

**EXHIBIT NO. ___(JHS-10)
DOCKET NO. UE-072300/UG-072301
2007 PSE GENERAL RATE CASE
WITNESS: JOHN H. STORY**

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

APRIL 11, 2008

		65.15%	
		34.85%	
		AMA	
		13 Months Ended	
		09/30/07	
1	Account	Description	
3		Rate Base	
4	101 / 102 / 230XXX1	Electric Plant in Service	\$ 5,193,117,277
5	101 / 253XXX3	Common Plant-Allocation to Electric	284,790,874
6	114XXX1	Electric Plant Aquisition Adjustment	77,871,127
6a	18230001	Tenaska	157,250,505
6b	18230171	Cabot	3,704,033
6c	1822XXX1	White River Deferred Plant Costs	43,007,057
6d	1823XXX1	White River Deferred Relicensing & CWIP	25,190,332
6e	14300061 & 25400021	Net Regulatory Liability - Canwest	(4,746,872)
6f	18230231\18230371	Hopkins Ridge BPA Transmission	8,516,859
7	18230041	Colstrip Common FERC Adj - Reg Asset	21,589,277
8	18230051	Accum Amortization Colstrip-Common FERC	(11,673,843)
9	18230061	Colstrip Def Depr FERC Adj - Reg	2,392,180
10	18230071	BPA Power Exch Invstmt - Reg Asset	113,632,921
11	18230081	BPA Power Exch Inv Amortization - Reg Asset	(77,485,158)
12	18230031	Electric - Def AFUDC - Regulatory Asset	32,402,291
13			
14	10500001	Electric - Plant Held for Future Use	8,390,149
15	10500003	Common Plant Held for Fut Use-Alloc to Electric	-
16	106	Electric - Const Completed Non Classified	-
17	108XXX1	Elec-Accum Depreciation	(2,090,454,403)
18	108XXX3	Common Accum Depr-Allocation to Electric	(17,930,065)
19	111XXX1	Elec-Accum Amortization	(7,965,492)
20	11100003	Common Accum Amort-Allocation to Electric	(124,705,542)
21	115XXX1	Accum Amort Acq Adj - Electric	(36,181,602)
22	18230221	Accum Unamort Consvr Costs	577
23	19000041	CIAC after 10/8/76 - Accum Def Income Tax	10,700
24	19000051	CIAC - 1986 Changes - Accum Def Income Tax	(19,757)
25	19000061	CIAC - 7/1/87 - Accum Def Income Tax	57,685,211
26	19000093	Vacation Pay - Accum Def Inc Taxes	-
26a	19000121	Cabot Gas Contract - Accum Def Inc Tax	617,208
27	19000191	RB-Consv Pre91 Tax Settltm - Accum Def Inc Tax	-
28	235XXX1	Customer Deposits - Electric	(13,420,983)
29	25400081	Residential Exchange	-
30	252XXX1	Cust Advances for Construction	(60,361,006)
31	28200101	Major Projects - Property Tax Expense	(2,601,417)
32	28200111	Def Inc Tax - Pre 1981 Additions	(372,848)
33	28200121, 161/28300341	Def Inc Tax - Post 1980 Additions	(451,629,528)
34	28200131	Colstrip 3 & 4 Deferred Inc Tax	(694,042)
35	28200141	Excess Def Taxes - Centralia Sale	(31,504)
35-1	28200151	Def FIT Indirect Cost Adj - Electric	-
35a	283XXXXX	Electric Portion of Common Deferred Taxes	(14,110,826)
36	28300161	Def Inc Tax - Energy Conservation & FAS 133	-
37	28300261	Def FIT Bond Redemption Costs	-
37a	28300451	Accum Def Inc Tax - Tenaska Purchase	(8,722,625)
37b	28300461	Accum Def Inc Tax - Cabot Gas Contract	(733,833)
37c	19000021/28300011	Def FIT - White River Water Right	(2,204,187)
37d	19000451	Deferred FIT - Canwest Gas Supply - Ele	1,658,000
37e	28300431	Deferred Taxes WNP#3	(11,460,181)
38	124001X1	Conservation Rate Base	-
39	18230181	1995 Conservation Trust Rate Base	-
40			
41	Working Capital- Rate Base		95,445,435
42	Rate Base		\$ 3,189,766,300
43			
44			
45			
46	Gross Utility Plant in Service	Lines 4-6 & 14-16	\$ 5,564,169,427
47	Less Accum Dep and Amort	Lines 17-21	(2,277,237,104)
48	Deferred Debits	Lines 6a-12 & 22	313,780,159
49	Deferred Taxes	Lines 23-27 & 31-37	(432,609,629)
50	Conservation Trust	Lines 39-40	-
51	Allowance for Working Capital	Line 41	95,445,435
52	Customer Deposits/Advances	Lines 28-30	(73,781,988)
53	Total Rate Base		\$ 3,189,766,300

