	TWIN	2		1	0	4	
PE	EUF	4	3,609	0	0	16	11
PE	EXTN	4		4	1	1,736	
PE	STUB	4		6	2	1,864	
PE	EXTN	6	64	0	0	28	
PE	STUB	6		0	0	36	
PE	EXTN	8	0	1	0	1	54
PE	STUB	8		1	0	1	
TOTAL PE			1,272,502	22,168	3,499	1,291,171	
ST	EXTN	.750-1	92,184	0	45,910	0	
ST	STUB	.750-1		0	46,274	0	
ST	EXTN	1.250-2	16,743	10	8,789	0	
ST	STUB	1.250-2		0	7,964	0	
ST	EXTN	3-4	540	0	271	0	
ST	STUB	3-4		0	269	0	
ST	EXTN	6	15	0	7	0	
ST	STUB	6		0	8	0	
ST	EXTN	8	0	0	0	0	
ST	STUB	8		0	0	0	
ST	EXTN	12	8	0	4	0	
ST	STUB	12		0	4	0	
TOTAL ST			109,490	10	109,500	0	
STW	EXTN	0.75	56,686	1	1,106	26,099	14
STW	STUB	0.75		2	1,038	28,446	
STW	EXTN	1	94,122	870	26	47,876	4
STW	STUB	1		870	30	47,930	
STW	EXTN	.750-1	0	41,917	0	41,917	
STW	STUB	.750-1		42,288	0	42,288	
STW	EXTN	1.25	4,247	11	88	1,459	55
STW	STUB	1.25		12	88	2,635	
STW	EXTN	1.250-2	0	6,707	0	6,707	
STW	STUB	1.250-2		5,890	0	5,890	
STW	EXTN	2	12,870	24	32	6,421	17
STW	STUB	2		22	24	6,439	
STW	EXTN	3	101	0	1	46	
STW	STUB	3		0	2	52	
STW	EXTN	4	54	5	2	32	45
STW	STUB	4		5	6	24	
STW	EXTN	3-4	0	204	0	204	
STW	STUB	3-4		203	0	203	
STW	EUF	6	56	0	0	2	
STW	EXTN	6		4	0	32	
STW	STUB	6		6	0	32	
STW	EXTN	8	22	1	0	12	
STW	STUB	8		0	0	11	
STW	EXTN	12	0	3	0	3	
STW	STUB	12		3	0	3	
TOTAL STW			168,158	99,048	2,443	264,763	
		Total*	1,550,198	121,226	115,444	1,555,980	

Type of Material	Type of Service Facility	Pipe Inches	
PE = Plastic	EXTN = Extension	.500 = 1/2	1.125 = 1 1/8
ST = Steel Bare	STUB = Stub	.625 = 5/8	1.250 = 1 1/4
STW = Steel Wrap	TWIN = Twin		
KR = Copper	EUF = Extended Utility Facility		

Total* - indicates total pipes not number of services (services can be a combination of STUB, EXTN, EUF & TWIN pipes)

NOTE 1

MPE beginning balances, additions and retirements combined with PE balances for each size.

Name of Respondent	This Report Is:	Date of Report	Year of Report
	(1) * An Original		
Puget Sound Energy, Inc.	(2) A Resubmission	April 17, 2015	December 31, 2014

CUSTOMER METERS FERC 381 & 385
(Supplement to Page 514)

