

EXHIBIT NO. ____ (EMM-6)
DOCKET NO. UE-07 ____
2007 PSE PCORC
WITNESS: ERIC M. MARKELL

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

PUGET SOUND ENERGY, INC.,

Respondent.

Docket No. UE-07 ____

**FIFTH EXHIBIT (NONCONFIDENTIAL) TO THE
PREFILED DIRECT TESTIMONY OF
ERIC M. MARKELL
ON BEHALF OF PUGET SOUND ENERGY, INC.**

MARCH 20, 2007

PUGET ENERGY, INC.
MINUTES OF THE
BOARD OF DIRECTORS' MEETING
NOVEMBER 3, 2006

Pursuant to notice duly given on October 26, 2006 (a copy of which is filed with these minutes), a meeting of the Board of Directors of Puget Energy was held in the Board Room on the 12th floor of the Puget Sound Energy Building beginning at 8 a.m. on Friday, November 3, 2006.

The following Directors were present:

W. S. Ayer
P. J. Campbell
C. W. Cole
S. E. Frank
T. Moriguchi
K. P. Mortimer
S. G. Narodick
S. P. Reynolds
H. B. Simon
G. W. Watson

being more than a quorum.

Also present were:

Puget Energy and PSE Management

J. W. Eldredge, Vice President, Corporate Secretary and Controller
J. L. O'Connor, Senior Vice President General Counsel, Chief Ethics and Compliance Officer
B. A. Valdman, Senior Vice President Finance and Chief Financial Officer

The following PSE management employees were present:

D. P. Brady, Senior Vice President Customer Service, Information Technology and Chief Information Officer
P. K. Bussey, Senior Vice President Corporate Affairs
J. W. Elsea, Energy Resource Financial Analysis Manager
R. A. Garratt, Director of Resource Acquisition
K. J. Harris, Senior Vice President Regulatory Policy and Energy Efficiency
E. M. Markell, Senior Vice President Energy Resources
S. McLain, Senior Vice President Operations
C. A. Philipps, Manager Renewable Resource Acquisitions

M. A. Velicer, Director Planning and Budgeting
P. M. Wiegand, Vice President Project Development and Project Management

Mr. Reynolds presided and Mr. Eldredge kept the records of the meeting.

REDACTED

REDACTED

**APPROVAL OF PURCHASE OF GOLDENDALE GAS-FIRED POWER
FACILITY**

Mr. Reynolds then asked Mr. Markell to give the Board an update on PSE energy resource acquisition matters. Mr. Markell then reviewed and discussed with the Board a report he had prepared on the Goldendale gas-fired power facility and management's recommendation that PSE make an offer to purchase the Goldendale facility. A copy of Mr. Markell's report was furnished the Board in advance of this meeting and is filed with the records of this meeting.

REDACTED

ADJOURNMENT

There being no further business to come before the meeting, on motion duly made and seconded, it was unanimously

RESOLVED - That this meeting be and hereby is adjourned.

A true record.

ATTEST:



Corporate Secretary

PUGET SOUND ENERGY, INC.
MINUTES OF THE
BOARD OF DIRECTORS' MEETING
NOVEMBER 3, 2006

Pursuant to notice duly given on October 26, 2006 (a copy of which is filed with these minutes), a meeting of the Board of Directors of Puget Sound Energy was held in the Board Room on the 12th floor of the Puget Sound Energy Building beginning at 8 a.m. on Friday, November 3, 2006.

The following Directors were present:

W. S. Ayer
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S. E. Frank
T. Moriguchi
K. P. Mortimer
S. G. Narodick
S. P. Reynolds
H. B. Simon
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REDACTED

APPROVAL OF PURCHASE OF GOLDENDALE GAS-FIRED POWER

FACILITY

Mr. Reynolds then asked Mr. Markell to give the Board an update on PSE energy resource acquisition matters. Mr. Markell then reviewed and discussed with the Board a report he had prepared on the Goldendale gas-fired power facility and management's recommendation that PSE make an offer to purchase the Goldendale facility. A copy of Mr. Markell's report was furnished the Board in advance of this meeting and is filed with the records of this meeting.

After full discussion, on motion duly made and seconded, the following was unanimously approved:

WHEREAS, the Board of Directors of Puget Sound Energy, Inc. ("PSE" or the "Company") has determined that it is in the best interests of the Company, its customers, shareholders and other stakeholders to add energy resources into the Company's energy resource portfolio consistent with the Company's 2005 Least Cost Plans;

WHEREAS, the Company's review, analyses and evaluation of bids and responses to its 2005 Generation Resources Request for Proposal and of proposals independently identified, as regularly updated, have determined an existing natural gas-fired generating facility located in Goldendale, Washington and owned by Goldendale Energy Center, LLC ("GEC"), an affiliate of Calpine Corporation ("Calpine"), to be a least cost resource for additional energy resource generation;

WHEREAS, the Goldendale facility consists of an approximately 250 MW natural gas electric generation facility situated on approximately 41 acres of land located in the City of Goldendale, Klickitat County, Washington, gas delivery facilities, an electrical switchyard, certain nearby real property, and other facilities (collectively, the "Goldendale Facility");

WHEREAS, Calpine and GEC each filed and commenced cases under chapter 11 of the Bankruptcy Code, Title 11 of the United States Code (the "Bankruptcy Code"), in the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court"), and Calpine and GEC have determined the sale of the Goldendale Facility to be in the best interest of each, provided that such sale be conducted in accordance with

the relevant sections of the Bankruptcy Code under the auspices of the Bankruptcy Court;

