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

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

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

Exact Legal Name of Respondent (Company)	Year/Period of Report:
Puget Sound Energy, Inc.	End of: 2021/ Q4

INSTRUCTIONS FOR FILING FERC FORMS 2, 2-A and 3-Q

GENERAL INFORMATION

I. Purpose

FERC Forms 2, 2-A, and 3-Q are designed to collect financial and operational information from natural gas companies subject to the jurisdiction of the Federal Energy Regulatory Commission. These reports are also considered to be a non-confidential public use forms.

II. Who Must Submit

Each natural gas company whose combined gas transported or stored for a fee exceed 50 million dekatherms in each of the previous three years must submit FERC Form 2 and 3-Q.

Each natural gas company not meeting the filing threshold for FERC Form 2, but having total gas sales or volume transactions exceeding 200,000 dekatherms in each of the previous three calendar years must submit FERC Form 2-A and 3-Q.

Newly established entities must use projected data to determine whether they must file the FERC Form 3-Q and FERC Form 2 or 2-A.

III. What and Where to Submit

a. Submit FERC Form Nos. 2, 2-A and 3-Q electronically through the eCollection portal at https://eCollection.ferc.gov, and according to the specifications in the Form 2, 2-A and 3-Q taxonomies..

b. The Corporate Officer Certification must be submitted electronically as part of the FERC Form 2 and 3-Q filings.

c. Submit immediately upon publication, by either eFiling or mailing two (2) copies to the Secretary of the Commission, the latest Annual Report to Stockholders and any annual financial or statistical report regularly prepared and distributed to bondholders, security analysts, or industry associations. Do not include monthly and quarterly reports. Indicate by checking the appropriate box on Form 2, Page 3, List of Schedules, if the reports to stockholders will be submitted or if no annual report to stockholders is prepared. Unless eFiling the Annual Report to Stockholders, mail these reports to the Secretary of the Commission at:

   Secretary of the Commission
   Federal Energy Regulatory Commission
   888 First Street, NE
   Washington, DC 20426

d. For the Annual CPA certification, submit with the original submission of this form, a letter or report (not applicable to respondents classified as Class C or Class D prior to January 1, 1984) prepared in conformity with the current standards of reporting which will:

   i. Contain a paragraph attesting to the conformity, in all material respects, of the schedules listed below with the Commission's applicable Uniform Systems of Accounts (including applicable notes relating thereto and the Chief Accountant's published accounting releases), and

   ii. be signed by independent certified public accountants or an independent licensed public accountant certified or licensed by a regulatory authority of a State or other political subdivision of the U. S. (See 18 C.F.R. §§ 158.10-158.12 for specific qualifications.)

Reference	Reference Schedules Pages
Comparative Balance Sheet	110-113
Statement of Income	114-117
Statement of Retained Earnings	118-119
Statement of Cash Flows	120-121
Notes to Financial Statements	122-123

Filers should state in the letter or report, which, if any, of the pages above do not conform to the

e. Filers are encouraged to file their Annual Report to Stockholders, and the CPA Certification Statement using eFiling. Further instructions are found on the Commission website at https://www.ferc.gov/ferc-online/ferc-online/frequently-asked-questions-faqs-efilingferc-online .

f. Federal, State and Local Governments and other authorized users may obtain additional blank copies of FERC Form 2 and 2-A free of charge from: https://www.ferc.gov/industries-data/natural-gas/industry-forms . Copies may also be obtained from the Public Reference and Files Maintenance Branch, Federal Energy Regulatory Commission, 888 First Street, NE. Room 2A, Washington, DC 20426 or by calling (202).502-8371

IV. When to Submit:

FERC Forms 2, 2-A, and 3-Q must be filed by the dates:

a. FERC Form 2 and 2-A --- by April 18th of the following year (18 C.F.R. §§ 260.1 and 260.2)

b. FERC Form 3-Q --- Natural gas companies that file a FERC Form 2 must file the FERC Form 3-Q within 60 days after the reporting quarter (18 C.F.R.§ 260.300), and

c. FERC Form 3-Q --- Natural gas companies that file a FERC Form 2-A must file the FERC Form 3-Q within 70 days after the reporting quarter (18 C.F.R. § 260.300).

V. Where to Send Comments on Public Reporting Burden.

The public reporting burden for the Form 2 collection of information is estimated to average 1,671.66 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data-needed, and completing and reviewing the collection of information. The public reporting burden for the Form 2A collection of information is estimated to average 295.66 hours per response. The public reporting burden for the Form 3-Q collection of information is estimated to average 167 hours per response.

Send comments regarding these burden estimates or any aspect of these collections of information, including suggestions for reducing burden, to the Federal Energy Regulatory Commission, 888 First Street NE, Washington, DC 20426 (Attention: Information Clearance Officer); and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, DC 20503 (Attention: Desk Officer for the Federal Energy Regulatory Commission). No person shall be subject to any penalty if any collection of information does not display a valid control number (44 U.S.C. § 3512 (a)).

GENERAL INSTRUCTIONS

I. Prepare all reports in conformity with the Uniform System of Accounts (USofA) (18 C.F.R. Part 201). Interpret all accounting words and phrases in accordance with the USofA.

II. Enter in whole numbers (dollars or Dth) only, except where otherwise noted. (Enter cents for averages and figures per unit where cents are important. The truncating of cents is allowed except on the four basic financial statements where rounding is required.) The amounts shown on all supporting pages must agree with the amounts entered on the statements that they support. When applying thresholds to determine significance for reporting purposes, use for balance sheet accounts the balances at the end of the current reporting period, and use for statement of income accounts the current year's year to date amounts.

III. Complete each question fully and accurately, even if it has been answered in a previous report. Enter the word "None" where it truly and completely states the fact.

IV. For any page(s) that is not applicable to the respondent, indicate whether a schedule has been omitted by entering "NA," "NONE," or "Not Applicable" in column (d) on the List of Schedules, page 2.

V. Enter the month, day, and year for all dates. Use customary abbreviations. **The "Date of Report" included in the header of each page is to be completed only for resubmissions.**

VI. Generally, except for certain schedules, all numbers, whether they are expected to be debits or credits, must be reported as positive. Numbers having a sign that is different from the expected sign must be reported by enclosing the numbers in parentheses.

VII. For any resubmissions, please explain the reason for the resubmission in a footnote to the data field.

Footnote and further explain accounts or pages as necessary.

Filers should state in the letter of report, which, if any, of the pages above do not conform to the Commission's requirements. Describe the discrepancies that exist

X. Wherever (schedule) pages refer to figures from a previous period/year, the figures reported must be based upon those shown by the report of the previous period/year, or an appropriate explanation given as to why the different figures were used.

XI. Report all gas volumes in Dth unless the schedule specifically requires the reporting in another unit of measurement.

XII. Schedule specific instructions are found in the applicable taxonomy and on the applicable blank rendered form.

DEFINITIONS

I. Btu per cubic foot – The total heating value, expressed in Btu, produced by the combustion, at constant pressure, of the amount of the gas which would occupy a volume of 1 cubic foot at a temperature of 60°F if saturated with water vapor and under a pressure equivalent to that of 30°F, and under standard gravitational force (980.665 cm. per sec) with air of the same temperature and pressure as the gas, when the products of combustion are cooled to the initial temperature of gas and air when the water formed by combustion is condensed to the liquid state (called gross heating value or total heating value).

II. Commission Authorization -- The authorization of the Federal Energy Regulatory Commission, or any other Commission. Name the commission whose authorization was obtained and give date of the authorization.

III. Dekatherm – A unit of heating value equivalent to 10 therms or 1,000,000 Btu.

IV. Respondent – The person, corporation, licensee, agency, authority, or other legal entity or instrumentality on whose behalf the report is made.

VIII. Footnote and further explain accounts or pages as necessary.

IX. Do not make references to reports of previous periods/years or to other reports in lieu of required entries, except as specifically authorized.

EXCERPTS FROM THE LAW

Natural Gas Act, 15 U.S.C. 717-717w

"Sec. 10(a). Every natural-gas company shall file with the Commission such annual and other periodic or special reports as the Commission may by rules and regulations or order prescribe as necessary or appropriate to assist the Commission in the proper administration of this act. The Commission may prescribe the manner and form in which such reports shall be made and require from such natural-gas companies specific answers to all questions upon which the Commission may need information. The Commission may require that such reports include, among other things, full information as to assets and liabilities, capitalization, investment and reduction thereof, gross receipts, interest dues and paid, depreciation, amortization, and other reserves, cost of facilities, costs of maintenance and operation of facilities for the production, transportation, delivery, use, or sale of natural gas, costs of renewal and replacement of such facilities, transportation, delivery, use and sale of natural gas..."

"Section 16. The Commission shall have power to perform all and any acts, and to prescribe, issue, make, amend, and rescind such orders, rules, and regulations as it may find necessary or appropriate to carry out the provisions of this act. Among other things, such rules and regulations may define accounting, technical, and trade terms used in this act; and may prescribe the form or forms of all statements declarations, applications, and reports to be filed with the Commission, the information which they shall contain, and time within they shall be filed..."

General Penalties

The Commission may assess up to $1 million per day per violation of its rules and regulations. See NGA § 22(a), 15 U.S.C. §717t-1(a).

FERC FORM NO. 2
REPORT OF MAJOR NATURAL GAS COMPANIES

IDENTIFICATION

01 Exact Legal Name of Respondent Puget Sound Energy, Inc.	02 Year/ Period of Report End of: 2021/ Q4
03 Previous Name and Date of Change (if name changed during year) /	
04 Address of Principal Office at End of Year (Street, City, State, Zip Code) P.O. Box 97034, Bellevue, WA, 98009-9734	
05 Name of Contact Person Stephen J King	06 Title of Contact Person Controller and Principal Accounting Officer
07 Address of Contact Person (Street, City, State, Zip Code) P.O. Box 97034, Bellevue, WA, 98009-9734	

08 Telephone of Contact Person, Including Area Code 425-456-2008	09 This Report is An Original / A Resubmission (1) ☑ An Original (2) ☐ A Resubmission	10 Date of Report (Mo, Da, Yr) 04/15/2022

Annual Corporate Officer Certification

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

11 Name Stephen J King	12 Title Controller and Principal Accounting Officer
13 Signature Stephen J King	14 Date Signed 04/15/2022

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

Name of Respondent: Puget Sound Energy, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2022	Year/Period of Report: End of: 2021/ Q4

List of Schedules (Natural Gas Company)

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

72	**Shipper Supplied Gas for the Current Quarter**	521	REVISED 02-11	N/A
73	**System Maps**	522.1	REV. 12-96	
74	**Footnote Reference**			
75	**Footnote Text**			
76	**Stockholder's Reports (check appropriate box)**			
	☐ Four copies will be submitted ☑ No annual report to stockholders is prepared			

General Information

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

Stephen J King, Controller and Principal Accounting Officer

P.O. Box 97034, Bellevue, WA 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 Incorporation: WA

Date of Incorporation: 09/12/1960

Incorporated Under Special Law:

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.

(a) Name of Receiver or Trustee Holding Property of the Respondent:

(b) Date Receiver took Possession of Respondent Property:

(c) Authority by which the Receivership or Trusteeship was created:

(d) Date when possession by receiver or trustee ceased:

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

Electric - State of WashingtonNatural 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

(2) ☑ No

Name of Respondent: Puget Sound Energy, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2022	Year/Period of Report: End of: 2021/ 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%
2	Puget Equico, LLC (holds Puget Energy - PE)	I	WA	100%
3	Puget Intermediate Holdings, Inc. (holds Puget Eq)	I	WA	100%
4	Puget Holdings, LLC (holds Puget Intermediate)	I	WA	100%

Name of Respondent: Puget Sound Energy, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2022	Year/Period of Report: End of: 2021/ Q4

Corporations Controlled by Respondent

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

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

Line No.	Name of Company Controlled (a)	Type of Control (b)	Kind of Business (c)	Percent Voting Stock Owned (d)	Footnote Reference (e)
1	Puget Western, Inc.	D	Real Estate Operations	100%	Not used

Name of Respondent: Puget Sound Energy, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2022	Year/Period of Report: End of: 2021/ 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. Total: By Proxy:	3. Give the date and place of such meeting:

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		
7	TOTAL votes of security holders listed below	85,903,791	[(a)]85,903,791		
8					
9					
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19					

20					

Name of Respondent: Puget Sound Energy, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2022	Year/Period of Report: End of: 2021/ Q4

FOOTNOTE DATA

(a) Concept: NumberOfVotesOfSecurityHolders
Puget Energy is the sole shareholder of Puget Sound Energy.

Name of Respondent: Puget Sound Energy, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2022	Year/Period of Report: End of: 2021/ Q4

Important Changes During the Year

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

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

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

Location (WA)	County	Type	Category	Initial Term	Consideration
Burlington	Skagit	Electric	Expired		$ -
Sedro Wolley	Skagit	Electric	New	15 Years	$ -

2. None.

3. None.

4. None.

5. None.

6.

Credit Facilities

As of December 31, 2021, no amounts were drawn and outstanding under PSE's credit facility. No letters of credit were outstanding and $140.0 million was outstanding under the commercial paper program. Outside of the credit agreement, PSE had a $2.5 million letter of credit in support of a long-term transmission contract.

Long Term Debt

On September 15, 2021, PSE issued $450.0 million of senior secured notes at an interest rate of 2.893%. The notes were issued for a period of 30 years, mature on September 15, 2051, and pay interest semi-annually on March 15 and September 15 of each year. The proceeds from the issuance will be used for repayment of commercial paper as well as general corporate purposes. For further information, see Note 6, "Long-Term Debt" and Note 7, "Liquidity Facilities and Other Financing Arrangements" in the Company's most recent Annual Report on Form 2 for the year ended December 31, 2020.

7.

The company ("Puget Sound Energy") amended its Bylaws to increase the number of possible independent members of the board of directors. The Amended and Restated Limited Bylaws is made and entered into effective as of January 6, 2022.

8. Non-represented employees received on average a 3.46% increase effective on March 1, 2021. Employees of the IBEW received a 3.0% salary increase effective on January 1, 2021. Employees of the UA received a 9.0% salary increase effective on October 1, 2021.The estimated annual effect of these changes is $11.8 million. The current contracts with the IBEW and UA will expire March 31, 2026 and September 30, 2025, respectively.

9. Legal Proceedings:

Regulation and Rates

General Rate Case Filing

PSE filed a general rate case (GRC) which includes a three year multiyear rate plan with the Washington Commission on January 31, 2022, requesting an overall increase in electric and natural gas rates of 13.6% and 13.0% respectively in 2023; 2.5% and 2.3%, respectively in 2024; and 1.2% and 1.8%, respectively, in 2025. PSE requested a return on equity of 9.9% in all three rate years. PSE requested an overall rate of return of 7.39% in 2023; 7.44% in 2024; and 7.49% in 2025. The filing requests recovery of forecasted plant additions through 2022 as required by RCW 80.28.425 as well as forecasted plant additions through 2025, the final year of the multiyear rate plan. The next phase of the filing will be to establish a procedural calendar for the adjudication of the case.

PSE filed a GRC with the Washington Commission on June 20, 2019, requesting an overall increase in electric and natural gas rates of 6.9% and 7.9% respectively. On July 8, 2020, the Washington Commission issued its order on PSE's GRC. The ruling provided for a weighted cost of capital of 7.39% or 6.8% after-tax, and a capital structure of 48.5% in common equity with a return on equity of 9.4%. The order also resulted in a combined net increase to electric of $29.5 million, or 1.6%, and to natural gas of $36.5 million, or 4.0%. However, the Washington Commission extended the amortization of certain regulatory assets, PSE's electric decoupling deferral, and PSE's PGA deferral to mitigate the impact of the rate increase in response to the economic uncertainty created by the COVID-19 pandemic. This reduced the electric revenue increase to approximately $0.9 million, or 0.05% and the natural gas increase to $1.3 million, or 0.15% and became effective October 15, 2020 and October 1, 2020, respectively.

On August 6, 2020, PSE filed a petition for judicial review with the Superior Court of the State of Washington for King County challenging the portion of the final order that requires PSE to pass back to customers the reversal of plant-related excess deferred income taxes in a manner that may deviate from the Internal Revenue Service (IRS) normalization and consistency rules.

PSE reviewed the original Washington Commission order including the ramifications of certain tax issues and requested a Private Letter Ruling (PLR) with the IRS regarding this matter. On October 7, 2020, PSE, the Washington Commission and interveners agreed to dismiss the petition for judicial review. The agreement was based on a commitment from the Washington Commission that if the IRS ruling finds that the Washington Commission's methodology for reversing plant-related excess deferred income taxes is impermissible, the Washington Commission would open a proceeding to review and enact the changes required by the IRS ruling. There was approximately $25.6 million in annual revenue requirement related to the 2019 GRC, which PSE requested it be allowed to track and recover.

On July 30, 2021, the IRS issued a PLR to PSE which concludes that the Washington Commission's methodology for reversing plant-related excess deferred income taxes is an impermissible methodology under the IRS normalization and consistency rules. The PLR requires adjustments to PSE's rates to bring PSE back into compliance with IRS rules. Accordingly, on September 28, 2021, the Washington Commission issued an order amending their order previously issued on July 8, 2020, to correct for items which were determined to be impermissible under IRS normalization and consistency rules as detailed in the PLR. To reflect the impact of the PLR, PSE has recorded a regulatory asset and additional revenues of $24.5 million in its operating results through December 31, 2021, of which $5.6 million was collected from customers. Thus, the annualized overall rate impact is an increase of $15.8 million, or 0.7%, for electric and $3.1 million, or 0.3%, for natural gas for a total of $18.9 million with rates effective October 1, 2021. This led to an overall annualized net increase to electric rates of $77.1 million, or 3.7%, an increase of $17.5 million above the $59.6 million granted in the revised final order. The order also led to an overall annualized net increase to natural gas rates of $45.3 million, or 5.9%, an increase of $2.4 million above the $42.9 million granted in the revised final order. The Washington Commission maintained adjustments that mitigated the impacts of the rate increases in response to the economic instability created by the COVID-19 pandemic, which reduced the electric revenue increase to approximately $48.3 million, or 2.3%, and the natural gas increase to $4.9 million, or 0.6%.

Power Cost Only Rate Case

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

On March 2, 2021, the parties to the PCORC reached an unopposed multiparty settlement in principle. The settlement resulted in an estimated revenue increase of $65.3 million or 3.1%. A term of the settlement requires PSE to include in its next GRC (or another proceeding in 2022) the issue of whether the PCORC should continue, and further prohibits PSE from filing another PCORC before this issue is litigated. On June 1, 2021, the Washington Commission issued its Final Order approving and adopting the settlement and authorizing and requiring a power cost update through a compliance filing. On June 17, 2021, PSE filed a compliance filing with the Washington Commission with a revenue increase of $70.9 million or 3.3% due to the update on power costs with rates effective July 1, 2021.

Decoupling Filings

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

On December 23, 2020, the Washington Commission approved PSE's filing to update Schedule 142 decoupling amortization rates, with an effective date of January 1, 2021, by zeroing out rates still effective past October 15, 2020 on tariff sheet Schedule 142-H, which was replaced by rates on tariff sheet Schedule 142-I effective October 15, 2020. PSE included a true up of the over-collection amounts for the period of October 15, 2020 through December 31, 2020 in PSE's annual May 2021 decoupling filing.

On June 1, 2021, the Washington Commission approved the multi-party settlement agreement which was filed within PSE's PCORC filing. As part of this settlement agreement, the electric annual fixed power cost allowed revenue was updated to reflect changes in the approved revenue requirement. The changes took effect on July 1, 2021.

On September 28, 2021, the Washington Commission approved 2019 GRC filing updated to PLR changes. As part of this filing, the annual electric and gas delivery cost allowed revenue was updated to reflect changes in the approved revenue requirement. The changes took effect on October 1, 2021.

On December 31, 2021, PSE performed an analysis to determine if electric and natural gas decoupling revenue deferrals would be collected from customers within 24 months of the annual period, per ASC 980. If not, for GAAP purposes only, PSE would need to record a reserve against the decoupling revenue and regulatory asset balance. Once the reserve is probable of collection within 24 months from the end of the annual period, the reserve can be recognized as decoupling revenue. The analysis indicated that $3.0 million of electric deferred revenue will not be collected within 24 months of the annual period; therefore a reserve adjustment was booked to 2021 electric decoupling revenue. Natural gas deferred revenue will be collected within 24 months of the annual period; therefore, no reserve adjustment was booked to 2021 natural gas decoupling revenue. This compares to $8.0 million of electric deferred revenue not being collected within 24 months of the annual period in 2020; therefore, a reserve adjustment was booked to 2020 electric decoupling revenue and natural gas deferred revenue would be collected within 24 months of the annual period; therefore no reserve adjustment was booked to 2020 natural gas decoupling revenue.

Power Cost Adjustment Clause Filing

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

PSE exceeded the $20.0 million cumulative deferral balance in its PCA mechanism in 2020. The surcharging of deferrals can be triggered by the Company when the balance in the deferral account is a credit of $20.0 million or more. During 2020, actual power costs were higher than baseline power costs, thereby creating an under-recovery of $76.1 million. Under the terms of the PCA's sharing mechanism for under-recovered power costs, PSE absorbed $32.1 million of the under-recovered amount, and customers were responsible for the remaining $44.0 million, or $46.0 million including interest. PSE filed to recover the deferred balance in Docket UE-210300, effective December 1, 2021, and the Washington Commission approved PSE's request on September 30, 2021.

Purchased Gas Adjustment Mechanism

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

On October 28, 2021, the Washington Commission approved PSE's request for November 2021 PGA rates in Docket UG-210721, effective November 1, 2021. As part of that filing, PSE requested an annual revenue increase of $59.1 million; where PGA rates, under Schedule 101, increase annual revenue by $80.6 million, and the tracker rates under Schedule 106, decrease annual revenue by $21.5 million. Those rate increases will be set in addition to continuing the collection on the remaining balance of $69.4 million under Supplemental Schedule 106B.

The following table presents the PGA mechanism balances and activity at December 31, 2021 and December 31, 2020:

Puget Sound Energy
(Dollars in Thousands)

PGA receivable balance and activity	At December 31, 2021	At December 31, 2020
PGA receivable beginning balance	$ 87,655	$ 132,766
Actual natural gas costs	364,775	314,792
Allowed PGA recovery	(396,236)	(363,886)
Interest	1,741	3,983
PGA receivable ending balance	$ 57,935	$ 87,655

Crisis Affected Customer Assistance Program

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

On March 28, 2021, the Washington Commission approved PSE's second Crisis Affected Customer Assistance Program (CACAP-2), effective April 12, 2021. CACAP-2 will provide up to $2,500 in bill assistance per year for each qualifying low-income household. The CACAP-2 total program budget is $20.0 million for electric customers and $7.7 million for natural gas customers. Natural gas funds may be used for electric bills if necessary. Customers may apply for CACAP-2 more than once during the 12-month program year of October-September.

On October 15, 2021, PSE submitted for the Washington Commission's review and approval a Supplemental CACAP filing to continue assistance for PSE customers facing financial hardship due to COVID-19. The Supplemental CACAP would utilize carry-over funds not expended in any prior years under PSE's Schedule 129 Home Energy Lifeline Program. The Supplemental CACAP benefits, for both electric and natural gas residential customers, would be a combined total of $34.5 million and be capped at $23.7 million and $10.8 million, respectively. Additionally, the Supplemental CACAP filing proposed to revise the CACAP-2 total program budget to $27.7 million for electric customers (instead of $20.0 million for electric customers and $7.7 million for natural gas customers). The Supplemental CACAP budget for natural gas customers of $10.8 million would be used for both the CACAP-2 program and the Supplemental CACAP program benefits.

The Supplemental CACAP benefits would be available to PSE's residential customers who have a past due balance on their PSE electric or natural gas service account and who have a total net household income which is at or below 200% of the federal poverty level guidelines, based on household, as determined by the Company. The Supplemental CACAP benefits would cover a qualifying residential customer's past due balance, up to $2,500. PSE would apply the Supplemental CACAP benefits to qualifying residential service accounts automatically with an opt-out option. The Supplemental CACAP was approved by the Washington Commission at the November 12, 2021 open meeting. Both CACAP-2 and Supplemental CACAP would be administered until funds are exhausted.

Litigation

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

Colstrip

PSE has a 50% ownership interest in Colstrip Units 1 and 2 and a 25% interest in each of Colstrip Units 3 and 4. As part of a settlement that was signed by all Colstrip owners, Colstrip Units 1 and 2 owners, PSE and Talen Energy Corporation (Talen), agreed to retire the two oldest units (Units 1 and 2) at Colstrip no later than July 1, 2022. Depreciation rates were updated in the 2017 GRC, where PSE's depreciation increased for Colstrip Units 1 and 2 to recover plant costs to the expected shutdown date. Additionally, PSE has accelerated the depreciation of Colstrip Units 3 and 4, per the terms of the
GRC settlement, to December 31, 2027. The 2017 GRC also repurposed PTCs and hydro-related treasury grants to recover unrecovered plant costs and to fund and recover decommissioning and remediation costs for Colstrip Units 1 through 4. Talen permanently shut down Units 1 and 2 on December 31, 2019.

The Washington Clean Energy Transition Act requires the Washington Commission to provide recovery of the investment, decommissioning, and remediation costs associated with the facilities that are not recovered through the repurposed PTC's and hydro-related treasury grants. The full scope of decommissioning activities and costs may vary from the estimates that are available at this time. Colstrip Unit 4 is classified as Electric Utility Plant on the balance sheet, see Note 6, "Utility Plant," to the consolidated financial statements in Item 8 of this report.

On May 4, 2021, PSE along with the Colstrip owners, Avista Corporation, PacifiCorp and Portland General Electric filed a lawsuit against the state of Montana after Montana Governor Greg Gianforte signed Senate Bill 265 and 266 into law. The litigation challenged the constitutionality of Senate Bill 266. On October 13, 2021, the United States District Court for the District of Montana issued a preliminary injunction finding it likely that Senate Bill 266 unconstitutionally violates the commerce clause of the United States Constitution. Since then, a motion was filed requesting that the findings of the preliminary injunction be made permanent. As of December 31, 2021, the Company is not able to predict the outcome, nor an amount or range of potential impact in the event of an outcome that is adverse to the Company's interests.

Puget LNG

In January 2018, the Puget Sound Clean Air Agency (PSCAA) determined a Supplemental Environmental Impact Statement (SEIS) was necessary in order to rule on the air quality permit for the facility. In December 2019, PSCAA issued the air quality permit for the facility, a decision which was appealed to the Washington Pollution Control Hearings Board (PCHB) by each of the Puyallup Tribe of Indians and nonprofit law firm Earthjustice. In November 2021, the PCHB affirmed the PSCAA ruling in PSE's favor. In December 2021, the PCHB decision was appealed with the Pierce County Superior Court by each of the Puyallup Tribe of Indians and nonprofit law firm Earthjustice. The appeal did not delay commissioning at the plant, which was completed on February 1, 2022. Puget LNG commenced commercial operations in February 2022.

Regional Haze Rule

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

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

In August 2018, the EPA proposed the Affordable Clean Energy (ACE) rule, pursuant to Section 111(d) of the Clean Air Act. The ACE rule was finalized in June 2019, and establishes emission guidelines for states to develop plans to address greenhouse gas emissions from existing coal-fired plants. On January 19, 2021 the U.S. Court of Appeals for the District of Columbia Circuit (D.C. Circuit) vacated the ACE rule and remanded the record back to the Agency for further consideration consistent with its opinion, finding that it misinterpreted the Clean Air Act. That matter is now pending before the US Supreme Court.

Washington Clean Air Rule

The Washington Clean Air Rule (CAR) was adopted by the state of Washington's Department of Ecology in September 2016 and was intended to reduce greenhouse gas emissions from "covered entities" located within Washington, including large manufacturers, petroleum producers and natural gas utilities, including PSE. In September 2016, PSE, along with Avista Corporation, Cascade Natural Gas Corporation and NW Natural, filed lawsuits in both the U.S. District Court for the Eastern District of Washington and in the Superior Court of the State of Washington for Thurston County challenging the CAR. In March 2018, the Superior Court of the State of Washington for Thurston County invalidated the CAR. After an appeal by the Washington Department of Ecology, in January 2020, the Washington Supreme Court affirmed that CAR is not valid for "indirect emitters", meaning it does not apply to the sale of natural gas for use by customers. The court ruled, however, that the rule can be severed and is valid for direct emitters including electric utilities with permitted air emission
sources, and remanded the case back to the Thurston County to determine which parts of the rule survive. The Department of Ecology and the four parties asked Thurston County to stay this case until the 2020 Washington State legislative session concluded; the Department of Ecology has

asked the court to extend the stay until the COVID-19 pandemic is over. Meanwhile, the four companies moved to voluntarily dismiss the federal court litigation without prejudice in March 2020.

Notably, the Climate Commitment Act, adopted by the state of Washington in 2021, prohibits the Department of Ecology from adopting or enforcing a program that regulates greenhouse gas emissions from a stationary source except as provided in the Act, which could effectively preempt the CAR.

10. Related Party Transactions

Tacoma LNG Facility

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

On February 1, 2022, the Tacoma LNG facility at the Port of Tacoma completed commissioning and commenced commercial operations in February 2022. Pursuant to the Washington Commission's order, PSE will be allocated 43.0% of the capital and operating costs of the Tacoma LNG facility. PSE and Puget LNG are considered related parties with similar ownership by Puget Energy. Therefore, capital and operating costs that occur under PSE and are allocated to Puget LNG are related party transactions by nature. Per this allocation of costs, $239.6 million of construction work in progress related to PSE's portion of the Tacoma LNG facility is reported in the Utility plant – Natural gas plant" financial statement line item as of December 31, 2021, as PSE is a regulated entity. The portion of the Tacoma LNG facility allocated to PSE will be subject to regulation by the Washington Commission.

11.

General Rate Case Filing

PSE filed a GRC which includes a three year multiyear rate plan with the Washington Commission on January 31, 2022, requesting an overall increase in electric and natural gas rates of 13.6% and 13.0% respectively in 2023; 2.5% and 2.3%, respectively in 2024; and 1.2% and 1.8%, respectively, in 2025. PSE requested a return on equity of 9.9% in all three rate years. PSE requested an overall rate of return of 7.39% in 2023; 7.44% in 2024; and 7.49% in 2025. The filing requests recovery of forecasted plant additions through 2022 as required by RCW 80.28.425 as well as forecasted plant additions through 2025, the final year of the multiyear rate plan. The next phase of the filing will be to establish a procedural calendar for the adjudication of the case.

PSE filed a GRC with the Washington Commission on June 20, 2019, requesting an overall increase in electric and natural gas rates of 6.9% and 7.9% respectively. On July 8, 2020, the Washington Commission issued its order on PSE's GRC. The ruling provided for a weighted cost of capital of 7.39% or 6.8% after-tax, and a capital structure of 48.5% in common equity with a return on equity of 9.4%. The order also resulted in a combined net increase to electric of $29.5 million, or 1.6%, and to natural gas of $36.5 million, or 4.0%. However, the Washington Commission extended the amortization of certain regulatory assets, PSE's electric decoupling deferral, and PSE's purchased gas adjustment (PGA) deferral to mitigate the impact of the rate increase in response to the economic uncertainty created by the COVID-19 pandemic. This reduced the electric revenue increase to approximately $0.9 million, or 0.05%, and the natural gas increase to $1.3 million, or 0.15%, and became effective October 15, 2020 and October 1, 2020, respectively.

On August 6, 2020, PSE filed a petition for judicial review with the Superior Court of the State of Washington for King County challenging the portion of the final order that requires PSE to pass back to customers the reversal of plant-related excess deferred income taxes in a manner that may deviate from the Internal Revenue Service (IRS) normalization and consistency rules.

On July 30, 2021, the IRS issued a private letter ruling (PLR) to PSE which concludes that the Washington Commission's methodology for reversing plant-related excess deferred income taxes is an impermissible methodology under the IRS normalization and consistency rules. On September 28, 2021, the Washington Commission issued an order amending its order previously issued on July 8, 2020 to correct for items which were determined to be impermissible under IRS normalization and consistency rules as detailed in the PLR. To reflect the impact of the PLR, PSE has recorded a regulatory asset and additional revenues of $24.5 million in its operating results through December 31, 2021, of which $5.6 million was collected from customers. Therefore, the annualized overall rate impact for this element is an increase of $15.8 million, or 0.7%, for electric and $3.1 million, or 0.3%, for natural gas for a total of $18.9 million with rates effective October 1, 2021. This led to an overall annualized net increase to electric rates of $77.1 million, or 3.7%, an increase of $17.5 million above the $59.6 million granted in the revised final order. The order also led to an overall annualized net increase to natural gas rates of $45.3 million, or 5.9%, an increase of $2.4 million above the $42.9 million granted in the revised final order. The Washington Commission maintained adjustments that mitigated the impacts of the rate increases in response to the economic instability created by the COVID-19 pandemic, which reduced the electric revenue increase to approximately $48.3 million, or 2.3%, and the natural gas increase to $4.9 million, or 0.6%.

For additional information, see Note 3, "Regulation and Rates" included on page 122 of this report.

Decoupling Filings

On December 23, 2020, the Washington Commission approved PSE's filing to update Schedule 142 decoupling amortization rates, with an effective date of January 1, 2021, by zeroing out rates still effective past October 15, 2020 on tariff sheet Schedule 142-H, which was replaced by rates on tariff sheet Schedule 142-I effective October 15, 2020. PSE included a true up of the over-collection amounts for the period of October 15, 2020 through December 31, 2020 in PSE's annual May 2021 decoupling filing.

On June 1, 2021, the Washington Commission approved a multi-party settlement agreement in PSE's PCORC that was originally filed on December 9, 2020. As part of this settlement agreement, the electric annual fixed power cost allowed revenue was updated to reflect changes in the approved revenue requirement. The changes took effect on July 1, 2021.

On September 28, 2021, the Washington Commission approved 2019 GRC filing updated to PLR changes. As part of this filing, the annual electric and gas delivery cost allowed revenue was updated to reflect changes in the approved revenue requirement. The changes took effect on October 1, 2021.

On December 31, 2021, PSE performed an analysis to determine if electric and natural gas decoupling revenue deferrals would be collected from customers within 24 months of the annual period, per ASC 980. If not, for GAAP purposes only, PSE would need to record a reserve against the decoupling revenue and regulatory asset balance. Once the reserve is probable of collection within 24 months from the end of the annual period, the reserve can be recognized as decoupling revenue. The analysis indicated that $3.0 million of electric deferred revenue will not be collected within 24 months of the annual period; therefore, a reserve adjustment was booked to 2021 electric decoupling revenue. Natural gas deferred revenue will be collected within 24 months of the annual period; therefore, no reserve adjustment was booked to 2021 natural gas decoupling revenue.

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

Effective Date	Average Percentage Increase (Decrease) in Rates	Increase (Decrease) in Revenue (Dollars in Millions)[1]
Electric:		
May 1, 2021[1]	1.0%	$21.4
January 1, 2021	(1.0)	(20.6)
October 15, 2020[2]	(0.5)	(10.2)
May 1, 2020	0.2	2
May 1, 2019	0.9	20.6
Natural Gas:		
May 1, 2021	1.5%	$15.0
May 1, 2020	(0.5)	(4.8)
May 1, 2019	(5.3)	(45.9)

1. For the electric rates effective May 1, 2021, there was $24.1 million of excess deferred revenues for delivery and fixed power costs which could not be set in rates until May 1, 2022 due to 3% rate cap; there was no excess earnings that impacted both electric and natural gas revenue change. For electric and natural gas rates effective May 1, 2020 and May 1, 2019, there were no excess earnings that impacted the approved revenue change.
1. The 2019 GRC final order lengthened the recovery period from original one-year recovery to two-year recovery to April 2022.

