

EXHIBIT NO. ___(JHS-3)
DOCKET NO. UG-10___
WITNESS: JOHN H. STORY

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of
PUGET SOUND ENERGY, INC.'S
Natural Gas Tariff Increase

Docket No. UG-10___

**SECOND EXHIBIT (NONCONFIDENTIAL) TO THE
PREFILED DIRECT TESTIMONY OF
JOHN H. STORY
ON BEHALF OF PUGET SOUND ENERGY, INC.**

OCTOBER 1, 2010

PUGET SOUND ENERGY
INCOME STATEMENT
2010 GAS TARIFF INCREASE FILING

	WUTC Docket No. UG-090705 Actual Results of Operation 12/31/08	WUTC Docket No. UG-10 Actual Results of Operation 6/30/10
	Total Gas	Total Gas
1 - OPERATING REVENUES:		
2 - SALES TO CUSTOMERS	\$ 1,149,587,391	\$ 963,232,859
3 - MUNICIPAL ADDITIONS	49,951,006	43,439,732
4 - OTHER OPERATING REVENUES	17,329,860	16,566,668
5 - TOTAL OPERATING REVENUES	\$ 1,216,868,256	\$ 1,023,239,258
6		
7		
8 - OPERATING REVENUE DEDUCTIONS:		
9		
10 - GAS COSTS:		
11		
12 - PURCHASED GAS	\$ 737,851,058	\$ 550,153,571
13		
14 - TOTAL PRODUCTION EXPENSES	\$ 737,851,058	\$ 550,153,571
15		
16 - OTHER ENERGY SUPPLY EXPENSES:	\$ 1,873,117	\$ 1,995,330
17 - TRANSMISSION EXPENSE	394,280	819,170
18 - DISTRIBUTION EXPENSE	51,612,729	49,275,443
19 - CUSTOMER ACCOUNT EXPENSES	28,177,045	33,716,568
20 - CUSTOMER SERVICE EXPENSES	4,829,560	4,493,583
21 - CONSERVATION AMORTIZATION	7,669,601	12,533,943
22 - ADMIN & GENERAL EXPENSE	44,215,773	44,718,807
23 - DEPRECIATION	82,190,938	98,032,901
24 - AMORTIZATION	15,618,788	15,432,435
25 - AMORTIZATION OF PROPERTY LOSS	-	-
26 - OTHER OPERATING EXPENSES	781,404	(255,496)
27 - FAS 133	-	-
28 - TAXES OTHER THAN F.I.T.	108,410,162	97,432,691
29 - FEDERAL INCOME TAXES	(21,984,884)	(35,657,054)
30 - DEFERRED INCOME TAXES	43,878,484	48,545,918
31 - TOTAL OPERATING REV. DEDUCT.	\$ 1,105,518,056	\$ 921,237,809
32		
33 - NET OPERATING INCOME	\$ 111,350,201	\$ 102,001,449
34		
35 - RATE BASE	\$ 1,476,214,962	\$ 1,593,833,326
36		
37		
38 - RATE OF RETURN	7.54%	6.40%