Puget Sound Energy, Inc.
Combined Working Capital
For the Twelve Month Period Ended September 30, 2007

Line No.	Description	AMA
	Allocation factor	
Electric	65.15%	
Gas	34.85%	
	Tax factor	
		30-Sep-07
1	Average Invested Capital	
2	Common Stock	859,037,900
3	Preferred Stock	-
4	Additional Paid in Capital	995,544,310
5	Unamortized Debt Expense	(23,804,661)
6	Unappropriated Retained Earnings	293,009,869
7	Notes Payable - Misc	-
8	Long Term Debt	2,776,572,317
9	Short Term Debt	372,404,722
10	Accumulated Deferred ITC	1,600,609
11	Deferred Debits-Other	(112,522)
12	Unamortized Gain/Loss on Debt	(21,083,833)
13		
14	Total Average Invested Capital	<u>5,253,168,711</u>
15		
16	Average Operating Investments - Electric	
17		
18	Plant in Service (includes acquisition adj)	5,270,787,795
19	Electric Future Use Property	8,390,149
20	Customer Advances for Construction	(60,361,006)
21	Customer Deposits	(13,420,983)
22	Deferred Taxes	(415,755,482)
23	Deferred Debits - Other	424,915,072
24	Less: Accumulated Depreciation	(2,132,335,965)
25	Conservation Investment	577
26	Common Plant-Allocation to Electric	284,766,302
27	Common Accum Depr-Allocation to Electric	(142,643,146)
28	Common Deferred Taxes-Allocation to Electric	(19,173,920)
29		
30	Total Average Operating Investment - Electric	<u>3,205,169,393</u>
31		
32	Average Operating Investments - Gas	
33		
34	Gas Utility Plant in Service	2,116,290,472
35	Deferred Items - Other	2,141,680
36	Gas Stored Underground, Non-Current	5,771,153
37	Gas Accumulated Depreciation	(678,449,153)
38	Gas Customer Advances for Construction	(24,206,589)
39	DFIT 17	(178,466,691)
40	PGA	(141,199)
41	Common Plant-Allocation to Gas	152,327,024
42	Common Deferred Tax	(10,256,502)
43	Common Accumulated Depreciation-Allocation to Gas	(76,302,588)
44		
45	Total Average Operating Investment - Gas	<u>1,308,707,607</u>
46		
47	Total Electric & Gas Operating Investment	<u><u>4,513,877,000</u></u>

Puget Sound Energy, Inc.
Combined Working Capital
For the Twelve Month Period Ended September 30, 2007

	Allocation factor	
Electric	65.15%	
Gas	34.85%	
	Tax factor	
		30-Sep-07
Line	Description	AMA
48		
49	Nonoperating	
50		
51	Elec Construction Work in Process	247,576,628
52	Gas Construction Work in Process	60,645,559
53	Other Work in Process	2,060,652
54	Non-Utility Property	1,872,803
55	Investment in Associated Companies	415,030,525
56	Other Investments & FAS 133	(264,056,091)
57	Deferred Items-Other	278,700,061
58	Deferred Federal Income Tax	(90,520,232)
59	Temporary Cash Investments	8,643,238
60	Electric Preliminary Surveys	713,292
61	Environmental Receivables	(66,259,121)
62	Current Accounts - Gas Allocation only	135,655
63	Merchandising Inventory - Gas Only	79,890
64	Rounding	1
64		594,622,860
65	Total Average Investments	5,108,499,860
66	Rounding	
67	Total Investor Supplied Capital	144,668,851
68		

Allocation of Working Capital**Electric Working Capital**

Electric Investment	5,108,499,860
Less: Electric CWIP	(247,576,628)
Interest Bearing Regulatory Assets	
Other Work in Progress	(2,060,652)
Preliminary Surveys	(713,292)
Total	4,858,149,288
Electric Working Capital Ratio	2.9779% (144,668,851 / 4,858,149,288)

Electric Working Capital **95,445,435** (0.029779* 3,205,169,393)

Gas Working Capital

Gas Working Capital Ratio 2.8319% (144,668,851 / 5,108,499,860)

Gas Working Capital **37,061,609** (0.0283* 1,308,707,607)

Non Operating Working Capital **12,161,806** (144,668,851 - 95,445,435 - 37,061,609)