Cost Recovery Mechanism

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

Effective Date	Average Percentage Increase (Decrease) in Rates	Increase (Decrease) in Revenue (Dollars in Millions)
November 1, 2021	0.5%	$4.9
November 1, 2020	1.2	10.6
November 1, 2019	0.8	7

Purchased Gas Adjustment

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

On October 28, 2021, the Washington Commission approved PSE's request for November 2021 PGA rates in Docket UG-210721, effective November 1, 2021. As part of that filing, PSE requested an annual revenue increase of $59.1 million; where PGA rates, under Schedule 101, increase annual revenue by $80.6 million, and the tracker rates under Schedule 106, decrease annual revenue by $21.5 million. Those rate increases will be set in addition to continuing the collection on the remaining balance of $69.4 million under Supplemental Schedule 106B.

The following table presents the PGA mechanism balances and activity at December 31, 2021 and December 31, 2020:

Puget Energy and Puget Sound Energy (Dollars in Thousands)	December 31, 2021	December 31, 2020
PGA receivable balance and activity		
PGA receivable beginning balance	$ 87,655	$ 132,766
Actual natural gas costs	364,775	314,792
Allowed PGA recovery	(396,236)	(363,886)
Interest	1,741	3,983
PGA receivable ending balance	$ 57,935	$ 87,655

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

Effective Date	Average Percentage Increase (Decrease) in Rates	Increase (Decrease) in Revenue (Dollars in Millions)
November 1, 2021	5.8%	$59.1
November 1, 2020	7.7	70
October 1, 2020	(3.9)	(35.5)
November 1, 2019[1]	13.4	118.3
May 1, 2019[2]	6.3	54

1. The 2019 GRC final order lengthened the recovery period from two to three years.
1. The rate for out of the cycle May 2019 PGA (Supplemental A) filing was set to zero effective May 1, 2020, The actual residual amount resulting was included in annual PGA filling effective November 1, 2020.

Property Tax Tracker Mechanism

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

Effective Date	Average Percentage Increase (Decrease) in Rates	Increase (Decrease) in Revenue (Dollars in Millions)
May 1, 2021	0.3%	$3.2
May 1, 2020	(0.3)	(2.8)
May 1, 2019	(0.2)	(1.6)

Conservation Rider

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

Effective Date	Average Percentage Increase (Decrease) in Rates	Increase (Decrease) in Revenue (Dollars in Millions)
May 1, 2021	(0.2)%	$(1.5)

May 1, 2020	0.4	3.5
May 1, 2019	0.1	1.1

Low Income Program Tracker Tariff

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

Effective Date	Average Percentage Increase (Decrease) in Rates	Increase (Decrease) in Revenue (Dollars in Millions)
October 1, 2021	(0.3)%	$(3.0)

Natural Gas Operating Revenue

Natural gas operating revenue increased $86.5 million primarily due to higher retail sales of $100.9 million. This increase was partially offset by decreased decoupling revenue of $8.7 million and decreased other decoupling revenue of $5.3 million. These items are discussed in the following details:

- **Natural gas retail sales** increased $100.9 million due to an increase in rates of $60.3 million and an increase in natural gas load of 4.3%, or $40.6 million of natural gas sales. The increase in rates is primarily due to the PGA increase effective November 1, 2020 and the tariffs effective October 1, 2020 filed pursuant to the Company's most recent GRC. See Management's Discussion and Analysis, "Regulation and Rates" included in Item 7 of this report for natural gas rate changes. Natural gas load increased primarily due to an increase in commercial customer usage of 7.7% driven by higher COVID-19 business shut downs in 2020, residential customer usage of 3.1% driven by an increase in heating degree days of 8.5% and an increase in natural gas customers of 1.1%.
- **Decoupling revenue** decreased $8.7 million, primarily attributable to increased usage in the current period compared to the same period in 2020, as noted above in natural gas retail sales. This resulted in actual natural gas revenues being closer to allowed natural gas revenues in the current period compared to the same period in the prior year.
- **Other decoupling revenue** decreased $5.3 million due to an increase in current period amortization of prior year decoupling revenues compared to the same period in 2020. This is attributable to an increase in customer usage and amortization rates from increased cumulative deferral revenues to recover from customers.

Natural Gas number of customers and revenue by customer class

The following tables present the number of PSE customers and revenue by customer class for natural gas as of December 31, 2021, and 2020:

Customer Count by Class	2021	2020	Percent Change
	December 31,		
Residential	806,264	796,408	1.2%
Commercial	56,983	56,713	0.5%
Industrial	2,279	2,297	-0.8%
Other	219	219	0.0%
Total	865,745	855,637	1.2%

(Dollars in Thousands) **Retail Revenue by Class**	2021	2020	Percent Change
	December 31,		
Residential	722,002	662,502	9.0%
Commercial	292,217	253,526	15.3%
Industrial	21,726	19,064	14.0%
Other	20,104	17,296	16.2%
Total	1,056,049	952,388	10.9%

12.

<u>Changes of Ownership</u>:

In July 2021, CPPIB entered into an agreement to sell its shares to Macquarie Washington Clean Energy Investment, L.P., and Ontario Teachers’ Pension Plan Board. The sale was approved by the Washington Commission and closed on February 22, 2022.

<u>Changes of Directors or Certain Officers:</u>

a. Effective January 25th, 2021, Adrian Rodriguez has joined PSE as senior vice president - Regulatory & Strategy.

Mr. Rodriguez, 42, served as interim chief executive officer and general counsel of El Paso Electric Company (EPE) from August 2019 to September 2020. Prior to that, he served as Senior Vice President - General Counsel at El Paso Electric from September 2017 to July 2020, Vice President - General Counsel at El Paso Electric from May 2017 to September 2017, Principal Attorney at El Paso Electric from July 2016 to May 2017, Senior Attorney at El Paso Electric from November 2014 to July 2016.

b. Effective March 1st, 2021, Josh Jacobs, director of Generation and Transmission Development, is being promoted to vice president of Clean Energy Strategy.

c. Effective May 17, 2021, Dan Koch, director of Electric Operations, is being promoted to vice president of Operations.

d. Effective June 28, 2021, Kazi Hasan has been appointed to serve as Senior Vice President and Chief Financial Officer (“CFO”) of the Companies (Puget Sound Energy, Inc. and Puget Energy, Inc.), replacing Daniel A. Doyle, the Companies’ Senior Vice President and CFO. Mr.

d. Effective June 28, 2021, Kazi Hasan has been appointed to serve as Senior Vice President and Chief Financial Officer ("CFO") of the Companies (Puget Sound Energy, Inc. and Puget Energy, Inc.), replacing Daniel A. Doyle, the Companies' Senior Vice President and CFO. Mr. Hasan will report to Mary E. Kipp, the Company's President and Chief Executive Officer. Mr. Doyle will voluntarily step down from his position as CFO, and will continue as a Senior Vice President reporting to Ms. Kipp on strategic matters related to the Companies' next five-year plan

e. On August 20, 2021, Daniel A. Doyle, Senior Vice President of Puget Sound Energy, Inc. and Puget Energy, Inc. (together, the "Companies") informed boards of directors and the executive officers of the Companies that he will retire from the Companies effective September 1, 2021.

f. Effective September 3, 2021, the shareholders of Puget Energy, Inc. and Puget Sound Energy, Inc. (together, the "Companies") appointed Jean-Paul Marmoreo to the Board of Directors of each of the Companies (together, the "Boards"). The Boards have not yet determined the committees of the Boards, if any, on which Mr. Marmoreo will serve. On August 31, 2021, Kenton Bradbury, who served as a representative of OMERS Infrastructure Management Inc. (OMERS) on the Boards, provided notice of his resignation from the Boards and as a member of the committees of the Boards on which he served, effective September 3, 2021. There were no disagreements between the Companies and Mr. Bradbury that led to his decision to resign.

Mr. Marmoreo was selected by OMERS, pursuant to the current Amended and Restated Bylaws of each of the Companies, to serve as an Owner Director on the Boards. Mr. Marmoreo will not receive any compensation from the Companies for his services as an Owner Director on the Boards, but will be reimbursed for out-of-pocket expenses. Any compensation received by Mr. Marmoreo for his services on the Boards is a function of his employment arrangement with OMERS and will be paid by OMERS. Mr. Marmoreo is not a participant in any related party transaction required to be reported pursuant to Item 404(a) of Regulation S-K.

g. Effective October 1, 2021, Booga Gilbertson retired from from her position as Senior Vice President and Chief Operations Officer.

h. On October 26, 2021, Steven W. Hooper provided notice of his retirement from the Board of Directors of each of Puget Energy, Inc. and Puget Sound Energy, Inc. (together, the "Companies") and as a member of the Board committees on which he served, effective November 4, 2021. There were no disagreements between the Companies and Mr. Hooper that led to his decision to retire.

i. On November 5, 2021, the board appointed Scott Armstrong as the new chair of PSE's board of directors, replacing our current chair Steve Hooper, who is retiring after six years as a PSE director.

j. On November 5, 2021, the board appointed Andy Wappler as senior vice president and chief customer officer. Andy has been with PSE since 2008 and was named vice president of Corporate Affairs in 2010 and vice president of Customer Operations and Communications in 2016.

l. Effective February 22, 2022, Christopher Hind and Mary McWilliams were removed from the board of directors, and Aaron Rubin and Chris Parker were appointed as board directors of PSE.

Mr. Rubin is currently responsible for Macquarie Asset Management's Real Assets investment team that focuses on sustainable energy investments in the Americas. Since joining Macquarie in 2008, Mr. Rubin has had responsibility for investment origination and execution and the management of portfolio companies. Mr. Rubin currently serves on the board of directors of Cyrq Energy, Cleco Corporation and Lordstown Energy Center. Mr. Rubin was selected by Clean Energy JV Sub 1, LP and pursuant to the Amended and Restated Bylaws of each of the Companies, will serve as an Owner Director on their respective Boards of Directors. Mr. Rubin will not receive any director compensation from the Companies for his service as an Owner Director on the Boards, but will be reimbursed for out-of-pocket expenses.

Mr. Parker is currently a member of the Ontario Teachers' Pension Plan North America Infrastructure team where he focuses on origination, execution and management of infrastructure investments. He joined Ontario Teachers' Pension Plan in 2011 and has served on the board of directors of Northern Star Generation, Intergen, Express Pipeline, Ontario Teachers' New Zealand Forest Investments and Sydney Desalination Plant. He currently serves on the board of directors of Chicago Skyway. Prior to joining Ontario Teachers', Chris worked on power and utility investments at Brookfield Asset Management. Mr. Parker was selected by Clean Energy JV Sub 2, LP and pursuant to the Amended and Restated Bylaws of each of the Companies, will serve as an Owner Director on their respective Boards of Directors. Mr. Parker will not receive any director compensation from the Companies for his service as an Owner Director on the Boards, but will be reimbursed for out-of-pocket expenses.

13. None.

Name of Respondent: Puget Sound Energy, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2022	Year/Period of Report: End of: 2021/ 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	17,074,294,317	16,412,250,350
3	Construction Work in Progress (107)	200-201	870,203,996	712,204,459
4	TOTAL Utility Plant (Total of lines 2 and 3)	200-201	17,944,498,313	17,124,454,809
5	(Less) Accum. Provision for Depr., Amort., Depl. (108, 111, 115)		7,068,316,701	6,638,902,173
6	Net Utility Plant (Total of line 4 less 5)		10,876,181,612	10,485,552,636
7	Nuclear Fuel (120.1 thru 120.4, and 120.6)			
8	(Less) Accum. Provision for Amort., of Nuclear Fuel Assemblies (120.5)			
9	Nuclear Fuel (Total of line 7 less 8)			
10	Net Utility Plant (Total of lines 6 and 9)		10,876,181,612	10,485,552,636
11	Utility Plant Adjustments (116)	122		
12	Gas Stored-Base Gas (117.1)	220	8,654,564	8,654,564
13	System Balancing Gas (117.2)	220		
14	Gas Stored in Reservoirs and Pipelines-Noncurrent (117.3)	220		
15	Gas Owed to System Gas (117.4)	220		
16	**OTHER PROPERTY AND INVESTMENTS**			
17	Nonutility Property (121)		3,641,000	3,643,360
18	(Less) Accum. Provision for Depreciation and Amortization (122)		24,655	24,653
19	Investments in Associated Companies (123)	222-223		
20	Investments in Subsidiary Companies (123.1)	224-225	38,311,820	28,773,057
22	Noncurrent Portion of Allowances			
23	Other Investments (124)	222-223	53,233,594	52,700,062
24	Sinking Funds (125)			
25	Depreciation Fund (126)			
26	Amortization Fund - Federal (127)			

27	Other Special Funds (128)		20,189,628	20,189,459
28	Long-Term Portion of Derivative Assets (175)		26,197,403	8,805,120
29	Long-Term Portion of Derivative Assets - Hedges (176)			
30	TOTAL Other Property and Investments (Total of lines 17-20, 22-29)		141,548,790	114,086,405
31	**CURRENT AND ACCRUED ASSETS**			
32	Cash (131)		31,760,949	49,865,155
33	Special Deposits (132-134)		41,080,450	24,586,299
34	Working Funds (135)		5,124,797	4,959,057
35	Temporary Cash Investments (136)	222-223		
36	Notes Receivable (141)		91,410	91,410
37	Customer Accounts Receivable (142)		307,295,202	259,100,175
38	Other Accounts Receivable (143)		115,595,688	100,084,411
39	(Less) Accum. Provision for Uncollectible Accounts - Credit (144)		34,957,745	20,080,875
40	Notes Receivable from Associated Companies (145)			
41	Accounts Receivable from Associated Companies (146)		4,603,705	4,275,036
42	Fuel Stock (151)		17,117,974	16,627,794
43	Fuel Stock Expenses Undistributed (152)			
44	Residuals (Elec) and Extracted Products (Gas) (153)			
45	Plant Materials and Operating Supplies (154)		111,671,567	117,915,543
46	Merchandise (155)			
47	Other Materials and Supplies (156)		(628)	133,577
48	Nuclear Materials Held for Sale (157)			
49	Allowances (158.1 and 158.2)		600,920	406,891
50	(Less) Noncurrent Portion of Allowances			
51	Stores Expense Undistributed (163)		1,014,123	11,207
52	Gas Stored Underground-Current (164.1)	220	39,594,587	30,695,202
53	Liquefied Natural Gas Stored and Held for Processing (164.2 thru 164.3)	220	49,533	74,680
54	Prepayments (165)	230	50,079,311	47,901,985
55	Advances for Gas (166 thru 167)			
56	Interest and Dividends Receivable (171)			
57	Rents Receivable (172)			

58	Accrued Utility Revenues (173)		271,606,144	221,870,303
59	Miscellaneous Current and Accrued Assets (174)		2,094,716	727,282
60	Derivative Instrument Assets (175)		154,408,115	41,819,946
61	(Less) Long-Term Portion of Derivative Instrument Assets (175)		26,197,403	8,805,120
62	Derivative Instrument Assets - Hedges (176)			
63	(Less) Long-Term Portion of Derivative Instrument Assets - Hedges (176)			
64	TOTAL Current and Accrued Assets (Total of lines 32 thru 63)		1,092,633,415	892,259,958
65	**DEFERRED DEBITS**			
66	Unamortized Debt Expense (181)		23,861,685	24,537,297
67	Extraordinary Property Losses (182.1)	230	127,789,135	108,491,125
68	Unrecovered Plant and Regulatory Study Costs (182.2)	230		
69	Other Regulatory Assets (182.3)	232	613,483,209	576,279,745
70	Preliminary Survey and Investigation Charges (Electric)(183)		93,253	91,392
71	Preliminary Survey and Investigation Charges (Gas)(183.1 and 183.2)			
72	Clearing Accounts (184)			
73	Temporary Facilities (185)		17,943	38,944
74	Miscellaneous Deferred Debits (186)	233	216,613,372	187,333,825
75	Deferred Losses from Disposition of Utility Plant (187)		5,741,557	7,006,450
76	Research, Development, and Demonstration Expend. (188)			
77	Unamortized Loss on Reacquired Debt (189)		35,804,700	37,990,993
78	Accumulated Deferred Income Taxes (190)	234-235	319,267,771	365,436,877
79	Unrecovered Purchased Gas Costs (191)		57,934,878	87,655,393
80	TOTAL Deferred Debits (Total of lines 66 thru 79)		1,400,607,503	1,394,862,041
81	TOTAL Assets and Other Debits (Total of lines 10-15,30,64,and 80)		13,519,625,884	12,895,415,604

Name of Respondent: Puget Sound Energy, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2022	Year/Period of Report: End of: 2021/ 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 (c)	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		
4	Capital Stock Subscribed (202, 205)	252		
5	Stock Liability for Conversion (203, 206)	252		
6	Premium on Capital Stock (207)	252	478,145,250.00	478,145,250
7	Other Paid-In Capital (208-211)	253	3,014,096,691	3,014,096,691
8	Installments Received on Capital Stock (212)	252		
9	(Less) Discount on Capital Stock (213)	254		
10	(Less) Capital Stock Expense (214)	254	7,133,879	7,133,879
11	Retained Earnings (215, 215.1, 216)	118-119	996,139,844	897,157,882
12	Unappropriated Undistributed Subsidiary Earnings (216.1)	118-119	(13,535,624)	(20,759,387)
13	(Less) Reacquired Capital Stock (217)	250-251		
14	Accumulated Other Comprehensive Income (219)	117	(113,138,548)	(180,955,138)
15	TOTAL Proprietary Capital (Total of lines 2 thru 14)		4,355,432,772	4,181,410,457
16	**LONG TERM DEBT**			
17	Bonds (221)	256-257	4,823,860,000	4,373,860,000
18	(Less) Reacquired Bonds (222)	256-257		
19	Advances from Associated Companies (223)	256-257		
20	Other Long-Term Debt (224)	256-257		
21	Unamortized Premium on Long-Term Debt (225)	258-259		
22	(Less) Unamortized Discount on Long-Term Debt-Dr (226)	258-259	16,328,252	12,896,587
23	(Less) Current Portion of Long-Term Debt			
24	TOTAL Long-Term Debt (Total of lines 17 thru 23)		4,807,531,748	4,360,963,413
25	**OTHER NONCURRENT LIABILITIES**			

26	Obligations Under Capital Leases-Noncurrent (227)		277,813,392	161,299,842
27	Accumulated Provision for Property Insurance (228.1)			
28	Accumulated Provision for Injuries and Damages (228.2)		1,920,000	720,000
29	Accumulated Provision for Pensions and Benefits (228.3)		(10,441,647)	71,690,906
30	Accumulated Miscellaneous Operating Provisions (228.4)		142,404,664	137,032,633
31	Accumulated Provision for Rate Refunds (229)			
32	Long-Term Portion of Derivative Instrument Liabilities		40,964,763	29,833,714
33	Long-Term Portion of Derivative Instrument Liabilities - Hedges			
34	Asset Retirement Obligations (230)		205,337,831	208,744,170
35	TOTAL Other Noncurrent Liabilities (Total of lines 26 thru 34)		657,999,003	609,321,265
36	**CURRENT AND ACCRUED LIABILITIES**			
37	Current Portion of Long-Term Debt			
38	Notes Payable (231)		140,000,000	373,800,000
39	Accounts Payable (232)		480,600,340	372,349,109
40	Notes Payable to Associated Companies (233)			
41	Accounts Payable to Associated Companies (234)		7,330,825	455,636
42	Customer Deposits (235)		22,253,544	26,488,608
43	Taxes Accrued (236)	262-263	133,407,822	105,528,433
44	Interest Accrued (237)		51,831,806	48,189,289
45	Dividends Declared (238)			
46	Matured Long-Term Debt (239)			
47	Matured Interest (240)			
48	Tax Collections Payable (241)		1,929,509	1,527,251
49	Miscellaneous Current and Accrued Liabilities (242)	268	26,338,339	23,576,198
50	Obligations Under Capital Leases-Current (243)		22,139,920	19,678,860
51	Derivative Instrument Liabilities (244)		104,273,341	61,274,042
52	(Less) Long-Term Portion of Derivative Instrument Liabilities		40,964,763	29,833,714
53	Derivative Instrument Liabilities - Hedges (245)			
54	(Less) Long-Term Portion of Derivative Instrument Liabilities - Hedges			
55	TOTAL Current and Accrued Liabilities (Total of lines 37 thru 54)		949,140,683	1,003,033,712
56	**DEFERRED CREDITS**			

57	Customer Advances for Construction (252)		107,479,955	96,883,286
58	Accumulated Deferred Investment Tax Credits (255)			
59	Deferred Gains from Disposition of Utility Plant (256)		6,926,248	12,882,187
60	Other Deferred Credits (253)	269	313,123,797	244,788,439
61	Other Regulatory Liabilities (254)	278	916,467,662	1,030,887,274
62	Unamortized Gain on Reacquired Debt (257)	260		
63	Accumulated Deferred Income Taxes - Accelerated Amortization (281)			
64	Accumulated Deferred Income Taxes - Other Property (282)		1,189,912,772	1,162,110,263
65	Accumulated Deferred Income Taxes - Other (283)		215,611,244	193,135,308
66	TOTAL Deferred Credits (Total of lines 57 thru 65)		2,749,521,678	2,740,686,757
67	TOTAL Liabilities and Other Credits (Total of lines 15,24,35,55,and 66)		13,519,625,884	12,895,415,604

Name of Respondent: Puget Sound Energy, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2022	Year/Period of Report: End of: 2021/ 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 (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 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 column in 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 purchases, and a summary of the adjustments made to balance sheet, income, and expense accounts.
12. If any notes appearing in the report to stockholders 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 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 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)	Elec. Utility Current Year to Date (in dollars) (g)	Elec. Utility Previous Year to Date (in dollars) (h)	Gas Utiity 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	UTILITY OPERATING INCOME											
2	Gas Operating Revenues (400)	300-301	3,831,603,991	3,340,134,916			2,764,186,180	2,359,221,575	1,067,417,811	980,913,341		
3	Operating Expenses											
4	Operation Expenses (401)	317-325	2,079,834,572	1,680,093,974			1,525,854,659	1,166,721,795	553,979,913	513,372,179		
5	Maintenance Expenses (402)	317-325	170,368,398	164,912,813			143,511,276	138,373,309	26,857,122	26,539,504		
6	Depreciation Expense (403)	336-338	500,594,143	488,787,631			361,930,254	355,593,325	138,663,889	133,194,306		
7	Depreciation Expense for Asset Retirement Costs (403.1)	336-338	9,797,122	8,336,963			9,599,069	8,184,802	198,053	152,161		

8	Amort. & Depl. of Utility Plant (404-405)	336-338	122,988,498	129,445,210			84,047,727	87,050,694	38,940,771	42,394,516		
9	Amortization of Utility Plant Acu. Adjustment (406)	336-338	12,016,844	11,969,181			12,016,844	11,969,181				
10	Amort. of Prop. Losses, Unrecovered Plant and Reg. Study Costs (407.1)		21,846,432	30,979,763			21,846,432	30,979,763				
11	Amortization of Conversion Expenses (407.2)											
12	Regulatory Debits (407.3)		21,419,171	15,210,019			12,419,289	6,507,593	8,999,882	8,702,426		
13	(Less) Regulatory Credits (407.4)		28,070,896	79,561,623			26,419,076	67,036,136	1,651,820	12,525,487		
14	Taxes Other Than Income Taxes (408.1)	262-263	361,591,022	327,965,036			250,040,104	225,851,703	111,550,918	102,113,333		
15	Income Taxes-Federal (409.1)	262-263	76,870,089	70,452,097			43,477,587	46,567,661	33,392,502	23,884,436		
16	Income Taxes-Other (409.1)	262-263	670,177	383,340			670,177	383,340				
17	Provision of Deferred Income Taxes (410.1)	234-235	233,337,043	322,567,097			157,313,055	243,099,351	76,023,988	79,467,746		
18	(Less) Provision for Deferred Income Taxes-Credit (411.1)	234-235	241,957,595	246,538,446			166,899,178	179,278,139	75,058,417	67,260,307		
19	Investment Tax Credit Adjustment-Net (411.4)											
20	(Less) Gains from Disposition of Utility Plant (411.6)		6,483,881	1,949,557			6,486,120	1,972,399	(2,239)	(22,842)		
21	Losses from Disposition of Utility Plant (411.7)		(198,954)	67,714			(142,578)	(2,761)	(56,376)	70,475		
22	(Less) Gains from Disposition of Allowances (411.8)			228				228				
23	Losses from Disposition of Allowances (411.9)											
24	Accretion Expense (411.10)		3,912,946	3,892,728			3,655,310	3,651,802	257,636	240,926		
25	TOTAL Utility Operating Expenses (Total of lines 4 thru 24)		3,338,535,131	2,927,013,712			2,426,434,831	2,076,644,656	912,100,300	850,369,056		
26			493,068,860	413,121,204			337,751,349	282,576,919	155,317,511	130,544,285		

	Net Utility Operating Income (Total of lines 2 less 25)											
28	OTHER INCOME AND DEDUCTIONS											
29	Other Income											
30	Nonutilty Operating Income											
31	Revenues From Merchandising, Jobbing and Contract Work (415)		934,329	437,609								
32	(Less) Costs and Expense of Merchandising, Job & Contract Work (416)		259,725	181,067								
33	Revenues From Nonutility Operations (417)		42,469,398	25,683,599								
34	(Less) Expenses of Nonutility Operations (417.1)		37,327,480	31,465,041								
35	Nonoperating Rental Income (418)			2,195								
36	Equity in Earnings of Subsidiary Companies (418.1)	119	7,223,763	(467,098)								
37	Interest and Dividend Income (419)		5,636,780	9,165,837								
38	Allowance for Other Funds Used During Construction (419.1)		27,805,618	23,222,519								
39	Miscellaneous Nonoperating Income (421)		59,116,248	2,788,514								
40	Gain on Disposition of Property (421.1)		172,334	34,367								
41	TOTAL Other Income (Total of lines 31 thru 40)		105,771,265	29,221,434								
42	Other Income Deductions											
43	Loss on Disposition of Property (421.2)											
44	Miscellaneous Amortization (425)											
45	Donations (426.1)	340	49,738	60,477								
46	Life Insurance (426.2)		(1,905,421)	(1,729,724)								

47	Penalties (426.3)		981,370	(1,312,816)									
48	Expenditures for Certain Civic, Political and Related Activities (426.4)		8,241,911	7,094,727									
49	Other Deductions (426.5)		50,315,731	51,748,872									
50	TOTAL Other Income Deductions (Total of lines 43 thru 49)	340	57,683,329	55,861,536									
51	Taxes Applic. to Other Income and Deductions												
52	Taxes Other Than Income Taxes (408.2)	262-263	468,920	345,765									
53	Income Taxes-Federal (409.2)	262-263	(26,493,236)	(59,845,199)									
54	Income Taxes-Other (409.2)	262-263											
55	Provision for Deferred Income Taxes (410.2)	234-235	(406,133)	(58,849,935)									
56	(Less) Provision for Deferred Income Taxes-Credit (411.2)	234-235		1,801,623									
57	Investment Tax Credit Adjustments-Net (411.5)												
58	(Less) Investment Tax Credits (420)												
59	TOTAL Taxes on Other Income and Deductions (Total of lines 52-58)		(26,430,449)	(120,150,992)									
60	Net Other Income and Deductions (Total of lines 41, 50, 59)		74,518,385	93,510,890									
61	INTEREST CHARGES												
62	Interest on Long-Term Debt (427)		230,981,897	227,184,834									
63	Amortization of Debt Disc. and Expense (428)	258-259	2,535,826	2,481,659									
64	Amortization of Loss on Reacquired Debt (428.1)		2,186,293	2,186,294									
65	(Less) Amortization of Premium on Debt-Credit (429)	258-259											
66	(Less) Amortization of Gain on Reacquired Debt-Credit (429.1)												

67	Interest on Debt to Associated Companies (430)	340										
68	Other Interest Expense (431)	340	12,562,249	15,326,329								
69	(Less) Allowance for Borrowed Funds Used During Construction-Credit (432)		16,743,127	14,827,317								
70	Net Interest Charges (Total of lines 62 thru 69)		231,523,138	232,351,799								
71	Income Before Extraordinary Items (Total of lines 27, 60 and 70)		336,064,107	274,280,295								
72	EXTRAORDINARY ITEMS											
73	Extraordinary Income (434)											
74	(Less) Extraordinary Deductions (435)											
75	Net Extraordinary Items (Total of line 73 less line 74)											
76	Income Taxes-Federal and Other (409.3)	262-263										
77	Extraordinary Items after Taxes (line 75 less line 76)											
78	Net Income (Total of line 71 and 77)		336,064,107	274,280,295								

Name of Respondent: Puget Sound Energy, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2022	Year/Period of Report: End of: 2021/ 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)	Other Cash Flow Hedges Interest Rate Swaps (f)	Other Cash Flow Hedges [Insert Footnote at Line 1 to specify] (g)	Totals for each category of items recorded in Account 219 (h)	Net Income (Carried Forward from Page 114, Line 78) (i)	Total Comprehensive Income (j)
1	Balance of Account 219 at Beginning of Preceding Year		(183,123,429)			(5,353,474)		(188,476,903)		
2	Preceding Quarter/Year to Date Reclassifications from Account 219 to Net Income		15,852,757			385,238		16,237,995		
3	Preceding Quarter/Year to Date Changes in Fair Value		(8,716,230)					(8,716,230)		
4	Total (lines 2 and 3)		7,136,527			385,238		7,521,765	274,280,295	281,802,060
5	Balance of Account 219 at End of Preceding Quarter/Year		(175,986,902)			(4,968,236)		(180,955,138)		
6	Balance of Account 219 at Beginning of Current Year		(175,986,902)			(4,968,236)		(180,955,138)		
7	Current Quarter/Year to Date Reclassifications from Account 219 to Net Income		18,165,893			385,239		18,551,132		
8	Current Quarter/Year to Date Changes in Fair Value		49,265,458					49,265,458		
9	Total (lines 7 and 8)		67,431,351			385,239		67,816,590	336,064,107	403,880,697
10	Balance of Account 219 at End of Current Quarter/Year		(108,555,551)			(4,582,997)		(113,138,548)		

Name of Respondent: Puget Sound Energy, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2022	Year/Period of Report: End of: 2021/ 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 Year to Date Balance (c)	Previous Quarter/Year Year to Date Balance (d)
	UNAPPROPRIATED RETAINED EARNINGS			
1	Balance-Beginning of Period		865,025,834	741,261,386
2	Changes (Identify by prescribed retained earnings accounts)			
3	Adjustments to Retained Earnings (Account 439)			
3.1	TOTAL Credits to Retained Earnings (Account 439) (footnote details)			
3.2	TOTAL Debits to Retained Earnings (Account 439) (footnote details)		(2,090,515)	(1,913,051)
3.3	Balance Transferred from Income (Acct 433 less Acct 418.1)		328,840,344	274,747,393
4	Adjustments to Retained Earnings Credit (Debit)			
6	Balance Transferred from Income (Account 433 less Account 418.1)			
7	Appropriations of Retained Earnings (Account 436)			
7.1	TOTAL Appropriations of Retained Earnings (Account 436) (footnote details)			
8	Appropriations of Retained Earnings Amount			
9	Dividends Declared-Preferred Stock (Account 437)			
9.1	TOTAL Dividends Declared-Preferred Stock (Account 437) (footnote details)			
10	Dividends Declared-Preferred Stock Amount			
11	Dividends Declared-Common Stock (Account 438)			
11.1	TOTAL Dividends Declared-Common Stock (Account 438) (footnote details)		(229,858,382)	(149,069,894)
12	Dividends Declared-Common Stock Amount			
13	Transfers from Account 216.1, Unappropriated Undistributed Subsidiary Earnings			
14	Balance-End of Period (Total of lines 1, 4, 5, 6, 8, 10, 12, and 13)		961,917,281	865,025,834
15	APPROPRIATED RETAINED EARNINGS (Account 215)			

16	TOTAL Appropriated Retained Earnings (Account 215) (footnote details)		34,222,563	32,132,048
17	APPROPRIATED RETAINED EARNINGS-AMORTIZATION RESERVE, FEDERAL (Account 215.1)			
18	TOTAL Appropriated Retained Earnings-Amortization Reserve, Federal (Account 215.1)			
19	TOTAL Appropriated Retained Earnings (Accounts 215, 215.1) (Total of lines of 16 and 18)		34,222,563	32,132,048
20	TOTAL Retained Earnings (Accounts 215, 215.1, 216) (Total of lines 14 and 19)		996,139,844	897,157,882
21	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS (Account 216.1)			
	Report only on an Annual Basis no Quarterly			
22	Balance-Beginning of Year (Debit or Credit)		(20,759,387)	(20,292,289)
23	Equity in Earnings for Year (Credit) (Account 418.1)		7,223,763	(467,098)
24	(Less) Dividends Received (Debit)			
25	Other Changes (Explain)			
25.1	Other Changes (Explain)			
26	Balance-End of Year		(13,535,624)	(20,759,387)

Name of Respondent: Puget Sound Energy, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2022	Year/Period of Report: End of: 2021/ 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 27) 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 (b)	Previous Year to Date Quarter/Year (c)
1	Net Cash Flow from Operating Activities		
2	Net Income (Line 78(c) on page 114)	336,064,107	274,280,295
3	Noncash Charges (Credits) to Income:		
4	Depreciation and Depletion	627,046,435	564,835,934
5	Amortization of (Specify) (footnote details)		
5.1	Amortization of (Specify) (footnote details)		
5.2	Utility Plant Adjustments	12,016,844	11,969,181
5.3	Property Losses	21,846,432	30,979,763
6	Deferred Income Taxes (Net)	(9,026,686)	15,377,094
7	Investment Tax Credit Adjustments (Net)		
8	Net (Increase) Decrease in Receivables	(100,240,377)	(32,865,713)
9	Net (Increase) Decrease in Inventory	(4,183,182)	635,082
10	Net (Increase) Decrease in Allowances Inventory		
11	Net Increase (Decrease) in Payables and Accrued Expenses	129,386,988	8,438,515
12	Net (Increase) Decrease in Other Regulatory Assets	(129,708,563)	(197,582,684)
13	Net Increase (Decrease) in Other Regulatory Liabilities	16,577,484	26,913,294
14	(Less) Allowance for Other Funds Used During Construction	27,805,618	23,222,519
15	(Less) Undistributed Earnings from Subsidiary Companies	7,223,763	(467,098)
16	Other Adjustments to Cash Flows from Operating Activities		
16.1	Other Adjustments to Cash Flows from Operating Activities		
16.2	Other Long-Term Assets	(22,518,995)	(10,143,137)

16.3	Other Long-Term Liabilities	2,979,964	46,489,640
16.4	Conservation Amortization	103,147,450	99,585,357
16.5	Pension Funding	(18,000,000)	(18,000,000)
16.6	Net Unrealized (Gain) Loss on Derivative Transactions	(13,784,942)	26,807,229
16.7	Amortization of TCJA Over Collection	(1,191,866)	(13,689,283)
16.8	Smart Burn GRC Disallowance		6,332,725
16.9	IRS PLR	(24,507,486)	
16.10	Other	9,103,091	4,427,952
18	Net Cash Provided by (Used in) Operating Activities (Total of Lines 2 thru 16)	899,977,317	822,035,823
20	Cash Flows from Investment Activities:		
21	Construction and Acquisition of Plant (including land):		
22	Gross Additions to Utility Plant (less nuclear fuel)	(936,075,783)	(899,660,030)
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	(27,805,618)	(23,222,519)
27	Other Construction and Acquisition of Plant, Investment Activities		
27.1	Other Construction and Acquisition of Plant, Investment Activities		
28	Cash Outflows for Plant (Total of lines 22 thru 27)	(908,270,165)	(876,437,511)
30	Acquisition of Other Noncurrent Assets (d)		
31	Proceeds from Disposal of Noncurrent Assets (d)	545,785	6,975,024
33	Investments in and Advances to Associated and Subsidiary Companies		
34	Contributions and Advances from Associated and Subsidiary Companies		
36	Disposition of Investments in (and Advances to) Associated and Subsidiary Companies		
38	Purchase of Investment Securities (a)		
39	Proceeds from Sales of Investment Securities (a)		
40	Loan Made or Purchased		
41	Collections on Loans		
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 Adjustments to Cash Flows from Investment Activities:		
47.1	Other Adjustments to Cash Flows from Investment Activities:		
47.2	Life Insurance Death Benefit	768,076	
47.3	Renewable Energy Credits	53,309	(797,082)
49	Net Cash Provided by (Used in) Investing Activities (Total of lines 28 thru 47)	(906,902,995)	(870,259,569)
51	Cash Flows from Financing Activities:		
52	Proceeds from Issuance of:		
53	Proceeds from Issuance of Long-Term Debt (b)	446,062,500	
54	Proceeds from Issuance of Preferred Stock		
55	Proceeds from Issuance of Common Stock		
56	Net Increase in Debt (Long Term Advances)		
56.1	Net Increase in Debt (Long Term Advances)		
56.2	Debt Issue (Redemption) Costs	(1,354,380)	(8,695)
56.3	Refundable cash Received for Customer Construction Projects	24,430,007	14,481,923
56.4	Bank Overdraft	1,618	
57	Net Increase in Short-term Debt (c)		197,800,000
59	Cash Provided by Outside Sources (Total of lines 53 thru 58)	469,139,745	212,273,228
61	Payments for Retirement		
62	Payments for Retirement of Long-Term Debt (b)		
63	Payments for Retirement of Preferred Stock		
64	Payments for Retirement of Common Stock		
65	Other Retirements		
65.1	Other Retirements		
66	Net Decrease in Short-Term Debt (c)	(233,800,000)	
67	Other Adjustments to Financing Cash Flows		
67.1	Other Adjustments to Financing Cash Flows		
68	Dividends on Preferred Stock		
69	Dividends on Common Stock	(229,858,382)	(149,069,894)
70	Net Cash Provided by (Used in) Financing Activities (Total of lines 59 thru 69)	5,481,363	63,203,334

73	Net Increase (Decrease) in Cash and Cash Equivalents		
74	(Total of line 18, 49 and 71)	(1,444,315)	14,979,588
76	Cash and Cash Equivalents at Beginning of Period	79,410,511	64,430,923
78	Cash and Cash Equivalents at End of Period	77,966,196	79,410,511

Notes to Financial Statements

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

(1) Summary of Significant Accounting Policies

Basis of Presentation

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

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

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

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

Utility Plant

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

Planned Major Maintenance

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

Other Property and Investments

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

Depreciation and Amortization

The Company provides for depreciation and amortization on a straight-line basis. Amortization is recorded for intangibles such as regulatory assets and liabilities, computer software and franchises. The annual depreciation provision stated as a percent of a depreciable electric utility plant was 3.4% and 3.5% in 2021 and 2020, respectively; depreciable natural gas utility plant was 2.8% and 2.9% in 2021 and 2020, respectively; and depreciable common utility plant was 6.8%, and 7.3% in 2021 and 2020, respectively. The cost of removal is collected from PSE's customers through depreciation expense and any excess is recorded as a regulatory liability.