PUGET SOUND ENERGY
BALANCE SHEET
December 31, 2008 and June 30, 2010

FERC Account and Description	Dec-08	Dec-08 AMA	Jun-10	Jun-10 AMA
*ASSETS				
**UTILITY PLANT				
***Electric Plant				
101 Electric Plant in Service	6,048,482,343	5,719,028,068	6,476,360,047	6,311,786,597
101.1 Property Under Capital Leases	69,911,858	24,722,124	-	31,148,161
102 Electric Plant Purchased or Sold	-	(1,389,543)	-	-
105 Electric Plant Held for Future Use	16,765,058	14,617,009	28,311,185	23,048,098
106 Comp. Construction Not Classfd.-Electric	58,874,298	78,711,148	171,667,689	118,326,778
107 Construction Work in Prog. - Electric	173,554,075	187,899,782	372,417,180	307,321,840
114 Electric Plant Acquisition Adjustments	228,771,745	84,158,653	251,782,251	250,928,162
***Total Electric Plant	6,596,359,376	6,107,747,241	7,300,538,351	7,042,559,636
***Gas Plant				
101 Gas Plant in Service	2,381,048,218	2,288,973,795	2,611,061,603	2,549,458,572
105 Gas Plant Held for Future Use	64,439	64,439	24,701,242	13,062,723
106 Comp. Construction Not Classfd.- Gas	65,726,596	39,275,309	20,257,567	29,991,205
107 Construction Work in Progress - Gas	46,359,520	61,260,783	34,804,870	40,280,914
117.3 Gas Strd.in Resvr.& Pipln.-Noncurr.	7,036,931	6,692,694	7,821,628	7,521,887
***Total Gas Plant	2,500,235,704	2,396,267,020	2,698,646,911	2,640,315,300
***Common Plant				
101 Plant in Service - Common	513,616,774	489,348,331	370,804,099	510,879,201
106 Comp Construction Not Classified - Common	1,451,001	2,209,322	-	-
107 Construction Work in Progress - Common	35,300,052	31,851,300	40,205,920	47,967,773
***Total Common Plant	550,367,827	523,408,953	411,010,020	558,846,974
***Accumulated Depreciation and Amortization				
108 Accumulated Provision for Depreciation	(3,193,189,220)	(3,072,588,827)	(3,450,612,871)	(3,358,917,730)
111 Accumulated Provision for Amortization	(281,038,245)	(259,068,828)	(128,962,504)	(286,634,683)
115 Accm.Prv.for Amort.of Plant Acquis.Adj.	(41,258,757)	(39,559,386)	(55,326,891)	(50,534,231)
***Less: Accumulated Depr and Amortizat	(3,515,486,222)	(3,371,217,041)	(3,634,902,266)	(3,696,086,644)
**NET UTILITY PLANT	6,131,476,685	5,656,206,174	6,775,293,016	6,545,635,265
**OTHER PROPERTY AND INVESTMENTS				
***Other Investments				
121 Nonutility Property	1,743,539	2,744,023	3,254,106	3,006,434
122 Accm.Prov.for Depr.& Amort.Non-utility P	(446,721)	(446,394)	(521,761)	(487,368)
123.1 Investment in Subsidiary Companies	54,941,378	56,141,997	50,047,055	53,123,610
124 Other Investments	66,588,134	62,873,953	70,372,199	69,218,576
***Total Other Investments	122,826,330	121,313,578	123,151,600	124,861,252
**TOTAL OTHER PROPERTY AND INVESTMENT	122,826,330	121,313,578	123,151,600	124,861,252
**CURRENT ASSETS				
***Cash				
131 Cash	4,266,107	2,710,857	12,633,777	3,243,351
134 Other Special Deposits	18,079,011	11,809,988	15,809,599	16,701,062
135 Working Funds	2,840,964	2,767,911	2,491,919	3,002,493
136 Temporary Cash Investments	19,912,977	46,593,008	112,793,841	76,023,453
***Total Cash	45,099,060	63,881,763	143,729,137	98,970,359
***Restricted Cash				
***Total Restricted Cash	-	-	-	-
***Accounts Receivable				
141 Notes Receivable	4,856,611	3,772,361	3,742,426	4,667,981
142 Customer Accounts Receivable	265,885,158	199,881,624	180,621,708	204,554,486
143 Other Accounts Receivable	97,238,297	111,236,511	82,803,451	71,500,333
146 Accounts Receiv.from Assoc. Companies	4,253,162	3,122,110	417,287	314,776
171 Interest and Dividends Receivable	101	459	109	179
173 Accrued Utility Revenues	248,648,600	151,677,365	88,880,573	131,807,692
185 Temporary Facilities	(181,738)	(275,805)	(81,666)	28,327
191 Unrecovered Purchased Gas Costs	(8,891,908)	(40,067,601)	(7,380,378)	(42,700,655)
***Total Accounts Receivable	611,808,282	429,347,024	349,003,511	370,173,120
***Allowance for Doubtful Accounts				
144 Accm.Prov.for Uncollectble Accts-Credit	(1,473,346)	(1,951,728)	(7,124,135)	(7,091,431)

