

**EXHIBIT NO. \_\_\_(WJE-10)**  
**DOCKET NO. \_\_\_\_\_**  
**2005 POWER COST ONLY RATE CASE**  
**WITNESS: W. JAMES ELSEA**

**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  
W. JAMES ELSEA (NONCONFIDENTIAL)  
ON BEHALF OF PUGET SOUND ENERGY, INC.**

**JUNE 7, 2005**

## Stage I- Review of All Source RFP Bid Costs

	# Offers	ASM Resource Project Cost Levelized 20-yr \$/MWh			ASM Cost to Serve Load <sup>(2)</sup> Levelized 20-yr \$/MWh		
		Low	High	Avg <sup>(1)</sup>	Low	High	Avg <sup>(1)</sup>
1 Natural Gas Ownership	10	60	85	69	55	82	60
8 Natural Gas Ownership and PPA	6	63	79	68	55	70	60
2 Wind	23	44	96	56	46	91	57
3 Wood Waste	4	46	65	58	45	60	55
4 Geothermal	2	67	78	73	61	70	65
5 PPA <sup>(*)</sup> Gas	13	52	99	66	52	63	57
6 PPA <sup>(*)</sup> existing Coal <sup>(3)</sup>	4	42	70	56	51	65	57
7 PPA <sup>(*)</sup> new Hydro <sup>(4)</sup>	1	64	64	64	53	53	53
9 Heat Recovery	2	47	66	56	47	63	55
10 Coal Ownership	1	53	53	53	49	49	49
<b>Total</b>	<b>66</b>	<b>42</b>	<b>99</b>	<b>62</b>	<b>45</b>	<b>91</b>	<b>57</b>

<sup>(1)</sup> If only one bid evaluated so far, then that bid put in the average column

<sup>(2)</sup> Assumes PSE retail load shape and volume of load equal to plant capacity times availability.

<sup>(3)</sup> For first 10 years cost to serve load is \$48, remaining 10 years at market

<sup>(4)</sup> Project cost is higher because energy of PPA supplied during 6x16 on-peak hours

<sup>(\*)</sup> All PPAs included imputed debt cost assuming S&P risk factor of 30%