Tacoma LNG Facility

On February 1, 2022, the Tacoma LNG facility at the Port of Tacoma completed commissioning and commenced commercial operations in February 2022. In December 2019, the Puget Sound Clean Air Agency (PSCAA) issued the air quality permit for the facility, and the Pollution Hearings Control Board of Washington State upheld the approval following extended litigation. When in-service, the Tacoma LNG facility will provide peak-shaving services to PSE's natural gas customers, and provide LNG as fuel to transportation customers, particularly in the marine market at a lower cost due to the facility's scale.

Pursuant to an order by the Washington Commission, PSE will be allocated approximately 43.0% of common capital and operating costs, consistent with the regulated portion of the Tacoma LNG facility. For PSE, construction work in progress of $239.6 million and $207.7 million related to PSE's portion of the Tacoma LNG facility is reported in the PSE "Utility plant - Natural gas plant" financial statement line item as of December 31, 2021, and December 31, 2020, respectively, as PSE is a regulated entity.

Cash and Cash Equivalents

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

Restricted Cash

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

Materials and Supplies

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

Fuel and Natural Gas Inventory

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

Regulatory Assets and Liabilities

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

Allowance for Funds Used During Construction

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

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

Revenue Recognition

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

PSE collected Washington State excise taxes (which are a component of general retail customer rates) and municipal taxes totaling $268.5 million and $240.8 million for 2021 and 2020, respectively. The Company reports the collection of such taxes on a gross basis in operation revenue and as expense in taxes other than income taxes in the accompanying consolidated statements of income.

PSE's electric and natural gas operations contain a revenue decoupling mechanism under which PSE's actual energy delivery revenues related to electric transmission and distribution, natural gas operations and general administrative costs are compared with authorized revenues allowed under the mechanism. The mechanism mitigates volatility in revenue and gross margin erosion due to weather and energy efficiency. Any differences in revenue are deferred to a regulatory asset for under recovery or regulatory liability for over recovery under alternative revenue recognition standard. Revenue is recognized under this program when deemed collectible within 24 months based on alternative revenue recognition guidance. Decoupled rate increases are effective May 1 of each year subject to a soft rate cap of total revenue for decoupled rate schedules, where a rate cap is applied to under-collected revenue and any over-collected revenues are passed back to customers at 100%. Any excess under-recovered revenue above the rate cap will be included in the following year's decoupled rate and the Company will only be able to recognize revenue below the rate cap of total revenue for decoupled rate schedules. For revenue deferrals exceeding the annual rate cap of total revenue for decoupled rate schedules, the Company will assess the excess amount to determine its ability to be collected within 24 months. The soft rate cap test, which limits the amount of revenues PSE can collect in its annual filings, is 5.0% for natural gas customers and 3.0% for electric customers.

The Company will not record any decoupling revenue that is expected to take longer than 24 months to collect following the end of the annual period in which the revenues would have otherwise been recognized. Once determined to be collectible within 24 months, any previously non-recognized amounts will be recognized. Revenues associated with energy costs under the power cost adjustment (PCA) mechanism and purchased gas adjustment (PGA) mechanism are excluded from the decoupling mechanism.

Allowance for Credit Losses

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

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

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

The following table presents the activity in the allowance for credit losses for accounts receivable at December 31, 2021, and 2020:

Puget Sound Energy		
(Dollars in Thousands)	Year Ended December 31,	
Allowance for credit losses:	2021	2020
Beginning balance	$ 20,080	$ 8,294
Provision for credit loss expense[1]	27,204	23,292
Receivables charged-off	(12,326)	(11,506)
Total ending allowance balance	$ 34,958	$ 20,080

[1] *$2.8 million and $0.0 million of provision were deferred as cost specific to COVID-19 in 2021 and 2020, respectively.*

Self-Insurance

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

Federal Income Taxes

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

Natural Gas Off-System Sales and Capacity Release

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

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

Accounting for Derivatives

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

Fair Value Measurements of Derivatives

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

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

Debt Related Costs

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

Leases

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

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

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

Variable Interest Entities

On April 12, 2017, PSE entered into a PPA with Skookumchuck Wind Energy Project, LLC (Skookumchuck) in which Skookumchuck would develop a wind generation facility and, once completed, sell bundled energy and associated attributes, namely renewable energy credits to PSE over a term of 20 years. Skookumchuck commenced commercial operation in November 2020. PSE has no equity investment in Skookumchuck but is Skookumchuck's only customer. Based on the terms of the contract, PSE will receive all of the output of the facility, subject to curtailment rights. PSE has concluded that it is not the primary beneficiary of this VIE since it does not control the commercial and operating activities of the facility. Additionally, PSE does not have the obligation to absorb losses or receive benefits. Therefore, PSE will not consolidate the VIE. Purchased energy of $19.0 million was recognized in purchased electricity on the Company's consolidated statements of income for the year ended December 31, 2021 and $2.7 million is included in accounts payable on the Company's consolidated balance sheet for the year ended December 31, 2021. Purchased energy of $4.2 million was recognized in purchased electricity on the Company's consolidated statements of income and included in accounts payable on the Company's consolidated balance sheet for the year ended December 31, 2020.

Subsequent Events

The Company evaluates events or transactions that occur after the balance sheet date but before the financial statements are issued for potential recognition or disclosures in the financial statements. The Company has evaluated subsequent events through April 15, 2022, the date the financial statements were filed with the FERC, and no additional disclosures are required.

(2) New Accounting Pronouncements

Recently Adopted Accounting Guidance

Reference Rate Reform

In March 2020, the FASB issued ASU 2020-04, *"Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting*". ASU 2020-04 provides temporary optional expedients and exceptions to the current guidance on contract modifications to ease the financial reporting burdens related to the expected market transition from London Interbank Offered Rate (LIBOR) and other interbank offered rates to alternative reference rates. The Company has term loans, credit agreements, and promissory notes that reference LIBOR. As of December 31, 2021, the Company has not utilized any of the expedients discussed within this ASU; however, it continues to assess other agreements to determine if LIBOR is included and if the expedients would be utilized through the allowed period of December 2022.

Credit Losses

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

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

Fair Value Measurement

In 2018, the FASB issued ASU 2018-13, *"Fair Value Measurement (Topic 820): Disclosure Framework - Changes to the Disclosure Requirements for Fair Value Measurement"*. The amendments in this update modify the disclosure requirements on fair value measurements in Topic 820, Fair Value Measurement, based on the concepts in the Concepts Statement, including the consideration of costs and benefits. The amendments are effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019. The Company adopted this update as of January 1, 2020, and it impacted Note 11, "Fair Value Measurements". As the amendment contemplates changes in disclosures only, it did not have a material impact on the Company's results of operations, cash flows, or consolidated balance sheets.

(3) Regulation and Rates

Regulatory Assets and Liabilities

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

The net regulatory assets and liabilities at December 31, 2021, and 2020, are included in the following tables:

Puget Sound Energy		December 31,			
(Dollars in Thousands)	Remaining Amortization Period		2021		2020
Environmental remediation	(a)	$	127,977	$	102,647
Storm damage costs electric	4 years		127,789		108,491
PCA mechanism	N/A		79,546		82,801
Decoupling deferrals and interest (b)	Less than 2 years		79,125		88,504
Chelan PUD contract initiation	9.8 years		69,699		76,787
Deferred Washington Commission AFUDC	30 years		62,244		59,763
PGA receivable	2 years		57,935		87,655
Baker Dam licensing operating and maintenance costs	(c)		54,525		54,354
Lower Snake River	15.4 years		53,757		58,442
Get to zero depreciation expense deferral	N/A		50,220		53,236
Unamortized loss on reacquired debt	1 to 46 years		35,805		37,991
Property tax tracker	Less than 2 years		25,896		24,860
Advanced metering infrastructure	(a)		23,037		22,652
Low Income Program Costs	N/A		21,755		—
Private Letter Ruling EDIT	1 year		18,850		—
Generation plant major maintenance, excluding Colstrip	1 to 8 years		12,094		10,494
Snoqualmie licensing operating and maintenance costs	(c)		7,446		7,435
Mint Farm ownership and operating costs	3.3 years		6,318		8,318
Washington Commission electric vehicle	N/A		6,109		3,641
Water heater rental property loss	N/A		5,725		6,973
Colstrip major maintenance	(d)		4,035		4,335
Washington Commission COVID-19	N/A		3,657		—
Energy conservation costs	(a)		3,573		8,009
Various other regulatory assets	(a)		15,422		10,719
Total PSE regulatory assets		$	952,539	$	918,107
Deferred income taxes (e)	N/A		(866,541)		(953,987)
Cost of removal	(f)		(563,129)		(508,707)
Repurposed production tax credits	N/A		(134,270)		(79,581)
PGA unrealized gain	N/A		(60,728)		(4,925)
Decoupling liability	Less than 2 years		(36,506)		(16,448)
Treasury grants	2 years		(22,476)		(43,164)
Green direct	N/A		(13,194)		(14,313)

Gain on Sale Shuffleton	N/A		(4,892)		(11,131)
Production tax credits	(g)		—		(47,094)
Various other regulatory liabilities	(a)		(7,725)		(5,871)
Total PSE regulatory liabilities			(1,709,461)		(1,685,221)
PSE net regulatory assets (liabilities)		$	(756,922)	$	(767,114)

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

(b) *Decoupling deferrals and interest includes a 24 month GAAP reserve of $3.0 million and $8.0 million for December 31, 2021 and 2020, respectively.*

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

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

(e) *For additional information, see Note 13,"Income Taxes."*

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

(g) *Amortize as PTCs are utilized on PSE's 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 (ARO),” PSE reclassified from accumulated depreciation to a regulatory liability $563.1 million and $508.7 million in 2021 and 2020, respectively, for the cost of removal of utility plant. These amounts are collected from PSE’s customers through depreciation rates.

General Rate Case Filing

PSE filed a general rate case (GRC) which includes a three year multiyear rate plan with the Washington Commission on January 31, 2022, requesting an overall increase in electric and natural gas rates of 13.6% and 13.0% respectively in 2023; 2.5% and 2.3%, respectively in 2024; and 1.2% and 1.8%, respectively, in 2025. PSE requested a return on equity of 9.9% in all three rate years. PSE requested an overall rate of return of 7.39% in 2023; 7.44% in 2024; and 7.49% in 2025. The filing requests recovery of forecasted plant additions through 2022 as required by RCW 80.28.425 as well as forecasted plant additions through 2025, the final year of the multiyear rate plan. The next phase of the filing will be to establish a procedural calendar for the adjudication of the case.

PSE filed a GRC with the Washington Commission on June 20, 2019, requesting an overall increase in electric and natural gas rates of 6.9% and 7.9% respectively. On July 8, 2020, the Washington Commission issued its order on PSE’s GRC. The ruling provided for a weighted cost of capital of 7.39% or 6.8% after-tax, and a capital structure of 48.5% in common equity with a return on equity of 9.4%. The order also resulted in a combined net increase to electric of $29.5 million, or 1.6%, and to natural gas of $36.5 million, or 4.0%. However, the Washington Commission extended the amortization of certain regulatory assets, PSE’s electric decoupling deferral, and PSE’s PGA deferral to mitigate the impact of the rate increase in response to the economic uncertainty created by the COVID-19 pandemic. This reduced the electric revenue increase to approximately $0.9 million, or 0.05% and the natural gas increase to $1.3 million, or 0.15% and became effective October 15, 2020 and October 1, 2020, respectively.

On August 6, 2020, PSE filed a petition for judicial review with the Superior Court of the State of Washington for King County challenging the portion of the final order that requires PSE to pass back to customers the reversal of plant-related excess deferred income taxes in a manner that may deviate from the Internal Revenue Service (IRS) normalization and consistency rules.

PSE reviewed the original Washington Commission order including the ramifications of certain tax issues and requested a Private Letter Ruling (PLR) with the IRS regarding this matter. On October 7, 2020, PSE, the Washington Commission and interveners agreed to dismiss the petition for judicial review. The agreement was based on a commitment from the Washington Commission that if the IRS ruling finds that the Washington Commission’s methodology for reversing plant-related excess deferred income taxes is impermissible, the Washington Commission would open a proceeding to review and enact the changes required by the IRS ruling. There was approximately $25.6 million in annual revenue requirement related to the 2019 GRC, which PSE requested it be allowed to track and recover.

On July 30, 2021, the IRS issued a PLR to PSE which concludes that the Washington Commission’s methodology for reversing plant-related excess deferred income taxes is an impermissible methodology under the IRS normalization and consistency rules. The PLR requires adjustments to PSE's rates to bring PSE back into compliance with IRS rules. Accordingly, on September 28, 2021, the Washington Commission issued an order amending their order previously issued on July 8, 2020, to correct for items which were determined to be impermissible under IRS normalization and consistency rules as detailed in the PLR. To reflect the impact of the PLR, PSE has recorded a regulatory asset and additional revenues of $24.5 million in its operating results through December 31, 2021, of which $5.6 million was collected from customers. Thus, the annualized overall rate impact is an increase of $15.8 million, or 0.7%, for electric and $3.1 million, or 0.3%, for natural gas for a total of $18.9 million with rates effective October 1, 2021. This led to an overall annualized net increase to electric rates of $77.1 million, or 3.7%, an increase of $17.5 million above the $59.6 million granted in the revised final order. The order also led to an overall annualized net increase to natural gas rates of $45.3 million, or 5.9%, an increase of $2.4 million above the $42.9 million granted in the revised final order. The Washington Commission maintained adjustments that mitigated the impacts of the rate increases in response to the economic instability created by the COVID-19 pandemic, which reduced the electric revenue increase to approximately $48.3 million, or 2.3%, and the natural gas increase to 4.9 million, or 0.6%.

Power Cost Only Rate Case

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

On March 2, 2021, the parties to the PCORC reached an unopposed multiparty settlement in principle. The settlement resulted in an estimated revenue increase of $65.3 million or 3.1%. A term of the settlement requires PSE to include in its next GRC (or another proceeding in 2022) the issue of whether the PCORC should continue, and further prohibits PSE from filing another PCORC before this issue is litigated. On June 1, 2021, the Washington Commission issued its Final Order approving and adopting the settlement and authorizing and requiring a power cost update through a compliance filing. On June 17, 2021, PSE filed a compliance filing with the Washington Commission with a revenue increase of $70.9 million or 3.3% due to the update on power costs with rates effective July 1, 2021.

Decoupling Filings

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

On December 23, 2020, the Washington Commission approved PSE’s filing to update Schedule 142 decoupling amortization rates, with an effective date of January 1, 2021, by zeroing out rates still effective past October 15, 2020 on tariff sheet Schedule 142-H, which was replaced by rates on tariff sheet Schedule 142-I effective October 15, 2020. PSE included a true up of the over-collection amounts for the period of October 15, 2020 through December 31, 2020 in PSE’s annual May 2021 decoupling filing.

On June 1, 2021, the Washington Commission approved the multi-party settlement agreement which was filed within PSE’s PCORC filing. As part of this settlement agreement, the electric annual fixed power cost allowed revenue was updated to reflect changes in the approved revenue requirement. The changes took effect on July 1, 2021.

On September 28, 2021, the Washington Commission approved 2019 GRC filing updated to PLR changes. As part of this filing, the annual electric and gas delivery cost allowed revenue was updated to reflect changes in the approved revenue requirement. The changes took effect on October 1, 2021.

On December 31, 2021, PSE performed an analysis to determine if electric and natural gas decoupling revenue deferrals would be collected from customers within 24 months of the annual period, per ASC 980. If not, for GAAP purposes only, PSE would need to record a reserve against the decoupling revenue and regulatory asset balance. Once the reserve is probable of collection within 24 months from the end of the annual period, the reserve can be recognized as decoupling revenue. The analysis indicated that $3.0 million of electric deferred revenue will not be collected within 24 months of the annual period; therefore a reserve adjustment was booked to 2021 electric decoupling revenue. Natural gas deferred revenue will be collected within 24 months of the annual period; therefore, no reserve adjustment was booked to 2021 natural gas decoupling revenue. This compares to $8.0 million of electric deferred revenue not being collected within 24 months of the annual period in 2020; therefore, a reserve adjustment was booked to 2020 electric decoupling revenue and natural gas deferred revenue would be collected within 24 months of the annual period; therefore no reserve adjustment was booked to 2020 natural gas decoupling revenue.

Power Cost Adjustment Mechanism

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

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

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

For the year ended December 31, 2021, in its PCA mechanism, PSE under recovered its allowable costs by $68.0 million of which $36.7 million was apportioned to customers and $1.7 million of interest was accrued on the deferred customer balance. This compares to an under recovery of allowable costs of $76.1 million for the year ended December 31, 2020, of which $44.0 million was apportioned to customers and accrued $2.0 million of interest on the total deferred customer balance. The under recovery in 2020 was included in the Power Cost Adjustment Clause filing, mentioned below.

Power Cost Adjustment Clause Filing

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

PSE exceeded the $20.0 million cumulative deferral balance in its PCA mechanism in 2020. The surcharging of deferrals can be triggered by the Company when the balance in the deferral account is a credit of $20.0 million or more. During 2020, actual power costs were higher than baseline power costs, thereby creating an under-recovery of $76.1 million. Under the terms of the PCA's sharing mechanism for under-recovered power costs, PSE absorbed $32.1 million of the under-recovered amount, and customers were responsible for the remaining $44.0 million, or $46.0 million including interest. PSE filed to recover the deferred balance in Docket UE-210300, effective December 1, 2021, and the Washington Commission approved PSE's request on September 30, 2021.

Purchased Gas Adjustment Mechanism

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

On October 28, 2021, the Washington Commission approved PSE's request for November 2021 PGA rates in Docket UG-210721, effective November 1, 2021. As part of that filing, PSE requested an annual revenue increase of $59.1 million; where PGA rates, under Schedule 101, increase annual revenue by $80.6 million, and the tracker rates under Schedule 106, decrease annual revenue by $21.5 million. Those rate increases will be set in addition to continuing the collection on the remaining balance of $69.4 million under Supplemental Schedule 106B.

The following table presents the PGA mechanism balances and activity at December 31, 2021 and December 31, 2020:

Puget Sound Energy (Dollars in Thousands) PGA receivable balance and activity	At December 31, 2021	At December 31, 2020
PGA receivable beginning balance	$ 87,655	$ 132,766
Actual natural gas costs	364,775	314,792
Allowed PGA recovery	(396,236)	(363,886)
Interest	1,741	3,983
PGA receivable ending balance	$ 57,935	$ 87,655

Get to Zero Depreciation Deferral

On April 10, 2019, PSE filed an accounting petition with the Washington Commission, requesting authorization to defer depreciation expense associated with Get To Zero (GTZ) projects that were placed in service after June 30, 2018. The GTZ project consists of a number of short-lived technology upgrades. The depreciation expense associated with the GTZ projects with lives of 10 years or less that were placed in service after June 30, 2018, were deferred beginning May 1 per the petition request. For the year ended December 31, 2021 and December 31, 2020, PSE deferred $6.6 million and $2.8 million of depreciation expense for GTZ, respectively. In addition to the deferral of depreciation expense, PSE had also requested to defer carrying charges on the GTZ deferral, to be calculated utilizing the Company's currently authorized after-tax rate of return, or 6.89%. The ruling authorized PSE to amortize deferred GTZ expenses as proposed in the original GRC filing. The ruling also allows continued deferral of the depreciation expense associated with GTZ investments not already approved for recovery with a book life of 10 years or less, through PSE's next GRC. Finally, the final order set the rate at which PSE could defer and recover carrying charges from PSE's authorized rate of return to the quarterly interest rate established by the FERC.

Crisis Affected Customer Assistance Program

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

On March 28, 2021, the Washington Commission approved PSE's second Crisis Affected Customer Assistance Program (CACAP-2), effective April 12, 2021. CACAP-2 will provide up to $2,500 in bill assistance per year for each qualifying low-income household. The CACAP-2 total program budget is $20.0 million for electric customers and $7.7 million for natural gas customers. Natural gas funds may be used for electric bills if necessary. Customers may apply for CACAP-2 more than once during the 12-month program year of October-September.

On October 15, 2021, PSE submitted for the Washington Commission's review and approval of a Supplemental CACAP filing to continue assistance for PSE customers facing financial hardship due to COVID-19. The Supplemental CACAP would utilize carry-over funds not expended in any prior years under PSE's Schedule 129 Home Energy Lifeline Program. The Supplemental CACAP benefits, for both electric and natural gas residential customers, would be a combined total of $34.5 million and be capped at $23.7 million and $10.8 million, respectively. Additionally, the Supplemental CACAP filing proposed to revise the CACAP-2 total program budget to $27.7 million for electric customers (instead of $20.0 million for electric customers and $7.7 million for natural gas customers). The Supplemental CACAP budget for natural gas customers of $10.8 million would be used for both the CACAP-2 program and the Supplemental CACAP program benefits.

The Supplemental CACAP benefits would be available to PSE's residential customers who have a past due balance on their PSE electric or natural gas service account and who have a total net household income which is at or below 200% of the federal poverty level guidelines, based on household, as determined by the Company. The Supplemental CACAP benefits would cover a qualifying residential customer's past due balance, up to $2,500. PSE would apply the Supplemental CACAP benefits to qualifying residential service accounts automatically with an opt-out option. The Supplemental CACAP was approved by the Washington Commission at the November 12, 2021 open meeting. Both CACAP-2 and Supplemental CACAP will be administered until funds are exhausted.

Storm Loss Deferral Mechanism

The Washington Commission has defined deferrable weather-related events and provided that costs in excess of the annual cost threshold may be deferred for qualifying damage costs that meet the modified Institute of Electrical and Electronics Engineers outage criteria for system average interruption duration index. For the year ended December 31, 2021, PSE incurred $51.4 million in weather-related electric transmission and distribution system restoration costs, of which the Company deferred $40.9 million and $0.2 million as regulatory assets related to storms that occurred in 2021 and 2020, respectively. This compares to $21.8 million incurred in weather-related electric transmission and distribution system restoration costs for the year ended December 31, 2020, of which the Company deferred $11.2 million as regulatory assets related to storms that occurred in 2020. Under the 2017 GRC Order, the storm loss deferral mechanism approved the following: (i) the cumulative annual cost threshold for deferral of storms under the mechanism at $10.0 million; and (ii) qualifying events where the total qualifying cost is less than $0.5 million will not qualify for deferral and these costs will also not count toward the $10.0 million annual cost threshold.

Environmental Remediation

The Company is subject to environmental laws and regulations by the federal, state and local authorities and is required to undertake certain environmental investigative and remedial efforts as a result of these laws and regulations. The Company has been named by the Environmental Protection Agency (EPA), the Washington State Department of Ecology and/or other third parties as potentially responsible at several contaminated sites and former manufactured gas plant sites. In accordance with the guidance of ASC 450, "Contingencies," the Company reviews its estimated future obligations and will record adjustments, if any, on a quarterly basis. Management believes it is probable and reasonably estimable that the impact of the potential outcomes of disputes with certain property owners and other potentially responsible parties will result in environmental remediation costs of $69.0 million for natural gas and $48.6 million for electric. The Company believes a significant portion of its past and future environmental remediation costs are recoverable from insurance companies, from third parties or from customers under a Washington Commission order. The Company is also subject to cost sharing agreements with third parties regarding environmental remediation projects in Seattle, Tacoma, Everett, and Bellingham, Washington. As of December 31, 2021, the Company's share of future remediation costs

Washington Commission order. The Company is also subject to cost-sharing agreements with third parties regarding environmental remediation projects in Seattle, Tacoma, Everett, and Bellingham, Washington. As of December 31, 2021, the Company's share of future remediation costs is estimated to be approximately $62.1 million. The Company's deferred electric environmental costs are $52.2 million and $51.8 million at December 31, 2021 and 2020, respectively, net of insurance proceeds. The Company's deferred natural gas environmental costs are $75.8 million and $50.9 million at December 31, 2021 and 2020, 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, 2021, approximately $1.2 billion of unrestricted retained earnings was available for the payment of dividends under the most restrictive mortgage indenture covenant.

Pursuant to the terms of the Washington Commission merger order, PSE may not declare or pay dividends if PSE’s common equity ratio, calculated on a regulatory basis, is 44.0% or below except to the extent a lower equity ratio is ordered by the Washington Commission. Also, pursuant to the merger order, PSE may not declare or make any distribution unless on the date of distribution PSE’s corporate credit/issuer rating is investment grade, or, if its credit ratings are below investment grade, PSE’s ratio of earnings before interest, tax, depreciation and amortization (EBITDA) to interest expense for the most recently ended four fiscal quarter periods prior to such date is equal to or greater than 3.0 to 1.0. The common equity ratio, calculated on a regulatory basis, was 47.5% at December 31, 2021, and the EBITDA to interest expense was 5.5 to 1.0 for the twelve months ended December 31, 2021.

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, 2021, PSE was in compliance with all applicable covenants, including those pertaining to the payment of dividends.

(5) Utility Plant

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

Utility Plant	Estimated Useful Life	Puget Sound Energy	
		December 31,	
(Dollars in Thousands)	(Years)	2021	2020
Distribution plant	20-65	$ 9,026,042	$ 8,592,720
Production plant	12-90	3,815,599	3,767,014
Transmission plant	43-75	1,663,559	1,601,731
General plant	5-75	773,662	726,327
Intangible plant (including capitalized software)[1]	3-50	788,240	770,317
Plant acquisition adjustment	N/A	282,792	282,792
Underground storage	25-60	56,820	52,927
Liquefied natural gas storage	25-60	14,498	14,498
Plant held for future use	N/A	46,172	46,081
Recoverable Cushion Gas	N/A	8,655	8,655
Plant not classified	N/A	316,933	384,794
Finance leases, net of accumulated amortization[2]	N/A	105,020	881
Less: accumulated provision for depreciation		(6,416,246)	(6,087,748)
Subtotal		$ 10,481,746	$ 10,160,989
Construction work in progress		870,204	712,204
Net utility plant		$ 11,351,950	$ 10,873,193

1. *Intangible assets include capitalized software and franchise agreements with useful lives ranging between 3-10 years and 10-50 years, respectively.*
2. *At December 31, 2021, and 2020, accumulated amortization of finance leases at PSE was $2.6 million and $1.6 million, respectively.*

Jointly owned generating plant service costs are included in utility plant service cost at the Company's ownership share. The Company provides financing for its ownership interest in the jointly owned utility plants. The following tables indicate the Company’s percentage ownership and the extent of the Company’s investment in jointly owned generating plants in service at December 31, 2021. These amounts are also included in the Utility Plant table above. The Company's share of fuel costs and operating expenses for plant in service are included in the corresponding accounts in the Consolidated Statements of Income.

Puget Sound Energy

Jointly Owned Generating Plants (Dollars in Thousands)	Energy Source (Fuel)	Company’s Ownership Share	Plant in Service at Cost	Construction Work in Progress	Accumulated Depreciation
Colstrip Units 3 & 4	Coal	25.00 %	$ 597,009	$ —	$ (411,887)
Frederickson 1	Natural Gas	49.85	69,278	—	(24,283)
Jackson Prairie	Natural Gas	33.34	56,820	471	(24,952)
Tacoma LNG	Natural Gas	various	—	239,566	—

In June 2019, Talen, the plant operator of Colstrip Units 1 and 2, announced a plan to shut down as of December 31, 2019. The Company retired Colstrip 1&2 from Utility Plant and transferred the unrecovered plant amount of $126.5 million to regulatory assets, offset by depreciation as included in base rates until the 2019 GRC became effective in October 2020. Consistent with the GRC settlement in 2017, monetization of the PTCs will fund the following: (i) Colstrip Community Transition Fund, (ii) unrecovered Colstrip plant and (iii) incurred decommissioning and remediation costs for Colstrip. At December 31, 2021, and December 31, 2020, the unrecovered plant for Colstrip 1&2 was fully offset with PTCs.

Asset Retirement Obligation

The Company has recorded liabilities for steam generation sites, combustion turbine generation sites, wind generation sites, distribution and transmission poles, natural gas mains, liquefied natural gas storage sites, and leased facilities where disposal is governed by ASC 410-20 “Asset Retirement and Environmental Obligations" (ARO). The Company records its ARO liabilities for its electric transmission and distribution poles as well as gas distribution mains aligned with its underlying asset data with future estimates of retirements.

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

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

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

For the twelve months ended December 31, 2021, the Company reviewed the estimated remediation costs at Colstrip and decreased the Colstrip ARO liability by $1.5 million for Colstrip Units 1 and 2 and $3.1 million for Colstrip Units 3 and 4. The 2021 decrease to Colstrip 1 and 2 is primarily due to remediation plans approved by the Montana Department of Environmental Quality under a 2012 settlement between the plant operator and the state for the remaining sites at Colstrip. The plant operator previously contested the approved plan for Colstrip Units 1 and 2 primarily due to remediation plans approved by the Montana Department of Environmental Quality under a 2012 settlement between the plant operator and the state for the remaining sites at Colstrip. The plant operator previously contested the approved plan for Colstrip Units 1 and 2 under the defined process in the settlement with the state and reached a settlement agreement regarding the ability to still present another option under the settlement terms and conditions. The Company had previously recorded these incremental costs in 2020 for remediation work on the older ponds under ASC 410-20 "Asset Retirement and Environmental Obligations" and ASC 410-30 "Environmental Remediation". For the twelve months ended December 31, 2020, the Company reviewed the estimated remediation costs at Colstrip and increased the Colstrip ARO liability by $29.7 million for Colstrip Units 1 and 2, and $2.0 million for Colstrip Units 3 and 4. The environmental remediation liability for Colstrip Units 1 and 2 increased $39.0 million during the same period. The 2020 increase to these Colstrip related liabilities is primarily due to remediation plans approved by the Montana Department of Environmental Quality under a 2012 settlement between the plant operator and the state for the remaining sites at Colstrip. For the twelve months ended December 31, 2021 and 2020, the Company also recorded relief of ARO and environmental remediation liability of $13.1 million and $9.6 million, respectively.

In addition, the Company recorded Tacoma LNG facility ARO liability of $3.8 million and $3.3 million as of December 31, 2021 and December 31, 2020, respectively. The 2021 and 2020 increases to the Tacoma LNG facility ARO liabilities are primarily due to continued construction of the plant. In 2021, the ARO liability associated with the Tacoma LNG facility was fully recorded as construction was essentially complete and commissioning activities are on-going.

Puget Sound Energy	December 31,			
(Dollars in Thousands)	2021		2020	
Asset retirement obligation at beginning of the period	$	208,745	$	177,019
Relief of liability		(13,145)		(9,647)
Revisions in estimated cash flows		3,948		35,802
Accretion expense		5,790		5,571
Asset retirement obligation at end of period	$	205,338	$	208,745

The Company has identified the following obligations, as defined by ASC 410, "ARO," which were not recognized because the liability for these assets cannot be reasonably estimated at December 31, 2021:

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

6) Long-Term Debt

The following table presents outstanding long-term debt due dates and principal amounts, net of debt discount, issuance and other costs as of 2021 and 2020:

(Dollars in Thousands)			December 31,			
Series	Type	Due	2021		2020	
Puget Sound Energy:						
7.150%	First Mortgage Bond	2025	$	15,000	$	15,000
7.200%	First Mortgage Bond	2025		2,000		2,000
7.020%	Senior Secured Note	2027		300,000		300,000
7.000%	Senior Secured Note	2029		100,000		100,000
3.900%	Pollution Control Bond	2031		138,460		138,460
4.000%	Pollution Control Bond	2031		23,400		23,400
5.483%	Senior Secured Note	2035		250,000		250,000
6.724%	Senior Secured Note	2036		250,000		250,000
6.274%	Senior Secured Note	2037		300,000		300,000
5.757%	Senior Secured Note	2039		350,000		350,000
5.795%	Senior Secured Note	2040		325,000		325,000
5.764%	Senior Secured Note	2040		250,000		250,000
4.434%	Senior Secured Note	2041		250,000		250,000
5.638%	Senior Secured Note	2041		300,000		300,000
4.300%	Senior Secured Note	2045		425,000		425,000
4.223%	Senior Secured Note	2048		600,000		600,000
3.250%	Senior Secured Note	2049		450,000		450,000
2.893%	Senior Secured Note	2051		450,000		—
4.700%	Senior Secured Note	2051		45,000		45,000
*	Debt discount, issuance cost and other	*		(39,141)		(35,816)
Total PSE long-term debt			$	4,784,719	$	4,338,044

* *Not Applicable.*

PSE's senior secured notes will cease to be secured by the pledged first mortgage bonds on the date (the "Substitution 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, 2021, the latest maturity date of the first mortgage bonds, other than pledged first mortgage bonds, is December 22, 2025. On the Substitution Date, PSE will deliver to the trustee for PSE's senior secured notes substitute pledged first mortgage bonds to be issued under a new mortgage indenture. As a result, as of the Substitution Date PSE's outstanding senior secured notes and any future series of PSE's senior secured notes will be secured by substitute pledged first mortgage bonds.

