

**EXHIBIT NO. DEM-13C
DOCKET NOS. UE-090704/UG-090705
2009 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-090704
Docket No. UG-090705**

**FIRST EXHIBIT (CONFIDENTIAL) TO THE
PREFILED REBUTTAL TESTIMONY OF
DAVID E. MILLS
ON BEHALF OF PUGET SOUND ENERGY, INC.**

**REDACTED
VERSION**

DECEMBER 17, 2009

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

**Docket Nos. UE-090704 and UG-090705
Puget Sound Energy, Inc.'s
2009 General Rate Case**

ICNU DATA REQUEST NO. 03.11

ICNU DATA REQUEST NO. 03.11:

With regard to workpaper DEM 0202(C), please provide the latest official budget documents or power cost forecasts from Grant County PUD for both Priest Rapids and Wanapum.

Second Supplemental Response:

Attached as Attachment A to Puget Sound Energy, Inc.'s ("PSE") Second Supplemental Response to ICNU Data Request No. 03.11, please find an updated projection of PSE's Not-In-Models forecast for its share of Grant County Public Utility District's ("Grant PUD") Priest Rapids Project. This projection includes the results of the Grant PUD Power Auction ("Auction"), which was completed on November 5, 2009. The newly estimated Reasonable Portion Revenues resulting from the Auction's winning bids increase this proceeding's rate year net power cost forecast to (\$8,782,233). This amount is \$3,486,436 higher than what was provided in PSE's First Supplemental Response to ICNU Data Request No. 3.11, which was an update to reflect Grant PUD's most recent preliminary forecast, dated September 10, 2009.

Attachment A to PSE's Second Supplemental Response to ICNU Data Request No. 03.11 is CONFIDENTIAL per Protective Order in WUTC Docket Nos. UE-090704 and UG-090705.

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

**Docket Nos. UE-090704 and UG-090705
Puget Sound Energy, Inc.'s
2009 General Rate Case**

ICNU DATA REQUEST NO. 03.11

“CONFIDENTIAL” Table of Contents

DR NO.	“CONFIDENTIAL” Material
03.11 Second Suppl.	Attachment A to PSE's Second Supplemental Response to ICNU Data Request No. 03.11 is CONFIDENTIAL per Protective Order in WUTC Docket Nos. UE-090704 and UG-090705.

Mid-C as Reflected in Not In Models Forecast

Dollars in Thousands
 RY = Apr 10-Mar 11

<u>FERC</u>														Rate Year	
<u>Name</u>	<u>Acct</u>	<u>Type</u>	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	
In 9.28.09 Update	555	Grant PUD - Priest Rapids Project	(\$884)	(\$884)	(\$884)	(\$884)	(\$884)	(\$884)	(\$884)	(\$884)	(\$884)	(\$1,184)	(\$1,184)	(\$1,184)	(\$11,507)
ICNU DR 3.11 First Supplemental Resp.	555	Grant PUD - Priest Rapids Project Revised	(\$957)	(\$957)	(\$957)	(\$957)	(\$957)	(\$957)	(\$957)	(\$957)	(\$957)	(\$1,217)	(\$1,217)	(\$1,217)	(\$12,269)
		Decrease from 9.28.09 Update	(\$73)	(\$73)	(\$73)	(\$73)	(\$73)	(\$73)	(\$73)	(\$73)	(\$73)	(\$34)	(\$34)	(\$34)	(\$761)
ICNU DR 3.11 Second Supplemental Resp.		Using 3.11 Supp-01 Revised PRP, plus Auction Results	(\$570)	(\$570)	(\$570)	(\$570)	(\$570)	(\$570)	(\$570)	(\$570)	(\$570)	(\$1,217)	(\$1,217)	(\$1,217)	(\$8,782)
		Change from ICNU DR 3.11 Suppl-01	\$387	\$387	\$387	\$387	\$387	\$387	\$387	\$387	\$387	\$0	\$0	\$0	\$3,486

