

EXHIBIT NO. ____ (DEM-5)
DOCKET NO. UE-07 ____
2007 PSE PCORC
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-07 ____

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

MARCH 20, 2007

PUGET SOUND ENERGY
2007 PCORC vs 2006 GRC Power Cost Projections

LN	FERC	a/c	Contract/Resource	2006 GRC (Jan'07-Dec'07)			2007PCORC (Sept '07- Aug '08)			Increase / (Decrease) Costs			Incr/(Decr) MWhs		
				(costs in '000s)			(costs in '000s)			(costs in '000s)			2006GRC	2007PCORC	07PCORC-06GRC
				AURORA	Other	Total	AURORA	Other	Total	AURORA	Other	Total	MWH	MWH	MWH
1															
2	501		Colstrip 1&2	21,502	3,505	25,007	22,135	3,802	25,937	633	297	930	2,344,968	2,224,998	(119,970)
3	501		Colstrip 3&4	22,366	4,873	27,239	24,614	5,476	30,090	2,248	603	2,851	2,587,832	2,781,767	193,935
4	547		Encogen	17,678	(30,571)	(12,893)	18,935	(25,161)	(6,226)	1,257	5,410	6,667	249,809	264,256	14,446
5	547		Fred 1	31,655	9,571	41,226	32,461	6,897	39,358	806	(2,674)	(1,868)	555,774	568,533	12,760
6	547		Goldendale	0	0	0	81,172	4,219	85,391	81,172	4,219	85,391	0	1,437,971	1,437,971
7	547		Crystal Mountain	0	0	0	0	0	0	0	0	0	0	0	0
8	547		Frederickson 1&2	188	0	188	360	0	360	172	0	172	1,987	3,734	1,747
9	547		Fredonia 1&2	797	791	1,588	1,290	791	2,081	493	0	493	8,918	14,314	5,396
10	547		Fredonia 3&4	361	791	1,152	953	791	1,744	593	0	593	4,467	11,784	7,317
11	547		Whitehorn 2&3	140	181	320	283	181	464	144	0	144	1,432	2,883	1,451
12	555		Baker Replacement	0	0	0	0	0	0	0	0	0	7,009	7,081	73
13	555		BC Hydro Point Roberts	1,424	0	1,424	1,560	0	1,560	136	0	136	19,678	19,808	130
14	555		BPA Firm - WNP #3 Exchange	11,968	0	11,968	11,693	0	11,693	(275)	0	(275)	390,832	319,507	(71,324)
15	555		BPA Snohomish Conservation	4,426	0	4,426	3,784	0	3,784	(643)	0	(643)	92,864	90,304	(2,560)
16	555		Canadian EA	0	0	0	0	0	0	0	0	0	(293,355)	(290,350)	3,005
17	555		Market Purchase	260,019	13,866	273,885	253,458	(484)	252,974	(6,561)	(14,350)	(20,911)	4,332,974	4,063,138	(269,835)
18	447		Market Sale	(7,471)	0	(7,471)	(11,311)	0	(11,311)	(3,840)	0	(3,840)	(173,868)	(234,213)	(60,346)
19	555		Mid Columbia	0	86,811	86,811	0	93,705	93,705	0	6,894	6,894	5,714,970	5,801,568	86,597
20	555		MPC Firm Contract	4,566	35,865	40,431	4,983	36,835	41,818	417	970	1,387	698,228	750,487	52,260
21	555		Nooksack Hydro	1,216	(61)	1,155	1,284	(60)	1,224	68	1	69	21,900	21,960	60
22	555		PG&E Exchange	0	0	0	0	0	0	0	0	0	2,044	5,957	3,913
23	555		PR Displacement Product	8,568	0	8,568	6,309	0	6,309	(2,259)	0	(2,259)	255,406	213,608	(41,798)
24	555		Puget's Hydro	0	0	0	0	0	0	0	0	0	1,136,080	997,535	(138,545)
25	555		QF Koma Kulshan Hydro	3,047	0	3,047	2,981	0	2,981	(66)	0	(66)	39,799	38,961	(839)
26	555		QF March Point Cogen Phase1	38,338	0	38,338	37,323	0	37,323	(1,015)	0	(1,015)	698,627	670,782	(27,846)
27	555		QF March Point Cogen Phase2	26,030	0	26,030	29,758	0	29,758	3,728	0	3,728	383,707	433,160	49,453
