

**EXHIBIT NO. ___(TMH-12)
DOCKET NO. UE-111048/UG-111049
2011 PSE GENERAL RATE CASE
WITNESS: THOMAS M. HUNT**

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

PUGET SOUND ENERGY, INC.,

Respondent.

**Docket No. UE-111048
Docket No. UG-111049**

**FIRST EXHIBIT (NONCONFIDENTIAL) TO THE
PREFILED REBUTTAL TESTIMONY OF
THOMAS M. HUNT
ON BEHALF OF PUGET SOUND ENERGY, INC.**

January 17, 2012

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

**Docket Nos. UE-111048 and UG-111049
Puget Sound Energy, Inc.'s
2011 General Rate Case**

WUTC STAFF DATA REQUEST NO. 151

WUTC STAFF DATA REQUEST NO. 151:

Regarding Employee Insurance adjustment 6.21:

1. Please provide supporting documentation for the pro forma increase in the average rate per participant (averaging the rates from January through May 2011) used in the pro forma summary tab.
2. Please update this adjustment to use a 12 month average rate per participant and provide the supporting documentation.
3. Were the laid off employees subtracted out of the participant count?
4. If the laid off employees were not adjusted out of the participant count, please update the calculation in 6.21 employee insurance to remove those employees from the calculation.
5. Please provide a detailed analysis of the employees that were laid off during the test year.
6. Have any employees been laid off in 2011?

Response:

1. Attached as Attachment A to Puget Sound Energy, Inc.'s ("PSE") Response to WUTC Staff Data Request No. 151, please find documentation for the average rate per participant used in the pro forma summary tab of Employee Insurance adjustment 6.21. On Attachment A, the values labeled as "Rates" show PSE's cost of the flexible credits and company-provided life and long-term disability for each employee group (Non-Represented, UA represented, or IBEW represented) and each employee medical election choice (employee only, family, or opt-out). Flexible credits for UA-represented employees for 2011 were unchanged from 2010 and had been determined based on the UA Health & Welfare Committee and per the union collective bargaining agreement. For IBEW represented employees, the "rates" include flexible credits for 2011, which were calculated according to the collective bargaining agreement, and the average cost of basic life insurance and long-term disability insurance, which, pursuant to the collective

bargaining agreement, are paid by PSE. Flexible credits for non-represented employees are established by PSE management.

2. Attached as Attachment B to PSE's Response to WUTC Staff Data Request No. 151, please find an update of the average cost per participant for the most recent 12-month period and supporting documentation. On Attachment B, the values labeled as "Rates" show PSE's cost as described in PSE's Response to WUTC Staff Data Request No. 151(1), above.
3. Employees who were laid off were included in the participant counts for the months in which they were eligible. Those employees were not included in the counts for the months after their last day worked.
4. Attached as Attachment C to PSE's Response to WUTC Data Request No. 151, please find a list of participant counts, by month, excluding employees that were laid off in the test year.
5. Please see PSE's Response to WUTC Data Request No. 151(1-4), above, for information regarding employees who were laid off.
6. Yes; sixteen people have been laid off in 2011. However, PSE's headcount of non-temporary employees has remained virtually flat over 2011, indicating that hiring in other areas of the company has more than offset the lay-offs.

<u>Non-Represented</u>						<u>UA Represented</u>					<u>IBEW Represented</u>					Overall Average						
EE	Family	Opt Out	Total	% Fam	Monthly Avg	EE	Family	Opt Out	Total	% Fam	Monthly Avg	EE	Family	Opt Out	Total			% Fam	Monthly Avg			
2011						2011					2011											
Jan-11	639	849	63	1551	55%	\$998.26	Jan-11	115	183	21	319	57%	\$984.76	Jan-11	372	475	58	905	52%	\$951.03	2775	\$981.30
Feb-11	645	855	64	1564	55%	\$997.63	Feb-11	114	182	21	317	57%	\$984.86	Feb-11	371	471	56	898	52%	\$951.44	2779	\$981.25
Mar-11	640	861	65	1566	55%	\$999.34	Mar-11	113	184	19	316	58%	\$991.58	Mar-11	370	469	55	894	52%	\$951.84	2776	\$983.16
Apr-11	645	862	69	1576	55%	\$996.22	Apr-11	113	183	20	316	58%	\$988.67	Apr-11	368	471	55	894	53%	\$953.41	2786	\$981.63
May-11	646	858	67	1571	55%	\$996.33	May-11	111	182	20	313	58%	\$989.71	May-11	366	472	56	894	53%	\$953.76	2778	\$981.88
Jun-11							Jun-11															
Jul-11							Jul-11															
Aug-11							Aug-11															
Sep-11							Sep-11															
Oct-11							Oct-11															
Nov-11							Nov-11															
Dec-11							Dec-11															