FERC Account and Description	Dec-08	Dec-08 AMA	Jun-10	Jun-10 AMA
***Less: Allowance for Doubtful Accounts	(1,473,346)	(1,951,728)	(7,124,135)	(7,091,431)
***Materials and Supplies				
151 Fuel Stock	13,057,562	9,635,340	13,619,246	12,976,254
154 Plant Materials and Operating Supplies	58,571,047	57,734,271	74,923,179	66,118,836
163 Stores Expense Undistributed	3,453,134	3,403,563	4,547,142	4,049,273
164.1 Gas Stored - Current	106,543,193	82,122,693	77,877,002	81,277,637
164.2 Liquefied Natural Gas Stored	603,868	646,169	615,636	652,055
***Total Materials and Supplies	182,228,805	153,542,036	171,582,205	165,074,055
***Unrealized Gain-Derivative Instrumnts (ST)				
175 Invest in Derivative Instrumnts -Opt ST	15,565,520	45,803,773	10,748,236	13,370,738
176 Invest in Derivative Instrumnts-Gain ST	52,883	47,622,024	-	-
***Unrealized Gain on Derivatives (ST)	15,618,403	93,425,797	10,748,236	13,370,738
***Prepayments and Other Current Assets				
165 Prepayments	13,957,869	12,364,456	13,298,587	11,612,691
174 Misc.Current and Accrued Assets	-	3,747,044	-	5,711,016
186 Miscellaneous Deferred Debits	8,751	7,810	9,039	8,816
***Total Prepayments & Othr.Currnt.Assets	13,966,620	16,119,310	13,307,626	17,332,524
Current Deferred Taxes				
Total Current Deferred Taxes	9,439,050	(5,412,710)	399,433,629	393,315,263
**TOTAL CURRENT ASSETS	876,686,874	748,951,493	1,080,680,209	1,051,144,627
**LONG-TERM ASSETS				
128 Pension Assets	-	120,225,730	-	-
165 Long-Term Prepaid	7,466,344	5,322,714	55,980,038	41,151,270
175 Invest in Derivative Instrumnts -Opt LT	6,295,402	17,576,278	1,664,835	5,479,849
176 Invest in Derivative Instrumnts-Gain LT	416,171	47,891,463	-	21,762
181 Unamortized Debt Expense	23,449,157	24,308,068	46,938,185	44,944,328
182.1 Extraordinary Property Losses	120,104,230	122,821,460	97,844,450	105,636,986
182.2 Unrecovered Plant & Reg Study Costs	40,316,907	41,085,521	13,141,184	24,681,965
Subtotal WUTC AFUDC	42,822,914	39,413,840	53,017,323	50,819,315
182.3 Other Regulatory Assets	448,179,447	469,203,173	457,847,419	427,449,312
183 Prelm. Survey and Investigation Charges	1,672,916	1,006,718	2,123,882	2,120,486
184 Clearing Accounts	280,246	746,577	1,462,663	955,747
