

1 **Q. How did PSE determine that the Final Structure would be more optimal**
2 **than the Proposed Structure?**

3 A. PSE asked Barclays to produce an indicative price for a Four-year Winter PPA
4 based on a structure similar to the Final Structure. PSE evaluated this price with
5 PSM and found that such structure evaluated slightly better than the Proposed
6 Structure. The Final Structure projected to have a more attractive levelized cost
7 and benefit ratio. It should be noted, however, that the Proposed Structure had a
8 larger portfolio benefit because of its larger average capacity. The following
9 table presents the price and PSM quantitative measures of the Final Structure.

	Final Structure
Price	\$ [REDACTED] /MWh
Levelized Cost	\$ [REDACTED] /MWh
Portfolio Benefit	\$26.9 million
Benefit Ratio	0.57

10 **Q. How did the counterparties secure final pricing for the Barclays Four-year**
11 **Winter Only PPA.**

12 A. To confirm that PSE could secure a competitive price for the Barclays Four-year
13 Winter Only PPA, PSE held a live pricing solicitation on October 9, ~~2009~~2008 for
14 prequalified counterparties and received active prices from three counterparties
15 including Barclays. PSE analyzed each of the three bids with PSM. Again, the
16 Barclays Four-year Winter Only PPA projected to have the lowest and most