

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant,

V.

PUGET SOUND ENERGY, INC.,

Respondent.

Docket No. UG-040640

Docket No. UE-040641

DECLARATION OF
JULIA M. RYAN IN SUPPORT OF PSE'S
MOTION FOR AMENDED STANDARD
PROTECTIVE ORDER WITH "HIGHLY
CONFIDENTIAL" PROVISIONS

In the Matter of the Petition of

PUGET SOUND ENERGY, INC.,

For an Order Regarding the Accounting
Treatment For Certain Costs of the
Company's Power Cost Only Rate Filing

Docket No. UE-031471

In the Matter of the Petition of

PUGET SOUND ENERGY, INC.,

For an Accounting Order Authorizing
Deferral and Recovery of Investment and
Costs Related to the White River
Hydroelectric Project

Docket No. UE-032043

I

I, Julia M. Ryan, hereby declare under penalty of perjury under the laws of the State of Washington that the following are true and correct:

DECLARATION OF
JULIA M. RYAN- 1

[07771-0089/BA041190.058]

Perkins Coie LLP
10885 N.E. Fourth Street, Suite 700
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Phone: (425) 635-1400
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2 I am Vice President of Risk Management and Strategic Planning for Puget Sound
Energy, Inc. ("PSE" or "the Company"). I have personal knowledge of the matters set forth
in this Declaration and, as to matters that call for an opinion, state such opinion on
information and belief based on my experience in the industry and with the Company.

3 The Company must protect information about its portfolio management strategies,
details regarding its approach to energy market transactions and hedging, and characteristics of
individual generating units in order to preserve its negotiating strength with potential
counterparties to wholesale energy transactions. If potential competitors, including potential
counterparties, have access to such materials through filings, data request responses or
exhibits in Commission dockets, or from persons who have had access to such materials,
they could use that information to the Company's disadvantage in proposing or negotiating
purchases or sales of energy or natural gas to or from the Company. The likely result would
be increased costs for the Company and, ultimately, its customers.

4 I am very concerned that certain types of information may be requested or otherwise
required to be provided in this proceeding that pose a highly significant risk of competitive
harm to the Company if released beyond a very small number of people who have a pressing
need to know such information for purposes of this proceeding. One particular type of such
information of which I am currently aware is the identity of specific counterparties that are
prepared to extend specific dollar amounts of open credit to the Company.

5 In order to evaluate how PSE's credit rating affects PSE's ability to enter into
agreements with counterparties to hedging transactions, PSE conducted a survey of its major
gas, power and financial counterparties. Through the survey, PSE obtained information
regarding the amount of open (unsecured) credit that counterparties were willing to extend
to PSE at (i) its current corporate debt rating, (ii) one level lower, and (iii) one level higher.

DECLARATION OF
JULIA M. RYAN- 2

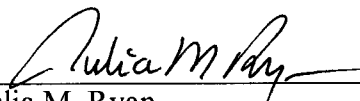
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An exhibit to my prefiled direct testimony showing the results of this survey have been included in PSE's prefiled direct testimony with a "highly confidential" designation. See Exhibit ____ (JMR-8HC). My workpapers underlying the exhibit have also been marked "highly confidential."

6 I believe such information deserves the "highly confidential" designation for two reasons. First, counterparties typically are reluctant to provide such information. They compete with each other to offer products to PSE and others and in many cases are themselves purchasers or sellers of energy and natural gas. I believe that the counterparties who provided this information did so with the expectation that PSE would handle the information discretely. Dissemination of this information beyond a very small number of recipients would likely foreclose any possibility of a future exchange of information with counterparties regarding such issues. Second, PSE competes with other companies in the energy markets for access to hedging products and financing. Access to detailed information about which counterparties are prepared to extend what level of credit to PSE would create a significant risk of competitive harm to PSE as it seeks to negotiate future agreements.

Executed this 30th day of April, 2004, at Bellevue, Washington.



Julia M. Ryan

DECLARATION OF
JULIA M. RYAN- 3

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