

**EXHIBIT NO. ___(DEM-14)
DOCKET NO. UE-06 ___/UG-06 ___
2006 PSE GENERAL RATE CASE
WITNESS: DAVID E. MILLS**

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

PUGET SOUND ENERGY, INC.,

Respondent.

**Docket No. UE-06 ___
Docket No. UG-06 ___**

**THIRTEENTH EXHIBIT (NONCONFIDENTIAL) TO THE
PREFILED DIRECT TESTIMONY OF
DAVID E. MILLS
ON BEHALF OF PUGET SOUND ENERGY, INC.**

FEBRUARY 15, 2006

2006 GRC Power Cost Projections
Rate Year AURORA + Non-AURORA Power Costs
1.9.06 AURORA Model run
3-month average gas prices at 11.30.05

GRC Rate Year: 2007

	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	2006 GRC Rate Year
501 Coal Fuel	\$ 4,293	\$ 3,949	\$ 4,377	\$ 3,970	\$ 3,663	\$ 3,235	\$ 4,343	\$ 4,378	\$ 4,337	\$ 4,459	\$ 4,338	\$ 4,459	\$ 49,801
547 Natural Gas Fuel	\$ 1,530	\$ 2,061	\$ 4,419	\$ 963	\$ (719)	\$ (1,066)	\$ 4,317	\$ 7,068	\$ 8,977	\$ 6,375	\$ 5,400	\$ 4,646	43,969
555 Purchase & Interchange	\$ 93,441	\$ 83,547	\$ 74,977	\$ 53,550	\$ 43,066	\$ 48,776	\$ 33,855	\$ 41,751	\$ 42,134	\$ 65,939	\$ 73,531	\$ 92,386	746,953
557 Other Power Supply	\$ 644	\$ 644	\$ 644	\$ 644	\$ 644	\$ 644	\$ 644	\$ 644	\$ 644	\$ 644	\$ 644	\$ 644	7,730
565 Wheeling	\$ 5,313	\$ 5,294	\$ 5,314	\$ 5,063	\$ 5,070	\$ 5,067	\$ 5,074	\$ 5,075	\$ 5,069	\$ 5,194	\$ 5,440	\$ 5,521	62,494
447 Secondary Sales	\$ (132)	\$ (33)	\$ (270)	\$ (128)	\$ (18)	\$ (77)	\$ (2,460)	\$ (3,764)	\$ (1,997)	\$ (742)	\$ (590)	\$ (43)	(10,255)
Subtotal	\$ 105,089	\$ 95,462	\$ 89,461	\$ 64,062	\$ 51,705	\$ 56,578	\$ 45,773	\$ 55,153	\$ 59,164	\$ 81,869	\$ 88,763	\$ 107,613	\$ 900,691
456 Non-Core Gas	\$ (31)	\$ (27)	\$ (43)	\$ (21)	\$ -	\$ (4)	\$ (30)	\$ (59)	\$ (74)	\$ (72)	\$ (60)	\$ (54)	(475)
Total Power Costs	\$ 105,058	\$ 95,435	\$ 89,418	\$ 64,042	\$ 51,705	\$ 56,575	\$ 45,743	\$ 55,093	\$ 59,089	\$ 81,797	\$ 88,703	\$ 107,559	\$ 900,217

Load in MWh	2,233,503	1,943,913	2,000,857	1,746,571	1,667,560	1,557,430	1,604,604	1,617,021	1,561,579	1,795,800	1,976,796	2,266,717	21,972,350
6.60% Delivered Load	2,086,092	1,815,615	1,868,801	1,631,298	1,557,501	1,454,639	1,498,700	1,510,298	1,458,515	1,677,277	1,846,327	2,117,114	20,522,175

Revenue Requirement Adjustments:

Before adjustment	\$ 900,217
Tenaska Buyout Disallowance	50.0% \$ 16,634
Tenaska Prudence Disallowance	1.2% \$ 209,224
March Point 2 Prudence Disallowance	3.0% \$ 35,463
Net Power Costs	\$ 888,325
Production O&M (including ben & p/r tax)	76,346
Colstrip 500 KV Expense	870
Costs for Revenue Requirement	\$ 965,541

