

**EXHIBIT NO. \_\_\_(MRM-8)  
DOCKET NO. UE-11\_\_\_/UG-11\_\_\_  
2011 PSE GENERAL RATE CASE  
WITNESS: MATTHEW R. MARCELIA**

**BEFORE THE  
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION,**

**Complainant,**

**v.**

**PUGET SOUND ENERGY, INC.,**

**Respondent.**

**Docket No. UE-11\_\_\_  
Docket No. UG-11\_\_\_**

**SEVENTH EXHIBIT (NONCONFIDENTIAL) TO THE  
PREFILED DIRECT TESTIMONY OF  
MATTHEW R. MARCELIA  
ON BEHALF OF PUGET SOUND ENERGY, INC.**

**JUNE 13, 2011**

### Analysis of Tax Net Operating Losses

	Gross	Tax Effectuated
1		
2		
3 <b>2009 Net Operating Loss</b>	92,373,886	32,330,860
4 <b>2010 Net Operating Loss</b>	190,945,477	66,830,917
5 <b>Total Net Operating Loss</b>	283,319,363	99,161,777

6		
7		
8		
9 <b>2009 Bonus Depreciation</b>	247,011,874	86,454,156
10 <b>2010 Bonus Depreciation (est.)</b>	299,446,088	104,806,131

	Gross			Tax Effectuated		
	Electric	Gas	Total	Electric	Gas	Total
15						
16						
17 <b>2009 Analysis</b>						
18 <b>2009 Taxable Loss</b>	(92,580,811)	(82,097,977)	(174,678,788)	(32,403,284)	(28,734,292)	(61,137,576)
19 <b>2009 Net Operating Loss</b>	48,958,717	43,415,169	92,373,886	17,135,551	15,195,309	32,330,860
20 <b>Bonus Depreciation</b>	162,028,991	84,982,883	247,011,874			
21						
22						
23 <b>2010 Annalysis</b>						
24 <b>2010 Taxable Loss</b>	(125,710,407)	(95,010,758)	(220,721,165)	(43,998,643)	(33,253,765)	(77,252,408)
25 <b>2010 Net Operating Loss</b>	108,751,844	82,193,633	190,945,477	38,063,145	28,767,772	66,830,917
26 <b>Bonus Depreciation</b>	215,293,336	84,152,753	299,446,089			
27						
28 <b>Total 2009 + 2010</b>	157,710,561	125,608,802	283,319,363	55,198,696	43,963,081	99,161,777

	%	Amount Gross	%	Tax Effectuated
35 <b>Allocation to electric production</b>				
36				
37 <b>Production for 2009</b>	39.05%	19,118,379	39.05%	6,691,433
38 <b>Production for 2010</b>	21.92%	23,838,404	21.92%	8,343,441
39 <b>Total NOL alloc to production</b>		42,956,783		15,034,874