

**EXHIBIT NO. ___(EMM-22C)
DOCKET NO. UE-072300/UG-072301
2007 PSE GENERAL RATE CASE
WITNESS: ERIC M. MARKELL**

**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**

**NINTH EXHIBIT (CONFIDENTIAL) TO THE
PREFILED REBUTTAL TESTIMONY OF
ERIC M. MARKELL
ON BEHALF OF PUGET SOUND ENERGY, INC.**

REDACTED

JULY 3, 2008

PSE RETURN ON EQUITY for Rate Year

GRC 2007 Rebuttal

	PSE Rate Year (a)	Staff Rate Year (b)	Public Counsel Rate Year (c)
1			
2			
3			
4 Net Operating Income (Note 2)	\$XXX,XXX,XXX	\$XXX,XXX,XXX	\$XXX,XXX,XXX
5 Ratebase	\$XXX,XXX,XXX	\$XXX,XXX,XXX	\$XXX,XXX,XXX
6 Rate of Return (L4 / L5)	X.XX%	X.XX%	X.XX%
7			
8			
9 % Equity per Books (AMA)	X.XX%	X.XX%	X.XX%
10 Equity Related to Ratebase (L5*L9)	\$XXX,XXX,XXX	\$XXX,XXX,XXX	\$XXX,XXX,XXX
11			
12 Weighted Interest Cost	X.XX%	X.XX%	X.XX%
13 Interest Recovery per Rates (L5*L12)	\$XXX,XXX,XXX	\$XXX,XXX,XXX	\$XXX,XXX,XXX
14 Tax Benefit of Interest ((Actual Interest minus L13) * 35%)	\$XXX,XXX,XXX	\$XXX,XXX,XXX	\$XXX,XXX,XXX
15			
16 Net Income (L4-L13-L14)	\$XXX,XXX,XXX	\$XXX,XXX,XXX	\$XXX,XXX,XXX
17 Equity Related to Ratebase (L10)	\$XXX,XXX,XXX	\$XXX,XXX,XXX	\$XXX,XXX,XXX
18 Earned Return on Equity for Utility (L16 / L17)	X.XX%	X.XX%	X.XX%
19 Leveraged ROE (L22*L23/L9)	X.XX%	X.XX%	X.XX%
20 Under-earning Regulated Return on Equity (L19-L18)	X.XX%	X.XX%	X.XX%
21			
22 Allowed Return on Equity (NOTE 1)	10.80%	10.00%	9.25%
23 Allowed Equity Ratio (NOTE 1)	45.0%	45.0%	43.0%
24			
25 (NOTE 1)			
26 The allowed equity ratios and returns on equity reflects the different proposals from the three parties.			
27			
28 (Note 2)			
29 Net Operating Income for columns (a), (b), (c) include the after-tax affects of the Tenaska disallowance.			

REDACTED
VERSION