WHEREAS, the Company's management has negotiated with Calpine and GEC the terms and conditions of a Membership Interests Purchase Agreement ("MIPA"), pursuant to which the Company would purchase from GEC all of its ownership interest in a new limited liability company to be formed by GEC ("New LLC"), to which GEC will transfer all of its right, title and interest in the Goldendale Facility and to which GEC will assign certain contracts and real estate rights;

WHEREAS, the purchase price for New LLC under the MIPA is \$100,000,000, less certain pre-agreed amounts to be paid by PSE to cure existing defaults of any assigned contracts (the "Purchase Price"), payable as follows: (1) an amount equal to 3.75% of the Purchase Price payable upon execution, (2) an amount equal to 3.75% of the Purchase Price payable upon entry of the Sale Order (defined below) and (3) the balance payable upon closing;

WHEREAS, at or immediately following the closing, PSE will dissolve New LLC, with the result that all of the assets and liabilities of New LLC will become those of the Company;

WHEREAS, the MIPA and certain related matters are described more fully in a memorandum provided to the Board of Directors in advance of this meeting and filed with the minutes (the "Goldendale Facility Proposal"); and

WHEREAS, the officers now seek Board approval of and authority to enter into the MIPA and all other contracts and actions described in the Goldendale Facility Proposal and relating to the acquisition and operation of the Goldendale Facility.

IT IS, THEREFORE

RESOLVED, that the Board, after full consideration and due deliberation, deems it advisable and in the best interests of the Company, its customers, shareholders and other stakeholders to approve the acquisition and operation of the Goldendale Facility pursuant to the MIPA, and any related agreements and the other transactions described in the Goldendale Facility Proposal; and be it further

RESOLVED, that the Board hereby authorizes the Company's Chief Financial Officer, its Senior Vice President Energy Resources, its General Counsel, and any such other officers they deem appropriate (the "Authorized Officers") to execute the MIPA and all other agreements or

contracts described in the Goldendale Facility Proposal, which may include such further additions, amendments or changes to the terms thereof as are deemed necessary and appropriate by the Authorized Officers; and be it further

RESOLVED, that the Authorized Officers are further authorized to waive any conditions precedent to the closing of the MIPA in order to facilitate the closing of such agreement, provided that each of the Authorized Officers agrees to such waiver and deems it to be in the best interest of the Company, its customers, shareholders and other stakeholders.

APPROVAL OF INCREASES OF THE PURCHASE PRICE FOR THE GOLDENDALE FACILITY IN CONNECTION WITH THE POSSIBLE AUCTION THEREOF

WHEREAS, Calpine and GEC intend to seek authorization from the Bankruptcy Court for the sale of the Goldendale Facility in accordance with the terms of the MIPA, and specifically will move the Bankruptcy Court to approve two orders: (1) an order specifying the bidding procedures to be employed in an auction open to third parties and required by the Bankruptcy Court (the "Bidding Procedures Order") and (2) an order approving the final terms of sale as determined in the court-ordered auction (the "Sale Order") (the motions seeking entry of the Bidding Procedure Order and of the Sale Order being further described in the Goldendale Facility Proposal);

WHEREAS, in the event that any qualified third-party bidders in the court-ordered auction offer a purchase price for the Goldendale Facility that is at least \$3.6 million greater than the Purchase Price in the MIPA (this initial increment reflects a \$2.5 million break up fee payable to the Company under certain circumstances plus a \$1.1 million initial overbid amount set forth in the Bidding Procedures Order), the Company's management believes and this Board of Directors agrees that a purchase of the Goldendale Facility remains in the best interest of the Company, its customers, its shareholders and other stakeholders, at an increased purchase price consistent with the range reflected in the Goldendale Facility Proposal filed with the minutes hereof (the "Potential Auction Price"); and

WHEREAS, the Authorized Officers now seek Board approval of and authority to bid up to the Potential Auction Price during the bankruptcy auction if circumstances so warrant.

IT IS, THEREFORE

RESOLVED, that notwithstanding the terms of the MIPA, in the event that during the course of the bankruptcy auction required by the Bidding

Procedures Order the purchase price for the Goldendale Facility exceeds that set forth in the MIPA, it remains in the best interests of the Company, its customers, shareholders and other stakeholders for the Company to offer and pay up to the Potential Auction Price to acquire the Goldendale Facility; and be it further

RESOLVED, that the Board hereby authorizes the Authorized Officers to increase the Purchase Price under the MIPA up to the Potential Auction Price if so necessary.

GENERAL AUTHORITY

AND IT IS FURTHER

RESOLVED, that any and all actions taken by the officers of the Company, or any of them, as deemed by such officers to be necessary or advisable to effectuate the transactions contemplated by the foregoing resolutions, including the filing of appropriate documentation with the WUTC, whether prior to or subsequent to this action by this Board of Directors, are hereby authorized, approved and ratified, and the taking of any and all such actions and the performance of any and all such things in connection with the foregoing shall conclusively establish such officers' authority therefor from the Company and the approval and ratification thereof by this Board of Directors.

REDACTED

REDACTED

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ADJOURNMENT

There being no further business to come before the meeting, on motion duly made and seconded, it was unanimously

RESOLVED - That this meeting be and hereby is adjourned.

A true record.

ATTEST:



Corporate Secretary