186 Miscellaneous Deferred Debits	336,133,817	39,791,822	269,474,567	305,879,847
187 Def.Losses from Dispos.of Utility Plant	934,518	1,263,375	477,435	610,498
189 Unamortized Loss on Reacquired Debt	20,774,179	21,391,666	18,921,718	19,539,205
**TOTAL LONG-TERM ASSETS	1,048,846,250	952,048,404	1,018,893,701	1,029,290,570
*TOTAL ASSETS	\$ 8,179,836,139	\$ 7,478,519,649	\$ 8,998,018,526	\$ 8,750,931,715
*CAPITALIZATION AND LIABILITIES				
**CURRENT LIABILITIES				
230 Asset Retirement Obligations	(1,456,717)	(1,067,090)	(2,282,707)	(3,236,800)
244 FAS 133 Opt Unrealized Loss ST	(151,546,566)	(38,224,376)	(221,472,410)	(199,452,964)
245 FAS 133 Unrealized Loss ST	(85,319,254)	(16,381,120)	-	(4,132,999)
231 Notes Payable	(964,700,000)	(350,100,917)	-	(142,141,667)
232 Accounts Payable	(369,164,027)	(286,886,366)	(268,112,629)	(255,706,299)
233 Notes Payable to Associated Companies	(26,053,395)	(25,135,076)	(22,897,785)	(22,895,861)
234 Accounts Payable to Asscted Companies	(4,833,330)	(1,834,011)	-	(15,080)
235 Customer Deposits	(22,884,889)	(22,116,941)	(29,893,060)	(26,951,332)
236 Taxes Accrued	(66,771,552)	(61,825,330)	20,489,362	21,002,775
237 Interest Accrued	(36,112,295)	(54,997,240)	(47,629,135)	(52,581,674)
238 Dividends Declared	-	-	-	-
241 Tax Collections Payable	(2,162,493)	(1,818,897)	(2,498,966)	(1,365,857)
242 Misc. Current and Accrued Liabilities	(14,626,783)	(15,427,260)	(14,309,512)	(12,459,058)
243 Obligations Under Cap.Leases - Current	(68,586,141)	(21,871,623)	-	(30,487,836)
**TOTAL CURRENT LIABILITIES	(1,814,217,441)	(897,686,245)	(588,606,843)	(730,424,650)
**DEFERRED TAXES				
***Reg. Liability for Def.Income Tax				
253 Other Deferred Credits	-	(44,443)	-	-
283 Accum.Deferred Income Taxes - Other	(89,053,132)	(91,816,620)	(76,428,132)	(82,348,882)
***Total Reg.Liab.for Def.Income Tax	(89,053,132)	(91,861,063)	(76,428,132)	(82,348,882)
***Deferred Income Tax				
190 Accum.Deferred Income Taxes	322,941,911	181,676,251	-	-
255 Accum.Deferred Investment Tax Credits	(667,966)	(1,059,332)	(428,118)	(357,548)
282 Accum. Def. Income Taxes - Other Prop.	(832,014,769)	(757,251,239)	(1,054,790,213)	(1,010,345,587)
283 Accum.Deferred Income Taxes - Other	(151,526,078)	(192,093,141)	(233,960,938)	(218,065,148)

