

**Exhibit No. MDF-2
Dockets UE-090704 and UG-090705
Witness: Michael D. Foisy**

**BEFORE THE WASHINGTON STATE
UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

PUGET SOUND ENERGY, INC.,

Respondent.

DOCKET UE-090704

DOCKET UG-090705

EXHIBIT TO TESTIMONY OF

MICHAEL D. FOISY

**STAFF OF
WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION**

Staff Miscellaneous Operating Expenses Adjustment, Electric

November 17, 2009

Miscellaneous Operating Expenses
 10.14 Electric

LINE	NO.	DESCRIPTION	Test Year	Company Adjustment	Staff Adjustment	Staff Proposed
	1	OPERATING REVENUES				
	2	Other Operating Revenues				
	3	Amortization of Summit Buyout Purchase Option	169,628	1,017,765	1,017,765	848,137
	4	Increase (Decrease) in Revenue	169,628	1,017,765	1,017,765	848,137
	5					
	6					
	7	OPERATING EXPENSES				
	8	Amort of Deferred Taxes of Indirect Overheads				
	9	Regulatory Asset (WUTC DOC # UE-051527)	2,048,627	-	0	(2,048,627)
	10	Amort of Interest Associated with Deferral of Unrecovered				
	11	Residential Exchange Benefits Credited to Customers (WUTC				
	12	DOC # UE-071024)	247,904	484,913	484,913	237,009
	13	Cost of Planned Transmission Vegetation Management Wire Zone.	2,987,000	2,300,000	2,300,000	(687,000)
	14	Increase in Service Contract O&M Baseline Charges, Transmission	783,838	807,353	783,838	(0)
	15	Increase in Service Contract O&M Baseline Charges, Distribution	27,737,607	28,612,146	27,737,607	(0)
	16	Company Store- Net Purchase/Sales of Merchandise inA&G	(2,376)	-	0	2,376
	17	Summit Building Contractual Rent 4th Floor-New	193,718	506,302	506,302	312,584
	18	Summit Building Contractual Rent Increases	1,622,420	2,252,355	2,252,355	629,936
	19	Airport Parking	13,138	-	0	(13,138)
	20	Athletic Events - Charged Above the Line	13,505	-	0	(13,505)
	21	Advertising Expenses				
	22	Increase(Decrease) in Expense	35,645,381	\$ 34,963,070	34,065,015	(1,580,366)
	23					
	24	Total Increase(Decrease) in Income				(2,428,502)
	25	Increase(Decrease) FIT @ 35%			35%	849,976
	26					
	27	Increase(Decrease) NOI				1,578,527