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February 4, 2010

David W. Danner, Executive Director and Secretary
Washington Utilities and Transportation Commission
1300 S. Evergreen Park Dr. SW
P. O. Box 47250
Olympia, Washington 98504-7250

RE: *WUTC v. Puget Sound Energy, Inc. (2009 General Rate Case)*
Dockets UE-090704/UG-090705

Dear Mr. Danner:

Enclosed for filing are the original and 21 copies of the revised testimony of Joanna Huang. Revisions to page 4 of Ms. Huang's testimony are indicated in redline.

Distribution has been made to all other parties of record.

Sincerely,

ROBERT D. CEDARBAUM
Assistant Attorney General

RDC:klg

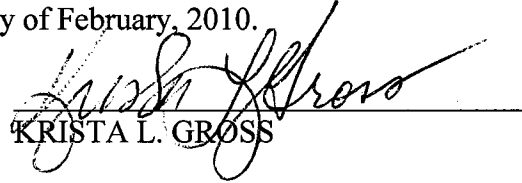
Enclosures

cc: All parties

Dockets UE-090704/UG-090705
CERTIFICATE OF SERVICE

I hereby certify that I have this day served the revised testimony of Joanna Huang upon the persons and entities listed on the Service List below via e-mail and via US Mail, postage prepaid, addressed as shown on said Service List.

DATED at Olympia, Washington this 4th day of February, 2010.


KRISTA L. GROSS

HC=Highly Confidential

C=Confidential

NC=Non-Confidential

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**Exhibit No. JH-1T
Dockets UE-090704/UG-090705
Witness: Joanna Huang**

**BEFORE THE WASHINGTON STATE
UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

PUGET SOUND ENERGY, INC.,

Respondent.

DOCKET UE-090704

DOCKET UG-090705

TESTIMONY

OF

JOANNA HUANG

**STAFF OF
WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION**

***Revenue Requirement Adjustments:
Wage Increases, Investment Plan, and Employee Insurance***

**November 17, 2009
Revised February 4, 2010**

1 **Q. Please explain why Staff contests the Company's proposed adjustments for union**
2 **and non-union employee wage increases?**

3 A. The Company's proposed wage increase adjustment for union and non-union employees
4 does not meet the Commission's criteria for a pro forma adjustment.
5

6 **Q. What are the Commission's criteria for a pro forma adjustment?**

7 A. WAC 480-07-510 specifies that pro forma adjustments "give effect for the test period to
8 all known and measurable changes that are not offset by other factors." Since the current
9 contract for IBEW will run through March 31, 2010 and the current UA contract will run
10 through September 30, 2010, any wage increase adjustment beyond March 31, 2010 for
11 IBEW members and beyond September 30, 2010 for UA members is not known and
12 measurable. Likewise, any wage increase for non-union employees beyond ~~March 31~~
13 February 28, 2010 is also not known and measurable. The estimated wage increases to
14 March 31, 2011 that are added to test year results by the Company are merely a boost to
15 the revenue requirement for the Company.
16

17 **Q. What is the basis for Staff's wage increase adjustments for union and non-union**
18 **employees?**

19 A. As stated above, potential wage increases beyond the current employee contract
20 expiration dates are not known and measurable. Therefore, Staff adjusts wage increases
21 to March 31, 2010 for non-union employees. Staff also adjusts wages increases to
22 March 31, 2010 for IBEW members and to September 30, 2010 for UA members
23 according to the Company's current contract with those unions. This treatment ensures