

**EXHIBIT NO. MJS-20
DOCKET NOS. UE-090704/UG-090705
2009 PSE GENERAL RATE CASE
WITNESS: MICHAEL J. STRANIK**

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

PUGET SOUND ENERGY, INC.,

Respondent.

**Docket No. UE-090704
Docket No. UG-090705**

**EIGHTH EXHIBIT (NONCONFIDENTIAL) TO THE
PREFILED REBUTTAL TESTIMONY OF
MICHAEL J. STRANIK
ON BEHALF OF PUGET SOUND ENERGY, INC.**

DECEMBER 17, 2009

Puget Sound Energy
 Union Wage Increases
 Test Year: Twelve Months Ended 12/31/2008
 Rate Year: Twelve Months Ended 3/31/2011

Line	(a)	(b)	(c)	(d)	(e)	(f)	(g) = (f) + 1	
1	IBEW:		<u>from</u>	<u>to</u>	Wage Increase	Months	Net Rate Incr	Compounded Incr
2	Full Wage Increase in Effect Entering Test Year		4/1/2008	3/31/2009	3.25%	*12/12	3.25%	
3	Less Portion in Test Year Only		4/1/2008	12/31/2008	-3.25%	*9/12	-2.44%	
4	Subtotal Test Year						0.81%	1.0081
5								
6	Wage Rate Increase in 2009		4/1/2009	3/31/2010	3.25%	*12/12	3.25%	1.0325
7								
8	Wage Rate Increase in 2010		1/1/2010	12/31/2010	3.00%	*12/12	3.00%	1.0300
9								
10	Wage Rate Increase in 2011		1/1/2011	12/31/2011	0.00%	*12/12	0.00%	
9	Less Portion of Increase Outside Rate Year		4/1/2011	12/31/2011	0.00%	*9/12	0.00%	
10	Subtotal						0.00%	1.0000
11								
12	Compound IBEW Wage Increase		3/1/2010	2/28/2011	Rate Year Adjustr =		7.21%	1.0721
13							<small>(1+Line 4)*(1+Line 6)*(1+Line10)-1</small>	
14	UA:							
15	Wage Increase in Effect Entering Test Year		10/1/2008	9/30/2009	3.00%	*12/12	3.00%	
16	Less Portion in Test Year Only		10/1/2008	12/31/2008	-3.00%	*3/12	-0.75%	
17	Subtotal Test Year						2.25%	1.0225
18								
19	Wage Rate Increase in 2009		10/1/2009	9/30/2010	3.00%	*12/12	3.00%	1.0300
20								
21	Wage Rate Increase in 2010		10/1/2010	9/30/2011	0.00%	*12/12	0.00%	
22	Less: Rate Increase Outside the Test Year		4/1/2011	9/30/2011	0.00%	*6/12	0.00%	
23	Subtotal Rate Year						0.00%	1.0000
24								
25	Compound UA Wage Increase		3/1/2010	2/28/2011	Rate Year Adjustr =		5.32%	1.0532
26							<small>(1+Line 18)*(1+Line 20)*(1+Line 22)*(1+Line 26)-1</small>	
27	Non Represented:							
28								
29	Wage Rate Increase in Effect during Test Year		3/1/2008	2/28/2009	3.50%	*12/12	3.50%	
30	Less Portion Inside Test Year		3/1/2008	12/31/2008	-3.50%	*10/12	-2.92%	
31							0.58%	1.006
32								
33	Wage Rate Increase in 2009		3/1/2009	2/28/2010	3.50%	*12/12	3.50%	1.035
34								
35	Wage Rate Increase in 2010		3/1/2010	2/28/2011	3.00%	*12/12	3.00%	1.030
36								
37	Wage Rate Increase in 2011		3/1/2011	2/28/2012	0.00%	*12/12	0.00%	
38	Less Portion of Increase Outside Rate Year		4/1/2011	2/29/2012	0.00%	*11/12	0.00%	
39							0.00%	1.000
40								
41	Compound Wage Increase		1/1/2008	2/28/2011		Subtotal	7.22%	1.0722
42								
43	Sillpage Calculation for Non Represented Employees			Effective Wage	Effective	Projected	Budgeted	(g) =
44				Increase	Wage Increase	Wage	Wage Increase	(f) + 1
45				for Slippage Calc.	Compounded	Increase	Compounded	
46								
47	March 1, 2005			1.87%	1.0187	3.00%	1.0300	
48	March 1, 2006			2.95%	1.0487	3.00%	1.0609	
49	March 1, 2007			4.42%	1.0950	3.50%	1.0980	
50	March 1, 2008			1.29%	1.1091	3.50%	1.1365	
51	4 Year Compounded Increase				10.91%		13.65%	
52								
53	Slippage Calculation (Effective Increase/Wage Increase)						79.93% = 10.91 % / 13.65 %	
54					Slippage	Wage		
54					Increase	Increase		
55	Rate Year Increase (col (f) = col (d) * col (e))		Rate Year Adjustment =		79.93%	7.22%	5.77%	= 79.93 % * 7.22 %