Puget Sound Energy Long-Term Debt

On August 2, 2019, PSE filed a new shelf registration statement under which it may issue up to $1.0 billion aggregate principal amount of senior notes secured by first mortgage bonds. As of the date of this report, $100.0 million was available to be issued. The shelf registration will expire in August 1, 2022.

On September 15, 2021, PSE issued $450.0 million of senior secured notes at an interest rate of 2.893%. The notes were issued for a period of 30 years, mature on September 15, 2051, and pay interest semi-annually on March 15 and September 15 of each year. The proceeds from the issuance will be used for repayment of commercial paper as well as general corporate purposes.

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)	2022	2023	2024	2025	2026	Thereafter	Total
Maturities of:							
PSE	$ —	$ —	$ —	$ 17,000	$ —	$ 4,806,860	$ 4,823,860
Total long-term debt	$ —	$ —	$ —	$ 17,000	$ —	$ 4,806,860	$ 4,823,860

(7) Liquidity Facilities and Other Financing Arrangements

As of December 31, 2021, and 2020, PSE had $140.0 million and $373.8 million in short-term debt outstanding, respectively. PSE's weighted-average interest rate on short-term debt, including borrowing rate, commitment fees and the amortization of debt issuance costs, during 2021 and 2020 was 1.6% and 2.0%, respectively. As of December 31, 2021, PSE had several committed credit facilities that are described below.

Puget Sound Energy

Credit Facility

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

The credit agreement is syndicated among numerous lenders and contains usual and customary affirmative and negative covenants that, among other things, places limitations on PSE's ability to transact with affiliates, make asset dispositions and investments or permit liens to exist. The credit agreement also contains a financial covenant of total debt to total capitalization of 65% or less. PSE certifies its compliance with such covenants to participating banks each quarter. As of December 31, 2021, PSE was in compliance with all applicable covenant ratios.

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

As of December 31, 2021, no amounts were drawn and outstanding under PSE's credit facility. No letters of credit were outstanding and $140.0 million was outstanding under the commercial paper program. Outside of the credit agreement, PSE had a $2.5 million letter of credit in support of a long-term transmission contract.

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 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 promissory note, PSE pays interest on the outstanding borrowings based on the lower of the weighted-average interest rates of PSE's outstanding commercial paper or PSE's senior unsecured revolving credit facility. Absent such borrowings, interest is charged at one-month LIBOR plus 0.25%. As of December 31, 2021, there was no outstanding balance under the promissory note.

(8) Leases

PSE has operating leases for buildings for corporate offices and operations, real estate for operating facilities and the PSE and PLNG LNG facility, land for our wind farms, and vehicles for PSE's fleet. Finance leases represent office printers and office buildings. The leases have remaining lease terms of less than a year to 48 years. PSE's right-of-use (ROU) assets and lease liabilities include options to extend leases when it is reasonably certain that PSE will exercise that option.

During 2021, mechanical completion was achieved for the Puget LNG facility which triggered an increase in the lease payments for the Port of Tacoma lease. This remeasurement resulted in an increase of the operating lease ROU asset and operating lease liabilities of $26.3 million, of which $0.4 million was recorded in current operating lease liabilities and $25.9 million was recorded in operating lease liabilities. Additionally, two finance leases commenced for service center facilities in Kent and Puyallup, Washington. The Kent lease has a term of 20 years and resulted in an increase of electric utility plant and finance lease liabilities of $45.1 million, of which $1.0 million was recorded in other current liabilities and $44.1 million was recorded in finance lease liabilities, respectively. The Puyallup lease has a term of 20 years and resulted in an increase in common utility plant and finance lease liabilities of $61.3 million, of which $0.4 million was recorded in other current liabilities and $59.9 million was recorded in finance lease liabilities.

The components of lease cost were as follows:

Puget Sound Energy (Dollars in Thousands)	Year Ended December 31, 2021	Year Ended December 31, 2020
Finance lease cost:		
Amortization of right-of-use asset	$ 1,291	$ 607
Interest on lease liabilities	358	34
Total finance lease cost	$ 1,649	$ 641
Operating lease cost	$ 22,568	$ 20,984

Supplemental cash flow information related to leases was as follows:

Puget Sound Energy (Dollars in Thousands)	Year Ended December 31, 2021	Year Ended December 31, 2020
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flow for operating leases	$ 16,440	$ 15,305
Investing cash flow for operating leases	6,143	5,679
Operating cash flow for finance leases	358	34
Financing cash flow for finance leases	1,291	607
Non-cash disclosure upon commencement of new lease		
Right-of-use assets obtained in exchange for new operating lease liabilities	$ 4,820	$ 6,302
Right-of-use assets obtained in exchange for new finance lease liabilities	105,176	—
Non-cash disclosure upon modification of existing lease		

Modification of operating lease right-of-use assets	$ 26,287	$ —

Supplemental balance sheet information related to leases was as follows:

Puget Sound Energy (Dollars in Thousands)	At December 31, 2021	At December 31, 2020
Operating Leases		
Operating lease right-of-use asset	$ 184,957	$ 172,167
Operating leases liabilities current	$ 20,398	$ 19,204
Operating lease liabilities long-term	172,510	160,980
Total operating lease liabilities	$ 192,908	$ 180,184
Finance Leases		
Common plant	$ 61,227	$ 881
Electric plant	43,793	—
Total finance lease assets	$ 105,020	$ 881
Other current liabilities	$ 1,742	$ 475
Finance lease liabilities	105,303	320
Total finance lease liabilities	$ 107,045	$ 795
Weighted Average Remaining Lease Term		
Operating leases	22.80 Years	18.97 Years
Finance leases	20.15 Years	2.00 Years
Weighted Average Discount Rate		
Operating leases	3.27 %	3.59 %
Finance leases	3.07 %	2.98 %

The following table summarizes the Company's estimated future minimum lease payments as of December 31, 2021:

Maturities of lease liabilities (Dollars in Thousands)	Future Minimum Lease Payments	
At December 31,	Operating Leases	Finance Leases
2022	$ 23,945	$ 4,881
2023	23,717	6,260
2024	23,000	6,286
2025	19,636	6,411
2026	17,126	6,540
Thereafter	164,797	116,553
Total lease payments	$ 272,221	$ 146,931
Less imputed interest	(79,313)	(39,886)
Total net present value	$ 192,908	$ 107,045

(9) Accounting for Derivative Instruments and Hedging Activities

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

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

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

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

Puget Sound Energy (Dollars in Thousands)	Year Ended December 31,					
	Volumes (millions)		Assets[1]		Liabilities[2]	
	2021	2020	2021	2020	2021	2020
Electric portfolio derivatives	*	*	$ 74,829	$ 22,544	$ 85,424	$ 46,922
Natural gas derivatives (MMBtus)[3]	347	320	79,578	19,276	18,850	14,352
Total derivative contracts			$ 154,407	$ 41,820	$ 104,274	$ 61,274
Current			128,210	33,015	63,309	31,441
Long-term			26,197	8,805	40,965	29,833
Total derivative contracts			$ 154,407	$ 41,820	$ 104,274	$ 61,274

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

* *Electric portfolio derivatives consist of electric generation fuel of 238.0 million One Million British Thermal Units (MMBtus) and purchased electricity of 8.1 million megawatt hours (MWhs) at December 31, 2021, and 212.2 million MMBtus and 6.6 million MWhs at December 31, 2020.*

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

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

Puget Sound Energy

	December 31, 2021					
(Dollars in Thousands)	Gross Amount Recognized in the Consolidated Balance Sheet[1]	Gross Amounts Offset in the Consolidated Balance Sheet	Net of Amounts Presented in the Consolidated Balance Sheet	Gross Amounts Not Offset in the Consolidated Balance Sheet		
				Commodity Contracts[2]	Cash Collateral Received/Pledged	Net Amount
Assets:						
Energy derivative contracts	$ 154,407	$ —	$ 154,407	$ (40,833)	$ —	$ 113,574
Liabilities:						
Energy derivative contracts	104,274	—	104,274	(40,833)	(1,743)	$ 61,698

Puget Sound Energy

	December 31, 2020					
(Dollars in Thousands)	Gross Amount Recognized[1]	Gross Amounts Offset in the Consolidated Balance Sheet	Net of Amounts Presented in the Consolidated Balance Sheet	Gross Amounts Not Offset in the Consolidated Balance Sheet		
				Commodity Contracts[2]	Cash Collateral Received/Pledged	Net Amount
Assets:						
Energy derivative contracts	$ 41,820	$ —	$ 41,820	$ (21,696)	$ —	$ 20,124
Liabilities:						
Energy derivative contracts	61,274	—	61,274	(21,696)	(9,343)	$ 30,235

1. *All derivative contract deals are executed under ISDA, NAESB and WSPP master agreements with right of set-off.*
2. *Balance sheet classification: Current and Long-term Unrealized loss on derivative instruments.*

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

Puget Sound Energy		Year Ended December 31,	
(Dollars in Thousands)	Location	2021	2020
Gas for Power Derivatives:			
Unrealized	Unrealized gain (loss) on derivative instruments, net	26,686	5,534
Realized	Electric generation fuel	76,504	5,246
Power Derivatives:			
Unrealized	Unrealized gain (loss) on derivative instruments, net	(12,901)	(32,341)
Realized	Purchased electricity	(3,044)	(14,958)
Total gain (loss) recognized in income on derivatives		$ 87,245	$ (36,519)

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

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

It is possible that volatility in energy commodity prices could cause the Company to have material credit risk exposure with one or more counterparties. If such counterparties fail to perform their obligations under one or more agreements, the Company could suffer a material financial loss. However, as of December 31, 2021, approximately 98.9% of the Company's energy portfolio exposure, excluding NPNS transactions, is with counterparties that are rated investment grade by rating agencies and 1.1% are either rated below investment grade or not rated by rating agencies. The Company assesses credit risk internally for counterparties that are not rated by the major rating agencies.

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

The Company applies the counterparty's default factor to compute credit reserves for counterparties that are in a net asset position. The Company calculates a non-performance risk on its derivative liabilities by using its estimated incremental borrowing rate over the risk-free rate. Credit reserves are netted against unrealized gain (loss) positions. As of December 31, 2021, the Company was in a net liability position with the majority of counterparties, so the default factors of counterparties did not have a significant impact on reserves for the period. The majority of the Company's derivative contracts are with financial institutions and other utilities operating within the Western Electricity Coordinating Council. PSE also transacts power futures contracts on the Intercontinental Exchange (ICE), and natural gas contracts on the ICE NGX exchange platform. Execution of contracts on ICE requires the daily posting of margin calls as collateral through a futures and clearing agent. As of December 31, 2021, PSE had cash posted as collateral of $12.8 million related to contracts executed on the ICE platform. Also, as of December 31, 2021, PSE had $24.0 million in cash posted as collateral and no letter of credit posted as a condition of transacting on the ICE NGX platform. 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 during the twelve months ended December 31, 2021.

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

Puget Sound Energy (Dollars in Thousands)	December 31, 2021			2020		
Contingent Feature	Fair Value[1] Liability	Posted Collateral	Contingent Collateral	Fair Value[1] Liability	Posted Collateral	Contingent Collateral
Credit rating[2]	$ 52,537	$ —	$ 52,537	$ 26,966	$ —	$ 26,966
Requested credit for adequate assurance	9,380	—	—	6,576	—	—
Forward value of contract[3]	1,743	12,782	N/A	9,343	20,903	N/A
Total	$ 63,660	$ 12,782	$ 52,537	$ 42,885	$ 20,903	$ 26,966

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

(10) Fair Value Measurements

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

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

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

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

Financial assets and liabilities measured at fair value are classified in their entirety in the appropriate fair value hierarchy based on the lowest level of input that is significant to the fair value measurement. The Company's assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the valuation of fair value assets and liabilities and their placement within the fair value hierarchy. The Company primarily determines fair value measurements classified as Level 2 or Level 3 using a combination of the income and market valuation approaches. The process of determining the fair values is the responsibility of the derivative accounting department which reports to the Controller and Principal Accounting Officer. Inputs used to estimate the fair value of forwards, swaps and options include market-price curves, contract terms and prices, credit-risk adjustments, and discount factors. Additionally, for options, the

Black-Scholes option valuation model and implied market volatility curves are used. Inputs used to estimate fair value in industry-standard models are categorized as Level 2 inputs as substantially all assumptions and inputs are observable in active markets throughout the full term of the instruments. On a daily basis, the Company obtains quoted forward prices for the electric and natural gas markets from an independent external pricing service.

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

Assets and Liabilities with Estimated Fair Value

The carrying values of cash and cash equivalents, restricted cash, and short-term debt as reported on the balance sheet are reasonable estimates of their fair value due to the short-term nature of these instruments and are classified as Level 1 in the fair value hierarchy. The carrying value of other investments of $53.2 million and $52.7 million at December 31, 2021, and 2020, respectively, are included in "Other property and investments" on the balance sheet. These values are also reasonable estimates of their fair value and classified as Level 2 in the fair value hierarchy as they are valued based on market rates for similar transactions.

The fair value of the junior subordinated and long-term notes were estimated using the discounted cash flow method with U.S. Treasury yields and Company's credit spreads as inputs, interpolating to the maturity date of each issue.

The carrying values and estimated fair values were as follows:

Puget Sound Energy		December 31, 2021		December 31, 2020	
(Dollars in Thousands)	Level	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial liabilities:					
Long-term debt (fixed-rate), net of discount[1]	2	$ 4,784,719	$ 6,145,639	$ 4,338,044	$ 6,086,358
Total		$ 4,784,719	$ 6,145,639	$ 4,338,044	$ 6,086,358

1. *The carrying value includes debt issuances costs of $22.8 million and $22.9 million for December 31, 2021, and 2020, respectively, which are not included in fair value.*

Assets and Liabilities Measured at Fair Value on a Recurring Basis

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

Puget Sound Energy	Fair Value December 31, 2021			Fair Value December 31, 2020		
(Dollars in Thousands)	Level 2	Level 3	Total	Level 2	Level 3	Total
Assets:						
Electric derivative instruments	$ 68,011	$ 6,818	$ 74,829	$ 21,947	$ 597	$ 22,544
Gas derivative instruments	79,526	52	79,578	19,139	137	19,276
Total derivative assets	$ 147,537	$ 6,870	$ 154,407	$ 41,086	$ 734	$ 41,820
Liabilities:						
Electric derivative instruments	$ 35,854	$ 49,570	$ 85,424	$ 22,607	$ 24,315	$ 46,922
Gas derivative instruments	16,678	2,172	18,850	13,080	1,272	14,352
Total derivative liabilities	$ 52,532	$ 51,742	$ 104,274	$ 35,687	$ 25,587	$ 61,274

Puget Sound Energy Level 3 Roll-Forward Net Asset(Liability) (Dollars in Thousands)	Year Ended December 31,					
	2021			2020		
	Electric	Natural Gas	Total	Electric	Natural Gas	Total
Balance at beginning of period	$ (23,718)	$ (1,135)	$ (24,853)	$ (3,379)	$ 1,282	$ (2,097)
Changes during period						
Realized and unrealized energy derivatives:						
Included in earnings[1]	(15,839)	—	(15,839)	(23,559)	—	(23,559)
Included in regulatory assets / liabilities	—	(1,749)	(1,749)	—	(1,049)	(1,049)
Settlements[2]	(3,195)	764	(2,431)	3,220	(1,368)	1,852
Transferred into Level 3	—	—	—	—	—	—
Transferred out Level 3	—	—	—	—	—	—
Balance at end of period	$ (42,752)	$ (2,120)	$ (44,872)	$ (23,718)	$ (1,135)	$ (24,853)

1. *Income Statement classification: Unrealized (gain) loss on derivative instruments, net. Includes unrealized gains (losses) on derivatives still held in position as of the reporting date for electric derivatives of $(21.6) million and $(21.3) million for the years ended December 31, 2021 and 2020, respectively.*
2. *The Company had no purchases or sales of options 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, 2021 and 2020. The Company does transact at locations, or market price points, that are illiquid or for which no prices are available from the independent pricing service. In such circumstances the Company uses a more liquid price point and adjusts the price for transportation costs to the illiquid locations to serve as a proxy for market prices. Such transactions are classified as Level 3. The Company does not use internally developed models to make adjustments to significant unobservable pricing inputs.

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

Below are the forward price ranges for the Company's commodity contracts, as of December 31, 2021:

Puget Sound Energy (Dollars in Thousands)	Fair Value				Range		
	Assets[1]	Liabilities[1]	Valuation Technique	Unobservable Input	Low	High	Weighted
Electricity	$ 6,818	$ 49,570	Discounted cash flow	Power Prices (per MWh)	$ 21.88	$ 119.38	$ 61.51
Natural Gas	$ 52	$ 2,172	Discounted cash flow	Natural Gas Prices (per MMBtu)	$ 3.65	$ 7.54	$ 5.89

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, 2021, 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 $17.9 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 $23.6 million and $22.1 million for the years 2021 and 2020, respectively. The employee Investment Plan eligibility requirements are set forth in the plan documents.

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

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

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

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

(12) Retirement Benefits

PSE has a defined benefit pension plan (Qualified Pension Benefits) covering a substantial majority of PSE employees. For employees hired prior to 2014, 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. Effective January 1, 2014, all new UA represented employees hired or rehired receive annual pay credits of 4.0% of eligible pay each year in the cash balance formula of the defined pension plan. Effective January 1, 2014 for non-represented employees, and December 12, 2014 for employees represented by the IBEW, newly hired or rehired employees receive annual employer contributions of 4.0% of eligible play each year into the cash balance formula of the defined benefit pension or 401k plan account. PSE also has a non-qualified Supplemental Executive Retirement Plan (SERP) for certain key senior management employees that closed to new participants in 2019. Effective 2019, PSE has an officer restoration benefit for new officers who join PSE or are promoted, such that company contributions under PSE’s applicable tax-qualified plan, which otherwise would have been credited if not for IRS limitations, are credited at 4.0% of earnings to an account with the Deferred Compensation Plan.

In addition to providing pension benefits, PSE provides legacy group health care and life insurance benefits (Other Benefits) for certain retired employees. These benefits are provided principally through an insurance company. The insurance premiums, paid primarily by retirees, are based on the benefits provided during the prior year. On June 11, 2019, the Company's Welfare Benefits Committee approved the termination of the Plan effective December 31, 2019, and the creation of a Retiree Health Reimbursement Account (HRA) Plan effective January 1, 2020.

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, 2021, and 2020:

Qualified SERP Other

Puget Sound Energy	Pension Benefits		Pension Benefits		Benefits	
(Dollars in Thousands)	2021	2020	2021	2020	2021	2020
Change in benefit obligation:						
Benefit obligation at beginning of period	$ 849,383	$ 774,305	$ 46,742	$ 63,000	$ 12,114	$ 11,627
Amendments	—	—	—	—	205	44
Service cost	26,888	24,337	456	756	155	190
Interest cost	22,381	25,180	1,183	1,464	302	368
Actuarial loss (gain)	(6,826)	69,413	828	3,663	(514)	604
Benefits paid	(55,831)	(42,775)	(6,054)	(22,141)	(803)	(906)
Medicare part D subsidy received	—	—	—	—	195	187
Administrative expense	(1,035)	(1,077)	—	—	—	—
Benefit obligation at end of period	$ 834,960	$ 849,383	$ 43,155	$ 46,742	$ 11,654	$ 12,114

Puget Sound Energy	Qualified Pension Benefits		SERP Pension Benefits		Other Benefits	
(Dollars in Thousands)	2021	2020	2021	2020	2021	2020
Change in plan assets:						
Fair value of plan assets at beginning of period	$ 834,655	$ 753,042	$ —	$ —	$ 5,918	$ 6,289
Actual return on plan assets	102,787	107,409	—	—	1,005	278
Employer contribution	18,000	18,000	6,054	22,141	222	257
Benefits paid	(55,831)	(42,775)	(6,054)	(22,141)	(804)	(906)
Administrative expense	(1,061)	(1,021)	—	—	—	—
Fair value of plan assets at end of period	$ 898,550	$ 834,655	$ —	$ —	$ 6,341	$ 5,918
Funded status at end of period	$ 63,590	$ (14,728)	$ (43,155)	$ (46,742)	$ (5,313)	$ (6,196)

Puget Sound Energy	Qualified Pension Benefits		SERP Pension Benefits		Other Benefits	
(Dollars in Thousands)	2021	2020	2021	2020	2021	2020
Amounts recognized in Consolidated Balance Sheet consist of:						
Noncurrent assets	$ 63,590	$ —	$ —	$ —	$ —	$ —
Current liabilities	—	—	(2,822)	(6,763)	(280)	(293)
Noncurrent liabilities	—	(14,728)	(40,333)	(39,979)	(5,033)	(5,903)
Net assets (liabilities)	$ 63,590	$ (14,728)	$ (43,155)	$ (46,742)	$ (5,313)	$ (6,196)

Puget Sound Energy	Qualified Pension Benefits		SERP Pension Benefits		Other Benefits	
(Dollars in Thousands)	2021	2020	2021	2020	2021	2020
Change in plan obligation and plan asset:						
Projected benefit obligation	$ 834,960	$ 849,383	$ 43,155	$ 46,742	$ 11,654	$ 12,114
Accumulated benefit obligation	823,418	837,455	40,773	44,033	11,549	12,070
Fair value of plan assets	898,550	834,655	—	—	6,341	5,918

The following tables summarize PSE's pension benefit amounts recognized in accumulated other comprehensive income (AOCI) for the years ended December 31, 2021, and 2020:

Puget Sound Energy	Qualified Pension Benefits		SERP Pension Benefits		Other Benefits	
(Dollars in Thousands)	2021	2020	2021	2020	2021	2020
Amounts recognized in Accumulated Other Comprehensive Income consist of:						
Net loss (gain)	$ 127,111	$ 210,317	$ 10,103	$ 12,504	$ (622)	$ 489
Prior service cost (credit)	—	(1,513)	578	927	242	44
Total	$ 127,111	$ 208,804	$ 10,681	$ 13,431	$ (380)	$ 533

The following table summarizes PSE's net periodic benefit cost for the years ended December 31, 2021 and 2020:

Puget Sound Energy	Qualified Pension Benefits		SERP Pension Benefits		Other Benefits	
(Dollars in Thousands)	2021	2020	2021	2020	2021	2020
Components of net periodic benefit cost:						
Service cost	$ 26,888	$ 24,337	$ 456	$ 756	$ 155	$ 190
Interest cost	22,381	25,180	1,183	1,464	302	368

Expected return on plan assets	(48,242)	(49,910)	—	—	(355)	(389)
Amortization of prior service cost (credit)	(1,513)	(1,573)	349	349	6	—
Amortization of net loss (gain)	21,862	19,043	2,344	2,385	(52)	(137)
Net periodic benefit cost	$ 21,376	$ 17,077	$ 4,332	$ 4,954	$ 56	$ 32

The following table summarizes PSE's benefit obligations recognized in other comprehensive income (OCI) for the years ended December 31, 2021 and 2020:

Puget Sound Energy	Qualified Pension Benefits		SERP Pension Benefits		Other Benefits	
(Dollars in Thousands)	2021	2020	2021	2020	2021	2020
Other changes (pre-tax) in plan assets and benefit obligations recognized in other comprehensive income:						
Net loss (gain)	$ (61,345)	$ 11,858	$ 828	$ 3,663	$ (1,164)	$ 715
Amortization of net (loss) gain	(21,862)	(19,043)	(2,343)	(2,385)	53	137
Settlements, mergers, sales, and closures	—	—	(886)	(5,248)	—	—
Prior service cost (credit)	—	—	—	—	205	44
Amortization of prior service (cost) credit	1,513	1,573	(349)	(349)	(6)	—
Total change in other comprehensive income for year	$ (81,694)	$ (5,612)	$ (2,750)	$ (4,319)	$ (912)	$ 896

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, 2022, are expected to be at least $18.0 million, $2.8 million and $0.3 million, respectively.

Assumptions

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

	Qualified Pension Benefits		SERP Pension Benefits		Other Benefits	
Benefit Obligation Assumptions	2021	2020	2021	2020	2021	2020
Discount rate	3.00%	2.70%	3.00%	2.70%	3.00%	2.70%
Rate of compensation increase	4.50	4.50	4.50	4.50	4.50	4.50
Interest crediting rate	4.00	4.00	N/A	N/A	N/A	N/A
Benefit Cost Assumptions						
Discount rate	2.70	3.35	2.70	3.35	2.70	3.35
Return on plan assets	6.50	7.15	—	—	7.00	7.00
Rate of compensation increase	4.50	4.50	4.50	4.50	4.50	4.50
Interest crediting rate	4.00	4.00	N/A	N/A	N/A	N/A

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

The discount rates were determined by using market interest rate data and the weighted-average discount rate from Citigroup Pension Liability Index Curve. The Company also takes into account in determining the discount rate the expected changes in market interest rates and anticipated changes in the duration of the plan liabilities. The Company's projected benefit obligation for pension plans experienced an actuarial loss of $6.8 million in 2021. This is primarily due to the decrease in the discount rate used in measuring the benefit obligation.

Plan Benefits

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

(Dollars in Thousands)	2022	2023	2024	2025	2026	2027-2031
Qualified Pension total benefits	$ 46,900	$ 47,900	$ 49,100	$ 50,400	$ 51,300	$ 265,200
SERP Pension total benefits	2,822	3,881	6,786	7,796	2,265	17,047
Other Benefits total with Medicare Part D subsidy	962	925	896	877	860	4,012
Other Benefits total without Medicare Part D subsidy	962	925	896	877	860	4,012

Plan Assets

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

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

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

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

Allocation

Asset Class	Minimum	Target	Maximum
Domestic large cap equity	25 %	31 %	40 %
Domestic small cap equity	—	9	15
Non-U.S. equity	10	25	30
Fixed income	15	25	30
Real estate	—	—	10
Absolute return	5	10	15
Cash	—	—	5

Plan Fair Value Measurements

ASC 715, "Compensation – Retirement Benefits" (ASC 715) directs companies to provide additional disclosures about plan assets of a defined benefit pension or other postretirement plan. The objectives of the disclosures are to disclose the following: (i) how investment allocation decisions are made, including the factors that are pertinent to an understanding of

investment policies and strategies; (ii) major categories of plan assets; (iii) inputs and valuation techniques used to measure the fair value of plan assets; (iv) effect of fair value measurements using significant unobservable inputs (Level 3) on changes in plan assets for the period; and (v) significant concentrations of risk within plan assets.

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

The following table sets forth by level, within the fair value hierarchy, the qualified pension plan as of December 31, 2021, and 2020:

	Recurring Fair Value Measures December 31, 2021				Recurring Fair Value Measures December 31, 2020			
(Dollars in Thousands)	Level 1	Level 2	Other	Total	Level 1	Level 2	Other	Total
Assets:								
Common Stock								
– Domestic	$249,021	$99	$—	$249,120	$228,247	$53	$—	$228,300
– Foreign	25,963	—	—	25,963	19,216	—	—	19,216
Government Securities	65,266	2,470	—	67,736	73,006	9,148	—	82,154
Corporate Securities								
– Domestic	—	12,820	—	12,820	—	6,082	—	6,082
– Foreign	—	5,239	—	5,239	—	3,699	—	3,699
Cash and cash equivalents	3,638	(540)	—	3,098	4,612	3,223	—	7,835
Investments measured at NAV								
- Collective Investment Funds	—	—	359,861	359,861	—	—	342,014	342,014
- Partnership	—	—	115,570	115,570	—	—	107,137	107,137
- Mutual Funds	—	—	80,724	80,724	—	—	82,103	82,103
- Other	—	—	1,434	1,434	—	—	1,096	1,096
Net (payable) receivable	—	—	(23,015)	(23,015)	—	—	(44,981)	(44,981)
Total assets	$343,888	$20,088	$534,574	$898,550	$325,081	$22,205	$487,369	$834,655

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 December 31, 2021				Recurring Fair Value Measures December 31, 2020			
(Dollars in Thousands)	Level 1	Level 2	Other	Total	Level 1	Level 2	Other	Total
Assets:								
Money markets	$ 4	$ —	$ —	$ 4	$ —	$ —	$ —	$ —
Mutual fund	—	6,337	—	6,337	5,916	—	—	5,916
Net (payable) receivable	—	—	—	—	—	—	2	2
Total assets	$ 4	$ 6,337	$ —	$ 6,341	$ 5,916	$ —	$ 2	$ 5,918

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

- Mutual funds classified as Level 1 securities have pricing inputs that are based on unadjusted prices in an active market. Principal markets for equity prices include published exchanges such as NASDAQ and New York Stock Exchange (NYSE). Mutual fund assets not included in the fair value hierarchy are privately held funds. These funds are not actively traded and utilize net asset value (NAV) as a practical expedient to measure fair value.
- Common stock investments are traded in active markets on national and international securities exchanges and are valued at closing prices on the last business day of each period presented. They are classified as Level 1 securities.
- Corporate and some government debt securities are valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings. Some government debt securities have quoted prices such as certain treasury securities and are classified as Level 1 securities.
- Cash and cash equivalents comprise mostly of money market funds and foreign currency held. Money market funds are classified as Level 1 instruments as pricing inputs are based on unadjusted prices in an active market while foreign currency held is classified as a Level 2 investment based on inputs that are indirectly observable.
- Investments in collective trust funds and partnerships are stated at the NAV as determined by the issuer of fund and are based on the fair value of the underlying investments held by the fund less its liabilities. The NAV is used as a practical expedient to estimate fair value. These funds are primarily invested in a blend of corporate and government debt securities as well as international equities.

(13) Income Taxes

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

Puget Sound Energy	Year Ended December 31,	
(Dollars in Thousands)	2021	2020
Charged to operating expenses:		
Current:		
Federal	$ 52,616	$ 10,607
State	670	383
Deferred:		
Federal	(11,266)	15,377
State	—	—
Total income tax expense	$ 42,020	$ 26,367

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

Puget Sound Energy	Year Ended December 31,	
(Dollars in Thousands)	2021	2020
Income taxes at the statutory rate	$ 79,868	$ 63,110
Increase (decrease):		
Utility plant differences[1]	$ (22,325)	$ (22,991)
AFUDC, net	1,509	(6,095)
Executive Compensation	1,386	2,440
Treasury grant amortization	(5,424)	(8,935)
Tax reform	(13,392)	(3,038)
Other–net	398	1,876
Total income tax expense	$ 42,020	$ 26,367
Effective tax rate	11.0 %	8.8 %

1. Utility plant differences include the reversal of excess deferred taxes using the average rate assumption method in the amount of $27.6 million in both 2021, and 2020.

The Company's net deferred tax liability at December 31, 2021, and 2020, is composed of amounts related to the following types of temporary differences:

Puget Sound Energy	Year Ended December 31,	
(Dollars in Thousands)	2021	2020
Utility plant and equipment	$ 1,892,674	$ 1,923,933
Other, net deferred tax liabilities	123,113	93,863
Subtotal deferred tax liabilities	2,015,787	2,017,796
Net regulatory liability for income taxes	(866,541)	(953,987)
Production tax credit carryforward	—	(35,995)
Other deferred tax assets	(62,990)	(38,007)
Subtotal deferred tax assets	(929,531)	(1,027,989)
Total net deferred tax liabilities	$ 1,086,256	$ 989,807

The Company calculates its deferred tax assets and liabilities under ASC 740, "Income Taxes" (ASC 740). ASC 740 requires recording deferred tax balances, at the currently enacted tax rate, on assets and liabilities that are reported differently for income tax purposes than for financial reporting purposes. The utilization of deferred tax assets requires sufficient taxable income in future years. ASC 740 requires a valuation allowance on deferred tax assets when it is more likely than not that the deferred tax assets will not be realized. PSE fully utilized its PTC balance in 2021 and has no carryforwards at the end of 2021. Net operating losses generated in 2018 and thereafter have no expiration date. No valuation allowance has been provided for net operating loss carryforwards.

Unrecognized Tax Benefits

The Company accounts for uncertain tax positions under ASC 740, which clarifies the accounting for uncertainty in income taxes recognized in the financial statements. ASC 740 requires the use of a two-step approach for recognizing and measuring tax positions taken or expected to be taken in a tax return. First, a tax position should only be recognized when it

is more likely than not, based on technical merits, that the position will be sustained upon challenge by the taxing authorities and taken by management to the court of last resort. Second, a tax position that meets the recognition threshold should be measured at the largest amount that has a greater than 50.0% likelihood of being sustained.

As of December 31, 2021, and 2020, the Company had no material unrecognized tax benefits. As a result, no interest or penalties were accrued for unrecognized tax benefits during the year.

On July 30, 2021, the IRS issued a PLR to PSE which concluded that the Washington Commission's methodology for reversing plant-related excess deferred income taxes was an impermissible methodology under the IRS normalization and consistency rules. The PLR requires adjustments to PSE's rates to bring PSE back into compliance with IRS rules. Accordingly, on September 28, 2021, the Washington Commission issued an order amending their previous order to correct the impermissible methodology and adjust customer rates in accordance with the PLR. For more information, see Note 3, "Regulation and Rates."

The Company has open tax years from 2018 through 2021. The Company classifies interest as interest expense and penalties as other expense in the financial statements.

(14) Litigation

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

Colstrip

PSE has a 50% ownership interest in Colstrip Units 1 and 2 and a 25% interest in each of Colstrip Units 3 and 4. As part of a settlement that was signed by all Colstrip owners, Colstrip Units 1 and 2 owners, PSE and Talen Energy Corporation (Talen), agreed to retire the two oldest units (Units 1 and 2) at Colstrip no later than July 1, 2022. Depreciation rates were updated in the 2017 GRC, where PSE's depreciation increased for Colstrip Units 1 and 2 to recover plant costs to the expected shutdown date. Additionally, PSE has accelerated the depreciation of Colstrip Units 3 and 4, per the terms of the GRC settlement, to December 31, 2027. The 2017 GRC also repurposed PTCs and hydro-related treasury grants to recover unrecovered plant costs and to fund and recover decommissioning and remediation costs for Colstrip Units 1 through 4. Talen permanently shut down Units 1 and 2 on December 31, 2019.

The Washington Clean Energy Transition Act requires the Washington Commission to provide recovery of the investment, decommissioning, and remediation costs associated with the facilities that are not recovered through the repurposed PTC's and hydro-related treasury grants. The full scope of decommissioning activities and costs may vary from the estimates that are available at this time. Colstrip Unit 4 is classified as Electric Utility Plant on the balance sheet, see Note 6, "Utility Plant," to the consolidated financial statements in Item 8 of this report.

