

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 Adjust =		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 Adjust =		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	Slippage 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			
55	Rate Year Increase (col (f) = col (d) * col (e))	Rate Year Adjustment =		79.93%	7.22%	5.77%	= 79.93 % * 7.22 %	