Wage Increase Summary by Party

	Date	PSE	Staff	Public Counsel
IBEW Increase				
	4/1/2008	3.25%	3.25%	3.25%
	4/1/2009	3.25%	3.25%	3.25%
	1/1/2010	3.00%		
	Effective Wage Increase	<u>7.21%</u>	<u>4.09%</u>	<u>4.09%</u>
UA Increase				
	10/1/2008	3.00%	3.00%	3.00%
	10/1/2009	3.00%	3.00%	3.00%
	Effective Wage Increase	<u>5.32%</u>	<u>5.32%</u>	<u>5.32%</u>
Non Represented				
	3/1/2008	3.50%	3.50%	3.50%
	3/1/2009	3.50%	3.50%	3.50%
	3/1/2010	3.00%		
	Effective Wage Increase	<u>7.22%</u>	<u>4.10%</u>	<u>4.10%</u>
	Non Represented Wage Increase with slippage	<u>5.77%</u>	<u>3.28%</u>	<u>3.28%</u>

Classification Title	Wage Rate 4/1/06	Wage Rate upon ratification (3.5%)	Wage Rate 4/1/08 (3.25%)	Wage Rate 4/1/09 (3.25%)	Wage Rate 1/1/10 (3.0%)
ELECTRIC FIRST RESPONSE					
Svc Lineman I	34.63	35.84	37.01	38.21	39.36
Svc Lineman II	36.00	37.26	38.47	39.72	40.91
Electric Dispatcher	32.18	33.31	34.39	35.51	36.48
SUBSTATION AND RELAY EMPLOYEES					
*Heavy Wire Crew Foreman	38.71	40.06	41.37	42.71	43.99
Shuffleton Shop & Yard Foreman	38.71	40.06	41.37	42.71	43.99
Wireman Foreman	37.83	39.15	40.43	41.74	42.99
*Lead Wireman	35.34	36.58	37.77	38.99	40.16
Wireman	33.65	34.83	35.96	37.13	38.24
Substation Inspector	34.63	35.84	37.01	38.21	39.36
Equipment Operator Wire	27.65	28.62	29.55	30.51	31.42
e/b Wire Helper					
1st 6 months	11.86	12.28	12.67	13.09	13.48
2nd 6 months	14.20	14.70	15.17	15.67	16.14
3rd 6 months	16.60	17.18	17.74	18.32	18.87
4th 6 months	18.97	19.63	20.27	20.93	21.56
5th 6 months	21.33	22.08	22.79	23.53	24.24
6th 6 months	22.51	23.30	24.06	24.84	25.58
after 3 years	23.69	24.52	25.32	26.14	26.92
e/b Apprentice Wireman					
1st 6 months	25.24	26.12	26.97	27.85	28.68
2nd 6 months	26.25	27.17	28.05	28.96	29.83
3rd 6 months	26.92	27.86	28.77	29.70	30.59
4th 6 months	27.93	28.91	29.85	30.82	31.74
5th 6 months	28.60	29.60	30.56	31.56	32.50
6th 6 months	29.28	30.30	31.29	32.31	33.28
7th 6 months	30.29	31.35	32.37	33.42	34.42
8th 6 months	30.96	32.04	33.09	34.16	35.19
Meter/Relay Tech I	33.65	34.83	35.96	37.13	38.24
Meter/Relay Tech II	34.63	35.84	37.01	38.21	39.36
Meter/Relay Tech III	36.00	37.26	38.47	39.72	40.91
Meter/Relay Tech IV	37.83	39.15	40.43	41.74	42.99
Meter/Relay Tech V	38.71	40.06	41.37	42.71	43.99

*Non-bid Position

e = Entry-level, non-bid position

e/b = Entry-level if no bidder with one year classification seniority

If line employees are re-established