On May 4, 2021, PSE along with the Colstrip owners, Avista Corporation, PacifiCorp and Portland General Electric filed a lawsuit against the state of Montana after Montana Governor Greg Gianforte signed Senate Bill 265 and 266 into law. The litigation challenged the constitutionality of Senate Bill 266. On October 13, 2021, the United States District Court for the District of Montana issued a preliminary injunction finding it likely that Senate Bill 266 unconstitutionally violates the commerce clause of the United States Constitution. Since then, a motion was filed requesting that the findings of the preliminary injunction be made permanent. As of December 31, 2021, the Company is not able to predict the outcome, nor an amount or range of potential impact in the event of an outcome that is adverse to the Company's interests.

Puget LNG

In January 2018, the Puget Sound Clean Air Agency (PSCAA) determined a Supplemental Environmental Impact Statement (SEIS) was necessary in order to rule on the air quality permit for the facility. In December 2019, PSCAA issued the air quality permit for the facility, a decision which was appealed to the Washington Pollution Control Hearings Board (PCHB) by each of the Puyallup Tribe of Indians and nonprofit law firm Earthjustice. In November 2021, the PCHB affirmed the PSCAA ruling in PSE's favor. In December 2021, the PCHB decision was appealed with the Pierce County Superior Court by each of the Puyallup Tribe of Indians and nonprofit law firm Earthjustice. The appeal did not delay commissioning at the plant, which was completed on February 1, 2022. Puget LNG commenced commercial operations in February 2022.

Regional Haze Rule

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

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

In August 2018, the EPA proposed the Affordable Clean Energy (ACE) rule, pursuant to Section 111(d) of the Clean Air Act. The ACE rule was finalized in June 2019, and establishes emission guidelines for states to develop plans to address greenhouse gas emissions from existing coal-fired plants. On January 19, 2021 the U.S. Court of Appeals for the District of Columbia Circuit (D.C. Circuit) vacated the ACE rule and remanded the record back to the Agency for further consideration consistent with its opinion, finding that it misinterpreted the Clean Air Act. That matter is now pending before the US Supreme Court.

Washington Clean Air Rule

The Washington Clean Air Rule (CAR) was adopted by the state of Washington's Department of Ecology in September 2016 and was intended to reduce greenhouse gas emissions from "covered entities" located within Washington, including large manufacturers, petroleum producers and natural gas utilities, including PSE. In September 2016, PSE, along with Avista Corporation, Cascade Natural Gas Corporation and NW Natural, filed lawsuits in both the U.S. District Court for the Eastern District of Washington and in the Superior Court of the State of Washington for Thurston County challenging the CAR. In March 2018, the Superior Court of the State of Washington for Thurston County invalidated the CAR. After an appeal by the Washington Department of Ecology, in January 2020, the Washington Supreme Court affirmed that CAR is not valid for "indirect emitters", meaning it does not apply to the sale of natural gas for use by customers. The court ruled, however, that the rule can be severed and is valid for direct emitters including electric utilities with permitted air emission sources, and remanded the case back to the Thurston County to determine which parts of the rule survive. The Department of Ecology and the four parties asked Thurston County to stay this case until the 2020 Washington State legislative session concluded; the Department of Ecology has asked the court to extend the stay until the COVID-19 pandemic is over. Meanwhile, the four companies moved to voluntarily dismiss the federal court litigation without prejudice in March 2020.

Notably, the Climate Commitment Act, adopted by the state of Washington in 2021, prohibits the Department of Ecology from adopting or enforcing a program that regulates greenhouse gas emissions from a stationary source except as provided in the Act, which could effectively preempt the CAR.

(15) Commitments and Contingencies

For the year ended December 31, 2021, approximately 13.3% of the Company's energy output was obtained at an average cost of approximately $0.034 per Kilowatt Hour (kWh) through long-term contracts with three of the Washington Public Utility Districts (PUDs) that own hydroelectric projects on the Columbia River. The purchase of power from the Columbia River projects is on a pro rata share basis under which the Company pays a proportionate share of the annual debt service, operating and maintenance costs and other expenses associated with each project, in proportion to the contractual share of power that PSE obtains from that project. In these instances, PSE's payments are not contingent upon the projects being operable; therefore, PSE is required to make the payments even if power is not delivered. These projects are financed substantially through debt service payments and their annual costs should not vary significantly over the term of the contracts unless additional financing is required to meet the costs of major maintenance, repairs or replacements, or license requirements. The Company's share of the costs and the output of the projects is subject to reduction due to various withdrawal rights of the PUDs and others over the contract lives.

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

(Dollars in Thousands)	2021	2020
PUD contract costs	$ 117,812	$ 116,874

As of December 31, 2021, 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 2022 Costs	2022 Debt Service Costs	Interest included in 2022 Debt Service Costs	Debt Outstanding
Chelan County PUD[1]:							
Rock Island Project	2031	30.0 %	187	$ 43,568	$ 12,074	$ 5,484	$ 99,510
Rocky Reach Project	2031	30.0	390	43,942	5,056	2,090	36,723
Douglas County PUD:							
Wells Project[2]	2028	31.1	261	43,095	—	—	—
Grant County PUD:							
Priest Rapids Development	2052	0.6	6	1,749	894	450	11,276
Wanapum Development	2052	0.6	7	1,749	894	450	11,276
Total			851	$ 134,103	$ 18,918	$ 8,474	$ 158,785

[1]. In March 2021, PSE entered into a new PPA with Chelan County PUD for additional Rocky Reach and Rock Island output. The contract begins on January 1, 2022, and continues through December 31, 2026. This agreement increases PSE's share of output by 5% for each project, which equates to additional capacity of 31MW for Rock Island and 65MW for Rocky Reach.

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

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

(Dollars in Thousands)	2022	2023	2024	2025	2026	Thereafter	Total
Columbia River projects	$ 151,378	$ 136,635	$ 134,188	$ 124,724	$ 123,243	$ 421,272	$ 1,091,440
Electric portfolio contracts	330,189	377,331	384,655	344,021	142,903	1,755,102	3,334,201
Electric wholesale market transactions	300,027	62,821	62,761	11,616	11,616	—	448,841
Total	$ 781,594	$ 576,787	$ 581,604	$ 480,361	$ 277,762	$ 2,176,374	$ 4,874,482

Total purchased power contracts provided the Company with approximately 13.1 million and 13.2 million MWhs of firm energy at a cost of approximately $631.4 million and $491.7 million for the years 2021 and 2020, respectively.

Natural Gas Supply Obligations

The Company has entered into various firm supply, transportation and storage service contracts in order to ensure adequate availability of natural gas supply for its customers and generation requirements. The Company contracts for its long-term natural gas supply on a firm basis, which means the Company has a 100% daily take obligation and the supplier has a 100% daily delivery obligation to ensure service to PSE's customers and generation requirements. The transportation and storage contracts, which have remaining terms from 1 to 23 years, provide that the Company must pay a fixed demand charge each month, regardless of actual usage. The Company incurred demand charges of $136.4 million and $135.8 million, for firm transportation, storage and peaking services for its natural gas customers for the years 2021 and 2020. The Company incurred demand charges of $52.8 million and $51.2 million for firm transportation, storage and peaking services for the natural gas supply for its combustion turbines for the years 2021 and 2020.

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

Natural Gas Supply and Demand Charge Obligations (Dollars in Thousands)	2022	2023	2024	2025	2026	Thereafter	Total
Natural gas wholesale market transactions	$ 564,580	$ 299,400	$ 210,198	$ 153,054	$ 98,725	$ —	$ 1,325,957
Firm transportation service	177,185	166,153	131,611	114,470	98,847	694,279	1,382,545
Firm storage service	8,899	2,270	68	67	56	—	11,360
Total	$ 750,664	$ 467,823	$ 341,877	$ 267,591	$ 197,628	$ 694,279	$ 2,719,862

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)	2022	2023	2024	2025	2026	Thereafter	Total
Energy production service contracts	$31,167	$31,916	$32,699	$33,468	$17,087	$81,854	$228,191
Automated meter reading system	46,455	47,517	47,526	48,249	49,098	—	238,845
Total	$77,622	$79,433	$80,225	$81,717	$66,185	$81,854	$467,036

Other Commitments and Contingencies

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

(16) Related Party Transactions

The Company identified no material related party transactions during the year ended December 31, 2021 and December 31, 2020.

(17) Accumulated Other Comprehensive Income (Loss)

The following tables present the changes in the Company's (loss) AOCI by component for the years ended December 31, 2021 and 2020, respectively:

Puget Sound Energy 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 treasury interest rate swaps	Total
Balance at December 31, 2019	$ (183,108)	$ (5,369)	$ (188,477)
Other comprehensive income (loss) before reclassifications	(8,717)	—	(8,717)
Amounts reclassified from accumulated other comprehensive income (loss), net of tax	15,853	385	16,238
Net current-period other comprehensive income (loss)	7,136	385	$ 7,521
Balance at December 31, 2020	$ (175,972)	$ (4,984)	$ (180,956)
Other comprehensive income (loss) before reclassifications	49,265	—	49,265
Amounts reclassified from accumulated other comprehensive income (loss), net of tax	18,166	384	18,550
Net current-period other comprehensive income (loss)	67,431	384	67,815
Balance at December 31, 2021	$ (108,541)	$ (4,600)	$ (113,141)

Details about the reclassifications out of AOCI (loss) for the years ended December 31, 2021 and 2020, respectively, are as follows:

Puget Sound Energy
(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)	
		2020	2020

Net unrealized gain (loss) and prior service cost on pension plans:			
Amortization of prior service cost	(a)	$ 1,158	$ 1,224
Amortization of net gain (loss)	(a)	(24,153)	(21,291)
	Total before tax	$ (22,995)	$ (20,067)
	Tax (expense) or benefit	4,829	4,214
	Net of tax	$ (18,166)	$ (15,853)
Net unrealized gain (loss) on treasury interest rate swaps:			
Interest rate contracts	Interest expense	(487)	(487)
	Tax (expense) or benefit	103	102
	Net of Tax	$ (384)	$ (385)
Total reclassification for the period	Net of Tax	$ (18,550)	$ (16,238)

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

Name of Respondent: Puget Sound Energy, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2022	Year/Period of Report: End of: 2021/ Q4

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

Line No.	Item (a)	Total Company For the Current Quarter/Year (b)	Electric (c)	Gas (d)	Other (Specify) (e)	Common (f)
1	UTILITY PLANT					
2	In Service					
3	Plant in Service (Classified)	16,245,426,140	10,499,314,636	4,646,320,881		1,099,790,623
4	Property Under Capital Leases	184,957,455	184,957,455			
5	Plant Purchased or Sold					
6	Completed Construction not Classified	314,946,689	207,606,428	82,986,885		24,353,376
7	Experimental Plant Unclassified					
8	TOTAL Utility Plant (Total of lines 3 thru 7)	16,745,330,284	10,891,878,519	4,729,307,766		1,124,143,999
9	Leased to Others					
10	Held for Future Use	46,172,358	38,798,124	7,374,234		
11	Construction Work in Progress	870,203,996	507,465,388	309,285,115		53,453,492
12	Acquisition Adjustments	282,791,675	282,791,675			
13	TOTAL Utility Plant (Total of lines 8 thru 12)	17,944,498,313	11,720,933,706	5,045,967,115		1,177,597,491
14	Accumulated Provisions for Depreciation, Amortization, & Depletion	7,068,316,701	4,767,066,520	1,821,162,513		480,087,668
15	Net Utility Plant (Total of lines 13 and 14)	10,876,181,612	6,953,867,186	3,224,804,602		697,509,823
16	DETAIL OF ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION					
17	In Service:					
18	Depreciation	6,467,073,618	4,517,748,168	1,794,180,867		155,144,583
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	437,756,577	85,831,846	26,981,646		324,943,085
22	TOTAL In Service (Total of lines 18 thru 21)	6,904,830,195	4,603,580,014	1,821,162,513		480,087,668
23	Leased to Others					

24	Depreciation					
25	Amortization and Depletion					
26	TOTAL Leased to Others (Total of lines 24 and 25)					
27	Held for Future Use					
28	Depreciation	162,425	162,425			
29	Amortization					
30	TOTAL Held for Future Use (Total of lines 28 and 29)	162,425	162,425			
31	Abandonment of Leases (Natural Gas)					
32	Amortization of Plant Acquisition Adjustment	163,324,081	163,324,081			
33	TOTAL Accum. Provisions (Should agree with line 14 above)(Total of lines 22, 26, 30, 31, and 32)	7,068,316,701	4,767,066,520	1,821,162,513		480,087,668

Name of Respondent: Puget Sound Energy, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2022	Year/Period of Report: End of: 2021/ 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. Include in a footnote, the account distributions of these tentative classifications in columns (c) and (d), 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.	Account (a)	Balance at Beginning of Year (b)	Additions (c)	Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)
1	INTANGIBLE PLANT						
2	301 Organization	158,692					158,692
3	302 Franchise and Consents	529,672	152,735	15,868			666,539
4	303 MiscellaneousIntangiblePlant	51,678,799	2,936,354	36,118			54,579,035
5	Total Intangible Plant (Total of lines 2 thru 4)	52,367,163	3,089,089	51,986			55,404,266
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 Structures						
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 Gathering Plant						
27	Total Production and Gathering Plant (Total of lines 8 thru 26)						
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						
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 (Total of lines 29 thru 37)						
39	Total Natural Gas Production Plant (Total of lines 27 and 38)						
40	Manufactured Gas Production Plant (Submit supplementary information in a footnote)	2,043					2,043
41	Total Production Plant (Total of lines 39 and 40)	2,043					2,043

42	NATURAL GAS STORAGE AND PROCESSING PLANT						
43	Underground storage plant						
44	350.1 Land	1,342,895					1,342,895
45	350.2 Rights-of-Way	37,078					37,078
46	351 Structures and Improvements	1,094,047					1,094,047
47	352 Wells	15,987,734	1,074,461				17,062,195
48	352.1 Storage Leaseholds and Rights						
49	352.2 Reservoirs	1,757,701					1,757,701
50	352.3 Non-recoverable Natural Gas	4,185,431					4,185,431
51	353 Lines	3,330,266					3,330,266
52	354 Compressor Station Equipment	20,579,278	2,813,229				23,392,507
53	355 Measuring and Regulating Equipment	1,336,294					1,336,294
54	356 Purification Equipment	2,821,447					2,821,447
55	357 Other Equipment	455,119	5,332				460,451
56	358 Asset Retirement Costs for Underground Storage Plant						
57	Total Underground Storage Plant (Total of lines 44 thru 56)	52,927,290	3,893,022				56,820,312
58	Other Storage Plant						
59	360 Land and Land Rights	1,704,569					1,704,569
60	361 Structures and Improvements	4,155,602					4,155,602
61	362 Gas Holders	3,683,221					3,683,221
62	363 Purification Equipment						
63	363.1 Liquefaction Equipment						
64	363.2 Vaporizing Equipment	1,197,749					1,197,749
65	363.3 Compressor Equipment	6,019					6,019
66	363.4 Measuring and Regulating Equipment	621,394					621,394
67	363.5 Other Equipment	2,158,877					2,158,877
68	363.6 Asset Retirement Costs for Other Storage Plant						
69	Total Other Storage Plant (Total of lines 58 thru 68)	13,527,431					13,527,431

70	Base Load Liquefied Natural Gas Terminaling and Processing Plant						
71	364.1 Land and Land Rights						
72	364.2 Structures and Improvements						
73	364.3 LNG Processing Terminal Equipment						
74	364.4 LNG Transportation Equipment	970,581					970,581
75	364.5 Measuring and Regulating Equipment						
76	364.6 Compressor Station Equipment						
77	364.7 Communications Equipment						
78	364.8 Other Equipment						
79	364.9 Asset Retirement Costs for Base Load Liquefied Natural Gas	2,880,717	356,533				3,237,250
80	Total Base Load Liquified Natural Gas , Terminating and Processing Plant (Total of lines 71 thru 79)	3,851,298	356,533				4,207,831
81	Total Nat'l Gas Storage and Processing Plant (Total of lines 57, 69, and 80)	70,306,019	4,249,555				74,555,574
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 (Total of line 81 thru 91)						
93	DISTRIBUTION PLANT						
94	374 Land and Land Rights	23,512,270	10,005				23,522,275
95	375 Structures and Improvements	20,911,480	(913,702)				19,997,778
96	376 Mains	2,285,110,539	93,098,526	1,542,434			2,376,666,631

97	377 Compressor Station Equipment						
98	378 Measuring and Regulating Station Equipment-General	136,744,602	2,406,225				139,150,827
99	379 Measuring and Regulating Station Equipment-City Gate						
100	380 Services	1,322,717,039	84,308,290	3,277,005			1,403,748,324
101	381 Meters	159,179,455	21,625,142	1,841,783		616,131	179,578,945
102	382 Meter Installations	224,651,878	14,397,387	868,897		(616,131)	237,564,237
103	383 House Regulators	19,450,666	1,063,019	402,837			20,110,848
104	384 House Regulator Installations	83,257,852	362,962	34,365			83,586,449
105	385 Industrial Measuring and Regulating Station Equipment	50,529,673	1,295,846				51,825,519
106	386 Other Property on Customers' Premises	1,416,448	(2,208)	9			1,414,231
107	387 Other Equipment	5,445,979	10,675				5,456,654
108	388 Asset Retirement Costs for Distribution Plant	10,569,067	5,855,163				16,424,230
109	Total Distribution Plant (Total of lines 94 thru 108)	4,343,496,948	223,517,330	7,967,330			4,559,046,948
110	GENERAL PLANT						
111	389 Land and Land Rights	121,045					121,045
112	390 Structures and Improvements	18,903,659	913,703				19,817,362
113	391 Office Furniture and Equipment	5,057,716	152,760	574,646			4,635,830
114	392 Transportation Equipment	5,324,270	20,871	1,650,648			3,694,493
115	393 Stores Equipment						
116	394 Tools, Shop, and Garage Equipment	7,303,804	3,923	199,732			7,107,995
117	395 Laboratory Equipment	2,750,795					2,750,795
118	396 Power Operated Equipment	37,582	(20,871)				16,711
119	397 Communication Equipment	1,815,548	204,274	20,742			1,999,080
120	398 Miscellaneous Equipment	155,624					155,624
121	Subtotal (Total of lines 111 thru 120)	41,470,043	1,274,660	2,445,768			40,298,935
122	399 Other Tangible Property						
123	399.1 Asset Retirement Costs for General Plant						
124		41,470,043	1,274,660	2,445,768			40,298,935

	Total General Plant (Total of lines 121, 122, and 123)						
125	Total (Accounts 101 and 106)	4,507,642,216	232,130,634	10,465,084			4,729,307,766
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 (Total of lines 125 thru 128)	4,507,642,216	232,130,634	10,465,084			4,729,307,766

Name of Respondent: Puget Sound Energy, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2022	Year/Period of Report: End of: 2021/ Q4

Gas Property and Capacity Leased from Others

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

Line No.	Name of Lessor (a)	* (b)	Description of Lease (c)	Lease Payments for Current Year (d)
1				
2				
3				
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42				
43				
44				
45	Total			

Name of Respondent: Puget Sound Energy, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2022	Year/Period of Report: End of: 2021/ Q4

Gas Property and Capacity Leased to Others

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

Line No.	Name of Lessee (a)	* (b)	Description of Lease (c)	Lease Payments for Current Year (d)
1				
2				
3				
4				
5				
6				
7				
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31				
32				
33				
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39				
40				
41				
42				
43				
44				
45	Total			

Name of Respondent: Puget Sound Energy, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2022	Year/Period of Report: End of: 2021/ 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 in column (b) the date the original cost was transferred to Account 105.

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

Name of Respondent: Puget Sound Energy, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2022	Year/Period of Report: End of: 2021/ 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	LNG Facility Project	239,631,968	
2	IWM Release Gas Operations Project		
3	CWIP less than $1,000,000 each - Gas Distribution	62,235,647	
4	CWIP less than $1,000,000 each - Gas General Plant &	3,171,254	
5	IntangiblesCWIP less than $1,000,000 each - Gas Underground		
6	Storage		
7	Vashon HP Upgrade	3,763,607	
8	JP - Compressor Station Filtration	470,393	
9	CWIP less than $1,000,000 each - Gas Generation	12,246	
45	TOTAL	309,285,115	

Name of Respondent: Puget Sound Energy, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2022	Year/Period of Report: End of: 2021/ Q4

Non-Traditional Rate Treatment Afforded New Projects

1. The Commission's Certificate Policy Statement provides a threshold requirement for existing pipelines proposing new projects is that the pipeline must be prepared to financially support the project without relying on subsidization from its existing customers. See Certification of New Interstate Natural Gas Pipeline Facilities, 88 FERC P61,227 (1999); order clarifying policy, 90 FERC P61,128 (2000); order clarifying policy, 92 FERC P61,094 (2000) (Policy Statement). In column a, list the name of the facility granted non-traditional rate treatment.
2. In column b, list the CP Docket Number where the Commission authorized the facility.
3. In column c, indicate the type of rate treatment approved by the Commission (e.g. incremental, at risk)
4. In column d, list the amount in Account 101, Gas Plant in Service, associated with the facility.
5. In column e, list the amount in Account 108, Accumulated Provision for Depreciation of Gas Utility Plant, associated with the facility.
6. In column f, list the amount in Account 190, Accumulated Deferred Income Tax; Account 281, Accumulated Deferred Income Taxes – Accelerated Amortization Property; Account 282, Accumulated Deferred Income Taxes – Other Property; Account 283, Accumulated Deferred Income Taxes – Other, associated with the facility.
7. In column g, report the total amount included in the gas operations expense accounts during the year related to the facility (Account 401, Operation Expense).
8. In column h, report the total amount included in the gas maintenance expense accounts during the year related to the facility.
9. In column i, report the amount of depreciation expense accrued on the facility during the year.
10. In column j, list any other expenses(including taxes) allocated to the facility.
11. In column k, report the incremental revenues associated with the facility.
12. Identify the volumes received and used for any incremental project that has a separate fuel rate for that project.
13. Provide the total amounts for each column.

Line No.	Name of Facility (a)	CP Docket No. (b)	Type of Rate Treatment (c)	Gas Plant in Service (d)	Accumulated Depreciation (e)	Accumulated Deferred Income Taxes (f)	Operating Expense (g)	Maintenance Expense (h)	Depreciation Expense (i)	Other Expenses (including taxes) (j)	Incremental Revenues (k)
1											
2											
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36											
37	Gas Plant In Service										

Name of Respondent: Puget Sound Energy, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2022	Year/Period of Report: End of: 2021/ Q4

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.

COMPUTATION OF ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION RATES

1. For line (5), column (e) 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 column (c), the specific entity used as the source for the capital structure figures.
3. Indicate in column (f), 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)	Entity Name (c)	Capitalization Ration (percent) (d)	Cost Rate Percentage (e)	Rate Indicator (f)
	(1) Average Short-Term Debt	S 155,699,030				
	(2) Short-Term Interest				s 0.59%	
	(3) Long-Term Debt	D 4,337,088,837		50.23%	d 5.29%	
	(4) Preferred Stock	P			p	

	(5) Common Equity	C 4,297,150,270		49.77%	c 9.47%	
	(6) Total Capitaization	8,634,239,107		100%		
	(7) Average Construction Work in Progress Balance	W 810,495,000				

2. Gross Rate for Borrowed Funds s(S/W) + d[(D/(D+P+C)) (1-(S/W))] -	2.26%
3. Rate for Other Funds [1-(S/W)] [p(P/(D+P+C)) + c(C/(D+P+C))] -	3.81%
4. Weighted Average Rate Actually Used for the Year:	
(a) Rate for Borrowed Funds -	2.89%
(b) Rate for Other Funds -	4.66%

Name of Respondent: Puget Sound Energy, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2022	Year/Period of Report: End of: 2021/ 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 12, column (c), and that reported for gas plant in service, page 204, 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	1,695,248,579	1,695,248,579		
2	Depreciation Provisions for Year, Charged to				
3	(403) Depreciation Expense	129,353,676	129,353,676		
4	(403.1) Depreciation Expense for Asset Retirement Costs	198,053	198,053		
5	(413) Expense of Gas Plant Leased to Others				
6	Transportation Expenses - Clearing				
7	Other Clearing Accounts				
8	Other Clearing (Specify) (footnote details):				
9.1	Other Clearing (Specify) (footnote details):	(19,504)	[(a)](19,504)		
10	TOTAL Deprec. Prov. for Year (Total of lines 3 thru 8)	129,532,225	129,532,225		
11	Net Charges for Plant Retired:				
12	Book Cost of Plant Retired	(10,413,099)	(10,413,099)		
13	Cost of Removal	(28,254,494)	(28,254,494)		
14	Salvage (Credit)	13,785,364	13,785,364		
15	TOTAL Net Chrgs for Plant Ret. (Total of lines 12 thru 14)	(24,882,229)	(24,882,229)		
16	Other Debit or Credit Items (Describe in footnote details)				
17.1	Other Debit or Credit Items (Describe) (footnote details):	(5,717,708)	(5,717,708)		
18	Book Cost of Asset Retirement Costs				
19	Balance End of Year (Total of lines 1,10,15,16 and 18)	1,794,180,867	1,794,180,867		
	Section B. BALANCES AT END OF YEAR ACCORDING				

	TO FUNCTIONAL CLASSIFICATIONS				
21	Productions-Manufactured Gas	6,318,701	6,318,701		
22	Production and Gathering-Natural Gas				
23	Products Extraction-Natural Gas				
24	Underground Gas Storage	25,130,810	25,130,810		
25	Other Storage Plant	6,289,871	6,289,871		
26	Base Load LNG Terminaling and Processing Plant	708,080	708,080		
27	Transmission				
28	Distribution	1,742,164,877	1,742,164,877		
29	General	13,568,528	13,568,528		
30	TOTAL (Total of lines 21 thru 29)	1,794,180,867	1,794,180,867		

FOOTNOTE DATA

(a) Concept: OtherAccounts

Page 219, line 4, column b includes a common allocation of $19,504. As page 219 is intended to present amounts specific to gas plant only, we have removed the common allocation within Line 9.1 to reflect the 403.1 related to gas plant only. Please see below for a reconciliation of 403.1 costs as of 12/31/2021:

(403.1) Depreciation expense for asset retirement costs - Gas only	178,549
(403.1) Depreciation expense for asset retirement costs - Common Allocation	19,504
Total depreciation expense for asset retirement costs (403.1) (Line 7, Col. I, Pg 114)	198,053

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 (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 Year	8,654,564				30,695,202	74,680		39,424,446
2	Gas Delivered to Storage					44,508,137	211,271		44,719,408
3	Gas Withdrawn from Storage					35,608,752	236,418		35,845,170
4	Other Debits and Credits								
5	Balance at End of Year	8,654,564				39,594,587	49,533		48,298,684
6	Dth	5,725,904				16,031,405	6,419		21,763,728
7	Amount Per Dth	1.5115				2.4698	7.7167		2.2192

Name of Respondent: Puget Sound Energy, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2022	Year/Period of Report: End of: 2021/ 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. List Account number in column (a).
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. 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 (k) interest and dividend revenues from investments including such revenues from securities disposed of during the year.
6. In column (l) 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 (k).

Line No.	Description of Investment (a)	* (b)	Date Acquired (c)	Date Matured (d)	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) (e)	Purchases or Additions During the Year (f)	Sales or Other Dispositions During Year (g)	Principal Amount (h)	No. of Shares at End of Year (i)	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) (j)	Revenues for Year (k)	Gain or Loss from Investment Disposed of (l)
1												
2												
3												
4	Total Investment in Associated Companies											
1	Account 124 - Other Investments	false										
2	Life Insurance	false			51,705,970	953,747				52,659,717	953,747	
3	Notes Receivable - Intolight	false			68,624		29,116			39,508	4,596	
4	Notes Receivable - BOA Projects	false			665,938		131,569			534,369	23,192	
5	Notes Receivable - UESC Navy Keyport	false			259,530		259,530				(259,531)	
6	Total Other Investments				52,700,062	953,747	420,215			53,233,594	722,004	
1		false				568,000,000	568,000,000					

	Temporary Cash Investment - Taxable											
2	Total Temporary Cash Investments					568,000,000	568,000,000					
4	Total Investments				52,700,062	568,953,747	568,420,215			53,233,594	722,004	

Name of Respondent: Puget Sound Energy, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2022	Year/Period of Report: End of: 2021/ Q4

Investments in Subsidiary Companies (Account 123.1)

1. Report below investments in Account 123.1, Investments in Subsidiary Companies.
2. Provide a subheading for each company and list thereunder the information called for below. Sub-total by company and give a total in columns (e), (f), (g) and (h). (a) Investment in Securities-List and describe each security owned. For bonds give also principal amount, date of issue, maturity, and interest rate. (b) Investment Advances - Report separately the amounts of loans or investment advances which are subject to repayment, but which are not subject to current settlement. With respect to each advance show whether the advance is a note or open account. List each note giving date of issuance, maturity date, and specifying whether note is a renewal.
3. Report separately the equity in undistributed subsidiary earnings since acquisition. The total in column (e) should equal the amount entered for Account 418.1.
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.	Description of Investment (a)	Date Acquired (b)	Date of Maturity (c)	Amount of Investment at Beginning of Year (d)	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	Common	05/31/1960		10,200			10,200	
2	Retained Earnings	05/31/1960		(20,759,387)	7,223,763		(13,535,624)	
3	Additional Paid in Capital	05/31/1960		49,522,244		[(a)] 2,315,000	51,837,244	
40	TOTAL Cost of Account 123.1 $		Total	28,773,057	7,223,763	2,315,000	38,311,820	

Name of Respondent: Puget Sound Energy, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2022	Year/Period of Report: End of: 2021/ Q4

FOOTNOTE DATA

(a) Concept: InterestAndDividendRevenueFromInvestments

The increase in Revenues for Year in Investment in Subsidiary Companies (Account 123.1) is due to additional paid in capital from Puget Sound Energy to Puget Western to fund operating expenses and ongoing entitlement activities.

Name of Respondent: Puget Sound Energy, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2022	Year/Period of Report: End of: 2021/ 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	10,020,343
2	Prepaid Rents	
3	Prepaid Taxes	104,284
4	Prepaid Interest	27,940
5	Miscellaneous Prepayments	[(a)]39,926,744
6	TOTAL	50,079,311

FOOTNOTE DATA

(a) Concept: MiscellaneousPrepayments

Row Labels	Sum of AMOUNT
Energy Purchase	2,238,817.74
HW/SW Maint	18,901,504.85
LT Plant Maint	9,277,925.67
Misc	9,207,520.96
Netting LT/ST	-
Permits	300,974.22
Misc Total	**39,926,743.44**

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)

1. Include the date of loss, the date of Commission authorization to use Account 182.1 and period of amortization (mo, yr, to mo, yr)].
2. 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.

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	[(a)] 2012 Storm	24,693,244			407	21,846,432	2,846,812
8	2015 Storm						
9	2016 Storm	6,931,618					6,931,618
10	2017 Storm Excess Costs	12,707,858					12,707,858
11	2017 Storm Recovery	12,215,519					12,215,519
12	2018 Storm Excess Costs	12,247,269					12,247,269
13	2019 Storm Excess Costs	28,513,473					28,513,473
14	2020 Storm Excess Costs	11,182,144		218,393			11,400,537
15	2021 Storm Excess Costs			40,926,049			40,926,049
15	TOTAL	108,491,125		41,144,442		21,846,432	127,789,135

Name of Respondent: Puget Sound Energy, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2022	Year/Period of Report: End of: 2021/ Q4

FOOTNOTE DATA

(a) Concept: DescriptionOfExtraordinaryPropertyLoss

The final orders for the 2019 GRC modified the 4-year and 6-year amortization periods, previously approved for storms approved under UE-170033, to a 5-year amortization period. Therefore, all approved storm deferral accounts should be amortized over 5 years using the monthly amounts approved in the rate case which were based on estimated June 2020 balances. Based on the authorized annual amortization of $21,846,431, the monthly entry will be $1,820,536. The monthly entry started on October 15, 2020 with 2012 storm deferral costs, which was the effective date of electric rates (pro-rated for October).

Name of Respondent: Puget Sound Energy, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2022	Year/Period of Report: End of: 2021/ 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)

1. 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).
2. 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.

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	[(a)] Colstrip 1&2 Unrecovered Plant	110,972,219					110,972,219
17	[(b)] Contra PTCs Monetized for Unrecovered Plant	(110,972,219)					(110,972,219)
26	TOTAL						

FOOTNOTE DATA

(a) Concept: DescriptionOfUnrecoveredPlantAndRegulatoryStudyCosts

Colstrip units 1&2 have been shut down with an effective date of 12/31/2019 which will be considered the retirement date. All assets related to Colstrip units 1&2 have been retired in PowerPlant, and transferred to a 182.2 account for unrecovered plant. Per the 2019 GRC order, PSE’s rates no longer include depreciation expense for Colstrip Units 1&2, therefore all depreciation related to Colstrip Units 1&2 should cease being recorded effective on the eventual rate effective date for electric (pro-rated for October 2020).

(b) Concept: DescriptionOfUnrecoveredPlantAndRegulatoryStudyCosts

Colstrip units 1&2 have been shut down with an effective date of 12/31/2019 which will be considered the retirement date. All assets related to Colstrip units 1&2 have been retired in PowerPlant, and transferred to a 182.2 account for unrecovered plant. Per the 2017 GRC order, unrecovered plant is recoverable through existing balances of Production Tax Credits (PTC's). Per the 2019 GRC order, PSE’s rates no longer include depreciation expense for Colstrip Units 1&2, therefore all depreciation related to Colstrip Units 1&2 should cease being recorded effective on the eventual rate effective date for electric (pro-rated for October 2020).

Name of Respondent: Puget Sound Energy, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2022	Year/Period of Report: End of: 2021/ 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 (b).
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 column (c), 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)	Amortization Period (b)	Regulatory Citation (c)	Balance at Beginning Current Quarter/Year (d)	Debits (e)	Written off During Quarter/Year Account Charged (f)	Written off During Period Amount Recovered (g)	Written off During Period Amount Deemed Unrecoverable (h)	Balance at End of Current Quarter/Year (i)
1	(a) Unamortized Energy Conservation Costs			8,009,453	255,030,575	182.3, 908	259,466,930		3,573,098
2	(b) WUTC Deferred AFUDC			59,763,153	5,368,500	406	2,887,168		62,244,484
3	(c) Colstrip 1&2 Western Energy Coal Reserve - 10 years			54,522,556	74,962,935	501, 406	3,348,598		126,136,893
4	(d) Colstrip 3&4 Deferred Depreciation - 17.5 years			483,625		406	138,804		344,821
5	(e) Environmental Remediation Costs			26,222,836	4,055,006	Multiple	9,517,481		20,760,361
6	(f) Property Tax Tracker			24,860,165	42,482,656	408	41,447,145		25,895,676
7	(g) Decoupling Mechanism			96,506,776	118,163,634	Multiple	132,566,045		82,104,365
8	(h) Low Income Home Energy Assistance Program			1	19,091,504	108, 253	19,090,685		820
9	(i) Power Cost Adjustment Mechanism			82,800,828	125,715,952	557, 419	128,970,196		79,546,584
10	(j) White River Regulatory Asset - 3 years			3,780		182.3, 407			3,780
11	(k) Chelan PUD - 20 years			76,787,377		555	7,088,066		69,699,311
12	(l) Mint Farm Deferral - 15 years			12,095,231		407.3	2,885,052		9,210,179
13				62,960,711		253, 407.3	4,960,987		57,999,724

	[m] Lower Snake River Deferral - 25 years								
14	[n] WUTC AMI, EV and GTZ Deferral			71,263,253	2,489,952	182.3, 407	17,852,314		55,900,892
15	[o] PLR EDIT				29,125,088	Multiple	10,274,635		18,850,453
16	[p] SPI Biomass				1,518,128	407.3, 182.3	306,360		1,211,768
40	TOTAL			576,279,745	678,003,930		640,800,466		613,483,209

(a) Concept: DescriptionAndPurposeOfOtherRegulatoryAssets

Included in Washington Commission Dockets UE-080389, UG-080390, UE-970686 and UG-120812.

