

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND)	
TRANSPORTATION COMMISSION,)	
)	
Complainant,)	
)	
v.)	Docket Nos. UE-111048/UG-111049
)	(Consolidated)
PUGET SOUND ENERGY, INC.,)	
)	
Respondent.)	
_____)	

EXHIBIT NO. ____ (EB-3)

Consolidated Tax Savings Adjustment Calculation Example

December 7, 2011

Consolidated Tax Savings Adjustment Calculation Example

	2008	2009	2010	Totals	Income	Losses
1 Utility A	\$ 250,000	\$ 250,000	\$ 250,000	\$ 750,000	\$ 750,000	\$ -
2 Utility B	175,000	175,000	175,000	525,000	525,000	-
3 Affiliate	80,000	80,000	80,000	240,000	240,000	-
4 Affiliate	60,000	(80,000)	(80,000)	(100,000)	-	(100,000)
5 Affiliate	(80,000)	(70,000)	(80,000)	(230,000)	-	(230,000)
6 Taxable income	<u>\$ 485,000</u>	<u>\$ 355,000</u>	<u>\$ 345,000</u>	<u>\$ 1,185,000</u>	<u>\$ 1,515,000</u>	<u>\$ (330,000)</u>
7					Continuing losses	\$ (330,000)
8					Utility A fair share	49.50%
9					Utility A loan to loss companies	\$ (163,366)
10					Utility A cost of capital	10.00%
11					Cost of loan to loss companies	\$ (16,337)
12					Tax rate	35%
13					Utility A's tax savings	\$ (5,718)
14					One minus tax rate	65%
15					Revenue requirement amount	<u>\$ (8,797)</u>