

1 contract that expires on June 30, 2011. Additional Rockies pipeline capacity is
2 generally not available.

3 PSE acquires sufficient firm natural gas resources to meet projected peak-day
4 requirements for both the gas and power portfolios, taking into account on-system
5 peaking and alternative fuel resources. Except for two small peak-shaving
6 facilities (the Swarr propane-air and Gig Harbor LNG facilities), deliveries to all
7 of PSE's core gas markets require NWP transportation services, as do all but two
8 gas-fired generating facilities (Whitehorn and Sumas). However, three gas-fired
9 generating sites (Whitehorn, Fredonia and Frederickson) can burn fuel oil and
10 have fuel oil on-site, so firm pipeline capacity is not required for those sites;
11 instead, they rely on non-firm transportation arrangements purchased from the
12 core gas book at market sensitive rates or from other parties, including NWP.

13 **Q. Please describe the Jackson Prairie storage service assignment from PSE's**
14 **core gas book to PSE's power book.**

15 A. PSE has assigned 50 ~~million~~thousand decatherms ("MDth") per day of storage
16 deliverability and 500,000 MDth of storage capacity to the power book from
17 April 1, 2011 through March 31, 2012. The power book purchased the capacity
18 for operational reliability and supply management, and retains all rights
19 associated with the service, with no restrictions beyond those governing PSE's
20 storage operations (fill requirements, withdrawal decline curve, etc.). The power