

EXHIBIT NO. ___(JMR-10)
DOCKET NO. _____
2005 POWER COST ONLY RATE CASE
WITNESS: JULIA M. RYAN

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

PUGET SOUND ENERGY, INC.,

Respondent.

Docket No. UE-_____

**NINTH EXHIBIT TO THE PREFILED DIRECT TESTIMONY OF
JULIA M. RYAN (NONCONFIDENTIAL)
ON BEHALF OF PUGET SOUND ENERGY, INC.**

JUNE 7, 2005

PCORC Power Cost Projections
Rate Year AURORA + Non-AURORA Power Costs
5.10.05 AURORA Model runs With and Without Hopkins Ridge
(costs in '000s)

PCORC Rate Year: December 2005 - November 2006													2005 PCORC Rate Year
	Dec-05	Jan-06	Feb-06	Mar-06	Apr-06	May-06	Jun-06	Jul-06	Aug-06	Sep-06	Oct-06	Nov-06	
501 Coal Fuel	\$ 3,692	\$ 3,723	\$ 3,441	\$ 3,781	\$ 3,412	\$ 3,080	\$ 2,778	\$ 3,756	\$ 3,783	\$ 2,982	\$ 3,263	\$ 3,723	\$ 41,414
547 Natural Gas Fuel	\$ 5,459	\$ 3,987	\$ 4,161	\$ 4,342	\$ 3,630	\$ 2,151	\$ 1,620	\$ 4,008	\$ 6,519	\$ 7,658	\$ 5,369	\$ 6,005	54,909
555 Purchase & Interchange	\$ 76,339	\$ 78,198	\$ 69,543	\$ 64,070	\$ 48,549	\$ 37,713	\$ 40,819	\$ 36,908	\$ 43,105	\$ 52,367	\$ 65,053	\$ 65,041	677,705
557 Other Power Supply	\$ 594	\$ 576	\$ 576	\$ 576	\$ 576	\$ 576	\$ 576	\$ 576	\$ 576	\$ 576	\$ 576	\$ 576	6,935
565 Wheeling	\$ 4,403	\$ 4,329	\$ 4,303	\$ 4,247	\$ 4,347	\$ 4,275	\$ 4,416	\$ 4,556	\$ 4,471	\$ 4,794	\$ 4,398	\$ 4,376	52,915
447 Secondary Sales	\$ (228)	\$ (42)	\$ (49)	\$ (449)	\$ (299)	\$ (69)	\$ (86)	\$ (1,880)	\$ (2,780)	\$ (888)	\$ (267)	\$ (818)	(7,855)
Subtotal	\$ 90,259	\$ 90,772	\$ 81,975	\$ 76,568	\$ 60,216	\$ 47,727	\$ 50,124	\$ 47,925	\$ 55,674	\$ 67,489	\$ 78,392	\$ 78,903	\$ 826,024
456 Non-Core Gas	(847)	(113)	(0)	29	(20)	-	(2)	(22)	(54)	(68)	(64)	(41)	(1,202)
Subtotal with Non-Core Gas	\$ 89,412	\$ 90,659	\$ 81,975	\$ 76,598	\$ 60,195	\$ 47,727	\$ 50,122	\$ 47,903	\$ 55,620	\$ 67,422	\$ 78,328	\$ 78,862	\$ 824,822
Load in MWh	2,196,035	2,220,178	1,891,499	1,962,947	1,701,864	1,635,840	1,528,639	1,559,781	1,588,805	1,551,665	1,761,465	1,935,778	21,534,496
6.60% Delivered Load	2,051,097	2,073,646	1,766,660	1,833,393	1,589,541	1,527,875	1,427,749	1,456,836	1,483,944	1,449,255	1,645,208	1,808,017	20,113,220
Revenue Requirement Adjustments:													
Before adjustment												\$ 824,822	
Tenaska Buyout Disallowance 50.0%												\$ 17,803	(8,901)
Tenaska Prudence Disallowance 1.2%												\$ 177,900	(2,135)
March Point 2 Prudence Disallowance 3.0%												\$ 34,758	(1,043)
Net Power Costs												\$ 812,743	
Production O&M (including ben & p/r tax)												61,647	
Colstrip 500 KV Expense												612	
Costs for Revenue Requirement												\$ 875,002	

PCORC Power Cost Projections
Rate Year AURORA + Non-AURORA Power Costs
5.10.05 AURORA Model runs With and Without Hopkins Ridge
(costs in '000s)