Excluding Wild Horse

	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	Rate Year
501 Coal Fuel	\$ 4,296	\$ 3,952	\$ 4,378	\$ 3,970	\$ 3,663	\$ 3,236	\$ 4,344	\$ 4,379	\$ 4,335	\$ 4,456	\$ 4,335	\$ 4,457	\$ 49,801
547 Natural Gas Fuel	\$ 1,530	\$ 2,061	\$ 4,419	\$ 963	\$ (719)	\$ (1,066)	\$ 4,317	\$ 7,068	\$ 8,977	\$ 6,375	\$ 5,400	\$ 4,646	43,969
555 Purchase & Interchange	\$ 96,492	\$ 86,503	\$ 78,611	\$ 55,495	\$ 45,153	\$ 50,678	\$ 35,786	\$ 44,176	\$ 45,065	\$ 69,495	\$ 77,467	\$ 95,619	780,540
557 Other Power Supply	\$ 644	\$ 644	\$ 644	\$ 644	\$ 644	\$ 644	\$ 644	\$ 644	\$ 644	\$ 644	\$ 644	\$ 644	7,730
565 Wheeling	\$ 5,306	\$ 5,287	\$ 5,307	\$ 5,056	\$ 5,063	\$ 5,060	\$ 5,067	\$ 5,068	\$ 5,062	\$ 5,187	\$ 5,433	\$ 5,514	62,412
447 Secondary Sales	\$ (83)	\$ (20)	\$ (141)	\$ (74)	\$ (5)	\$ (35)	\$ (1,617)	\$ (2,661)	\$ (1,143)	\$ (345)	\$ (219)	\$ (13)	(6,357)
Subtotal	\$ 108,185	\$ 98,428	\$ 93,218	\$ 66,054	\$ 53,799	\$ 58,516	\$ 48,540	\$ 58,674	\$ 62,939	\$ 85,813	\$ 93,061	\$ 110,867	\$ 938,094
456 Non-Core Gas	\$ (31)	\$ (27)	\$ (43)	\$ (21)	\$ -	\$ (4)	\$ (30)	\$ (59)	\$ (74)	\$ (72)	\$ (60)	\$ (54)	(475)
Subtotal with Non-Core Gas	\$ 108,154	\$ 98,401	\$ 93,175	\$ 66,033	\$ 53,799	\$ 58,512	\$ 48,510	\$ 58,615	\$ 62,865	\$ 85,741	\$ 93,001	\$ 110,813	\$ 937,619

Load in MWh	2,233,503	1,943,913	2,000,857	1,746,571	1,667,560	1,557,430	1,604,603	1,617,021	1,561,579	1,795,800	1,976,796	2,266,717	21,972,350
6.60% Delivered Load	2,086,092	1,815,615	1,868,801	1,631,298	1,557,501	1,454,639	1,498,700	1,510,298	1,458,515	1,677,277	1,846,327	2,117,114	20,522,175

Revenue Requirement Adjustments:

Before adjustment	\$ 937,619
Tenaska Buyout Disallowance	50.0% \$ 16,634
Tenaska Prudence Disallowance	1.2% \$ 209,224
March Point 2 Prudence Disallowance	3.0% \$ 35,463
Net Power Costs	\$ 925,727
Production O&M (excluding WH)	66,424
Colstrip 500 KV Expense	870
Costs for Revenue Requirement	\$ 993,022
Cost Decr / (Incr) due to Wild Horse	\$ 27,481

Wild Horse

	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	Rate Year
501 Coal Fuel	\$ 4	\$ 4	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ (3)	\$ (3)	\$ (3)	\$ (3)	\$ -
547 Natural Gas Fuel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
555 Purchase & Interchange	\$ 3,051	\$ 2,956	\$ 3,634	\$ 1,944	\$ 2,087	\$ 1,902	\$ 1,931	\$ 2,425	\$ 2,931	\$ 3,556	\$ 3,936	\$ 3,233	33,586
557 Other Power Supply	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
565 Wheeling	\$ (7)	\$ (7)	\$ (7)	\$ (7)	\$ (7)	\$ (7)	\$ (7)	\$ (7)	\$ (7)	\$ (7)	\$ (7)	\$ (7)	(82)
447 Secondary Sales	\$ 48	\$ 13	\$ 129	\$ 54	\$ 13	\$ 42	\$ 843	\$ 1,103	\$ 854	\$ 397	\$ 371	\$ 30	3,898
Subtotal	\$ 3,096	\$ 2,966	\$ 3,757	\$ 1,992	\$ 2,094	\$ 1,938	\$ 2,768	\$ 3,522	\$ 3,776	\$ 3,944	\$ 4,298	\$ 3,254	\$ 37,402
456 Non-Core Gas	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal with Non-Core Gas	\$ 3,096	\$ 2,966	\$ 3,757	\$ 1,992	\$ 2,094	\$ 1,938	\$ 2,768	\$ 3,522	\$ 3,776	\$ 3,944	\$ 4,298	\$ 3,254	\$ 37,402

Load in MWh	(0)	0	(0)	(0)	0	0	(1)	0	0	0	0	(0)	(0)
6.60% Delivered Load	-	-	-	-	-	-	-	-	-	-	-	-	-

Revenue Requirement Adjustments:

Before adjustment	\$ 37,402
Tenaska Buyout Disallowance	50.0% \$ -
Tenaska Prudence Disallowance	1.2% \$ -
March Point 2 Prudence Disallowance	3.0% \$ -
Net Power Costs	\$ 37,402
Production O&M (including ben & p/r tax)	(9,921)
Colstrip 500 KV Expense	-
Costs for Revenue Requirement	\$ 27,481

Wild Horse	Decreases Power Costs: Market Net Purchases	(40,077)
	Increases Power Costs	2,593
	Increases Power Costs: Wheeling Costs	82
	Increases Production O&M	9,921
	Benefit of Wild Horse	\$ (27,481)