	(1)	(2)		Number of Meters			
Size of Meter (Class)	Type of Meter	Make of Meter	Capacity of Meter	Beginning Of Year	Added	Retired	End Of Year
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
100	A	R,Am,Sp	100-199	135,429	5	16,377	119,057
200	A	R,Am,Sp,Sch,Eq	200-299	699,031	23,956	3,992	718,995
300	A	Am	300-399	24	1		25
400	A	Sp,Am	400-599	36,515	4,109	221	40,403
600	A	Sp	600-699	1,289	768		2,057
700	A	R	700-749	2,343	0		2,343
800	A,R	Am,R,Dr	800-999	1,346	0	14	1,332
1000	A	Am	1000-1199	27,918	2	31	27,889
1200	A	Am	1200-1399	12			12
1400	A	Am	1400-1499	741			741
1500	R,RTC	Dr	1500-2299	60			60
2300	A	Am	2300-2999	878			878
3000	IC,R,RTC,A	Am,R,Dr	3000-4999	1,510	100		1,610
5000	A,R,RTC	Am,R,Dr	5000-6999	1,843	100		1,943
7000	R,RTC	Dr,Rm	7000-9999	507	75		582
10000	R,RTC	Am,R,Dr	10000-10999	43			43
11000	R,RTC	Dr	11000-15999	461	50		511
16000	R,T,RTC	Am,R	16000-17999	279	60		339
18000	T	Am,R	18000-22999	12			12
23000	R	Am,Dr	23000-24999	69	16		85
25000	R,T	Am,R,Dr	25000-29999	1			1
30000/6"	T	Am,R,Dr	30000-34999	90			90
35000	R,T	Am,R,Dr	35000-37999	1			1
38000	R	Dr	38000-59999	21			21
60000	T	Am,R	60000-139999	53			53
140000	T	Am,R,Dr	140000-149999	1			1
150000	T	Am	150000	18			18
				910,495	**29,242**	**20,635**	**919,102**

(1)--Meter Type Codes	(2)--Make of Meter	
A--Aluminum	Am--American	Sch--Schlumberger
IC--Iron Case	Eq--Equimeter	Sp--Sprague
R--Rotary	Dr--Dresser	
RTC--Rty.Temp.Comp	R--Rockwell	
T--Turbine	Rm--Romet	

NOTE

Misc. - Meter Install, Lg IND (Class >1000) has a year end quantity of 6,139.

FERC FORM 2, 514e
Regulators
Year Ending December 31, 2014

Name of Respondent	This Report Is:	Date of Report	Year of Report
Puget Sound Energy, Inc.	(1) * An Original (2) A Resubmission	April 17, 2015	December 31, 2014

REGULATORS
(Supplement to Page 514)

				Number of Regulators			
Size (A)	Type (B)	Make (C)	Capacity (D)	In Service Beginning of Year (E)	Added During Year (F)	Retired During Yea (G)	In Service End of Year (H)
3/4 X 1	S102	Fisher	430CFH	3,925		303	3,622
2 X 2 1-1/2 X 1-1/2	S202	Fisher	3750-3780CFH	950		72	878
3/4 X 1	S252	Fisher	425CFH	719,564	17,659	2,296	734,927
1-1/4 X 1-1/4	S302	Fisher	1250CFH	16,275		92	16,183
3/4 X 1	S402	Fisher	900-1500PSI	1,878			1,878
1-1/4 X 1	S800	Fisher	630CCF	691	432		1,123
3/4 X 1 1X1-1/4 1-1/4 X 1-1/4	1813C	American	425-1000CFH	1,691	1,791	944	2,538
3/4X1	1883B2	American	1200CFH	4			4
				744,978	**19,882**	**3,707**	**761,153**

Adjusted S252 additions to match ending balance number in PowerPlant. Added 1420 to balance.

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	04/17/2015	End of 2014/Q4

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	SWARR STATION - RENTON	PROPANE AIR	30,000	5,999,767	No
2	DIERINGER/NORTH TACOMA STATION	PROPANE AIR		763,153	No
3	LNG SATELLITE - GIG HARBOR	LNG	16,082	14,498,012	Yes
4	JACKSON PRAIRIE - CHEHALIS	UNDERGROUND STORAGE	1,196,000	42,507,001	Yes
5					
6	Schedule Page: 519 Line No: 4 Column: a				
7	Cost is shown for PSE's 1/3 share of				
8	entire plant that is jointly owned by:				
9	33.34% Puget Sound Energy Inc.				
10	33.33% Avista				
11	33.33% Williams Gas Pipeline				
12					
13	PSE's Non-recoverable Cushion Gas				
14	is valued at $4,185,430.83 and is				
15	included within the amount listed in 4d				
16					
17					
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26					
27					
28					
29					
30					

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	04/17/2015	End of 2014/Q4

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)		84,697,119	26,176,032
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	21,142,908	5,526,549
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)		13,494,307	4,471,557
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)		119,334,334	36,174,138
17	GAS DELIVERED			
18	Gas Sales (Accounts 480-484)		84,211,190	26,630,182
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	21,142,908	5,256,549
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)		14,064,781	3,007,844
28	Gas Used for Compressor Station Fuel	509	246,345	39,152
29	Other Deliveries and Gas Used for Other Operations		305,049	51,071
30	Total Deliveries (Total of lines 18 thru 29)		119,970,273	34,984,798
31	GAS LOSSES AND GAS UNACCOUNTED FOR			
32	Gas Losses and Gas Unaccounted For		(635,939)	1,189,340
33	TOTALS			
34	Total Deliveries, Gas Losses & Unaccounted For (Total of lines 30 and 32)		119,334,334	36,174,138

