

**EXHIBIT NO. ___(JHS-7)
DOCKET NO. UG-110723
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. UG-110723

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

SEPTEMBER 2, 2011

Revenue Requirement Calculation
Older Polyethylene Plastic Pipe
Incremental Plant Additions since July 2010 - October 2012

Line No.	Revenue Requirement 11/2011-10/2012	AMA
1	Gross Plant	6,107,852
2	Accum Depr	(171,033)
3	Deferred Taxes	(1,555,851)
4	Ratebase	<u>4,380,968</u>
5	ROR - Current	6.90%
6	Operating Income	302,287
7	Conversion Factor	<u>0.65</u>
8	Plant Revenue Requirement	465,057
9		
10	Depreciation	<u>201,509</u>
11		
12	Revenue Deficiency Before Other Taxes	666,566
13	Revenue Taxes	<u>0.956756</u>
14	Revenue Deficiency	<u><u>696,693</u></u>

**Account Balances
Older Polyethylene Plastic Pipe**

Line No.	Actuals Jul-10	Actuals Aug-10	Actuals Sep-10	Actuals Oct-10	Actuals Nov-10	Actuals Dec-10	Actuals Jan-11	Actuals Feb-11	Actuals Mar-11
1	Plant Balance:								
2	12,752	32,834	515,590	801,579	970,267	1,038,078	1,050,002	1,050,002	1,102,399
3	-	-	-	-	-	-	-	-	-
4	4,440	18,257	55,733	178,938	185,201	310,347	363,403	366,073	399,236
5	17,192	51,091	571,323	980,516	1,155,468	1,348,425	1,413,406	1,416,075	1,501,635
6									
7	Accum Depr:								
8	(29)	(114)	(1,871)	(4,948)	(9,193)	(14,377)	(16,787)	(19,197)	(21,680)
9	-	-	-	-	-	-	-	-	-
10	(17)	(97)	(392)	(1,627)	(2,934)	(7,107)	(8,393)	(9,684)	(11,051)
11	(46)	(212)	(2,263)	(6,575)	(12,127)	(21,484)	(25,180)	(28,881)	(32,731)
12									
13	(510)	(2,225)	(48,799)	(142,322)	(266,027)	(455,935)	(456,608)	(457,363)	(461,062)
14									
15	16,636	48,655	520,260	831,619	877,314	871,006	931,618	929,830	1,007,842
16									
17	Depreciation Expense								
18	29	85	1,757	3,077	4,245	5,184	2,410	2,410	2,483
19	-	-	-	-	-	-	-	-	-
20	17	80	295	1,235	1,307	4,173	1,286	1,291	1,367
21	46	165	2,051	4,312	5,552	9,357	3,696	3,701	3,850

Account Balances
Older Polyethylene Plastic Pipe

Line No.	Actuals Apr-11	Actuals May-11	Actuals Jun-11	Actuals Jul-11	Projected Aug-11	Projected Sep-11	Projected Oct-11	Projected Nov-11	Projected Dec-11
1	Plant Balance:								
2	1,144,033	1,186,932	1,306,709	1,409,368	1,775,369	2,174,643	2,573,918	2,973,193	3,405,740
3	-	7,834	17,904	17,949	17,949	17,949	17,949	17,949	17,949
4	438,530	444,536	484,418	494,906	592,197	698,334	804,470	910,606	1,025,587
5	1,582,563	1,639,302	1,809,031	1,922,223	2,385,515	2,890,926	3,396,337	3,901,748	4,449,276
6									
7	Accum Depr:								
8	(24,227)	(26,847)	(29,705)	(32,800)	(36,909)	(42,400)	(49,735)	(59,834)	(75,924)
9	-	(16)	(56)	(95)	(135)	(175)	(214)	(254)	(293)
10	(12,518)	(14,003)	(15,618)	(17,273)	(19,373)	(22,081)	(25,600)	(30,333)	(37,700)
11	(36,745)	(40,866)	(45,379)	(50,168)	(56,417)	(64,656)	(75,548)	(90,421)	(113,918)
12									
13	(467,850)	(477,082)	(494,664)	(518,753)	(574,760)	(674,295)	(831,866)	(1,076,490)	(1,509,731)
14									
15	1,077,969	1,121,354	1,268,988	1,353,303	1,754,338	2,151,975	2,488,923	2,734,837	2,825,628
16									
17	Depreciation Expense								
18	2,547	2,621	2,858	3,095	4,109	5,491	7,334	10,099	16,090
19	-	16	40	40	40	40	40	40	40
20	1,467	1,484	1,615	1,655	2,101	2,708	3,518	4,734	7,367
21	4,014	4,121	4,512	4,789	6,249	8,239	10,892	14,873	23,497

