

APPENDIX 2

line	Millions & \$s	2006*	2007	2008	2009	2010	2011	2012	2013	2014	2015	10-yr Total
TABLE 1 System												
	Components (System)											
1	West Valley	5.00	5.00	2.10	0.00	0.00	0.00	0.00	0.00	0.00	0.00	12.10
2	Corporate Overheads	1.50	1.50	1.50	1.50	1.50	0.00	0.00	0.00	0.00	0.00	7.50
3	Insurance Captive	4.29	4.29	4.29	4.29	4.29	0.00	0.00	0.00	0.00	0.00	21.45
4	Services Provided to Affiliate - Fixed	1.50	1.50	1.50	1.50	1.50	0.00	0.00	0.00	0.00	0.00	7.50
5	Services Provided to Affiliate - Non Fixed	6.40	6.40	6.40	6.40	6.40	6.40	6.40	6.40	6.40	6.40	64.00
6	A&G reductions	6.00	6.00	6.00	6.00	6.00	0.00	0.00	0.00	0.00	0.00	30.00
7	Gross Total System Rate Credit	24.69	24.69	21.79	19.69	19.69	6.40	6.40	6.40	6.40	6.40	142.55
Potential Offsets: (System)												
8	West Valley	5.00	5.00	2.10	0.00	0.00	0.00	0.00	0.00	0.00	0.00	12.10
9	Corporate Overheads	1.50	1.50	1.50	1.50	1.50	0.00	0.00	0.00	0.00	0.00	7.50
10	Insurance Captive	4.29	4.29	4.29	4.29	4.29	0.00	0.00	0.00	0.00	0.00	21.45
11	Services Provided to Affiliate - Fixed	1.50	1.50	1.50	1.50	1.50	0.00	0.00	0.00	0.00	0.00	7.50
12	Services Provided to Affiliate - Non Fixed	6.40	6.40	6.40	6.40	6.40	6.40	6.40	6.40	6.40	6.40	64.00
13	A&G reductions	6.00	6.00	6.00	6.00	6.00	0.00	0.00	0.00	0.00	0.00	30.00
14	Total Offsets	24.69	24.69	21.79	19.69	19.69	6.40	6.40	6.40	6.40	6.40	142.55
15	Guaranteed Rate Credit (Gross - Total Offsets)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

* The first year's rate credit will be prorated based on the closing date of the transaction

line	Millions & \$s	2006*	2007	2008	2009	2010	2011	2012	2013	2014	2015	10-yr Total
TABLE 2 Washington Allocated												
	Gross Rate Credit* - Total Company	24.69	24.69	21.79	19.69	19.69	6.40	6.40	6.40	6.40	6.40	142.55
	Guaranteed Gross Rate Credit* - Total Comp	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	* Assumes all states adopt the Rate Credit											
	Gross Washington-Allocated Rate Credit	1.98	1.98	1.74	1.58	1.58	0.51	0.51	0.51	0.51	0.51	11.40
	Guaranteed Washington-Allocated Rate Cred	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Components (Washington Allocated)												
O1	West Valley	0.40	0.40	0.17	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.97
O2	Corporate Overheads	0.12	0.12	0.12	0.12	0.12	0.00	0.00	0.00	0.00	0.00	0.60
O3	Insurance Captive	0.34	0.34	0.34	0.34	0.34	0.00	0.00	0.00	0.00	0.00	1.72
O4	Services Provided to Affiliate - Fixed	0.12	0.12	0.12	0.12	0.12	0.00	0.00	0.00	0.00	0.00	0.60
O5	Services Provided to Affiliate - Non Fixed	0.51	0.51	0.51	0.51	0.51	0.51	0.51	0.51	0.51	0.51	5.12
O6	A&G reductions	0.48	0.48	0.48	0.48	0.48	0.00	0.00	0.00	0.00	0.00	2.40
O7	Gross Washington-Allocated Rate Credit	1.98	1.98	1.74	1.58	1.58	0.51	0.51	0.51	0.51	0.51	11.40
Potential Offsets: (Washington Allocated)												
O8	West Valley	0.40	0.40	0.17	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.97
O9	Corporate Overheads	0.12	0.12	0.12	0.12	0.12	0.00	0.00	0.00	0.00	0.00	0.60
O10	Insurance Captive	0.34	0.34	0.34	0.34	0.34	0.00	0.00	0.00	0.00	0.00	1.72
O11	Services Provided to Affiliate - Fixed	0.12	0.12	0.12	0.12	0.12	0.00	0.00	0.00	0.00	0.00	0.60
O12	Services Provided to Affiliate - Non Fixed	0.51	0.51	0.51	0.51	0.51	0.51	0.51	0.51	0.51	0.51	5.12
O13	A&G reductions	0.48	0.48	0.48	0.48	0.48	0.00	0.00	0.00	0.00	0.00	2.40
O14	Total Offsets	1.98	1.98	1.74	1.58	1.58	0.51	0.51	0.51	0.51	0.51	11.40
O15	Guaranteed Rate Credit (Gross - Total Offsets)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

* The first year's rate credit will be prorated based on the closing date of the transaction

Note: The Washington allocated share of the rate credits has been estimated using a 8% allocation factor.
The actual Washington allocated share will be determined using the relevant then-applicable test period allocation factors.