Name of Respondent Puget Sound Energy, Inc.	This Report is: (1) X An Original (2) _ A Resubmission	Date of Report (Mo, Da, Yr) 04/17/2015	Year/Period of Report 2014/Q4

FOOTNOTE DATA

Schedule Page: 520 Line No.: 32 Column: c

PSE Notes that distribution losses result from immaterial losses of inventory during deliveries and withdrawls of gas.

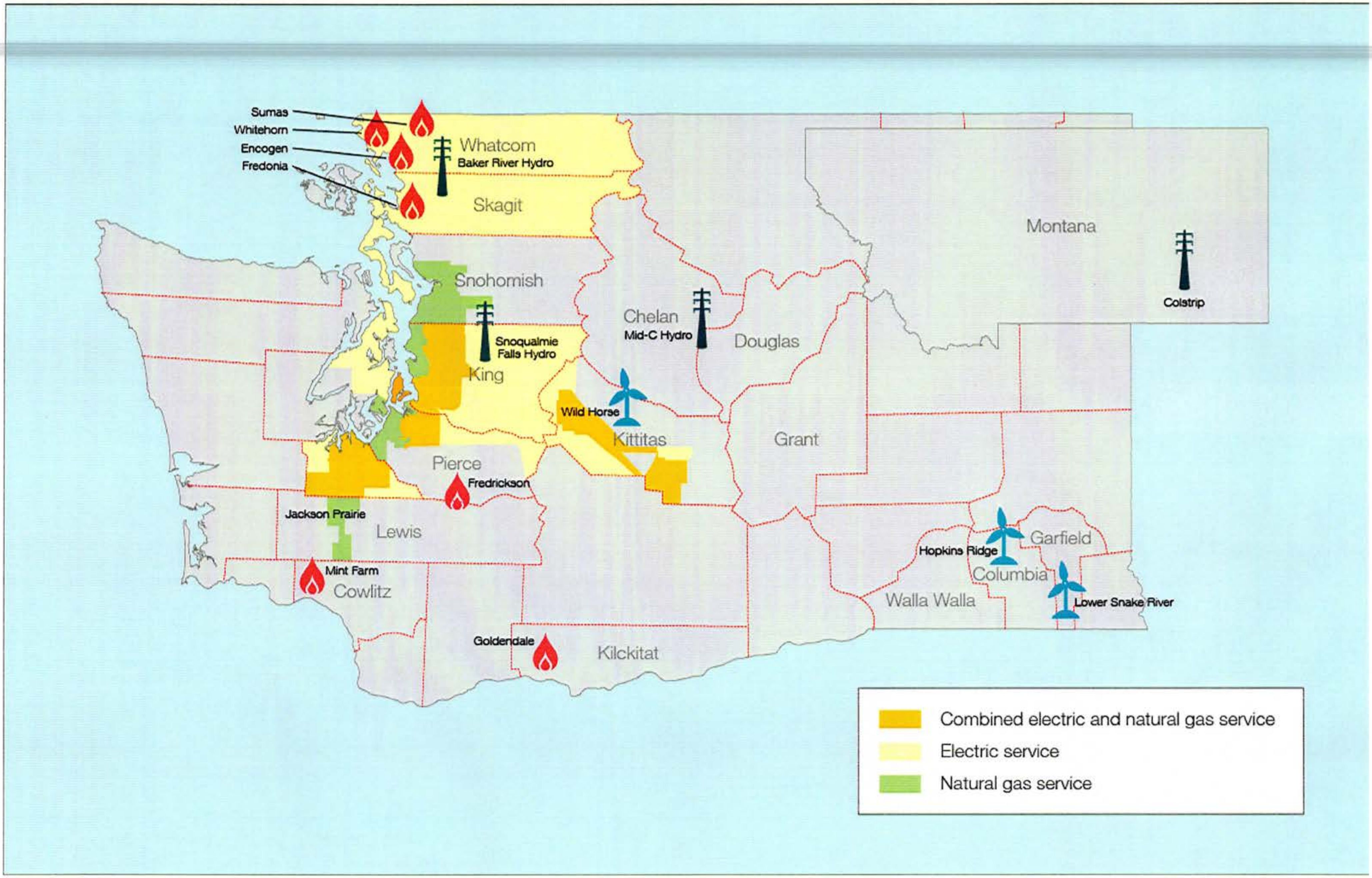
Schedule Page: 520 Line No.: 32 Column: d