**Account Balances
Older Polyethylene Plastic Pipe**

Line No.		Projected Jan-12	Projected Feb-12	Projected Mar-12	Projected Apr-12	Projected May-12	Projected Jun-12	Projected Jul-12	Projected Aug-12	Projected Sep-12
1	Plant Balance:									
2	G3762 DST Mains, Plastic	3,737,175	4,068,610	4,400,046	4,731,481	5,062,916	5,394,351	5,725,786	6,057,222	6,388,657
3	G3764 Mains Wrapped Steel	17,949	17,949	17,949	17,949	17,949	17,949	17,949	17,949	17,949
4	G3802 DST Services, Plastic	1,113,690	1,201,793	1,289,896	1,377,999	1,466,102	1,554,205	1,642,308	1,730,412	1,818,515
5	Subtotal Plant	<u>4,868,814</u>	<u>5,288,353</u>	<u>5,707,891</u>	<u>6,127,429</u>	<u>6,546,967</u>	<u>6,966,506</u>	<u>7,386,044</u>	<u>7,805,582</u>	<u>8,225,120</u>
6										
7	Accum Depr:									
8	G3762 DST Mains, Plastic	(84,168)	(92,830)	(101,950)	(111,581)	(121,785)	(132,645)	(144,270)	(156,813)	(170,504)
9	G3764 Mains Wrapped Steel	(342)	(391)	(440)	(489)	(538)	(587)	(636)	(685)	(734)
10	G3802 DST Services, Plastic	(41,782)	(46,048)	(50,516)	(55,208)	(60,152)	(65,384)	(70,952)	(76,924)	(83,401)
11	Subtotal Accum Depr	<u>(126,293)</u>	<u>(139,269)</u>	<u>(152,906)</u>	<u>(167,277)</u>	<u>(182,475)</u>	<u>(198,616)</u>	<u>(215,858)</u>	<u>(234,422)</u>	<u>(254,639)</u>
12										
13	Deferred Taxes Balance	(1,511,811)	(1,520,605)	(1,536,786)	(1,561,173)	(1,594,793)	(1,638,963)	(1,695,444)	(1,766,697)	(1,856,415)
14										
15	Ratebase End of Period	3,230,710	3,628,478	4,018,199	4,398,979	4,769,700	5,128,926	5,474,741	5,804,463	6,114,067
16										
17	Depreciation Expense									
18	G3762 DST Mains, Plastic	8,244	8,661	9,120	9,631	10,204	10,860	11,625	12,543	13,691
19	G3764 Mains Wrapped Steel	49	49	49	49	49	49	49	49	49
20	G3802 DST Services, Plastic	4,082	4,266	4,468	4,692	4,944	5,232	5,568	5,972	6,476
21	Total Depr	<u>12,375</u>	<u>12,976</u>	<u>13,637</u>	<u>14,371</u>	<u>15,197</u>	<u>16,141</u>	<u>17,243</u>	<u>18,564</u>	<u>20,216</u>

Account Balances
Older Polyethyelene Plastic Pipe

Line No.	Projected Oct-12	Projected Nov-12	Projected Dec-12	AMA Oct-12
1	Plant Balance:			
2	6,720,092	7,051,527	7,382,963	4,716,015
3	17,949	17,949	17,949	17,949
4	1,906,618	1,994,721	2,082,824	1,373,888
5	Subtotal Plant	8,644,659	9,064,197	6,107,852
6				
7	Accum Depr:			
8	(185,725)	(203,241)	(225,348)	(114,170)
9	(783)	(831)	(880)	(491)
10	(90,550)	(98,707)	(108,882)	(56,373)
11	Subtotal Accum Depr	(277,057)	(302,780)	(171,033)
12				
13	Deferred Taxes Balance	(1,970,752)	(2,122,020)	(1,555,851)
14				
15	Ratebase End of Period	6,396,849	6,639,397	4,380,968
16				
17	Depreciation Expense			
18	15,221	17,516	22,106	135,991
19	49	49	49	568
20	7,149	8,158	10,175	64,950
21	Total Depr	22,419	25,723	201,509