

EXHIBIT NO. ___(JMR-3)
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-_____

**SECOND 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 run
(costs in '000s)

| PCORC Rate Year: December 2005 - November 2006 | | | | | | | | | | | | | 2005 |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|-------------------|-------------------|
| | Dec-05 | Jan-06 | Feb-06 | Mar-06 | Apr-06 | May-06 | Jun-06 | Jul-06 | Aug-06 | Sep-06 | Oct-06 | Nov-06 | Rate Year |
| 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 | |