FERC Account and Description	Dec-08	Dec-08 AMA	Jun-10	Jun-10 AMA
***Total Deferred Income Tax	(661,266,901)	(768,727,461)	(1,289,179,269)	(1,228,768,283)
**TOTAL DEFERRED TAXES	(750,320,033)	(860,588,524)	(1,365,607,401)	(1,311,117,165)
**OTHER DEFERRED CREDITS				
Subtotal 227 Oblig Under Cap Lease - Noncurr	-	(2,842,400)	-	-
Total Unrealized Loss on Derivatives -LT	(158,422,984)	(26,844,931)	(141,983,226)	(112,004,576)
228.2 Accum. Prov. for Injuries and Damages	(2,650,000)	(1,419,191)	(300,000)	(316,667)
228.3 Pension and Post Retirement Liabilities	(116,686,929)	(45,622,010)	(54,358,912)	(79,629,153)
228.4 Accum. Misc. Operating Provisions	(49,278,785)	(43,523,139)	(77,386,745)	(61,287,933)
230 Asset Retirement Obligations (FAS 143)	(28,203,821)	(29,134,669)	(20,788,764)	(22,841,328)
252 Customer Advances for Construction	(100,546,771)	(100,888,586)	(99,826,224)	(102,908,475)
253 Other Deferred Credits	(172,861,169)	(108,161,854)	(207,483,462)	(194,617,452)
254 Other Regulatory Liabilities	(54,245,235)	(42,108,334)	(35,783,477)	(39,726,938)
256 Def. Gains from Dispos. of Utility Plt	(2,215,342)	(2,546,759)	(6,088,273)	(3,539,706)
257 Unamortized Gain on Reacquired Debt	(252,078)	(312,576)	(70,582)	(131,080)
**TOTAL OTHER DEFERRED CREDITS	(685,363,115)	(403,404,450)	(644,069,665)	(617,003,307)
**CAPITALIZATION				
***SHAREHOLDER'S EQUITY				
****Common Equity				
201 Common Stock Issued	(859,037,900)	(859,037,900)	(859,038)	(859,038)
207 Premium on Capital Stock	(478,145,250)	(478,145,250)	(478,145,250)	(478,145,250)
210 Gain on Resale/Cancel. of Reacq. Cap. Stk	(338)	(338)	-	-
211 Miscellaneous Paid-in Capital	(824,996,420)	(824,213,144)	(2,488,196,691)	(2,488,196,692)
214 Capital Stock Expense	7,133,879	7,133,879	7,133,879	7,133,879
215 Appropriated Retained Earnings	(8,312,487)	(8,054,093)	(8,376,461)	(8,347,140)
216 Unappropriated Retained Earnings	(360,595,580)	(356,247,978)	(325,047,479)	(363,261,904)
216.1 Unappr. Undistrib. Subsidiary Earnings	23,010,728	21,850,269	(5,549,619)	19,733,256
219 Other Comprehensive Income	262,803,989	(29,725,402)	180,940,263	227,293,215
433 Balance Transferred from Income	(162,735,519)	(108,509,177)	37,766,567	(64,340,425)
438 Dividends Declared - Common Stock	145,840,137	83,498,785	145,610,601	123,198,229
439 Adjustments to Retained Earnings	5,848,610	4,630,150	5,848,610	5,848,610
****Total Common Equity	(2,249,186,150)	(2,546,820,197)	(2,928,874,618)	(3,019,943,259)
***TOTAL SHAREHOLDER'S EQUITY	(2,249,186,150)	(2,546,820,197)	(2,928,874,618)	(3,019,943,259)
***REDEEMABLE SECURITIES AND LONG-TERM DEBT				
****Preferred Stock - Mandatorily Redeemable	(1,889,400)	(1,889,400)	-	-
****Total Preferred Stock - Mand Redeem	(1,889,400)	(1,889,400)	-	-
****Corporation Obligated, Mand Redeemable Preferred Stock Subscribed	-	-	-	-
****Corporation Obligated, Mand Redeem	-	-	-	-
****Long-term Debt				
221 Bonds	(2,428,860,000)	(2,528,547,500)	(3,220,860,000)	(2,822,443,333)
221 Junior Subordinated Debt	(250,000,000)	(239,583,333)	(250,000,000)	(250,000,000)
226 Unamort. Disct. on Long-term Debt-Debit	-	-	-	-
Long-term Debt	(2,678,860,000)	(2,768,130,833)	(3,470,860,000)	(3,072,443,333)
****Long-term Debt	(2,678,860,000)	(2,768,130,833)	(3,470,860,000)	(3,072,443,333)
***REDEEMABLE SECURITIES AND LTD	(2,680,749,400)	(2,770,020,233)	(3,470,860,000)	(3,072,443,333)
**TOTAL CAPITALIZATION	(4,929,935,550)	(5,316,840,430)	(6,399,734,618)	(6,092,386,593)
*TOTAL CAPITALIZATION AND LIABILITIES	\$ (8,179,836,139)	\$ (7,478,519,649)	\$ (8,998,018,526)	\$ (8,750,931,715)