<u>Rates</u>			
2011 Rates	665	1315	110
Average YTD Jan-May 2011 \$997.55			

<u>Rates</u>			
2011 Rate	700	1240	320
Average YTD Jan-May 2011 \$987.92			

<u>Rates</u>			
2011 Rate	607.4	1309	220
Average YTD Jan-May 2011 \$952.30			

<u>Non-Represented</u>							<u>UA Represented</u>					<u>IBEW Represented</u>					OVERALL					
EE	Family	Opt Out	Total	% Fam	Monthly Avg		EE	Family	Opt Out	Total	% Fam	Monthly Avg		EE	Family	Opt Out	Total	% Fam	Monthly Avg			
2010							2010					2010										
Nov-10	665	827	69	1561	53%	\$983.85	Nov-10	123	177	19	319	55%	\$976.99	Nov-10	397	468	52	917	51%	\$979.75	2797	\$981.72
Dec-10	660	824	69	1553	53%	\$984.18	Dec-10	123	177	19	319	55%	\$976.99	Dec-10	391	470	52	913	51%	\$982.10	2785	\$982.67
2011							2011					2011										
Jan-11	639	849	63	1551	55%	\$998.26	Jan-11	115	183	21	319	57%	\$984.76	Jan-11	372	475	58	905	52%	\$951.03	2775	\$981.30
Feb-11	645	855	64	1564	55%	\$997.63	Feb-11	114	182	21	317	57%	\$984.86	Feb-11	371	471	56	898	52%	\$951.44	2779	\$981.25
Mar-11	640	861	65	1566	55%	\$999.34	Mar-11	113	184	19	316	58%	\$991.58	Mar-11	370	469	55	894	52%	\$951.84	2776	\$983.16
Apr-11	645	862	69	1576	55%	\$996.22	Apr-11	113	183	20	316	58%	\$988.67	Apr-11	368	471	55	894	53%	\$953.41	2786	\$981.63
May-11	646	858	67	1571	55%	\$996.33	May-11	111	182	20	313	58%	\$989.71	May-11	366	472	56	894	53%	\$953.76	2778	\$981.88
Jun-11	646	862	67	1575	55%	\$997.14	Jun-11	110	181	20	311	58%	\$989.84	Jun-11	369	471	56	896	53%	\$952.21	2782	\$981.85
Jul-11	646	865	65	1576	55%	\$998.87	Jul-11	111	183	21	315	58%	\$988.38	Jul-11	363	471	57	891	53%	\$953.71	2782	\$983.22
Aug-11	647	868	65	1580	55%	\$999.26	Aug-11	114	183	21	318	58%	\$985.66	Aug-11	356	467	57	880	53%	\$954.85	2778	\$983.63
Sep-11	655	870	66	1591	55%	\$997.41	Sep-11	113	184	21	318	58%	\$987.36	Sep-11	356	465	54	875	53%	\$956.55	2784	\$983.42
Oct-11	654	871	66	1591	55%	\$997.82	Oct-11	113	186	20	319	58%	\$991.03	Oct-11	353	467	49	869	54%	\$962.81	2779	\$986.09
Nov-11							Nov-11							Nov-11								
Dec-11							Dec-11							Dec-11								

<u>Rates</u>			
2010 Rates	700	1285	110
2011 Rates	665	1315	110

12 Month Average Nov 2010 - Oct 2011 \$995.52

<u>Rates</u>			
2010 Rates	700	1240	320
2011 Rate	700	1240	320

12 Month Average Nov 2010 - Oct 2011 \$986.32

<u>Rates</u>			
2010 Rates	724	1285	185
2011 Rate	607.4	1309	220

12 Month Average Nov 2010 - Oct 2011 \$958.62

Group	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Test Period (Jan-Dec2010) Average Participation
<u>As Filed</u>													
IBEW	936	936	961	952	945	938	936	917	917	926	922	915	933
UA	330	328	319	325	324	323	323	321	320	319	319	319	323
Non-Union	1,599	1,603	1,610	1,611	1,602	1,598	1,565	1,566	1,564	1,564	1,564	1,569	1,585
Monthly Total	2,865	2,867	2,890	2,888	2,871	2,859	2,824	2,804	2,801	2,809	2,805	2,803	2,841
<u>Remove Laid Off Employees Included Above</u>													
IBEW	(12)	(13)	(13)	(12)	(12)	(12)	(4)	(4)	-	-	-	-	(7)
UA	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-Union	(33)	(34)	(35)	(31)	(31)	(31)	(2)	(1)	-	-	-	-	(17)
Monthly Total	(45)	(47)	(48)	(43)	(43)	(43)	(6)	(5)	-	-	-	-	(23)
<u>Average Participation Without Laid Off Employees</u>													
IBEW	924	923	948	940	933	926	932	913	917	926	922	915	927
UA	330	328	319	325	324	323	323	321	320	319	319	319	323
Non-Union	1,566	1,569	1,575	1,580	1,571	1,567	1,563	1,565	1,564	1,564	1,564	1,569	1,568
Monthly Total	2,820	2,820	2,842	2,845	2,828	2,816	2,818	2,799	2,801	2,809	2,805	2,803	2,817