

**EXHIBIT NO. ___(WMS-2)
DOCKET NO. UE-072300/UG-072301
2007 PSE GENERAL RATE CASE
WITNESS: WILLIAM M. STOUT**

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

PUGET SOUND ENERGY, INC.,

Respondent.

**Docket No. UE-072300
Docket No. UG-072301**

**FIRST EXHIBIT (PROFESSIONAL QUALIFICATIONS) TO THE
PREFILED DIRECT TESTIMONY OF
WILLIAM M. STOUT
ON BEHALF OF PUGET SOUND ENERGY, INC.**

JULY 3, 2008

1 **PUGET SOUND ENERGY, INC.**

2 **FIRST EXHIBIT (PROFESSIONAL QUALIFICATIONS) TO THE**
3 **PREFILED DIRECT TESTIMONY OF WILLIAM M. STOUT**

4 **Q. Please state your name and business address.**

5 A. My name is William M. Stout, and my business address is 207 Senate Avenue,
6 Camp Hill, Pennsylvania.

7 **Q. By whom are you employed and in what capacity?**

8 A. I am currently Chairman and Chief Executive Officer of Gannett Fleming, Inc.
9 From 1994 to 2007, I was President of the firm's Valuation and Rate Division.

10 **Q. Please describe the Valuation and Rate Division of Gannett Fleming, Inc.**

11 A. The Valuation and Rate Division of Gannett Fleming, Inc. provides consulting
12 services to public utilities and railroads. The Gannett Fleming affiliated
13 companies employ nearly 1,900 people in over 50 offices throughout the United
14 States.

15 The Valuation and Rate Division of Gannett Fleming, Inc. has a long history of
16 client services encompassing valuations; depreciation studies; revenue
17 requirement, cost allocation and rate design studies; analyses of accounting
18 systems; and acquisition and feasibility studies.

1 **Q. Please state briefly your educational background and employment**
2 **experience.**

3 A. I have a Bachelor of Science degree in Management Engineering from Rensselaer
4 Polytechnic Institute. While attending Rensselaer, I was employed during the
5 summers of 1970, 1971 and 1972 by the Valuation Division of Gannett Fleming
6 Corddry and Carpenter, Inc. My principal assignments related to valuation
7 studies and computer programming. After my graduation in June 1973, I was
8 employed by the Valuation Division as a Valuation Engineer. The scope of my
9 activities included assembly of basic data, statistical service life analyses utilizing
10 the retirement rate and simulated plant record methods, field surveys, preparation
11 of preliminary estimates of service life and salvage, calculation of annual and
12 accrued depreciation, and preparation of reports presenting the results of these
13 studies. In January 1980 I was assigned to the position of Manager of
14 Depreciation and Cost Allocation Studies conducted by the Valuation Division.
15 In June 1982, subsequent to a corporate reorganization, I became a Vice President
16 of Gannett Fleming Valuation and Rate Consultants, Inc. I became a Senior Vice
17 President in 1991 and President of the Valuation and Rate Division of Gannett
18 Fleming, Inc. in 1994. In January 2008 I attained my current position as
19 Chairman and CEO of Gannett Fleming, Inc.

20 **Q. Are you a registered professional engineer?**

21 A. Yes. I am registered in the Commonwealth of Pennsylvania.

1 **Q. Are you a member of any professional societies?**

2 A. Yes, I am a member of the National and Pennsylvania Societies of Professional
3 Engineers, the Institute of Industrial Engineers, the Society of Depreciation
4 Professionals (“SDP”), and the American Gas Association (“AGA”). I am a
5 former member of both the Rates & Charges Subcommittee of the American
6 Water Works Association (“AWWA”) and the Accounting Services Committee of
7 AGA. I am also a past president of SDP.

8 **Q. Do your professional activities include participation in continuing**
9 **professional educational programs?**

10 A. Yes. I have completed the “Fundamentals of Life Estimation,” “Forecasting
11 Service Life,” and “Making and Administering [Depreciation] Policy” programs
12 conducted by the Center for Depreciation Studies at Western Michigan
13 University. In 1985 I became a member of the faculty of Depreciation Programs,
14 Inc., lecturing on “Forecasting Service Life,” “Fundamentals of Salvage
15 Analysis,” and “Managing a Depreciation Study.” I have also been an instructor
16 at the annual Advanced Accounting Seminar sponsored by AGA and at the
17 training programs offered by SDP.

18 **Q. Have you previously testified on the subject of depreciation?**

19 A. Yes. Since January 1978, I have testified in support of depreciation studies for
20 over 30 companies, including electric, gas, telephone and water utilities. I have
21 testified before the California Public Utilities Commission, the Texas Public

1
2
3
4
5
6
7

Utility Commission, the Pennsylvania Public Utility Commission, the Georgia Public Service Commission, the Public Service Commission of Indiana, the New York Public Service Commission, the Alaska Public Utilities Commission, the Alberta Energy & Utilities Board, the Newfoundland Board of Commissioners of Public Utilities, the Federal Energy Regulatory Commission, the National Energy Board of Canada, the Canadian Radio-Television and Telecommunications Commission and the United States Tax Court on the subject of depreciation.