

**BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION****Docket Nos. UE-060266 & UG-060267  
Puget Sound Energy, Inc.'s  
2006 General Rate Case****ICNU DATA REQUEST NO. 07.148****ICNU DATA REQUEST NO. 07.148:**

At page 94 of his rebuttal testimony, Dr. Morin states that PSE has greater purchased power risk in comparison to the rest of the utilities included in his comparable group, "as discussed in the prefiled rebuttal testimony of Donald E. Gaines." Please state the exact page(s) and line number(s) of this discussion.

**Response:**

Please see pages 16-17 of Exhibit No. \_\_\_\_ (DEG-7CT) and Exhibit No. \_\_\_\_ (DEG-15), which is a copy of Puget Sound Energy, Inc.'s Response to WUTC Staff Data Request No. 059. That data request contains comparative studies that demonstrate the relative magnitude of PSE's purchased power obligations. The data demonstrates that PSE has more purchased power, relative to electric plant, than the average and median of all utilities.

Exhibit No. \_\_\_\_ (DEG-15) lists twenty-four utilities as having more purchased power, relative to electric plant, than PSE. Of those twenty-four utilities, the following thirteen are a subsidiary of a comparable utility of Dr. Morin:

1. Public Service Company of New Mexico (subsidiary of PNM Resources, Inc.);
2. Commonwealth Edison Company (subsidiary of Exelon);
3. Entergy Mississippi, Inc. (subsidiary of Entergy, Inc.);
4. Potomac Electric Power Company (subsidiary of Pepco Holdings, Inc.);
5. Public Service Company of Colorado (subsidiary of XCEL Energy, Inc.);
6. Consolidated Edison Company of New York (subsidiary of Consolidated Edison, Inc.);
7. Illinois Power Company (subsidiary of Ameren Corp.);
8. New York State Electric & Gas Corporation (subsidiary of Energy East Corp.);
9. PECO Energy Company (subsidiary of Exelon);
10. Boston Edison Company (subsidiary of NSTAR);

11. Public Service Electric and Gas Company (subsidiary of Public Services Enterprise Group);
12. PPL Electric Utilities Corporation (subsidiary of PPL Corporation); and
13. Connecticut Light and Power Company (subsidiary of Northeast Utilities).

Of the thirteen utilities listed above, eight are pure transmission and distribution utilities that do not generate any power whatsoever. See Attachment A to Puget Sound Energy, Inc.'s Response to ICNU Data Request No. 07.148.

Additionally, Consolidated Edison of New York is, for the most part, a pure transmission and distribution company that generates only 7.22% of all power sold. All power generated by Consolidated Edison of New York is sold through the NYISO wholesale electricity market:

Con Edison of New York also owns generating stations in New York City associated primarily with its steam system. As of December 31, 2005, the generating stations had a combined electric capacity of approximately 692 MW. In April 2005, the company's East River Repowering Project was placed in service, adding 292 MW (on a summer nominal rating) of in-City electric capacity. Also in 2005, the company retired its Waterside generating station, reducing its electric capacity by 167 MW. The company sells the electric output of its generating stations through the NYISO's wholesale electricity market. O&R does not own any electric generating capacity.

In a July 1998 order, the PSC indicated that it "agree(s) generally that Con Edison of New York need not plan on constructing new generation as the competitive market develops," but considers "overly broad" and did not adopt Con Edison of New York's request for a declaration that, solely with respect to providing generating capacity, it will no longer be required to engage in long-range planning to meet potential demand and, in particular, that it will no longer have the obligation to construct new generating facilities, regardless of the market price of capacity. Con Edison of New York monitors the adequacy of the electric capacity resources and related developments in its service area, and works with other parties on long-term resource adequacy issues within the framework of the NYISO.

Page 39 of Form 10-K for Consolidated Edison, Inc., filed with the Securities Exchange Commission on February 22, 2006.

Finally, Attachment A to Puget Sound Energy, Inc.'s Response to ICNU Data Request No. 07.148 shows that New York State Electric & Gas Corporation self-generated 5,471,305 MWH in calendar year 2005. The FERC Form 1 for that utility, however,

PSE's Response to ICNU Data Request No. 07.148  
Date of Response: September 1, 2006  
Person who Prepared the Response: Roger A. Morin  
Witness Knowledgeable About the Response: Roger A. Morin

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states that such amount "includes 5,139,157 MWH of energy received from energy providers who serve the [New York State Electric & Gas Corporation's] customers." This suggests that New York State Electric & Gas Corporation, like Consolidated Edison of New York, is a pure transmission and distribution company that retained few (if any) generating facilities:

NYSEG is a regulated utility primarily engaged in purchasing and delivering electricity and natural gas in the central, eastern and western parts of the state of New York. NYSEG sold a majority of its generation assets in 1999 and the remaining assets in 2002.

Page 11 of Form 10-K for Energy East Corporation, filed with the Securities Exchange Commission on March 1, 2006.

Of the four remaining utilities that are not pure transmission and distribution companies (Public Service Company of Colorado, Public Service Company of New Mexico, Entergy Mississippi, Inc., and Puget Sound Energy, Inc.), none relied more on purchased power to meet their loads than did PSE if one were to compare the percentage of total load met with purchased power.

Company	Total MWH Self-Generated	Total MWH Purchased	Net Exchanges	Net Transmission for Others	Transmission By Others Losses	Total MWH Sold	% of Load Met With Self-Generation	% of Load Met With Power Other Than Self-Generated Power
Illinois Power Company	-	16,582,265	-	-	-	16,582,265	0.00%	100.00%
Commonwealth Edison Company	-	83,542,448	-	18,453	-	83,560,901	0.00%	100.00%
PECO Energy Company	-	39,346,073	-	-	-	39,346,073	0.00%	100.00%
Connecticut Light and Power Company	-	29,333,892	-	-	-	29,333,892	0.00%	100.00%
Boston Edison Company	-	18,640,455	-	-	-	18,640,455	0.00%	100.00%
Potomac Electric Power Company	-	16,095,288	-	16,768,669	-	32,863,957	0.00%	100.00%
PPL Electric Utilities Corporation	-	39,745,029	1,510,483	20,867	-	41,276,379	0.00%	100.00%
Public Service Electric and Gas Company	-	42,307,744	-	-	-	42,307,744	0.00%	100.00%
Consolidated Edison Company of New York, Inc.	2,261,680	29,055,402	-	-	-	31,317,082	7.22%	92.78%
New York State Electric & Gas Corporation	5,471,305	14,531,650	-	228	-	20,003,183	27.35%	72.65%
Puget Sound Energy, Inc.	6,902,039	18,188,164	(18,866)	-	-	25,071,337	27.53%	72.47%
Entergy Mississippi, Inc.	5,359,829	10,043,361	-	84,845	-	15,488,035	34.61%	65.39%
Public Service Company of Colorado	22,194,610	23,393,203	14,058	-	(328,928)	45,272,943	49.02%	50.98%
Public Service Company of New Mexico	10,049,637	8,913,818	57,428	275,637	(50,347)	19,246,173	52.22%	47.78%

Source: FERC Form 1 (page 401a) for each utility