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

**Puget Sound Energy
Gas Rate Base
As of June 30, 2010
Gas Tariff Increase Filing**

Electric 65.94%
Gas 34.06%

Line No.	Description	UG-090705		
		AMA 12/31/2008	AMA 06/30/10	Difference
1	Gas Utility Plant in Service	2,320,065,833	2,586,553,120	266,487,287
2	Common Plant-Allocation to Gas	169,771,037	170,205,273	434,236
3	Gas Stored Underground - Non current	6,692,694	7,521,887	829,193
4	Total Plant in Service and Other Assets	2,496,529,564	2,764,280,280	267,750,716
		0		-
5	Accumulated Provision for Depreciation	(740,571,678)	(829,021,089)	(88,449,411)
7	Common Accumulated Depreciation-Allocation to Gas	(96,748,366)	(100,153,583)	(3,405,217)
8	Customer Advances for Construction	(27,028,861)	(31,606,842)	(4,577,981)
9	Contributions in Aid of Construction - Accum. Def. FIT.	3,476,667	5,081,542	1,604,875
10	Liberalized Depreciation Total Accum. Def. FIT - Liberalized	(212,422,716)	(283,400,341)	(70,977,625)
11	Customer Deposits	0	(8,294,665)	(8,294,665)
12	Accumulated Depreciation and Other Liabilities	(1,073,294,954)	(1,247,394,978)	(174,100,024)
		0		-
13	Net Operating Investment	1,423,234,610	1,516,885,302	93,650,692
14	Allowance for Working Capital	52,980,352	76,948,024	23,967,672
15	Total Gas Rate Base	1,476,214,962	1,593,833,326	117,618,364

**Puget Sound Energy
Combined Working Capital
For the Twelve Month Period Ended June 30, 2010
Gas Tariff Increase Filing**

Electric Allocation factor
Gas 65.94%
 34.06%

Line No.	Description	30-Jun-10 AMA
1	Average Invested Capital	
2	Common Stock	859,038
3	Preferred Stock	-
4	Additional Paid in Capital	2,958,716,487
5	Unamortized Debt Expense	(56,600,549)
6	Unappropriated Retained Earnings	293,017,984
7	Notes Payable - Misc	-
8	Long Term Debt	3,072,443,333
9	Short Term Debt	165,037,528
10	Accumulated Deferred ITC	11,110,547
11	Deferred Debits-Other	(37,390)
12	Unamortized Gain/Loss on Debt	(19,408,125)
13	Total Average Invested Capital	<u>6,425,138,853</u>
14		
15	Average Operating Investments - Electric	
16		
17	Plant in Service (includes acquisition adj)	6,661,147,437
18	Electric Future Use Property	23,048,098
19	Customer Advances for Construction	(71,282,020)
20	Customer Deposits	(18,656,167)
21	Deferred Taxes	(628,425,521)
22	Deferred Debits - Other	470,134,552
23	Less: Accumulated Depreciation	(2,571,004,636)
24	Conservation Investment	-
25	Common Plant-Allocation to Electric	329,516,609
26	Common Accum Depr-Allocation to Electric	(193,896,866)
27	Common Deferred Taxes-Allocation to Electric	(14,929,912)
28		
29	Total Average Operating Investment - Electric	<u>3,985,651,574</u>
30		
31	Average Operating Investments - Gas	
32		
33	Gas Utility Plant in Service	2,586,553,120
34	Deferred Items - Other	25,779,763
35	Gas Stored Underground, Non-Current	7,521,887
36	Gas Accumulated Depreciation	(829,021,089)
37	Gas Customer Advances for Construction	(31,626,455)
38	Gas Customer Deposits	(8,294,665)
39	DFIT 17	(272,989,987)
40	PGA	(42,700,655)
41	Common Plant-Allocation to Gas	170,205,273
42	Common Deferred Tax	(7,711,750)
43	Common Accumulated Depreciation-Allocation to Gas	(100,153,583)
44		
45	Total Average Operating Investment - Gas	<u>1,497,561,859</u>
46		
47	Total Electric & Gas Operating Investment	<u><u>5,483,213,433</u></u>
48		
49	Construction Work in Progress	
50		
51	Elec Construction Work in Process	338,951,789
52	Gas Construction Work in Process	56,618,738
53	Other Work in Process	1,031,770
54	Electric Preliminary Surveys	2,120,486
55	Total Construction Work in Progress	<u>398,722,783</u>
56		
57	Nonoperating	
58		
59	Non-Utility Property	(23,187,414)
60	Investment in Associated Companies	53,921,428
61	Other Investments & FAS 133	91,282,905

**Puget Sound Energy
Combined Working Capital
For the Twelve Month Period Ended June 30, 2010
Gas Tariff Increase Filing**