(b) Concept: DescriptionAndPurposeOfOtherRegulatoryAssets

Included in Washington Commission Dockets UE-130137, UG-130138, UE-072300 and UG-072301.

(c) Concept: DescriptionAndPurposeOfOtherRegulatoryAssets

Included in Washington Commission Dockets UE-111048 and UG-111049. Amortization of Colstrip 1&2 ReserveDedication effective until December 2019. Amortization of Colstrip 3&4 Common - AFUDC Adjustment effective through May 2024.

(d) Concept: DescriptionAndPurposeOfOtherRegulatoryAssets

Included in Washington Commission Dockets UE-072300 and UG-072301. Amortization effective through May 2024.

(e) Concept: DescriptionAndPurposeOfOtherRegulatoryAssets

Included in Washington Commission Dockets UE-991796, UE-072300, UG-072301, UE-911476, UE-021537, UE-130137 and UG-130138.

(f) Concept: DescriptionAndPurposeOfOtherRegulatoryAssets

Included in Washington Commission Dockets UE-111048, UG-111049, and UE -140599 effective May 2014.

(g) Concept: DescriptionAndPurposeOfOtherRegulatoryAssets

Included in Washington Commission Dockets UE-170033 and UG-170034.

(h) Concept: DescriptionAndPurposeOfOtherRegulatoryAssets

No docket number required.

(i) Concept: DescriptionAndPurposeOfOtherRegulatoryAssets

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

(j) Concept: DescriptionAndPurposeOfOtherRegulatoryAssets

Included in Washington Commission Dockets UE-170033 and UG-170034. New GRC 2017 for White River amortization of 3 years. Effective December 19, 2017 through December 2020. Balance forward for White River Surplus Land Sales from 2019.

(k) Concept: DescriptionAndPurposeOfOtherRegulatoryAssets

Included in Washington Commission Dockets UE-060266 and UE-060539. Amortization effective November 2011 through October 2031.

(l) Concept: DescriptionAndPurposeOfOtherRegulatoryAssets

Included in Washington Commission Docket UE-090704. Amortization effective April 2010 through March 2025.

(m) Concept: DescriptionAndPurposeOfOtherRegulatoryAssets

Included in Washington Commission Dockets UE-111048, UG-111049, UE-130583, UE-131099 and UE-131230. Amortization effective May 2012 through April 2037.

(n) Concept: DescriptionAndPurposeOfOtherRegulatoryAssets

Included in Washington Commission Dockets UE-180899, UG-180900, UE-190129, UE-160799 and UE-180877. Amortization effective March 2019.

(o) Concept: DescriptionAndPurposeOfOtherRegulatoryAssets

Included in Washington Commission Dockets UE-190530 and UE-190529 for recovery of over-funded Gas and Electric protected EDIT. Amortization effective October 2021.

(p) Concept: DescriptionAndPurposeOfOtherRegulatoryAssets

Included in Washington Commission Docket UE-200980. Amortization effective July 2021 through June 2023.

Name of Respondent: Puget Sound Energy, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2022	Year/Period of Report: End of: 2021/ 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 (b).
3. Minor items (less than $250,000) may be grouped by classes.

Line No.	Description of Miscellaneous Deferred Debits (a)	Amortization Period (b)	Balance at Beginning of Year (c)	Debits (d)	Credits Account Charged (e)	Credits Amount (f)	Balance at End of Year (g)
1	Incurred not Reported Worker Comp		1,050,957	1,018,293	186,253	386,400	1,682,850
2	Tacoma LNG		(39,359,584)	5,595,170	253	74,962,935	(108,727,349)
3	Damage Claims		3,958,448	13,865,646	186	13,074,331	4,749,763
4	Clearing Account Charges		384,915	859,659	184,186	882,300	362,274
5	FAS133 Net Unrealized				244		
6	Chelan Prepayments - 20 Yrs		5,504,781	79,375	555	515,462	5,068,694
7	Ferndale Maintenance - 12 Yrs		1,563,214		553	240,494	1,322,720
8	Encogen Maintenance - 10 Yrs		6,353,731		553	1,172,145	5,181,586
9	Environmental Remediation Exp		76,424,177	37,760,335	186,228	6,967,383	107,217,129
10	Real Estate Operating Leases - 7 Yrs		8,305,378	1,868,394	Various	1,731,331	8,442,441
11	FSAS 71 - Snoqualmie License		7,434,752	11,720	253		7,446,472
12	Baker Article		4,306,606	2,001,697	242	134,387	6,173,916
13	SFAS 71 - Baker License		54,353,638	763,028	253	592,043	54,524,623
14	Colstrip Maintenance - 3 Yrs		4,342,750	3,129,625	Various	993,907	6,478,468
15	AMI		8,738,192	10,992,245	Various		19,730,437
16	Fredonia Maintenance - 9 Yrs		6,167,555		553	1,073,705	5,093,850
17	Fredrickson Maintenance - 7 Yrs		2,687,069		513,553	862,291	1,824,778
18	Goldendale Maintenance - 4-8 Yrs		1,004,050	3,982,779	514,553	816,798	4,170,031
19	Whitehorn Maintenance - 6 Yrs		1,312,603		186,553	483,576	829,027
20	Mint Farm Maintenance - 3-7 Yrs		968,273	10,215,058	513,553	6,378,065	4,805,266
21	Sumas Maintenance - 11 Yrs		2,533,585		553	333,226	2,200,359
22	Non-Temp Facility		11,890,344	37,556,939	186	30,307,970	19,139,313
23	Residential Exchange		7,139,825	86,460,092	253	82,817,472	10,782,445

24	GTZ Depreciation		2,788,044	12,858,361	186	4,202,432	11,443,973
25	Minor Items		7,480,522	70,845,470	186,456	67,066,170	11,259,822
26	COVID-19 Items			82,290,677	186	56,880,193	25,410,484
39	Miscellaneous Work in Progress						
40	TOTAL		187,333,825	382,154,563		352,875,016	216,613,372

Name of Respondent: Puget Sound Energy, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2022	Year/Period of Report: End of: 2021/ 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)	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	Account 190										
2	Electric	321,042,559	82,034,266	55,924,304			Various	(36,082,436)	Various	(85,033,312)	245,981,721
3	Gas	44,394,318	25,409,618	38,520,045			Various	(36,497,758)	Various	(20,716,453)	73,286,050
4	Other (Define)										
5	Total (Total of lines 2 thru 4)	365,436,877	107,443,884	94,444,349				(72,580,194)		(105,749,765)	319,267,771
6	Other (Specify)										
7	TOTAL Account 190 (Total of lines 5 thru 6)	365,436,877	107,443,884	94,444,349				(72,580,194)		(105,749,765)	319,267,771
8	Classification of TOTAL										
9	Federal Income Tax										
10	State Income Tax										
11	Local Income Tax										

Name of Respondent: Puget Sound Energy, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2022	Year/Period of Report: End of: 2021/ 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 (c) 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.
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.	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)	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	Common Stock (Account 201)									
2		150,000,000	0.01		85,903,791	859,038				
3										
4										
5	Total	150,000,000			85,903,791	859,038				
6	Preferred Stock (Account 204)									
7										
8										
9										
10	Total									
11	Total									

Name of Respondent: Puget Sound Energy, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2022	Year/Period of Report: End of: 2021/ Q4

Capital Stock: Subscribed, Liability for Conversion, Premium on, and Installments Received 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	Common Stock, Subscribed (Account 202)			
2				
3				
4				
5	Total			
6	Common Stock, Converted to Liability (Account 203)			
7				
8				
9				
10	Total			
11	Preferred Stock, Subscribed (Account 205)			
12				
13				
14				
15	Total			
16	Preferred Stock Liability for Conversion (Account 206)			
17				
18				
19				
20	Total			
21	Premium on Capital Stock (Account 207)			
22	Premium on Common Stock Issued During 1961		326,682	7,782,690

23	Premium on Common Stock Issued During 1968		360,000	8,640,000
24	Premium on Common Stock Issued During 1970		1,752	29,927
25	Premium on Common Stock Issued During 1971		407,191	8,493,757
26	Premium on Common Stock Issued During 1972		12,900	276,268
27	Premium on Common Stock Issued During 1973		9,706	185,819
28	Premium on Common Stock Issued During 1974		612,802	7,055,455
29	Premium on Common Stock Issued During 1975		781,163	10,703,714
30	Premium on Common Stock Issued During 1976		954,797	19,264,821
31	Premium on Common Stock Issued During 1976 ($2.59)		800,000	2,000,000
32	Premium on Common Stock Issued During 1977 Stock Split		7,019,243	(68,994,489)
33	Premium on Common Stock Issued During 1977		2,519,571	22,613,874
34	Premium on Common Stock Issued During 1977 ($2.34)		1,000,000	2,500,000
35	Premium on Common Stock Issued During 1978		3,357,447	15,753,536
36	Premium on Common Stock Issued During 1979		3,657,643	16,751,584
37	Premium on Common Stock Issued During 1980		4,350,026	15,190,018
38	Premium on Common Stock Issued During 1981		5,056,169	14,045,545
39	Premium on Common Stock Issued During 1982		6,105,561	24,054,868
40	Premium on Common Stock Issued During 1982 ($4.375)		2,000,000	5,000,000
41	Premium on Common Stock Issued During 1983		6,204,992	26,567,671
42	Premium on Common Stock Issued During 1984		3,569,179	5,253,174
43	Premium on Common Stock Issued During 1985		2,344,132	11,106,933
44	Premium on Common Stock Issued During 1986		1,455,370	16,119,886
45	Premium on Common Stock Issued During 1987		1,866,732	19,129,717
46	Premium on Preferred Stock Transfer During 1987 to A/C 210			
47	$2.59		(800,000)	(2,000,000)
48	$2.34		(1,000,000)	(2,500,000)
49	$4.375		(2,000,000)	(5,000,000)
50	Premium on Common Stock Issued During 1988		1,795,188	16,129,075
51	Premium on Common Stock Issued During 1989		447,550	3,823,223
52	Premium on Common Stock Issued During 1992		3,012,986	49,837,127
53	Premium on Common Stock Issued During 1993		5,054,785	88,486,880

54	Premium on Common Stock Issued During 1994		11,443	124,437
55	Premium on Common Stock Issued During 1999		361,944	4,198,328
56	Premium on Common Stock Issued During 2000		981,549	13,294,693
57	Adjustment for Premium on Capital Stock previously issued by WA Energy Co.		[(a)]9,581,729	122,817,919
58	Stock Purchase Plan 1997-2001			(591,200)
59	Total		72,220,232.00	478,145,250.00
60	Installments on Capital Stock (Account 212)			
61				
62				
63				
64	Total			
40	Total		72,220,232.00	478,145,250.00

FOOTNOTE DATA

(a) Concept: PremiumOnCapitalStockShares

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

Name of Respondent: Puget Sound Energy, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2022	Year/Period of Report: End of: 2021/ 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	**Donations Received from Stockholders (Account 208)**	
2	Beginning Balance Amount	
3.1	Increases (Decreases) from Sales of Donations Received from Stockholders	
4	Ending Balance Amount	
5	**Reduction in Par or Stated Value of Capital Stock (Account 209)**	
6	Beginning Balance Amount	
7.1	Increases (Decreases) Due to Reductions in Par or Stated Value of Capital Stock	
8	Ending Balance Amount	
9	**Gain or Resale or Cancellation of Reacquired Capital Stock (Account 210)**	
10	Beginning Balance Amount	
11.1	Increases (Decreases) from Gain or Resale or Cancellation of Reacquired Capital Stock	
12	Ending Balance Amount	
13	**Miscellaneous Paid-In Capital (Account 211)**	
14	Beginning Balance Amount	3,014,096,691
15.1	Increases (Decreases) Due to Miscellaneous Paid-In Capital	
16	Ending Balance Amount	3,014,096,691
17	**Other Paid in Capital**	
18	Beginning Balance Amount	
19.1	Increases (Decreases) in Other Paid-In Capital	
20	Ending Balance Amount	

40	Total	3,014,096,691

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)
15	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
29	Total	7,133,879

Name of Respondent: Puget Sound Energy, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2022	Year/Period of Report: End of: 2021/ Q4

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

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

Securities Issued or Assumed:
NONE

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

Name of Respondent: Puget Sound Energy, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2022	Year/Period of Report: End of: 2021/ 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.
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.	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)	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	Bonds (Account 221)								
2	First Mortgage Bonds Senior MTN 7.02% Series A	12/22/1997	12/01/2027	300,000,000	7.02%	21,060,000			
3	First Mortgage Bonds Senior MTN 7.00% Series B	03/09/1999	03/09/2029	100,000,000	7%	7,000,000			
4	5.483% Senior Notes Due 06/35	05/27/2005	06/01/2035	250,000,000	5.483%	13,707,500			
5	6.724% Senior Notes Due 06/36	06/30/2006	06/15/2036	250,000,000	6.724%	16,810,000			
6	6.274% Senior Notes Due 03/37	09/18/2006	03/15/2037	300,000,000	6.274%	18,822,000			
7	5.757% Senior Notes Due 10/39	09/11/2009	10/01/2039	350,000,000	5.757%	20,149,500			
8	5.795% Senior Notes Due 03/40	03/08/2010	03/15/2040	325,000,000	5.795%	18,833,750			
9	5.764% Senior Notes Due 07/40	06/29/2010	07/15/2040	250,000,000	5.764%	14,410,000			
10	4.434% Senior Notes Due 11/41	11/16/2011	11/15/2041	250,000,000	4.434%	11,085,000			
11	4.700% Senior Notes Due 11/51	11/22/2011	11/15/2051	45,000,000	4.7%	2,115,000			
12	5.638% Senior Notes Due 04/41	03/25/2011	04/15/2041	300,000,000	5.638%	16,914,000			
13	4.300% Senior Notes Due 05/45	05/26/2015	05/20/2045	425,000,000	4.3%	18,275,000			
14	4.223% Senior Notes Due 06/48	06/04/2018	06/15/2048	600,000,000	4.223%	25,338,000			
15	3.250% Senior Notes Due 09/49	08/30/2019	09/15/2049	450,000,000	3.25%	14,625,000			
16	3.9% Pollution Control Bonds Rev Series 2013A	05/23/2013	03/01/2031	138,460,000	3.9%	5,399,940			

17	4.0% Pollution Control Bonds Rev Series 2013B	05/23/2013	03/01/2031	23,400,000	4%	936,000			
18	2.893% Senior Notes Due 09/51	09/15/2021	09/15/2051	450,000,000	2.893%	3,797,063			
19	Bonds assumed which were originally issued by Washington Natural Gas Company								
20	Secured Medium Term Notes - 7.15% Series C	12/20/1995	12/19/2025	15,000,000	7.15%	1,072,500			
21	Secured Medium Term Notes - 7.20% Series C	12/22/1995	12/22/2025	2,000,000	7.2%	144,000			
22	Subtotal			4,823,860,000		230,494,253			
23	Reacquired Bonds (Account 222)								
24									
25									
26									
27									
28									
29									
30									
31									
32	Subtotal								
33	Advances from Associated Companies (Account 223)								
34									
35									
36									
37									
38									
39									
40									
41									
42	Subtotal								
43	Other Long Term Debt (Account 224)								
44									

45									
46									
47									
48									
49									
50									
51									
52	Subtotal								
40	TOTAL			4,823,860,000		230,494,253			

Name of Respondent: Puget Sound Energy, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2022	Year/Period of Report: End of: 2021/ 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.
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.	Designation of Long-Term Debt (a)	Principal Amount of Debt Issued (b)	Total expense - Premium; Discount; or Debt Issuance Costs (c)	Amortization Period Date From (d)	Amortization Period Date To (e)	Balance at Beginning of Year (f)	Debits During Year (g)	Credits During Year (h)	Balance at End of Year (i)
1	Unamortized Debt Expense (Account 181)								
2	First Mortgage Bonds Senior MTN 7.02% Series A	300,000,000	3,010,746	12/22/1997	12/01/2027	699,798		101,175	598,623
3	First Mortgage Bonds Senior MTN 7.00% Series B	100,000,000	954,608	03/09/1999	03/09/2029	260,778		31,835	228,943
4	5.483% Senior Notes Due 06/35	250,000,000	2,460,125	05/27/2005	06/01/2035	1,182,410		82,017	1,100,393
5	6.724% Senior Notes Due 06/36	250,000,000	2,527,628	06/30/2006	06/15/2036	1,309,247		84,611	1,224,636
6	6.274% Senior Notes Due 03/37	300,000,000	2,921,148	09/18/2006	03/15/2037	1,551,046		95,941	1,455,105
7	[a] Amort Costs for $600M Sr Notes Due June 2048	600,000,000	1,429,461	06/14/2018	06/14/2048	1,324,162		48,297	1,275,865
8	PSE $800M Credit Facility due 2022		2,765,284	11/30/2017	11/30/2022	1,617,584		570,911	1,046,673
9	5.757% Senior Notes Due 10/39	350,000,000	3,557,361	09/11/2009	10/01/2039	2,216,147		118,722	2,097,425
10	5.795% Senior Notes Due 3/40	325,000,000	3,384,066	03/08/2010	03/15/2040	2,162,760		112,839	2,049,921
11	5.764% Senior Notes Due 7/40	250,000,000	2,587,276	06/29/2010	07/15/2040	1,683,428		85,962	1,597,466
12	[b] 5.638% Senior Notes Due 4/41	300,000,000	3,071,895	03/25/2011	04/15/2041	2,081,282		102,062	1,979,220
13	4.434% Senior Notes Due 11/41	250,000,000	2,592,616	11/16/2011	11/15/2041	1,806,973		86,735	1,720,238
14	4.70% Senior Notes Due 11/51	45,000,000	511,229	11/22/2011	11/15/2051	394,773		12,804	381,969
15	3.9% Pollution Control Rev Series 2013A Due 3/2031	138,460,000	1,473,301	05/23/2013	03/01/2031	841,023		82,724	758,299
16	4% Pollution Control Rev Series 2013B Due 3/2031	23,400,000	248,243	05/23/2013	03/01/2031	142,128		13,980	128,148

17	$350M Hedging Credit Facility PSE 2018		1,333,855	02/04/2013	11/01/2022	114,038		62,202	51,836
18	$650M Liquidity Credit Facility PSE 2018		2,438,676	02/04/2013	11/01/2022	227,074		124,960	102,114
19	[(c)] $425M 4.30% Sr Notes due 2045	425,000,000	3,718,750	05/26/2015	05/20/2045	3,756,567		154,379	3,602,188
20	[(d)] $450M 3.25% Sr Notes due 2049	450,000,000	1,083,311	08/30/2019	08/29/2049	1,144,120	127,046	41,049	1,230,117
21	$450M 2.893% Sr Notes Due 9/2051 Debt Iss Cost 9/2021	450,000,000	956,250	09/15/2021	09/15/2051		1,227,334	12,320	1,215,014
22	Bonds assumed wich were originally issued by Washington Gas Company:								
23	Secured MTN, Series C 2025 7.15%	15,000,000	112,500	12/20/1995	12/19/2025	19,379		3,940	15,438
24	Secured MTN, Series C 2025 7.20%	2,000,000	15,000	12/21/1995	12/22/2025	2,580		526	2,055
25	Subtotal	4,823,860,000	43,153,329			24,537,297	1,354,380	2,029,991	23,861,686
26	Premium on Long-Term Debt (Account 225)								
27	Subtotal								
28	Discount on Long-Term Debt (Account 226)								
29	5.638% Senior Notes Due 4/41	300,000,000	15,000	03/25/2011	04/15/2041	10,127		502	9,625
30	$425MM 4.30% Senior Notes Discount	425,000,000	1,912,500	05/26/2015	05/20/2045	1,555,677		63,750	1,491,927
31	$450M 3.25% Sr Notes due 2049	450,000,000	6,849,000	08/30/2019	08/29/2049	6,525,575		228,300	6,297,275
32	$600M Sr Notes Due June 2048	600,000,000	5,250,000	06/14/2018	06/14/2048	4,805,208		175,000	4,630,208
33	$450M Sr Note Disc Amort due Sept 2051	450,000,000	3,937,500	09/15/2021	09/15/2051		3,937,500	38,281	3,899,219
34	Subtotal	2,225,000,000	(17,964,000)			12,896,587	3,937,500	505,833	16,328,254

Name of Respondent: Puget Sound Energy, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2022	Year/Period of Report: End of: 2021/ Q4

FOOTNOTE DATA

(a) Concept: DesignationOfLongTermDebt

This bond has both unamortized expenses (Account 181) and unamortized discounts (Account 226) and is therefore reported twice on this page. See line 12.001

(b) Concept: DesignationOfLongTermDebt

This bond has both unamortized expenses (Account 181) and unamortized discounts (Account 226) and is therefore reported twice on this page. See line 10

(c) Concept: DesignationOfLongTermDebt

This bond has both unamortized expenses (Account 181) and unamortized discounts (Account 226) and is therefore reported twice on this page. See line 11

(d) Concept: DesignationOfLongTermDebt

This bond has both unamortized expenses (Account 181) and unamortized discounts (Account 226) and is therefore reported twice on this page. See line 12

Name of Respondent: Puget Sound Energy, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2022	Year/Period of Report: End of: 2021/ 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 (d) show the principal amount of bonds or other long-term debt reacquired.
3. In column (e) 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 of Maturity (b)	Date Reacquired (c)	Principal of Debt Reacquired (d)	Net Gain or Loss (e)	Balance at Beginning of Year (f)	Balance at End of Year (g)
1	Unamortized Loss (Account 189)						
2	1st Mortgage Bonds 9.5/8% Series due 1/2024		02/07/1994	50,000,000	(4,911,597)	520,714	351,834
3	PCB 1991A 7.05% Series due 2/2031		03/24/2003	27,500,000	(1,270,958)	462,384	416,904
4	PCB 1991B 7.25% Series due 2/2031		03/24/2003	23,400,000	(965,944)	351,374	316,812
5	PCB 1992 6.8% Series due 2/2031		03/24/2003	87,500,000	(2,957,968)	1,075,891	970,066
6	PCB 1993 5.875% Series due 2/2031		03/24/2003	23,460,000	(902,771)	328,362	296,064
7	VRN Floating Rate Notes, due 6/2035		05/27/2005	200,000,000	(512,599)	246,331	229,244
8	Trust Prefered Notes 8.231% due 5/2027		06/02/2005	42,500,000	(5,144,214)	1,474,576	1,244,772
9	Capital Trust Bond 8.4% due 6/2036		06/30/2006	200,000,000	(5,899,813)	3,053,831	2,856,810
10	$650M Liquidity Credit Facility 2013 10/2022					34,761	15,801
11	1st Mortgage Bonds 8.4% Series due 12/2021		03/27/2003	3,000,000	(21,491)	1,141	
12	1st Mortgage Bonds 8.39% Series due 12/2021		03/27/2003	7,000,000	(50,146)	2,662	
13	1st Mortgage Bonds 8.25% Series due 8/2022		05/29/2003	25,000,000	(1,208,364)	104,143	41,657
14	1st Mortgage Bonds 7.19% Series due 8/2023		08/18/2003	3,000,000	(213,220)	27,530	16,874
15	Loss on Extinguishment on Jr.					4,671,961	4,571,308
16	1st Mortgage Bonds 9.57% Series due 10/2051		12/23/2011	25,000,000	(15,987,378)	12,349,332	11,948,813
17	PCB 5% Series 2003A Bonds due 2/2031		06/24/2013	138,460,000	(5,290,431)	3,041,143	2,742,014
18	PCB 5.1% Series 2003B Bonds due 2/2031		06/24/2013	23,400,000	(894,093)	513,959	463,406
19	2015 Prem Exp Senior Note 5/2045 A				(2,462,215)	2,004,099	1,921,796
20	2015 Prem Exp Senior Note 5/2045 B				(9,473,106)	7,709,154	7,392,505

21	$350M Hedging Facility 2013 10/2022				(48,124)	17,645	8,021
22	Unamortized Gain (Account 257)						
23	Subtotal Unamortized Losses (189)			879,220,000	(58,214,432)	37,990,993	35,804,700
24	Total Unamortized Loss/Gains (189 & 257)			879,220,000	(58,214,432)	37,990,993	35,804,700

Name of Respondent: Puget Sound Energy, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2022	Year/Period of Report: End of: 2021/ Q4

Reconciliation of Reported Net Income with Taxable Income for Federal 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 114)	336,064,107
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	42,020,345
11	Others	[(a)]215,960,781
13	Total	257,981,126
14	Income Recorded on Books Not Included in Return	
15		
16		
17		
18	Total	
19	Deductions on Return Not Charged Against Book Income	
20	Other	[(b)](182,755,023)
26	Total	(182,755,023)
27	Federal Tax Net Income	
28	Show Computation of Tax:	

29	Taxable Income	411,290,210
30	Tax @21%	86,370,944
31	PTC	(35,994,092)
32	Current Federal Tax	50,376,852
33	Current State Tax	670,178
34	Deferred Tax	(9,026,685)
35	Total Tax	42,020,345

FOOTNOTE DATA

(a) Concept: DeductionsRecordedOnBooksNotDeductedForReturn

Line 11 Details	
Capitalized Interest	54,218,107
Conservation Activity	4,436,355
Decoupling Revenue	13,342,734
Plant Related	51,368,279
Electric and Gas Purchase Contracts	10,572,833
Environmental Costs	567,687
Non-Deductible Items	7,641,670
Pensions and Other Compensation	2,333,879
Property Tax Rate Tracker	2,107,274
Regulatory Assets	4,592,303
Storm Related Activity	21,628,039
Topside M1 ADD	43,151,621
Subtotal	215,960,781

(b) Concept: DeductionsOnReturnNotChargedAgainstBookIncome

Line 20 Details	
Allowance for Funds Used During Construction	(47,030,076)
Derivative Instruments	(56,936,564)
Other Adjustment	(52,958,978)
Treasury Grant Amortization	(25,829,405)
Subtotal	(182,755,023)
Total Adjustments to Tax Expense	33,205,758.00

Name of Respondent: Puget Sound Energy, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2022	Year/Period of Report: End of: 2021/ 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 char 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 (g) and (h). The balancing of this page is not affecte
3. Include in column (g) 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 curr 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.
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 (d).
6. Enter all adjustments of the accrued and prepaid tax accounts in column (i) 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 (l) thru (s) 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 sh
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 (t) the applicable effective state income tax rate.

Line No.	Kind of Tax (See Instruction 5) (a)	Type of Tax (b)	Tax Jurisdiction (c)	Tax Year (d)	Balance at Beg. of Year Taxes Accrued (e)	Balance at Beg. of Year Prepaid Taxes (f)	Taxes Charged During Year (g)	Taxes Paid During Year (h)	Adjustments (i)	Balance at End of Year Taxes Accrued (Account 236) (j)	Balance at End of Year Prepaid Taxes (Included in Acct 165) (k)	Electric (Account 408.1, 409.1) (l)	Gas (Account 408.1, 409.1) (m)	Other Utility Dept. (Account 408.1, 409.1) (n)	Other Income and Deductions (Account 408.2, 409.2) (o)
1	Municipal	Local Tax	WA	2021	18,292,997		134,132,926	132,218,452		20,207,471		87,665,628	46,467,298		
2	**Subtotal Local Tax**				18,292,997		134,132,926	132,218,452		20,207,471		87,665,628	46,467,298		
3	Other	Other Taxes	WA	2021	1,178,725		4,950,408	5,220,579		908,269	(285)	2,850,296	(2,132,190)		4,232,302
4	**Subtotal Other Tax**				1,178,725		4,950,408	5,220,579		908,269	(285)	2,850,296	(2,132,190)		4,232,302
5	Property	Ad Valorem Tax	WA, OR, MT	2021	67,709,176		78,316,183	72,793,349	687,026	74,192,205	273,169	56,296,509	19,082,142		2,937,532
6	**Subtotal Property Tax**				67,709,176		78,316,183	72,793,349	687,026	74,192,205	273,169	56,296,509	19,082,142		2,937,532
7	Income	Income Tax	Fed, CA, MT, OR	2021	(1,598,413)		62,276,173	49,770,752		10,914,743	7,735	44,147,764	33,392,502		(15,264,093)
8	**Subtotal Income Tax**				(1,598,413)		62,276,173	49,770,752		10,914,743	7,735	44,147,764	33,392,502		(15,264,093)
9	Excise	Excise Tax	WA	2021	19,944,436		137,945,417	130,431,796	(100,763)	27,180,959	(176,335)	93,680,124	44,058,556		206,737
10	**Subtotal Excise Tax**				19,944,436		137,945,417	130,431,796	(100,763)	27,180,959	(176,335)	93,680,124	44,058,556		206,737

11	Employment	Payroll Tax	Fed, WA, OR, TX, MI	2021	1,512		25,091,627	25,088,964		4,175		9,547,547	4,075,112		11,468,968
12	**Subtotal Payroll Tax**				1,512		25,091,627	25,088,964		4,175		9,547,547	4,075,112		11,468,968
40	Total				105,528,433		442,712,734	415,523,892	586,263	133,407,822	104,284	294,187,868	144,943,420		3,581,446

Miscellaneous Current and Accrued Liabilities (Account 242)

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

Line No.	Item (a)	Balance at End of Year (b)
1	401(K) Company Contributions	5,989,303
2	401(K) Company Contributions - Incentive	1,030,118
3	FERC Trading Floor Payable	259,628
4	Lower Snake River Wind Facility Maintenance	266,276
5	NERC Standards Compliance Loss Reserve	1,121,500
6	WUTC Electric Utility Annual Regulatory Fees	5,060,781
7	WUTC Gas Utility Annual Regulatory Fees	2,113,899
8	California Carbon Obligation	440,383
9	WUTC SQI Penalty	977,098
10	Deferral of Transferred Frequency Response	867,651
11	FERC Licensing & Land Use Fees - Snoqualmie, Baker	673,485
12	U.S. Treasury Grants	(2,255,017)
13	Baker License Articles Funding	9,013,797
14	Baker License Agreement	779,436
45	Total	26,338,339

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	9,004,538	Various	5,178,168	4,591,405	8,417,775
2	SFAS 106 Unfunded Liability	14,423,900	417	11,738,500	10,565,615	13,251,015
3	Low Income Program	28,977,623	Various	61,928,921	48,278,186	15,326,887
4	Sch 85 Line Extension Cost	13,734,139	456	507,307	2,944,219	16,171,051
5	Green Power Tariff	6,691,830	456	2,296,889	2,336,131	6,731,072
6	Landlord Incentives - 5-11 Yrs	8,408,383	931, 131	1,417,238	5,335,633	12,326,778
7	PTC Deferred Post June '10		0			
8	Workers Comp - IBNR	1,365,350	186	280,855	912,748	1,997,243
9	Residential Exchange		555	220,783,461	220,783,461	
10	Operating Lease Obligation		0			
11	Decoupling	8,002,692	456	22,739,480	17,715,892	2,979,105
12	Lower Snake River License O&M - 25 Yrs	8,582,652	Various	8,668,785	8,244,320	8,158,187
13	Snoqualmie License O&M	7,434,752	186		11,720	7,446,472
14	Ferndale License Misc Def - 6 Yrs					
15	Baker License Misc Def	54,353,638	186	592,043	763,028	54,524,623
16	Unearned Revenue - 11-20 Yrs	1,694,687	253, 454	7,229,104	9,501,226	3,966,809
17	Deferred Pole Contact		0	8,262,463	8,262,463	
18	PGA Unrealized Gain	4,924,565	175, 244	663,819,434	719,623,363	60,728,494
19	Equity Reserve AMI	3,241,498	419, 186		4,427,944	7,669,442
20	Montana PTC	38,827,963	407, 108	39,061,656	45,562,138	45,328,445
21	Unclaimed Property	108,147	131	1,460,081	1,478,376	126,442
22	Colstrip 3&4 Final	41,201	131	1,947,992	2,152,934	246,143
23	Mint Farm Misc Def Credit - 15 Yrs	3,777,265	419	884,724		2,892,541

24	Deferred Interchange		555	4,636,705	4,636,705	
25	Tacoma LNG	12,818,652	419		1,414,241	14,232,893
26	Green Direct Liquidated Damages		0			
27	Microsoft Special Contract Regulat		0			
28	Minor Items	671,636	419, 495	564,671	584,926	691,891
29	Covid-19 Help	15,939,435	Various	34,185,154	33,170,109	14,924,390
30	Microsoft EA	928,775	232	928,775		
31	Service Now	835,118	232	884,047	48,929	
32	LT Payable - Franchise		Various		14,450,730	14,450,730
33	Bid and Success Fees		923	195,936	731,305	535,369
45	TOTAL	244,788,439		1,100,192,389	1,168,527,747	313,123,797

Name of Respondent: Puget Sound Energy, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2022	Year/Period of Report: End of: 2021/ 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.
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)	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	Account 282										
2	Electric	791,802,709	4,761,960	38,215,104					Various	(46,277,072)	[(a)]804,626,637
3	Gas	370,958,249	8,327,308	6,181,540					Various	(12,784,892)	[(b)]385,888,909
4	Other (Define)	(650,695)	47,921								(602,774)
5	Total (Total of lines 2 thru 4)	1,162,110,263	13,137,189	44,396,644			—		—	(59,061,964)	1,189,912,772
6	Other (Specify)										
7	TOTAL Account 282 (Total of lines 5 thru 6)	1,162,110,263	13,137,189	44,396,644			—		—	(59,061,964)	1,189,912,772
8	Classification of TOTAL										
9	Federal Income Tax	1,162,110,263	13,137,189	44,396,644						(59,061,964)	1,189,912,772
10	State Income Tax										
11	Local Income Tax										

Name of Respondent:	This report is:	Date of Report:	Year/Period of Report:
Puget Sound Energy, Inc.	(1) ☑ An Original (2) ☐ A Resubmission	04/15/2022	End of: 2021/ Q4

FOOTNOTE DATA

(a) Concept: AccumulatedDeferredIncomeTaxesOtherProperty

Balance as of 12/31/2021 of ($486,371,483) related to Electric FAS 109.

(b) Concept: AccumulatedDeferredIncomeTaxesOtherProperty

Balance as of 12/31/2021 of ($216,389,482) related to Gas FAS 109.