Public Utility District No. 2 of Grant County

Summary of PSE power cost by product						
Priest Rapids Development	2008	2009 (Jan-Oct)				
<i>Power Cost</i>						
Surplus Product						
O&M						
<u>Debt Service</u>						
Subtotal						
Additional Surplus Product						
O&M						
<u>Debt Service</u>						
Subtotal						
Meaningful Priority cost						
Reasonable Portion Revenue						
<u>Reasonable Portion Cost</u>						
Total						
<i>Energy</i>						
Surplus Product						
Additional Surplus Product						
<u>Meaningful Priority</u>						
Total						
Wanapum Development	2008	2009 (Jan-Oct)				
<i>Power Cost</i>						
O&M						
<u>Debt Service</u>						
Total						
<i>Energy</i>						
Slice product from 1959 contract						
Total						
Priest Rapids Project	2008	2009 (Jan-Oct)	2009 (Nov-Dec)	2010	2011	2012
<i>Power Cost</i>						
Surplus Product						
O&M	-	-				
<u>Debt Service</u>	-	-				
Subtotal	-	-				
Additional Surplus Product						
O&M	-	-				
<u>Debt Service</u>	-	-				
Subtotal	-	-				
Meaningful Priority	-	-				
Reasonable Portion Revenue	-	-				
<u>Reasonable Portion Cost</u>	-	-				
Total	-	-				
<i>Energy</i>						
Surplus Product	-	-				
Additional Surplus Product	-	-				
<u>Meaningful Priority</u>	-	-				
Total	-	-				



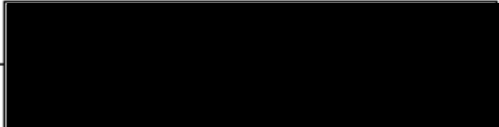
REDACTED VERSION

Note: "Priest Rapids Project" refers to the combined Priest Rapids and Wanapum Developments, effective November 1, 2009.

Public Utility District No. 2 of Grant County

Summary of PSE power cost by product

Priest Rapids Development	2008	2009 (Jan-Oct)			
Power Cost					
Surplus Product					
O&M					
<u>Debt Service</u>					
Subtotal					
Additional Surplus Product					
O&M					
<u>Debt Service</u>					
Subtotal					
Meaningful Priority cost					
Reasonable Portion Revenue					
<u>Reasonable Portion Cost</u>					
Total					
Energy					
Surplus Product					
Additional Surplus Product					
<u>Meaningful Priority</u>					
Total					
Wanapum Development					
Power Cost					
O&M					
<u>Debt Service</u>					
Total					
Energy					
Slice product from 1959 contract					
Total					
Priest Rapids Project					
Power Cost					
Surplus Product					
O&M	-	-			
<u>Debt Service</u>	-	-			
Subtotal	-	-			
Additional Surplus Product					
O&M	-	-			
<u>Debt Service</u>	-	-			
Subtotal	-	-			
Meaningful Priority	-	-			
Reasonable Portion Revenue	-	-			
<u>Reasonable Portion Cost</u>	-	-			
Total	-	-			
Energy					
Surplus Product	-	-			
Additional Surplus Product	-	-			
<u>Meaningful Priority</u>	-	-			
Total	-	-			



REDACTED VERSION

Note: "Priest Rapids Project" refers to the combined Priest Rapids and Wanapum Developments, effective November 1, 2009.

2010 Meaningful Priority & Reasonable Portion Allocation Recaps

18.43%

Winning Bid for 2009 Auction is		\$	64,017,499.00
Valuation of Reasonable Portion	30.00%	\$	104,206,455.24
EDPC including Capacity	0.00%	\$	-

	Counterparty	MP Election	MP Costs	MP Mthly Pmt Due
1				
2				
3				
4				
	<i>* Includes Exchangers Portion placed in auction</i>	31.08%	\$ 107,957,888	\$ 8,996,491

RP Revenue Allocation

	Counterparty	RP Percentage	RP Revenue Allocation	RP Revenue Payment (Jan-Dec)
1				
2				
3				
4				
5				
6				
7				
8				
9				
		100.00%	\$ 104,206,455	\$ 8,683,871

Exchanger Share of Auction Proceeds (included in Grant's Portion)

	Counterparty	RP Percentage	RP Revenue Allocation	RP Revenue Payment (Jan-Dec)
1				
2				
3				
4				
5				
		1.08%	\$ 3,751,432	\$ 312,619

\$ 104,206,455.24

REDACTED
VERSION