	Allocation factor
Electric	65.94%
Gas	34.06%

Line No.	Description	30-Jun-10
		AMA
62	Deferred Items-Other	205,544,278
63	Deferred Federal Income Tax	(30,832,242)
64	Temporary Cash Investments	-
65	Environmental Receivables	(65,208,372)
66	Current Accounts - Gas Allocation only	1,542
67	Merchandising Inventory - Gas Only	81,570
68	FIT Taxes Accrued - Repair Allowance	17,081,383
69	Total Non Operating Investment	248,685,078
70		
71	Total CWIP & Nonoperating Investment	647,407,861
72		
73	Total Average Investments	6,130,621,294
74	Rounding	
75	Total Investor Supplied Capital	294,517,559

Allocation of Working Capital

76	Electric Working Capital	
77	Total Investment	6,130,621,294
78	Less: Electric CWIP	(338,951,789)
79	Less: Gas	(56,618,738)
80	Interest Bearing Regulatory Assets	
81	Other Work in Progress	(1,031,770)
82	Preliminary Surveys	(2,120,486)
83	Total	5,731,898,511
84		
85	Electric Working Capital Ratio (Line 75 divided by Line 83)	5.1382%
86		
87	Electric Working Capital (Line 85 X Line 29)	204,791,549
88		
89	Gas Working Capital	
90	Total Investment	6,130,621,294
91	Less: Electric CWIP	(338,951,789)
92	Less: Gas CWIP	(56,618,738)
93	Interest Bearing Regulatory Assets	
94	Other Work in Progress	(1,031,770)
95	Preliminary Surveys	(2,120,486)
96	Total	5,731,898,511
97		
98	Gas Working Capital Ratio (Line 75 divided by Line 96)	5.1382%
99		
100	Gas Working Capital (Line 98 X Line 45)	76,948,024
101		
102	Non Operating Working Capital (Line 75 - Line 87 - Line 100)	12,777,987

PUGET SOUND ENERGY-ELECTRIC & GAS
FOR THE TWELVE MONTHS ENDED JUNE 30, 2010
ALLOCATION METHODS

<u>Method</u>	<u>Description</u>		<u>Electric</u>	<u>Gas</u>	<u>Total</u>
1	* <u>12 Month Average Number of Customers</u>	6/30/2010	1,075,652	748,766	1,824,418
	Percent		58.96%	41.04%	100.00%
2	* <u>Joint Meter Reading Customers</u>	6/30/2010	700,699	403,967	1,104,666
	Percent		63.43%	36.57%	100.00%
3	* <u>Non-Production Plant</u>				
	Distribution	6/30/2010	\$ 3,373,972,193	\$ 2,471,352,199	\$ 5,845,324,392
	Transmission	6/30/2010	402,555,654	-	402,555,654
	Direct General Plant	6/30/2010	127,962,711	41,372,380	169,335,090
	Total		\$ 3,904,490,558	\$ 2,512,724,579	\$ 6,417,215,136
	Percent		60.84%	39.16%	100.00%
4	* <u>4-Factor Allocator</u>				
	Number of Customers	6/30/2010	1,075,652	748,766	1,824,418
	Percent		58.96%	41.04%	100.00%
	Labor - Direct Charge to O&M	6/30/2010	47,493,596	22,663,372	\$ 70,156,968
	Percent		67.70%	32.30%	100.00%
	T&D O&M Expense (Less Labor)	6/30/2010	62,004,208	28,693,130	\$ 90,697,338
	Percent		68.36%	31.64%	100.00%
	Net Classified Plant (Excluding General (Common) Plant)	6/30/2010	3,769,411,623	1,714,478,104	5,483,889,727
	Percent		68.74%	31.26%	100.00%
	Total Percentages		263.75%	136.25%	400.00%
	Percent		65.94%	34.06%	100.00%
5	* <u>Employee Benefits</u>				
	Direct Labor Accts 500-935	6/30/2010	50,006,558	23,561,487	73,568,045
	Total		\$ 50,006,558	\$ 23,561,487	\$ 73,568,045
	Percent		67.97%	32.03%	100.00%