Name of Respondent: Puget Sound Energy, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2022	Year/Period of Report: End of: 2021/ Q4

Accumulated Deferred Income Taxes-Other (Account 283)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes relating to amounts recorded in Account 283.
2. At Other (Specify), include deferrals relating to other income and deductions.
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)	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	Account 283										
2	Electric	166,643,444	70,195,835	60,380,481			Various	(28,848,191)	Various	(28,698,948)	176,309,555
3	Gas	26,491,864	42,154,003	29,344,178							39,301,689
4	Other (Define)										
5	Total (Total of lines 2 thru 4)	193,135,308	112,349,838	89,724,659				(28,848,191)		(28,698,948)	215,611,244
6	Other (Specify)										
7	TOTAL Account 283 (Total of lines 5 thru 6)	193,135,308	112,349,838	89,724,659				(28,848,191)		(28,698,948)	215,611,244
8	Classification of TOTAL										
9	Federal Income Tax										
10	State Income Tax										
11	Local Income Tax										

Name of Respondent: Puget Sound Energy, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2022	Year/Period of Report: End of: 2021/ 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	[(a)] Renewable Energy Credits	435,357	Multiple	2,684,221		2,618,113	369,249
2	[(b)] Treasury Grants - Wind Project Expansion	171,040	407.4	5,262,241		4,976,450	(114,751)
3	[(c)] PTC Cost Deferral	45,562,139	407.3	45,562,138			1
4	[(d)] Decoupling Mechanisms	16,447,552	Multiple	49,558,268		69,616,716	36,506,000
5	[(e)] Regulatory Liability Tax Reform	(55,664,685)	190	20,886,461		914,724,069	838,172,923
6	[(f)] Green Direct Liquidated Damages	14,313,279	143, 254	1,126,025		6,361	13,193,615
7	[(g)] Gain on Sale Shuffleton - Electric	(29,433)	187, 254			2,680	(26,753)
8	[(h)] FAS 109 EDIT Unprotected Gas & Electric	45,319,207	254	16,951,828			28,367,379
9	[(i)] FAS 109 EDIT Protected Gas & Electric	964,332,818	254	964,332,824		5	(1)
45	Total	1,030,887,274		1,106,364,006		991,944,394	916,467,662

Name of Respondent: Puget Sound Energy, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2022	Year/Period of Report: End of: 2021/ Q4

FOOTNOTE DATA

(a) Concept: DescriptionAndPurposeOfOtherRegulatoryLiabilities

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

(b) Concept: DescriptionAndPurposeOfOtherRegulatoryLiabilities

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

(c) Concept: DescriptionAndPurposeOfOtherRegulatoryLiabilities

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

(d) Concept: DescriptionAndPurposeOfOtherRegulatoryLiabilities

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

(e) Concept: DescriptionAndPurposeOfOtherRegulatoryLiabilities

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

(f) Concept: DescriptionAndPurposeOfOtherRegulatoryLiabilities

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

(g) Concept: DescriptionAndPurposeOfOtherRegulatoryLiabilities

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

(h) Concept: DescriptionAndPurposeOfOtherRegulatoryLiabilities

To record the unprotected FAS 109 EDIT in accordance with the 2019 GRC Order. New 254 Accounts created September 2020.

(i) Concept: DescriptionAndPurposeOfOtherRegulatoryLiabilities

To record the protected FAS 109 EDIT in accordance with the 2019 GRC Order. New 254 Accounts created September 2020.

Name of Respondent: Puget Sound Energy, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2022	Year/Period of Report: End of: 2021/ Q4

Monthly Quantity & Revenue Data by Rate Schedule

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

Line No.	Item (a)	Month 1 Quantity (b)	Month 1 Revenue Costs and Take-or-Pay (c)	Month 1 Revenue (GRI & ACA) (d)	Month 1 Revenue (Other) (e)	Month 1 Revenue (Total) (f)	Month 2 Quantity (g)	Month 2 Revenue Costs and Take-or-Pay (h)	Month 2 Revenue (GRI & ACA) (i)	Month 2 Revenue (Other) (j)	Month 2 Revenue (Total) (k)	Month 3 Quantity (l)	Month 3 Revenue Costs and Take-or-Pay (m)	Month 3 Revenue (GRI & ACA) (n)	Month 3 Revenue (Other) (o)	Month 3 Revenue (Total) (p)
1	Total Sales (480-488)															
2	Transportation of Gas for Others (489.2 and 489..3)															
3																
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60																
61																
62																
63	Total Transportation (Other than Gathering)															
64	Storage (489.4)															
65																
66																
67																
68																
69																
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71																
72																
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83																
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88																
89																
90	Total Storage															
91	Gathering (489.1)															
92	Gathering-Firm															
93	Gathering-Interruptible															
94	Total Gathering (489.1)															
95	Additional Revenues															
96	Products Sales and Extraction (490-492)															
97	Rents (493-494)															
98	(495) Other Gas Revenues															
99	(496) (Less) Provision for Rate Refunds															
100	Total Additional Revenues															
101	Total Operating Revenues (Total of Lines 1,63,90,94 & 100)															

Name of Respondent: Puget Sound Energy, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2022	Year/Period of Report: End of: 2021/ 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.
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.	Title of Account (a)	Revenues for Transition Costs and Take-or-Pay Amount for Current Year (b)	Revenues for Transaction Costs and Take-or-Pay Amount for Previous Year (c)	Revenues for GRI and ACA Amount for Current Year (d)	Revenues for GRI and ACA Amount for Previous Year (e)	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	(480) Residential Sales					722,002,483	662,502,964	722,002,483	662,502,964	61,102,774	59,281,026
2	(481) Commercial and Industrial Sales					313,942,945	272,590,890	313,942,945	272,590,890	33,893,111	31,779,761
3	(482) Other Sales to Public Authorities										
4	(483) Sales for Resale										
5	(484) Interdepartmental Sales										
6	(485) Intracompany Transfers										
7	(487) Forfeited Discounts					(2,422)	169,211	(2,422)	169,211		
8	(488) Miscellaneous Service Revenues					4,369,687	2,976,830	4,369,687	2,976,830		
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					20,030,443	19,555,100	20,030,443	19,555,100	21,980,489	21,232,973
12						1,829,752	1,555,935	1,829,752	1,555,935		

	(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					62,167	4,710,102	62,167	4,710,102		
17	(494) Interdepartmental Rents										
18	(495) Other Gas Revenues					4,790,747	11,625,688	4,790,747	11,625,688		
19	Subtotal:					1,067,025,802	975,686,720	1,067,025,802	975,686,720		
20	(496) (Less) Provision for Rate Refunds					(392,009)	(5,226,621)	(392,009)	(5,226,621)		
21	TOTAL					1,067,417,811	980,913,341	1,067,417,811	980,913,341		

Name of Respondent: Puget Sound Energy, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2022	Year/Period of Report: End of: 2021/ Q4

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

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

Line No.	Rate Schedule and Zone of Receipt (a)	Revenues for Transition Costs and Take-or-Pay Amount for Current Year (b)	Revenues for Transaction Costs and Take-or-Pay Amount for Previous Year (c)	Revenues for GRI and ACA Amount for Current Year (d)	Revenues for GRI and ACA Amount for Previous Year (e)	Other Revenues Amount for Current Year (f)	Other Revenues Amount for Previous Year (g)	Total Operating Revenues Amount for Current Year (h)	Total Operating Revenues Amount for Previous Year (i)	Dekatherm of Natural Gas Amount for Current Year (j)	Dekatherm of Natural Gas Amount for Previous Year (k)
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Name of Respondent: Puget Sound Energy, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2022	Year/Period of Report: End of: 2021/ Q4

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

1. Report revenues and Dth of gas delivered by Zone of Delivery by Rate Schedule. Total by Zone of Delivery and for all zones. If respondent does not have separate zones, provide totals by rate schedule.
2. Revenues for penalties including penalties for unauthorized overruns must be reported on page 308.
3. Other Revenues in columns (f) and (g) include reservation charges received by the pipeline plus usage charges for transportation and hub services, less revenues reflected in columns (b) through (e).
4. Delivered Dth of gas must not be adjusted for discounting.
5. Each incremental rate schedule and each individually certificated rate schedule must be separately reported.
6. Where transportation services are bundled with storage services, report total revenues but only transportation Dth.

Line No.	Zone of Delivery, Rate Schedule (a)	Revenues for Transition Costs and Take-or-Pay Amount for Current Year (b)	Revenues for Transaction Costs and Take-or-Pay Amount for Previous Year (c)	Revenues for GRI and ACA Amount for Current Year (d)	Revenues for GRI and ACA Amount for Previous Year (e)	Other Revenues Amount for Current Year (f)	Other Revenues Amount for Previous Year (g)	Total Operating Revenues Amount for Current Year (h)	Total Operating Revenues Amount for Previous Year (i)	Dekatherm of Natural Gas Amount for Current Year (j)	Dekatherm of Natural Gas Amount for Previous Year (k)
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40	Total										

Name of Respondent: Puget Sound Energy, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2022	Year/Period of Report: End of: 2021/ Q4

Revenues from Storing Gas of Others (Account 489.4)

1. Report revenues and Dth of gas withdrawn from storage by Rate Schedule and in total.
2. Revenues for penalties including penalties for unauthorized overruns must be reported on page 308.
3. Other revenues in columns (f) and (g) include reservation charges, deliverability charges, injection and withdrawal charges, less revenues reflected in columns (b) through (e).
4. Dth of gas withdrawn from storage must not be adjusted for discounting.
5. Where transportation services are bundled with storage services, report only Dth withdrawn from storage.

Line No.	Rate Schedule (a)	Revenues for Transition Costs and Take-or-Pay Amount for Current Year (b)	Revenues for Transaction Costs and Take-or-Pay Amount for Previous Year (c)	Revenues for GRI and ACA Amount for Current Year (d)	Revenues for GRI and ACA Amount for Previous Year (e)	Other Revenues Amount for Current Year (f)	Other Revenues Amount for Previous Year (g)	Total Operating Revenues Amount for Current Year (h)	Total Operating Revenues Amount for Previous Year (i)	Dekatherm of Natural Gas Amount for Current Year (j)	Dekatherm of Natural Gas Amount for Previous Year (k)
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Name of Respondent: Puget Sound Energy, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2022	Year/Period of Report: End of: 2021/ 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	Other revenues (Specify):	
13	Transactions $250,000 or more	
14	Decoupling Revenue	1,552,669
15	PLR EDIT Gas Other Op Rev	(3,148,021)
16	AMI Return Deferral - Gas	(3,105,497)
17	Transactions below $250,000	
18	Miscellaneous Other Gas Revenue	(89,898)
40	TOTAL	(4,790,747)

Name of Respondent: Puget Sound Energy, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2022	Year/Period of Report: End of: 2021/ Q4

Discounted Rate Services and Negotiated Rate Services

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

Line No.	Account (a)	Discounted Rate Services Revenue (b)	Discounted Rate Services Volumes (c)	Negotiated Rate Services Revenue (d)	Negotiated Rate Services Volumes (e)
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40	Total				

Name of Respondent: Puget Sound Energy, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2022	Year/Period of Report: End of: 2021/ 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)	107,473	151,438
4	B. Natural Gas Production		
5	B1. Natural Gas Production and Gathering		
6	Operation		
7	750 Operation Supervision and Engineering		
8	751 Production Maps and Records		
9	752 Gas Well Expenses		
10	753 Field Lines Expenses		
11	754 Field Compressor Station Expenses		
12	755 Field Compressor Station Fuel and Power		
13	756 Field Measuring and Regulating Station Expenses		
14	757 Purification Expenses		
15	758 Gas Well Royalties		
16	759 Other Expenses		
17	760 Rents		
18	TOTAL Operation (Total of lines 7 thru 17)		
19	Maintenance		
20	761 Maintenance Supervision and Engineering		
21	762 Maintenance of Structures and Improvements		
22	763 Maintenance of Producing Gas Wells		
23	764 Maintenance of Field Lines		
24	765 Maintenance of Field Compressor Station Equipment		
25	766 Maintenance of Field Measuring and Regulating Station Equipment		

26	767 Maintenance of Purification Equipment		
27	768 Maintenance of Drilling and Cleaning Equipment		
28	769 Maintenance of Other Equipment		
29	TOTAL Maintenance (Total of lines 20 thru 28)		
30	TOTAL Natural Gas Production and Gathering (Total of lines 18 and 29)		
31	B2. Products Extraction		
32	Operation		
33	770 Operation Supervision and Engineering		
34	771 Operation Labor		
35	772 Gas Shrinkage		
36	773 Fuel		
37	774 Power		
38	775 Materials		
39	776 Operation Supplies and Expenses		
40	777 Gas Processed by Others		
41	778 Royalties on Products Extracted		
42	779 Marketing Expenses		
43	780 Products Purchased for Resale		
44	781 Variation in Products Inventory		
45	(Less) 782 Extracted Products Used by the Utility-Credit		
46	783 Rents		
47	TOTAL Operation (Total of lines 33 thru 46)		
48	Maintenance		
49	784 Maintenance Supervision and Engineering		
50	785 Maintenance of Structures and Improvements		
51	786 Maintenance of Extraction and Refining Equipment		
52	787 Maintenance of Pipe Lines		
53	788 Maintenance of Extracted Products Storage Equipment		
54	789 Maintenance of Compressor Equipment		
55	790 Maintenance of Gas Measuring and Regulating Equipment		
56	791 Maintenance of Other Equipment		

57	TOTAL Maintenance (Total of lines 49 thru 56)		
58	TOTAL Products Extraction (Total of lines 47 and 57)		
59	C. Exploration and Development		
60	Operation		
61	795 Delay Rentals		
62	796 Nonproductive Well Drilling		
63	797 Abandoned Leases		
64	798 Other Exploration		
65	TOTAL Exploration and Development (Total of lines 61 thru 64)		
66	D. Other Gas Supply Expenses		
67	Operation		
68	800 Natural Gas Well Head Purchases		
69	800.1 Natural Gas Well Head Purchases, Intracompany Transfers		
70	801 Natural Gas Field Line Purchases		
71	802 Natural Gas Gasoline Plant Outlet Purchases		
72	803 Natural Gas Transmission Line Purchases		
73	804 Natural Gas City Gate Purchases	375,389,069	311,861,557
74	804.1 Liquefied Natural Gas Purchases		
75	805 Other Gas Purchases	501,250	303,244
76	(Less) 805.1 Purchases Gas Cost Adjustments	(31,536,792)	(46,455,081)
77	TOTAL Purchased Gas (Total of lines 68 thru 76)	407,427,111	358,619,882
78	806 Exchange Gas		
79	Purchased Gas Expenses		
80	807.1 Well Expense-Purchased Gas		
81	807.2 Operation of Purchased Gas Measuring Stations		
82	807.3 Maintenance of Purchased Gas Measuring Stations		
83	807.4 Purchased Gas Calculations Expenses		
84	807.5 Other Purchased Gas Expenses	2,272,754	2,238,560
85	TOTAL Purchased Gas Expenses (Total of lines 80 thru 84)	2,272,754	2,238,560
86	808.1 Gas Withdrawn from Storage-Debit	38,831,834	35,556,222

87	(Less) 808.2 Gas Delivered to Storage-Credit	47,706,072	31,304,269
88	809.1 Withdrawals of Liquefied Natural Gas for Processing-Debit		
89	(Less) 809.2 Deliveries of Natural Gas for Processing-Credit		
90	Gas used in Utility Operation-Credit		
91	810 Gas Used for Compressor Station Fuel-Credit		
92	811 Gas Used for Products Extraction-Credit		
93	812 Gas Used for Other Utility Operations-Credit	47,864	22,430
94	TOTAL Gas Used in Utility Operations-Credit (Total of lines 91 thru 93)	47,864	22,430
95	813 Other Gas Supply Expenses	530,526	543,844
96	TOTAL Other Gas Supply Exp. (Total of lines 77,78,85,86 thru 89,94,95)	401,308,289	365,631,809
97	TOTAL Production Expenses (Total of lines 3, 30, 58, 65, and 96)	401,415,762	365,783,247
98	2. NATURAL GAS STORAGE, TERMINALING AND PROCESSING EXPENSES		
99	A. Underground Storage Expenses		
100	Operation		
101	814 Operation Supervision and Engineering	165,672	174,392
102	815 Maps and Records		
103	816 Wells Expenses	17,307	19,908
104	817 Lines Expense	38,317	1,848
105	818 Compressor Station Expenses	314,029	309,989
106	819 Compressor Station Fuel and Power	64,538	53,091
107	820 Measuring and Regulating Station Expenses	8,421	2,362
108	821 Purification Expenses		
109	822 Exploration and Development		
110	823 Gas Losses		
111	824 Other Expenses	88,484	40,961
112	825 Storage Well Royalties	23,669	19,280
113	826 Rents		
114	TOTAL Operation (Total of lines of 101 thru 113)	720,437	621,831
115	Maintenance		
116	830 Maintenance Supervision and Engineering	146,789	151,402
117	831 Maintenance of Structures and Improvements	35,088	84,712

118	832 Maintenance of Reservoirs and Wells	1,310,679	1,226,599
119	833 Maintenance of Lines	2,848	14,815
120	834 Maintenance of Compressor Station Equipment	528,148	497,991
121	835 Maintenance of Measuring and Regulating Station Equipment		
122	836 Maintenance of Purification Equipment	43,165	30,665
123	837 Maintenance of Other Equipment	9,663	13,501
124	TOTAL Maintenance (Total of lines 116 thru 123)	2,076,380	2,019,685
125	TOTAL Underground Storage Expenses (Total of lines 114 and 124)	2,796,817	2,641,516
126	B. Other Storage Expenses		
127	Operation		
128	840 Operation Supervision and Engineering	229,300	
129	841 Operation Labor and Expenses	744,586	807,123
130	842 Rents		
131	842.1 Fuel		
132	842.2 Power		
133	842.3 Gas Losses		
134	TOTAL Operation (Total of lines 128 thru 133)	973,886	807,123
135	Maintenance		
136	843.1 Maintenance Supervision and Engineering		
137	843.2 Maintenance of Structures		
138	843.3 Maintenance of Gas Holders		
139	843.4 Maintenance of Purification Equipment		
140	843.5 Maintenance of Liquefaction Equipment		
141	843.6 Maintenance of Vaporizing Equipment		
142	843.7 Maintenance of Compressor Equipment		
143	843.8 Maintenance of Measuring and Regulating Equipment		
144	843.9 Maintenance of Other Equipment		
145	TOTAL Maintenance (Total of lines 136 thru 144)		
146	TOTAL Other Storage Expenses (Total of lines 134 and 145)	973,886	807,123
147	C. Liquefied Natural Gas Terminaling and Processing Expenses		

148	Operation		
149	844.1 Operation Supervision and Engineering	1,313	456
150	844.2 LNG Processing Terminal Labor and Expenses		
151	844.3 Liquefaction Processing Labor and Expenses		
152	844.4 Liquefaction Transportation Labor and Expenses		
153	844.5 Measuring and Regulating Labor and Expenses		
154	844.6 Compressor Station Labor and Expenses		
155	844.7 Communication System Expenses		
156	844.8 System Control and Load Dispatching		
157	845.1 Fuel		
158	845.2 Power		
159	845.3 Rents		
160	845.4 Demurrage Charges		
161	(less) 845.5 Wharfage Receipts-Credit		
162	845.6 Processing Liquefied or Vaporized Gas by Others		
163	846.1 Gas Losses		
164	846.2 Other Expenses		
165	TOTAL Operation (Total of lines 149 thru 164)	1,313	456
166	Maintenance		
167	847.1 Maintenance Supervision and Engineering		
168	847.2 Maintenance of Structures and Improvements		
169	847.3 Maintenance of LNG Processing Terminal Equipment		
170	847.4 Maintenance of LNG Transportation Equipment		
171	847.5 Maintenance of Measuring and Regulating Equipment		
172	847.6 Maintenance of Compressor Station Equipment		
173	847.7 Maintenance of Communication Equipment		
174	847.8 Maintenance of Other Equipment		
175	TOTAL Maintenance (Total of lines 167 thru 174)		
176	TOTAL Liquefied Nat Gas Terminaling and Proc Exp (Total of lines 165 and 175)	1,313	456
177	TOTAL Natural Gas Storage (Total of lines 125, 146, and 176)	3,772,016	3,449,095
178	3. TRANSMISSION EXPENSES		

179	Operation		
180	850 Operation Supervision and Engineering		
181	851 System Control and Load Dispatching		
182	852 Communication System Expenses		
183	853 Compressor Station Labor and Expenses		
184	854 Gas for Compressor Station Fuel		
185	855 Other Fuel and Power for Compressor Stations		
186	856 Mains Expenses		
187	857 Measuring and Regulating Station Expenses		
188	858 Transmission and Compression of Gas by Others		
189	859 Other Expenses		
190	860 Rents		
191	TOTAL Operation (Total of lines 180 thru 190)		
192	Maintenance		
193	861 Maintenance Supervision and Engineering		
194	862 Maintenance of Structures and Improvements		
195	863 Maintenance of Mains		
196	864 Maintenance of Compressor Station Equipment		
197	865 Maintenance of Measuring and Regulating Station Equipment		
198	866 Maintenance of Communication Equipment		
199	867 Maintenance of Other Equipment		
200	TOTAL Maintenance (Total of lines 193 thru 199)		
201	TOTAL Transmission Expenses (Total of lines 191 and 200)		
202	4. DISTRIBUTION EXPENSES		
203	Operation		
204	870 Operation Supervision and Engineering	2,098,480	2,350,346
205	871 Distribution Load Dispatching	287,313	303,168
206	872 Compressor Station Labor and Expenses		
207	873 Compressor Station Fuel and Power		
208	874 Mains and Services Expenses	20,880,745	19,563,391

209	875 Measuring and Regulating Station Expenses-General	1,500,593	1,515,488
210	876 Measuring and Regulating Station Expenses-Industrial	1,038,826	647,458
211	877 Measuring and Regulating Station Expenses-City Gas Check Station		
212	878 Meter and House Regulator Expenses	1,910,181	1,825,525
213	879 Customer Installations Expenses	1,528,814	1,983,229
214	880 Other Expenses	16,028,709	13,167,433
215	881 Rents	254,629	250,406
216	TOTAL Operation (Total of lines 204 thru 215)	45,528,290	41,606,444
217	Maintenance		
218	885 Maintenance Supervision and Engineering	57,351	27,120
219	886 Maintenance of Structures and Improvements	106,039	344,933
220	887 Maintenance of Mains	8,761,308	8,322,017
221	888 Maintenance of Compressor Station Equipment		
222	889 Maintenance of Measuring and Regulating Station Equipment-General	821,011	793,382
223	890 Maintenance of Meas. and Reg. Station Equipment-Industrial	48,384	163,535
224	891 Maintenance of Meas. and Reg. Station Equip-City Gate Check Station		
225	892 Maintenance of Services	4,484,180	4,577,033
226	893 Maintenance of Meters and House Regulators	511,839	706,631
227	894 Maintenance of Other Equipment	375,862	718,544
228	TOTAL Maintenance (Total of lines 218 thru 227)	15,165,974	15,653,195
229	TOTAL Distribution Expenses (Total of lines 216 and 228)	60,694,264	57,259,639
230	5. CUSTOMER ACCOUNTS EXPENSES		
231	Operation		
232	901 Supervision	90,086	100,810
233	902 Meter Reading Expenses	9,716,532	8,901,850
234	903 Customer Records and Collection Expenses	10,541,199	15,448,529
235	904 Uncollectible Accounts	4,491,994	4,251,335
236	905 Miscellaneous Customer Accounts Expenses		
237	TOTAL Customer Accounts Expenses (Total of lines 232 thru 236)	24,839,811	28,702,524
238	6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES		
239	Operation		

240	907 Supervision		
241	908 Customer Assistance Expenses	24,729,295	23,153,596
242	909 Informational and Instructional Expenses	1,568,768	1,457,160
243	910 Miscellaneous Customer Service and Informational Expenses	126	54
244	TOTAL Customer Service and Information Expenses (Total of lines 240 thru 243)	26,298,189	24,610,810
245	7. SALES EXPENSES		
246	Operation		
247	911 Supervision		
248	912 Demonstrating and Selling Expenses	(79,810)	(57,245)
249	913 Advertising Expenses		
250	916 Miscellaneous Sales Expenses		
251	TOTAL Sales Expenses (Total of lines 247 thru 250)	(79,810)	(57,245)
252	8. ADMINISTRATIVE AND GENERAL EXPENSES		
253	Operation		
254	920 Administrative and General Salaries	27,035,089	27,106,184
255	921 Office Supplies and Expenses	4,336,114	3,324,384
256	(Less) 922 Administrative Expenses Transferred-Credit	12,689,264	12,374,966
257	923 Outside Services Employed	6,218,926	6,281,757
258	924 Property Insurance	(104,585)	43,898
259	925 Injuries and Damages	3,528,997	3,201,453
260	926 Employee Pensions and Benefits	15,502,659	14,425,061
261	927 Franchise Requirements		
262	928 Regulatory Commission Expenses	2,881,358	2,529,420
263	(Less) 929 Duplicate Charges-Credit		
264	930.1General Advertising Expenses	167	
265	930.2Miscellaneous General Expenses	4,139,999	3,786,365
266	931 Rents	3,432,575	2,973,433
267	TOTAL Operation (Total of lines 254 thru 266)	54,282,035	51,296,989
268	Maintenance		
269	932 Maintenance of General Plant	9,614,768	8,866,624

270	TOTAL Administrative and General Expenses (Total of lines 267 and 269)	63,896,803	60,163,613
271	TOTAL Gas O&M Expenses (Total of lines 97,177,201,229,237,244,251, and 270)	580,837,035	539,911,683

Name of Respondent: Puget Sound Energy, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2022	Year/Period of Report: End of: 2021/ Q4

Exchange and Imbalance Transactions

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

Line No.	Zone/Rate Schedule (a)	Gas Received from Others Amount (b)	Gas Received from Others Dth (c)	Gas Delivered to Others Amount (d)	Gas Delivered to Others Dth (e)
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24					
25	Total				

Name of Respondent: Puget Sound Energy, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2022	Year/Period of Report: End of: 2021/ 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)
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 - Credit			
4	Gas Shrinkage, etc. for Respondent's Gas Processed by Others - Credit			
5	812 Gas Used for Other Utility Operations - Credit (Report separately for each principal use. Group minor uses.)		17,847	47,864
25	Total		17,847	47,864

Name of Respondent: Puget Sound Energy, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2022	Year/Period of Report: End of: 2021/ Q4

Transmission and Compression of Gas by Others (Account 858)

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

Line No.	Name of Company and Description of Service Performed (a)	* (b)	Amount of Payment (c)	Dth of Gas Delivered (d)
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24				
25	Total			

Name of Respondent: Puget Sound Energy, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2022	Year/Period of Report: End of: 2021/ Q4

Other Gas Supply Expenses (Account 813)

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

Line No.	Description (a)	Amount (in dollars) (b)
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25	Total	530,526

FERC FORM No. 2 (12-96)

Name of Respondent: Puget Sound Energy, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2022	Year/Period of Report: End of: 2021/ 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 (b)
1	Industry association dues.	475,830
2	Experimental and general research expenses	
2a	a. Gas Research Institute (GRI)	
2b	b. Other	
3	Publishing and distributing information and reports to stockholders, trustee, registrar, and transfer agent fees and expenses, and other expenses of servicing outstanding securities of the respondent	
4	Board of Director Fees and Expenses	287,110
5	Other Membership Dues	361,871
6	Communication Services	
7	Treasury Fees & Expenses	76,913
8	Misc General Expenses	2,935,004
9	State/Fed Govt Related Industry Expenses	3,271
25	TOTAL	4,139,999

Name of Respondent: Puget Sound Energy, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2022	Year/Period of Report: End of: 2021/ 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 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.
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 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)	Amortization of Other Limited-term Gas Plant (Account 404.3) (f)	Amortization of Other Gas Plant (Account 405) (g)	Total (b to g) (h)
1	Intangible plant					6,222,978		6,222,978
2	Production plant, manufactured gas							
3	Production and Gathering Plant							
4	Products extraction plant							
5	Underground Gas Storage Plant (footnote details)	1,346,010						1,346,010
6	Other storage plant	336,846						336,846
7	Base load LNG terminaling and processing plant	22,518						22,518
8	Transmission Plant							
9	Distribution plant	125,546,582	178,549					125,725,131
10	General Plant (footnote details)	2,101,720						2,101,720
11	Common plant-gas	9,310,213	19,504			32,717,793		42,047,510
12	Total	138,663,889	198,053			38,940,771		177,802,713

Name of Respondent: Puget Sound Energy, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2022	Year/Period of Report: End of: 2021/ 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 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.
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)	55,477	
5	Transmission Plant		
6	Offshore (footnote details)		
7	Onshore (footnote details)		
8	General Plant (footnote details)	41,334	
9	Intangible Plant	55,246	
10	LNG Terminating and Processing	16,031	
11	Distribution Plant	4,565,901	
12	TOTAL	4,740,573	

Name of Respondent: Puget Sound Energy, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2022	Year/Period of Report: End of: 2021/ Q4

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		
3		
4		
5	TOTAL Account 425 - Miscellaneous Amortization	
6	Account 426.1 - Donations	
7	Education	15,000
8	Environment	
9	Human Services	21,000
10	Miscellaneous	13,738
11	TOTAL Account 426.1 - Donations	49,738
12	Account 426.2 - Life Insurance	
13	Gain on Corporate Life Insurance	(1,905,421)
14	TOTAL Account 426.2 - Life Insurance	(1,905,421)
15	Account 426.3 - Penalties	
16	Tax Penalties	2,272
17	NERC Standards Compliance Penalty	(33,000)
18	WUTC Penality - Gas	35,000
19	WUTC Fines & Penalties - Electric	977,098
20	TOTAL Account 426.3 - Penalties	981,370
21	Account 426.4 Expenditures for Certain Civic, Political, and Related Activities	

22	Federal	1,151,913
23	Local	6,370,979
24	State	719,019
25	Total Account 426.4 - Expendites for Certain Civic, Political, and Related Activities	8,241,911
26	Account 426.5 - Other Deductions	
27	Advertising & Trademarks	583,986
28	Customer Service Guaranteed	43,544
29	Donations	500
30	Dues & Memberships	747,614
31	EIM SOC Penalties	
32	Employee Retirement Benefits	5,316,889
33	Low Income Weatherization	275,296
34	Miscellaneous Over $100K	3,445,251
35	Miscellaneous Under $100K	47,320
36	Non-Utility Write Off	14,874
37	SFAS 106 Post Retirement Benefits	
38	SFAS 133 Loss on Fair Value Purchases	39,840,457
39	TOTAL Account 426.5 - Other Deductions	50,315,731
40	Account 430 - Interest on Debt to Associated Companies	
41		
42		
43		
44	TOTAL Account 430 - Interest on Debt to Associated Companies	
45	Account 431 - Other Interest Expense	
46	Bond Interest	1,823,302
47	Interest on Capital Lease	(50)
48	Interest on Customer Deposits @ 3.25%	459,449
49	Interest on Deferred Compensation	1,196,914
50	Interest on Federal Incentive	2,614,240
51	Interest on Decoupling	649,670
52	Interest on Expense	285

53	Interest on Tax	5,788,455
54	Renewable Energy Credits	29,984
55	TOTAL Account 431 - Other Interest Expense	12,562,249

Name of Respondent: Puget Sound Energy, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2022	Year/Period of Report: End of: 2021/ 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.
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.	Description (Furnish name of regulatory commission or body the docket or case 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)	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	WUTC Filing Fee	2,116,340		2,116,340		Gas	928					
2	FERC Regulatory Compliance		189,143	189,143		Gas	928					
3	State Regulatory Legal Fees		30,332	30,332		Gas	928					
4	General Rate Case Legal Fees		549,104	549,104		Gas	928					
25	TOTAL	2,116,340	768,578	2,884,918								

Name of Respondent: Puget Sound Energy, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2022	Year/Period of Report: End of: 2021/ Q4

Employee Pensions and Benefits (Account 926)

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

Line No.	Expense (a)	Amount (in dollars) (b)
1	Pensions - defined benefit plans	4,473,549
2	Pensions - other	
3	Post-retirement benefits other than pensions (PBOP)	5,227,970
4	Post-employment benefit plans	
5	Other	(4,891,083)
6	Health & Warfare	10,692,223
40	Total	15,502,659

Name of Respondent: Puget Sound Energy, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2022	Year/Period of Report: End of: 2021/ Q4

Distribution of Salaries and Wages

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

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

Line No.	Classification (a)	Direct Payroll Distribution (b)	Payroll Billed by Affiliated Companies (c)	Allocation of Payroll Charged for Clearing Accounts (d)	Total (e)
1	Electric				
2	Operation				
3	Production	23,737,977		198,138	23,936,115
4	Transmission	9,678,183		80,782	9,758,965
5	Distribution	21,810,305		182,047	21,992,352
6	Customer Accounts	7,947,050		66,333	8,013,383
7	Customer Service and Informational	2,518,087		21,018	2,539,105
8	Sales	684,352		5,712	690,064
9	Administrative and General	36,434,222		304,111	36,738,333
10	TOTAL Operation (Total of lines 3 thru 9)	102,810,176		858,141	103,668,317
11	Maintenance				
12	Production	4,961,924		41,417	5,003,341
13	Transmission	2,458,103		20,517	2,478,620
14	Distribution	11,496,687		95,961	11,592,648
15	Administrative and General	187,203		1,563	188,766
16	TOTAL Maintenance (Total of lines 12 thru 15)	19,103,917		159,458	19,263,375
17	Total Operation and Maintenance				
18	Production (Total of lines 3 and 12)	28,699,901		239,555	28,939,456
19	Transmission (Total of lines 4 and 13)	12,136,286		101,299	12,237,585
20	Distribution (Total of lines 5 and 14)	33,306,992		278,008	33,585,000
21	Customer Accounts (line 6)	7,947,050		66,333	8,013,383

22	Customer Service and Informational (line 7)	2,518,087		21,018	2,539,105
23	Sales (line 8)	684,352		5,712	690,064
24	Administrative and General (Total of lines 9 and 15)	36,621,425		305,674	36,927,099
25	TOTAL Operation and Maintenance (Total of lines 18 thru 24)	121,914,093		1,017,599	122,931,692
26	Gas				
27	Operation				
28	Production - Manufactured Gas	70,269		587	70,856
29	Production - Natural Gas(Including Exploration and Development)				
30	Other Gas Supply	2,236,683		18,669	2,255,352
31	Storage, LNG Terminaling and Processing	981,455		8,192	989,647
32	Transmission				
33	Distribution	21,335,513		178,084	21,513,597
34	Customer Accounts	5,712,552		47,682	5,760,234
35	Customer Service and Informational	1,319,099		11,010	1,330,109
36	Sales	(58,666)		(490)	(59,156)
37	Administrative and General	15,835,075		132,173	15,967,248
38	TOTAL Operation (Total of lines 28 thru 37)	47,431,980		395,907	47,827,887
39	Maintenance				
40	Production - Manufactured Gas				
41	Production - Natural Gas(Including Exploration and Development)				
42	Other Gas Supply				
43	Storage, LNG Terminaling and Processing	287,399		2,399	289,798
44	Transmission				
45	Distribution	5,420,662		45,245	5,465,907
46	Administrative and General	125,258		1,046	126,304
47	TOTAL Maintenance (Total of lines 40 thru 46)	5,833,319		48,690	5,882,009
49	Total Operation and Maintenance				
50	Production - Manufactured Gas (Total of lines 28 and 40)	70,269		587	70,856
51	Production - Natural Gas (Including Expl. and Dev.)(ll. 29 and 41)				

52	Other Gas Supply (Total of lines 30 and 42)	2,236,683		18,669	2,255,352
53	Storage, LNG Terminaling and Processing (Total of ll. 31 and 43)	1,268,854		10,591	1,279,445
54	Transmission (Total of lines 32 and 44)				
55	Distribution (Total of lines 33 and 45)	26,756,175		223,329	26,979,504
56	Customer Accounts (Total of line 34)	5,712,552		47,682	5,760,234
57	Customer Service and Informational (Total of line 35)	1,319,099		11,010	1,330,109
58	Sales (Total of line 36)	(58,666)		(490)	(59,156)
59	Administrative and General (Total of lines 37 and 46)	15,960,333		133,219	16,093,552
60	Total Operation and Maintenance (Total of lines 50 thru 59)	53,265,299		444,597	53,709,896
61	Other Utility Departments				
62	Operation and Maintenance				
63	TOTAL ALL Utility Dept. (Total of lines 25, 60, and 62)	175,179,392		1,462,196	176,641,588
64	Utility Plant				
65	Construction (By Utility Departments)				
66	Electric Plant	71,977,599		600,786	72,578,385
67	Gas Plant	27,800,972		232,051	28,033,023
68	Other	50,703,920		423,218	51,127,138
69	TOTAL Construction (Total of lines 66 thru 68)	150,482,491		1,256,055	151,738,546
70	Plant Removal (By Utility Departments)				
71	Electric Plant	3,059,032		25,533	3,084,565
72	Gas Plant	1,950,554		16,281	1,966,835
73	Other	217,230		1,813	219,043
74	TOTAL Plant Removal (Total of lines 71 thru 73)	5,226,816		43,627	5,270,443
75.1	[(a)] Other Accounts (Specify) (footnote details)	29,258,667		244,219	29,502,886
76	TOTAL Other Accounts	29,258,667		244,219	29,502,886
77	TOTAL SALARIES AND WAGES	360,147,366		3,006,097	363,153,463