PSE notes that distribution losses result from immaterial losses of inventory during deliveries and withdrawls of gas.

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	04/17/2015	2014/Q4

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.


Sumas
Whitehorn
Encogen
Fredonia
Whatcom
Baker River Hydro
Skagit
Snohomish
Snoqualmie Falls Hydro
King
Pierce
Fredrickson
Jackson Prairie
Lewis
Mint Farm
Cowlitz
Goldendale
Kilckitat
Wild Horse
Kittitas
Chelan
Mid-C Hydro
Douglas
Grant
Montana
Colstrip
Hopkins Ridge
Garfield
Columbia
Walla Walla
Lower Snake River
Combined electric and natural gas service
Electric service
Natural gas service

2014

WUTC

Supplemental pages for Gas

PUGET SOUND ENERGY
Data Request for Statistics Report

		2014	2013	2014	2013
		Total Company Operations		Washington Operations	
Line No.		Current Year	Prior Year	Current Year	Prior Year
1	GAS SERVICE REVENUES				
2					
3	RESIDENTIAL SALES	$ 644,054,556	$ 682,636,480	$ 644,054,556	$ 682,636,480
4	COMMERCIAL SALES	281,525,754	293,102,452	281,525,754	293,102,452
5	INDUSTRIAL SALES	25,366,175	27,586,984	25,366,175	27,586,984
6	OTHER SALES			-	-
7	SALES FOR RESALE			-	-
8	TRANSPORTATION OF GAS OF OTHERS	17,069,069	16,530,664	17,069,069	16,530,664
9	DECOUPLING REVENUE	31,323,693	(5,165,274)	31,323,693	(5,165,274)
10	OTHER OPERATING REVENUES (1)	13,519,882	13,665,229	13,519,882	13,665,229
11					
12	**TOTAL GAS SERVICE REVENUES**	**$ 1,012,859,129**	**$ 1,028,356,534**	**$ 1,012,859,129**	**$ 1,028,356,534**
13					
14	THERMS OF GAS SOLD-TRANSPORTED				
15					
16	RESIDENTIAL SALES	527,423,158	572,667,637	527,423,158	572,667,637
17	COMMERCIAL SALES	286,041,278	307,523,684	286,041,278	307,523,684
18	INDUSTRIAL SALES	28,647,463	31,041,968	28,647,463	31,041,968
19	OTHER SALES		-	-	-
20	SALES FOR RESALE		-	-	-
21	TRANSPORTATION OF GAS OF OTHERS	211,429,076	219,696,384	211,429,076	219,696,384
22					
23	**TOTAL THERMS OF GAS SOLD-TRANSPORTED**	**1,053,540,975**	**1,130,929,673**	**1,053,540,975**	**1,130,929,673**
24					
25	AVERAGE NUMBER OF GAS CUSTOMERS PER MONTH				
26					
27	RESIDENTIAL SALES	727,244	716,518	727,244	716,518
28	COMMERCIAL SALES	54,765	54,255	54,765	54,255
29	INDUSTRIAL SALES	2,395	2,408	2,395	2,408
30	OTHER SALES	-	-	-	-
31	SALES FOR RESALE	-	-	-	-
32	TRANSPORTATION OF GAS OF OTHERS	208	204	208	204
33					
34					
35	**TRANS. & DISTRN. MAINS - FEET (END OF YEAR)**	**70,409,180**	**69,775,046**	**70,409,180**	**69,775,046**
36	**NO. OF METERS IN SERV. & HELD IN RESERVE (AVG.)**	**761,153**	**744,978**	**761,153**	**744,978**
37	**AVERAGE B.T.U. CONTENT PER CU. FT.**	**1.051**	**1.051**	**1.051**	**1.051**