28	555		QF Port Townsend Hydro	138	(7)	131	143	(7)	137	6	0	6	2,545	2,512	(33)
29	555		uyallup Energy Recovery Co. (PERC)	726	340	1,066	642	340	982	(83)	0	(83)	12,970	10,905	(2,064)
30	555		QF Spokane MSW	12,700	0	12,700	12,823	0	12,823	123	0	123	142,148	142,764	616
31	555		QF Sumas	55,597	0	55,597	57,881	0	57,881	2,284	0	2,284	790,343	830,740	40,397
32	555		QF Sygitowicz	44	0	44	45	0	45	1	0	1	717	707	(10)
33	555		QF Tenaska	121,807	24,343	146,150	128,756	26,962	155,718	6,949	2,619	9,568	729,843	852,211	122,367
34	555		QF Twin Falls	5,247	0	5,247	5,168	0	5,168	(78)	0	(78)	69,955	68,910	(1,044)
35	555		QF Weeks Falls	943	0	943	926	0	926	(17)	0	(17)	12,569	12,341	(227)
36	555		Wasco Hydro	2,465	0	2,465	2,491	0	2,491	26	0	26	37,994	38,208	214
37	565		Hopkins Ridge Wind	0	3,182	3,182	0	3,226	3,226	0	44	44	460,940	457,378	(3,562)
38	555		Wild Horse Wind	0	2,593	2,593	0	2,725	2,725	0	133	133	630,244	641,924	11,679
39	555		Vanderhaak Dairy	0	0	0	0	0	0	0	0	0	0	0	0
40	555		ORMAT	0	0	0	1,308	0	1,308	1,308	0	1,308	0	23,552	23,552
41	555		QF Hutchinson	0	0	0	0	0	0	0	0	0	0	0	0
42	557		Other Power Costs	0	7,700	7,700	0	7,243	7,243	0	(456)	(456)	0	0	0
43	565		Wheeling	0	55,882	55,882	0	63,930	63,930	0	8,048	8,048	0	0	0
44	555		Douglas Settlement	0	(6,639)	(6,639)	0	(5,000)	(5,000)	0	1,639	1,639	0	0	0
45	555		Capacity	0	996	996	0	728	728	0	(268)	(268)	0	0	0
46	555		Powerex	0	0	0	0	0	0	0	0	0	0	0	0
47	456		(Gain) / Loss on Sale of Excess Gas	0	406	406	0	(1,020)	(1,020)	0	(1,426)	(1,426)	0	0	0
48	555		BEP Amort	0	3,527	3,527	0	3,527	3,527	0	0	0	0	0	0
49				0	0	0	0	0	0	0	0	0	0	0	0
50			Total	\$ 646,485	\$ 217,944	\$ 864,429	\$ 734,209	\$ 229,647	\$ 963,855	\$ 87,724	\$ 11,702	\$ 99,426	21,972,348	23,301,683	1,329,335
51															
52	501		Coal Fuel	43,868	8,378	52,246	46,749	9,278	56,027	2,881	900	3,781	4,932,800	5,006,765	73,965
53	547		Natural Gas Fuel	50,819	(19,237)	31,582	135,454	(12,282)	123,172	84,636	6,955	91,590	822,386	2,303,474	1,481,088
54	555		Purchase & Interchange	559,269	161,633	720,903	563,316	159,272	722,588	4,046	(2,361)	1,685	15,930,090	15,768,279	(161,810)
55	557		Other Power Supply	0	7,700	7,700	0	7,243	7,243	0	(456)	(456)	0	0	0
56	565		Wheeling	0	59,064	59,064	0	67,156	67,156	0	8,092	8,092	460,940	457,378	(3,562)
57	447		Secondary Sales	(7,471)	0	(7,471)	(11,311)	0	(11,311)	(3,840)	0	(3,840)	(173,868)	(234,213)	(60,346)
58	456		Non-Core Gas	0	406	406	0	(1,020)	(1,020)	0	(1,426)	(1,426)	0	0	0
59				\$ 646,485	\$ 217,944	\$ 864,429	\$ 734,209	\$ 229,647	\$ 963,855	\$ 87,724	\$ 11,702	\$ 99,426	21,972,348	23,301,683	1,329,335
60															
61			Prudence & Buyout Disallowances		\$ (11,117)		0		\$ (10,249)			\$ 868			
62			Production O&M (including ben & p/r tax)			80,119			92,064			11,945			
63			Colstrip 500 KV Expense			870			1,352			482			
64			Costs for Revenue Requirement			\$ 934,301			\$ 1,047,022			\$ 112,721			