FOOTNOTE DATA

(a) Concept: DescriptionOfDistributionSalariesAndWagesOtherAccount

Description	Direct Payroll Distribution (b)	Allocation of Payroll Charged to Clearing Accounts (c)	Total (d) (Col-7 + Col8)
121 Non Utility Property	601	5	606
163 Store Expense	4,182,511	34,911	4,217,422
182 Regulatory Asset	17,236,265	143,869	17,380,134
185 Temporary Facilities	10,651	89	10,740
149 Misc. Deferred Debits	1,643,808	13,721	1,657,529
186 Misc. Deferred Debits	5,417,760	45,221	5,462,981
Misc. 400 Accounts	761,358	6,355	767,713
143 Accts Receivable Misc.			—
Prelim Survey OG 183	490	4	494
Allocated OG 184			
Misc. 200 Accounts	5,223	44	5,267
Jackson Prairie Joint Venture - Capital - PSE Share			—
Jackson Prairie Joint Venture - Expense - PSE Share			—
TOTAL	29,258,667	244,219	29,502,886

Name of Respondent: Puget Sound Energy, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2022	Year/Period of Report: End of: 2021/ Q4

Charges for Outside Professional and Other Consultative Services

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

Line No.	Description (a)	Amount (in dollars) (b)
1	QUANTA SERVICES INC	193,734,790
2	INFRASOURCE SERVICES LLC	103,056,910
3	AA ASPHALTING LLC	39,570,739
4	ASPLUNDH TREE EXPERT LLC	30,061,808
5	HYDROMAX USA LLC	24,501,442
6	LANDIS + GYR TECHNOLOGY INC	23,724,035
7	LOWER BAKER CONSTRUCTORS LLC	16,752,330
8	VESTAS	15,767,960
9	ELM LOCATING & UTILITY SERVICE	15,447,998
10	ACCENTURE INTERNATIONAL LIMITE	13,226,560
11	CBI SERVICES LLC	10,394,490
12	SIEMENS GAMESA RENEWABLE ENERG	9,740,858
13	JOHANSEN CONSTRUCTION COMPANY	9,695,850
14	PAYMENTUS CORPORATION	8,563,584
15	METER READINGS HOLDING LLC	8,058,255
16	ASPLUNDH CONSTRUCTION LLC	7,743,363
17	GE INTERNATIONAL INC	6,823,947
18	PERKINS COIE LLP	6,690,642
19	FABER CONSTRUCTION CORP	5,027,092
20	BHI ENERGY POWER SERVICES LLC	5,001,949

21	BAKER BOTTS LLP	4,878,633
22	WILSON CONSTRUCTION COMPANY	4,848,845
23	PACIFIC NETTING PRODUCTS INC	4,350,614
24	NW UTILITY SERVICES LLC	4,101,948
25	VAN NESS FELDMAN LLP	3,644,961
26	OSMOSE UTILITIES SERVICES INC	3,560,016
27	CBRE INC	3,197,452
28	PROKARMA INC	3,147,750
29	BGIS GLOBAL INTEGRATED SOLUTIO	2,999,405
30	PRICEWATERHOUSECOOPERS LLP	2,962,784
31	GEOENGINEERS INC	2,941,638
32	TEMPO HOLDING COMPANY LLC	2,937,326
33	HDR ENGINEERING INC	2,881,355
34	WESTERN REFINERY SERVICES INC	2,847,849
35	POWERPLAN INC	2,647,610
36	LIMITED ENERGY SERVICES INC	2,639,711
37	MICHELS POWER INC	2,564,939
38	INSIGHT GLOBAL INC	2,532,222
39	TERRA DYNAMICS INC	2,489,256
40	ACTALENT SERVICES LLC	2,488,207
41	DAVID EVANS & ASSOCIATES INC	2,369,846
42	KPMG LLP	2,310,483
43	GARTNER INC	2,238,940
44	CITY OF SEATTLE	2,211,291
45	ESM CONSULTING ENGINEERS LLC	2,209,705
46	CONVERGENT OUTSOURCING INC	2,190,889
47	MECHANICAL DYNAMICS & ANALYSIS	2,101,511
48	ORACLE AMERICA INC	2,029,306
49	NORTHWEST ENERGY EFFICIENCY	1,965,729
50	MAGNUM POWER LLC	1,945,719
51	UNIFY CONSULTING LLC	1,916,440

52	APEX SYSTEMS LLC	1,876,818
53	ARCTIC ARROW POWERLINE GROUP L	1,844,979
54	WIDENET CONSULTING GROUP	1,823,634
55	DNV ENERGY INSIGHTS USA INC	1,768,512
56	SHANNON & WILSON INC	1,725,475
57	QUANTA UTILITY ENGINEERING	1,666,935
58	POWER ENGINEERS INC	1,647,023
59	WYSER CONSTRUCTION CO INC	1,579,993
60	ACTALENT INC	1,572,021
61	MEDIA MOSAIC INC	1,489,236
62	CLEARESULT CONSULTING INC	1,464,900
63	ZECO SYSTEMS INC	1,448,907
64	COHEN VENTURES INC	1,349,244
65	KUBRA DATA TRANSFER LTD	1,324,472
66	NAVISTAR INC	1,322,190
67	FIRE PROTECTION INC	1,320,416
68	PAR ELECTRICAL CONTRACTORS INC	1,275,064
69	WASTE MANAGEMENT INC	1,264,663
70	WILLDAN ENERGY SOLUTIONS	1,263,599
71	ACCENTURE LLP	1,263,014
72	WEST MONROE PARTNERS LLC	1,249,974
73	MARSH USA INC	1,249,203
74	UTILITIES INTERNATIONAL INC	1,245,935
75	SOLAR TURBINES INC	1,219,118
76	TAMAZARI INC	1,217,798
77	DJS ELECTRICAL INC	1,163,381
78	FISERV SOLUTIONS LLC	1,140,813
79	MOODYS INVESTORS SERVICE INC	1,137,750
80	STANDARD & POORS FINANCIAL	1,059,500
81	AMERICAN HYDRO CORPORATION	1,045,008
82	PEREGRINE STIMULATION SERVICES	1,037,437

83	MCMILLEN LLC	1,035,560
84	SIA PARTNERS US INC	1,018,342
85	WEATHERFORD US LP	1,015,198
86	CANNON CONSTRUCTORS LLC	1,009,770
87	SNOWS OIL FIELD SERVICE INC	896,516
88	DAVIS WRIGHT TREMAINE LLP	883,565
89	EVAPTECH INC	875,982
90	KENT PERFORMANCE AUTO CENTER	875,411
91	GUIDACENT INC	849,946
92	INTERNATIONAL LINE BUILDERS IN	846,631
93	STOEL RIVES LLP	828,775
94	VECA ELECTRIC & TECHNOLOGIES	823,428
95	BUDGET TOWING & AUTO REPAIR IN	816,199
96	LG CONSULTING LLC	815,140
97	SAFWAY INTERMEDIATE HOLDING LL	801,070
98	COMMONSTREET CONSULTING LLC	797,758
99	LONQUIST FIELD SERVICE LLC	787,276
100	NESS & CAMPBELL CRANE INC	783,341
101	GORDON TILDEN THOMAS & CORDELL	767,878
102	ALTEC INDUSTRIES INC	763,868
103	ARCUS DATA LLC	761,700
104	ALLTECK LIMITED PARTNERSHIP	751,136
105	DAVID C RYDER PS	743,542
106	PUGET SOUND SECURITY SERVICES	741,594
107	COGNIZANT TECHNOLOGY SOLUTIONS	707,212
108	SUMMIT LAW GROUP PLLC	706,192
109	TITAN ELECTRIC INC	702,716
110	UTILITIES UNDERGROUND LOCATION	682,529
111	OMEGA MORGAN CRANES LLC	679,089
112	FITCH RATINGS INC	677,000
113	SURVEYING AND MAPPING LLC	669,612

114	SECURITAS SECURITY SERVICES US	669,491
115	SULZER TURBO SERVICES	668,097
116	ENVIROISSUES INC	667,830
117	PATTERSON SERVICES INC	662,613
118	SCHNEIDER ELECTRIC SMART GRID	630,967
119	APPLIED PROFESSIONAL SERVICES	628,557
120	A AND R SOLAR SPC	624,378
121	COLEHOUR & COHEN INC	623,397
122	MCKINSTRY CO LLC	618,917
123	GEOSYNTEC CONSULTANTS INC	616,040
124	SAP INDUSTRIES INC	604,800
125	UNIVERSAL FIELD SERVICES INC	575,977
126	POTELCO INC	571,056
127	COPPEI LLC	560,305
128	BAKER HUGHES HOLDINGS LLC	556,375
129	VOITH HYDRO INC	539,855
130	ACTIVE TELESOURCE INC	525,548
131	WELLS FARGO BANK NA	522,393
132	CREATIVE CIRCLE LLC	502,566
133	OPEN TEXT INC	501,178
134	SIGNATURE LANDSCAPE SERVICES L	501,077
135	PROTIVITI INC	494,305
136	PLANNING & MANAGEMENT SERVICES	494,195
137	SLR INTERNATIONAL CORP	488,812
138	TOKUSAKU CONSULTING	486,243
139	CENTRIC CONSULTING, LLC	474,151
140	OXBOW LLC	471,695
141	WATERSHED COMPANY	470,485
142	QUALITY TRAINING SYSTEMS INC	463,736
143	IMAGINE ENERGY LLC	459,594
144	AIR SYSTEMS ENGINEERING INC	457,556

145	RESOURCE INNOVATIONS INC	457,226
146	PUGET SOUND EXECUTIVE SERVICES	454,897
147	ESARY ROOFING & SIDING CO INC	448,810
148	MILLENNIAL ENTERPRISE TECHNOLO	447,875
149	ALLIED POWER GROUP LLC	443,324
150	EMERALD CITY MOVING & STORAGE	434,569
151	ALTUS TRAFFIC MANAGEMENT LLC	429,343
152	KEELEY	425,450
153	ABB INC	420,838
154	HAPPY VALLEY INTERMEDIATE HOLD	419,288
155	THE LISBON GROUP LLC	417,642
156	SCHNABEL INC	417,214
157	INTERGRAPH CORPORATION	410,437
158	GUIDEHOUSE INC	407,475
159	E M KAELIN TRUCKING	407,059
160	SOUND VIEW STRATEGIES LLC	404,225
161	EN ENGINEERING LLC	400,246
162	BANK OF AMERICA	381,767
163	TUUSSO ENERGY LLC	372,121
164	LIMEADE INC	371,682
165	THE BRATTLE GROUP INC	367,365
166	VENTILATION POWER CLEANING INC	363,203
167	BAKER HUGHES OILFIELD OPERATIO	356,268
168	LES SCHWAB TIRE CENTERS OF	354,251
169	MID-DEL GROUP LLC	350,100
170	LABONDE LAND INC	350,094
171	OPTIV SECURITY INC	348,186
172	COMMUNITY ACTION OF SKAGIT COU	346,852
173	BATES WHITE LLC	345,874
174	MAUL FOSTER & ALGONI INC	345,858
175	ASAM HOLDINGS INC	345,605

176	CONTRACT LAND STAFF LLC	344,248
177	INSIGHT STRATEGIC PARTNERS LLC	338,190
178	WALKER HEAVY CONSTRUCTION INC	335,173
179	ROPE PARTNER INC	334,955
180	CASCADE LANDSCAPE SERVICES INC	332,810
181	BARNHART PLANT SERVICES LLC	332,147
182	MAGIKMINDS INC	324,280
183	TEKSYSTEMS INC	321,424
184	STRUCTURED COMMUNICATION SYSTE	319,200
185	INTERO INTEGRITY SERVICES US L	317,500
186	KORN/FERRY INTERNATIONAL	316,440
187	RAMBOLL US CONSULTING INC	306,269
188	NRC ENVIRONMENTAL SERVICES INC	304,839
189	ELECTRIC POWER RESEARCH INSTIT	304,687
190	EATON CORPORATION	299,856
191	ADAQUEST INC	297,538
192	ADVANCED UNDERGROUND UTILITIES	292,496
193	EMC RESEARCH INC	286,588
194	ARCOS LLC	280,975
195	SYSTEM TRANSFER & STORAGE CO	277,270
196	HANSBERRY & JOURDONNAIS PLLC	277,183
197	SLALOM LLC	276,450
198	AON CONSULTING INC	275,537
199	NORTHERN RELIABILITY INC	273,183
200	ENERGY & ENVIRONMENTAL ECONOMI	273,074
201	VMWARE INC	269,190
202	LANDAU ASSOCIATES INC	268,139
203	PUTNAM ROBY WILLIAMSON	267,519
204	LISSER & ASSOCIATES PLLC	263,371
205	WILSON CONSTRUCTION CO	261,692
206	LANGTON SPIETH LLC	261,192

207	WA STATE DEPT OF FISH & WILDLI	259,081
208	DOBLE ENGINEERING COMPANY	258,839
209	TEREX USA LLC	258,061
210	CONCENTRIC ENERGY ADVISORS INC	256,418
211	LYNDEN INCORPORATED	253,584
212	I2I MARKETING	251,066
213	Other<=$250,000	35,411,809
214	TOTAL	785,467,576

Transactions with Associated (Affiliated) Companies

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

Line No.	Description of the Good or Service (a)	Name of Associated/Affiliated Company (b)	Account(s) Charged or Credited (c)	Amount Charged or Credited (d)
1	Goods or Services Provided by Affiliated Company			
19	TOTAL			
20	Goods or Services Provided for Affiliated Company			
21	General and Adminstrative Expenses	Puget Energy, Inc.	146	685,276
22	Operations and Maintenance Expenses	Puget LNG, LLC	146	857,773
23	General and Adminstrative Expenses	Puget Holdings, LLC	146	1,189,962
40	TOTAL			2,733,011

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 and Location of Compressor Station (a)	Compressor Type (b)	Number of Units at Compressor Station (c)	Certificated Horsepower for Each Compressor Station (d)	Plant Cost (e)	Expenses (except depreciation and taxes) Fuel (f)	Expenses (except depreciation and taxes) Power (g)	Expenses (except depreciation and taxes) Other (h)	Gas for Compressor Fuel in Dth (i)	Electricity for Compressor Station in kWh (j)	Operational Data Total Compressor Hours of Operation During Year (k)	Operational Data Number of Compressors Operated at Time of Station Peak (l)	Date of Station Peak (m)
1	Jackson Prairie Storage Project (Note 1)	Underground Storage Compressor Stations	9	34,200	66,072,734				191,350		5889	7	02/11/2021
2	Note 1: Jointly owned by:	Underground Storage Compressor Stations											
3	33.34% Puget Sound Energy, Inc.	Underground Storage Compressor Stations											
4	33.33% Avista	Underground Storage Compressor Stations											
5	33.33% Williams Gas Pipeline	Underground Storage Compressor Stations											
6	Column (e) represents 100% of Plant Cost	Underground Storage Compressor Stations											
7	PSE's 33.34% interest = $22,028,649.44	Underground Storage Compressor Stations											
25	Total												

Name of Respondent: Puget Sound Energy, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2022	Year/Period of Report: End of: 2021/ Q4

Gas Storage Projects

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

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

24	September			
25	October			
26	November			
27	December			
28	TOTAL (Total of lines 16 thru 27)			

Name of Respondent: Puget Sound Energy, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2022	Year/Period of Report: End of: 2021/ Q4

Gas Storage Projects

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

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

Name of Respondent: Puget Sound Energy, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2022	Year/Period of Report: End of: 2021/ 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 (d) 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)	State (b)	Operation Type (c)	* (d)	Total Miles of Pipe (e)
1	NOTE - Although reported in the past, the Jackson Prairie station lines do not meet FERC's definition of transmission lines and therefore are no longer reported on page 514.				
25	TOTAL				

Name of Respondent: Puget Sound Energy, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2022	Year/Period of Report: End of: 2021/ Q4

Transmission System Peak Deliveries

1. Report below the total transmission system deliveries of gas (in Dth), excluding deliveries to storage, for the period of system peak deliveries indicated below, during the 12 months embracing the heating season overlapping the year's end for which this report is submitted. The season's peak normally will be reached before the due date of this report, April 30, which permits inclusion of the peak information required on this page. Add rows as necessary to report all data. Number additional rows 6.01, 6.02, etc.

Line No.	Description (a)	Dth of Gas Delivered to Interstate Pipelines (b)	Dth of Gas Delivered to Others (c)	Total (b) + (c) (d)
	SECTION A: SINGLE DAY PEAK DELIVERIES			
1	Date(s):			
2	Volumes of Gas Transported			
3	No-Notice Transportation			
4	Other Firm Transportation			
5	Interruptible Transportation			
6	Other (Specify)			
6.1				
7	TOTAL			
8	Volumes of gas Withdrawn form Storage under Storage Contract			
9	No-Notice Storage			
10	Other Firm Storage			
11	Interruptible Storage			
12	Other (Specify)			
12.1				
13	TOTAL			
14	Other Operational Activities			
15	Gas Withdrawn from Storage for System Operations			
16	Reduction in Line Pack			
17	Other (Specify)			
17.1				
18	TOTAL			
19	SECTION B: CONSECUTIVE THREE-DAY PEAK DELIVERIES			

20	Date(s):			
22	No-Notice Transportation			
23	Other Firm Transportation			
24	Interruptible Transportation			
25	Other (Specify)			
25.1				
26	TOTAL			
27	Volumes of gas Withdrawn form Storage under Storage Contract			
28	No-Notice Storage			
29	Other Firm Storage			
30	Interruptible Storage			
31	Other (Specify)			
31.1				
32	TOTAL			
33	Other Operational Activities			
34	Gas Withdrawn from Storage for System Operations			
35	Reduction in Line Pack			
36	Other (Specify)			
36.1				
37	TOTAL			

Name of Respondent: Puget Sound Energy, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2022	Year/Period of Report: End of: 2021/ 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? (e)
1	LNG SATELLITE - GIG HARBOR	LNG	16,082	14,523,117	true
2	JACKSON PRAIRIE - CHEHALIS	UNDERGROUND STORAGE	1,196,000	56,820,314	true
3	PSE's Non - Recoverable Cushion Gas				
4	is valued at $4,185,430.83 and is				
5	included within the amount listed in 2d				
6	Schedule Page # 519 Line No. 2, Column: d				
7	Cost is shown for PSEs 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				

Name of Respondent: Puget Sound Energy, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2022	Year/Period of Report: End of: 2021/ 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 (d)
1	Name of System			
2	GAS RECEIVED			
3	Gas Purchases (Accounts 800-805)		96,497,258	29,581,622
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	21,980,489	5,863,790
7	Gas of Others Received for Contract Storage (Account 489.4)	307		
8	Gas of Others Received for Production/Extraction/Processing (Account 490 and 491)			
9	Exchanged Gas Received from Others (Account 806)	328		
10	Gas Received as Imbalances (Account 806)	328		
11	Receipts of Respondent's Gas Transported by Others (Account 858)	332		
12	Other Gas Withdrawn from Storage (Explain)		16,742,060	6,625,617
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)			
15.1				

	Other Receipts (Specify) (footnote details)			
16	Total Receipts (Total of lines 3 thru 15)		135,219,807	42,071,029
17	GAS DELIVERED			
18	Gas Sales (Accounts 480-484)		94,995,885	32,379,673
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	21,980,489	5,863,790
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)		16,842,028	2,145,620
28	Gas Used for Compressor Station Fuel	509	369,418	43,058
29	Other Deliveries and Gas Used for Other Operations			
29.1	Other Deliveries and Gas Used for Other Operations		520,038	177,243
30	Total Deliveries (Total of lines 18 thru 29)		134,707,858	40,609,384
31	GAS LOSSES AND GAS UNACCOUNTED FOR			
32	Gas Losses and Gas Unaccounted For		511,949	1,461,645
33	TOTALS			
34	Total Deliveries, Gas Losses & Unaccounted For (Total of lines 30 and 32)		135,219,807	42,071,029

Name of Respondent: Puget Sound Energy, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2022	Year/Period of Report: End of: 2021/ Q4

Shipper Supplied Gas for the Current Quarter

1. Report monthly (1) shipper supplied gas for the current quarter and gas consumed in pipeline operations, (2) the disposition of any excess, the accounting recognition given to such disposition and the specific account charged or credited, and (3) the source of gas used to meet any deficiency, the accounting recognition given to the gas used to meet the deficiency, including the accounting basis of the gas and the specific account(s charged or credited.
2. On lines 7, 14, 22 and 30 report only the dekatherms of gas provided by shippers under tariff terms and conditions for gathering , production/ extraction/processing, transmission, distribution and storage service and th of that gas for compressor fuel, other operational purposes and lost and unaccounted for. The dekatherms must be broken out by functional categories on Lines 2-6, 9-13, 16-21 and 24-29. The dekatherms must be reported in column (d) unless the company has discounted or negotiated rates which should be reported in columns (b) and (c).
3. On lines 7, 14, 22 and 30 report only the dollar amounts of gas provided by shippers under tariff terms and conditions for gathering, production/ extraction/processing, transmission, distribution and storage service and use of that gas for compressor fuel, other operational purposes and lost and unaccounted for. The dollar amounts must be broken out by functional categories on Lines 2-6, 9-13, 16-21 and 23-29. The dollar amounts be reported in column (h) unless the company has discounted or negotiated rates which should be reported in columns (f) and (g). The accounting should disclose the account(s) debited and credited in columns (n) ar
4. Indicate in a footnote the basis for valuing the gas reported in Columns (f), (g) and (h).
5. Report in columns (j), (k) and (l) the amount of fuel waived, discounted or reduced as part of a negotiated rate agreement.
6. On lines 32-37 report the dekatherms and dollar value of the excess or deficiency in shipper supplied gas broken out by functional category and whether recourse rate, discounted or negotiated rate.
7. On lines 39 through 51 report the dekatherms, the dollar amount and the account(s) credited in Column (o) for the dispositions of gas listed in column (a).
8. On lines 53 through 65 report the dekatherms, the dollar amount and the account(s) debited in Column (n) for the sources of gas reported in column (a).
9. On lines 66 and 67, report forwardhaul and backhaul volume in Dths of throughput.
10. Where appropriate, provide a full explanation of the allocation process used in reported numbers in a footnote.

Line No.	Item (a)	Month 1													
						Amount Collected (Dollars)				Volume (in Dth) Not Collected					
		Discounted rate Dth (b)	Negotiated Rate Dth (c)	Recourse Rate Dth (d)	Total Dth (e)	Discounted Rate, Amount (f)	Negotiated Rate Amount (g)	Recourse rate Amount (h)	Total Amount (i)	Waived Dth (j)	Discounted Dth (k)	Negotiated Dth (l)	Total Dth (m)	Account(s) Debited (n)	Acco Cre (
1	SHIPPER SUPPLIED GAS (LINES 13 AND 14 , PAGE 520)														
2	Gathering														
3	Production/Extraction/Processing														
4	Transmission														
5	Distribution														
6	Storage														
7	Total Shipper Supplied Gas														
	LESS GAS USED FOR COMPRESSOR STATION FUEL (LINE 28, PAGE 520)														
9	Gathering														
10	Production/Extraction/Processing														
11	Transmission														
12	Distribution														
13	Storage														

14	Total gas used in compressors														
15	LESS GAS USED FOR OTHER DELIVERIES AND GAS USED FOR OTHER OPERATIONS (LINE 29, PAGE 520) (Footnote)														
16	Gathering														
17	Production/Extraction/Processing														
18	Transmission														
19	Distribution														
20	Storage														
21	Other Deliveries (specify) (footnote details)														
22	Total Gas Used For Other Deliveries And Gas Used For Other Operations														
23	LESS GAS LOST AND UNACCOUNTED FOR (LINE 32, PAGE 520)														
24	Gathering														
25	Production/Extraction/Processing														
26	Transmission														
27	Distribution														
28	Storage														
29	Other Losses (specify) (footnote details)														
30	Total Gas Lost And Unaccounted For														
30.1	NET EXCESS OR (DEFICIENCY)														
31	Other Losses														
32	Gathering														
33	Production/Extraction/Processing														
34	Transmission														
35	Distribution														
36	Storage														
37	Total Net Excess Or (Deficiency)														
38	DISPOSITION OF EXCESS GAS:														

39	Gas sold to others														
40	Gas used to meet imbalances														
41	Gas added to system gas														
42	Gas returned to shippers														
43.1															
43.2															
43.3															
43.4															
43.5															
43.6															
43.7															
43.8															
51	Total Disposition Of Excess Gas														
52	GAS ACQUIRED TO MEET DEFICIENCY:														
53	System gas														
54	Purchased gas														
55.1															
55.2															
55.3															
55.4															
55.5															
55.6															
55.7															
55.8															
55.9															
55.10															
65	Total Gas Acquired To Meet Deficiency														

SEPARATION OF FORWARDHAUL AND BACKHAUL THROUGHPUT

Line No.	Item (a)	Quarter Dth (b)

66	Forwardhaul Volume in Dths for the Quarter	
67	Backhaul Volume in Dths for the Quarter	
68	TOTAL (Lines 66 and 67)	

Name of Respondent: Puget Sound Energy, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2022	Year/Period of Report: End of: 2021/ Q4

Shipper Supplied Gas for the Current Quarter

1. Report monthly (1) shipper supplied gas for the current quarter and gas consumed in pipeline operations, (2) the disposition of any excess, the accounting recognition given to such disposition and the specific account charged or credited, and (3) the source of gas used to meet any deficiency, the accounting recognition given to the gas used to meet the deficiency, including the accounting basis of the gas and the specific account(s charged or credited.
2. On lines 7, 14, 22 and 30 report only the dekatherms of gas provided by shippers under tariff terms and conditions for gathering , production/ extraction/processing, transmission, distribution and storage service and th of that gas for compressor fuel, other operational purposes and lost and unaccounted for. The dekatherms must be broken out by functional categories on Lines 2-6, 9-13, 16-21 and 24-29. The dekatherms must be reported in column (d) unless the company has discounted or negotiated rates which should be reported in columns (b) and (c).
3. On lines 7, 14, 22 and 30 report only the dollar amounts of gas provided by shippers under tariff terms and conditions for gathering, production/ extraction/processing, transmission, distribution and storage service and use of that gas for compressor fuel, other operational purposes and lost and unaccounted for. The dollar amounts must be broken out by functional categories on Lines 2-6, 9-13, 16-21 and 23-29. The dollar amounts be reported in column (h) unless the company has discounted or negotiated rates which should be reported in columns (f) and (g). The accounting should disclose the account(s) debited and credited in columns (n) ar
4. Indicate in a footnote the basis for valuing the gas reported in Columns (f), (g) and (h).
5. Report in columns (j), (k) and (l) the amount of fuel waived, discounted or reduced as part of a negotiated rate agreement.
6. On lines 32-37 report the dekatherms and dollar value of the excess or deficiency in shipper supplied gas broken out by functional category and whether recourse rate, discounted or negotiated rate.
7. On lines 39 through 51 report the dekatherms, the dollar amount and the account(s) credited in Column (o) for the dispositions of gas listed in column (a).
8. On lines 53 through 65 report the dekatherms, the dollar amount and the account(s) debited in Column (n) for the sources of gas reported in column (a).
9. On lines 66 and 67, report forwardhaul and backhaul volume in Dths of throughput.
10. Where appropriate, provide a full explanation of the allocation process used in reported numbers in a footnote.

Line No.	Item (a)	Month 2													
						Amount Collected (Dollars)				Volume (in Dth) Not Collected					
		Discounted rate Dth (b)	Negotiated Rate Dth (c)	Recourse Rate Dth (d)	Total Dth (e)	Discounted Rate, Amount (f)	Negotiated Rate Amount (g)	Recourse rate Amount (h)	Total Amount (i)	Waived Dth (j)	Discounted Dth (k)	Negotiated Dth (l)	Total Dth (m)	Account(s) Debited (n)	Acco Cre (
1	SHIPPER SUPPLIED GAS (LINES 13 AND 14 , PAGE 520)														
2	Gathering														
3	Production/Extraction/Processing														
4	Transmission														
5	Distribution														
6	Storage														
7	Total Shipper Supplied Gas														
8	LESS GAS USED FOR COMPRESSOR STATION FUEL (LINE 28, PAGE 520)														
9	Gathering														
10	Production/Extraction/Processing														
11	Transmission														
12	Distribution														
13	Storage														

14	Total gas used in compressors														
15	LESS GAS USED FOR OTHER DELIVERIES AND GAS USED FOR OTHER OPERATIONS (LINE 29, PAGE 520) (Footnote)														
16	Gathering														
17	Production/Extraction/Processing														
18	Transmission														
19	Distribution														
20	Storage														
21	Other Deliveries (specify) (footnote details)														
22	Total Gas Used For Other Deliveries And Gas Used For Other Operations														
23	LESS GAS LOST AND UNACCOUNTED FOR (LINE 32, PAGE 520)														
24	Gathering														
25	Production/Extraction/Processing														
26	Transmission														
27	Distribution														
28	Storage														
29	Other Losses (specify) (footnote details)														
30	Total Gas Lost And Unaccounted For														
30.1	NET EXCESS OR (DEFICIENCY)														
31	Other Losses														
32	Gathering														
33	Production/Extraction/Processing														
34	Transmission														
35	Distribution														
36	Storage														
37	Total Net Excess Or (Deficiency)														
38	DISPOSITION OF EXCESS GAS:														

39	Gas sold to others														
40	Gas used to meet imbalances														
41	Gas added to system gas														
42	Gas returned to shippers														
43.1															
43.2															
43.3															
43.4															
43.5															
43.6															
43.7															
43.8															
51	Total Disposition Of Excess Gas														
52	GAS ACQUIRED TO MEET DEFICIENCY:														
53	System gas														
54	Purchased gas														
55.1															
55.2															
55.3															
55.4															
55.5															
55.6															
55.7															
55.8															
55.9															
55.10															
65	Total Gas Acquired To Meet Deficiency														

Name of Respondent: Puget Sound Energy, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2022	Year/Period of Report: End of: 2021/ Q4

Shipper Supplied Gas for the Current Quarter

1. Report monthly (1) shipper supplied gas for the current quarter and gas consumed in pipeline operations, (2) the disposition of any excess, the accounting recognition given to such disposition and the specific account charged or credited, and (3) the source of gas used to meet any deficiency, the accounting recognition given to the gas used to meet the deficiency, including the accounting basis of the gas and the specific account(s charged or credited.
2. On lines 7, 14, 22 and 30 report only the dekatherms of gas provided by shippers under tariff terms and conditions for gathering , production/ extraction/processing, transmission, distribution and storage service and th of that gas for compressor fuel, other operational purposes and lost and unaccounted for. The dekatherms must be broken out by functional categories on Lines 2-6, 9-13, 16-21 and 24-29. The dekatherms must be reported in column (d) unless the company has discounted or negotiated rates which should be reported in columns (b) and (c).
3. On lines 7, 14, 22 and 30 report only the dollar amounts of gas provided by shippers under tariff terms and conditions for gathering, production/ extraction/processing, transmission, distribution and storage service and use of that gas for compressor fuel, other operational purposes and lost and unaccounted for. The dollar amounts must be broken out by functional categories on Lines 2-6, 9-13, 16-21 and 23-29. The dollar amounts be reported in column (h) unless the company has discounted or negotiated rates which should be reported in columns (f) and (g). The accounting should disclose the account(s) debited and credited in columns (n) ar
4. Indicate in a footnote the basis for valuing the gas reported in Columns (f), (g) and (h).
5. Report in columns (j), (k) and (l) the amount of fuel waived, discounted or reduced as part of a negotiated rate agreement.
6. On lines 32-37 report the dekatherms and dollar value of the excess or deficiency in shipper supplied gas broken out by functional category and whether recourse rate, discounted or negotiated rate.
7. On lines 39 through 51 report the dekatherms, the dollar amount and the account(s) credited in Column (o) for the dispositions of gas listed in column (a).
8. On lines 53 through 65 report the dekatherms, the dollar amount and the account(s) debited in Column (n) for the sources of gas reported in column (a).
9. On lines 66 and 67, report forwardhaul and backhaul volume in Dths of throughput.
10. Where appropriate, provide a full explanation of the allocation process used in reported numbers in a footnote.

Line No.	Item (a)	Month 3													
						Amount Collected (Dollars)				Volume (in Dth) Not Collected					
		Discounted rate Dth (b)	Negotiated Rate Dth (c)	Recourse Rate Dth (d)	Total Dth (e)	Discounted Rate, Amount (f)	Negotiated Rate Amount (g)	Recourse rate Amount (h)	Total Amount (i)	Waived Dth (j)	Discounted Dth (k)	Negotiated Dth (l)	Total Dth (m)	Account(s) Debited (n)	Acco Cre (
1	SHIPPER SUPPLIED GAS (LINES 13 AND 14 , PAGE 520)														
2	Gathering														
3	Production/Extraction/Processing														
4	Transmission														
5	Distribution														
6	Storage														
7	Total Shipper Supplied Gas														
8	LESS GAS USED FOR COMPRESSOR STATION FUEL (LINE 28, PAGE 520)														
9	Gathering														
10	Production/Extraction/Processing														
11	Transmission														
12	Distribution														
13	Storage														

14	Total gas used in compressors														
15	LESS GAS USED FOR OTHER DELIVERIES AND GAS USED FOR OTHER OPERATIONS (LINE 29, PAGE 520) (Footnote)														
16	Gathering														
17	Production/Extraction/Processing														
18	Transmission														
19	Distribution														
20	Storage														
21	Other Deliveries (specify) (footnote details)														
22	Total Gas Used For Other Deliveries And Gas Used For Other Operations														
23	LESS GAS LOST AND UNACCOUNTED FOR (LINE 32, PAGE 520)														
24	Gathering														
25	Production/Extraction/Processing														
26	Transmission														
27	Distribution														
28	Storage														
29	Other Losses (specify) (footnote details)														
30	Total Gas Lost And Unaccounted For														
30.1	NET EXCESS OR (DEFICIENCY)														
31	Other Losses														
32	Gathering														
33	Production/Extraction/Processing														
34	Transmission														
35	Distribution														
36	Storage														
37	Total Net Excess Or (Deficiency)														
38	DISPOSITION OF EXCESS GAS:														

39	Gas sold to others														
40	Gas used to meet imbalances														
41	Gas added to system gas														
42	Gas returned to shippers														
43.1															
43.2															
43.3															
43.4															
43.5															
43.6															
43.7															
43.8															
51	Total Disposition Of Excess Gas														
52	GAS ACQUIRED TO MEET DEFICIENCY:														
53	System gas														
54	Purchased gas														
55.1															
55.2															
55.3															
55.4															
55.5															
55.6															
55.7															
55.8															
55.9															
55.10															
65	Total Gas Acquired To Meet Deficiency														

Name of Respondent: Puget Sound Energy, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2022	Year/Period of Report: End of: 2021/ 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.

1		No changes to facilities listed.