Excluding Hopkins Ridge

	<u>Dec-05</u>	<u>Jan-06</u>	<u>Feb-06</u>	<u>Mar-06</u>	<u>Apr-06</u>	<u>May-06</u>	<u>Jun-06</u>	<u>Jul-06</u>	<u>Aug-06</u>	<u>Sep-06</u>	<u>Oct-06</u>	<u>Nov-06</u>	<u>Rate Year</u>
501 Coal Fuel	\$ 3,692	\$ 3,723	\$ 3,441	\$ 3,781	\$ 3,412	\$ 3,080	\$ 2,778	\$ 3,756	\$ 3,783	\$ 2,982	\$ 3,263	\$ 3,723	\$ 41,414
547 Natural Gas Fuel	\$ 5,459	\$ 3,987	\$ 4,161	\$ 4,342	\$ 3,630	\$ 2,151	\$ 1,620	\$ 4,008	\$ 6,519	\$ 7,658	\$ 5,369	\$ 6,005	54,909
555 Purchase & Interchange	\$ 78,390	\$ 80,281	\$ 70,987	\$ 66,785	\$ 49,739	\$ 38,905	\$ 41,565	\$ 37,716	\$ 44,032	\$ 53,911	\$ 66,668	\$ 66,756	695,734
557 Other Power Supply	\$ 594	\$ 576	\$ 576	\$ 576	\$ 576	\$ 576	\$ 576	\$ 576	\$ 576	\$ 576	\$ 576	\$ 576	6,935
565 Wheeling	\$ 4,139	\$ 4,058	\$ 4,032	\$ 3,976	\$ 4,076	\$ 4,004	\$ 4,145	\$ 4,285	\$ 4,199	\$ 4,523	\$ 4,127	\$ 4,105	49,667
447 Secondary Sales	\$ (131)	\$ (21)	\$ (30)	\$ (237)	\$ (187)	\$ (28)	\$ (42)	\$ (1,378)	\$ (2,153)	\$ (523)	\$ (144)	\$ (575)	(5,449)
Subtotal	\$ 92,143	\$ 92,605	\$ 83,167	\$ 79,224	\$ 61,246	\$ 48,689	\$ 50,642	\$ 48,963	\$ 56,957	\$ 69,127	\$ 79,859	\$ 80,590	\$ 843,212
456 Non-Core Gas	\$ (847)	\$ (113)	\$ (0)	\$ 29	\$ (20)	\$ -	\$ (2)	\$ (22)	\$ (54)	\$ (68)	\$ (64)	\$ (41)	(1,202)
Subtotal with Non-Core Gas	\$ 91,296	\$ 92,491	\$ 83,167	\$ 79,253	\$ 61,226	\$ 48,689	\$ 50,641	\$ 48,941	\$ 56,902	\$ 69,060	\$ 79,795	\$ 80,549	\$ 842,010
Load in MWh	2,196,035	2,220,178	1,891,499	1,962,947	1,701,864	1,635,840	1,528,639	1,559,781	1,588,805	1,551,665	1,761,465	1,935,778	21,534,496
6.60% Delivered Load	2,051,097	2,073,646	1,766,660	1,833,393	1,589,541	1,527,875	1,427,749	1,456,836	1,483,944	1,449,255	1,645,208	1,808,017	20,113,220
Revenue Requirement Adjustments:													
Before adjustment												\$ 842,010	
Tenaska Buyout Disallowance 50.0%												\$ 17,803	
Tenaska Prudence Disallowance 1.2%												\$ 177,900	
March Point 2 Prudence Disallowance 3.0%												\$ 34,758	
Net Power Costs												\$ 829,931	
Production O&M (including ben & p/r tax)												\$ 57,238	
Colstrip 500 KV Expense												\$ 612	
Costs for Revenue Requirement												\$ 887,780	
Cost Decr / (Incr) due to Hopkins Ridge												\$ 12,778	

PCORC Power Cost Projections
Rate Year AURORA + Non-AURORA Power Costs
5.10.05 AURORA Model runs With and Without Hopkins Ridge
(costs in '000s)

Hopkins Ridge

	<u>Dec-05</u>	<u>Jan-06</u>	<u>Feb-06</u>	<u>Mar-06</u>	<u>Apr-06</u>	<u>May-06</u>	<u>Jun-06</u>	<u>Jul-06</u>	<u>Aug-06</u>	<u>Sep-06</u>	<u>Oct-06</u>	<u>Nov-06</u>	<u>Rate Year</u>
501 Coal Fuel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
547 Natural Gas Fuel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
555 Purchase & Interchange	\$ 2,051	\$ 2,083	\$ 1,444	\$ 2,714	\$ 1,190	\$ 1,192	\$ 746	\$ 808	\$ 927	\$ 1,544	\$ 1,616	\$ 1,715	18,029
557 Other Power Supply	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
565 Wheeling	\$ (264)	\$ (271)	\$ (271)	\$ (271)	\$ (271)	\$ (271)	\$ (271)	\$ (271)	\$ (271)	\$ (271)	\$ (271)	\$ (271)	(3,248)
447 Secondary Sales	\$ 97	\$ 21	\$ 20	\$ 212	\$ 112	\$ 41	\$ 43	\$ 502	\$ 627	\$ 365	\$ 123	\$ 243	2,406
Subtotal	\$ 1,884	\$ 1,833	\$ 1,193	\$ 2,655	\$ 1,030	\$ 961	\$ 518	\$ 1,038	\$ 1,283	\$ 1,638	\$ 1,467	\$ 1,687	\$ 17,188
456 Non-Core Gas	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal with Non-Core Gas	\$ 1,884	\$ 1,833	\$ 1,193	\$ 2,655	\$ 1,030	\$ 961	\$ 518	\$ 1,038	\$ 1,283	\$ 1,638	\$ 1,467	\$ 1,687	\$ 17,188

Revenue Requirement Adjustments:			
		Before adjustment	\$ 17,188
Tenaska Buyout Disallowance	50.0%	\$ -	\$ -
Tenaska Prudence Disallowance	1.2%	\$ -	\$ -
March Point 2 Prudence Disallowance	3.0%	\$ -	\$ -
		Net Power Costs	\$ 17,188
		Production O&M (including ben & p/r tax)	\$ (4,410)
		Colstrip 500 KV Expense	\$ -
		Costs for Revenue Requirement	\$ 12,778

Hopkins Ridge	}	Decreases Power Costs: Market Net Purchases	\$ (20,436)
		Increases Power Costs: Wheeling Costs	\$ 3,248
		Increases Production O&M	\$ 4,410
		Benefit of Hopkins Ridge	\$ (12,778)