

EXHIBIT NO. ____ (EMM-1HCT)
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 ____

**PREFILED DIRECT TESTIMONY (HIGHLY CONFIDENTIAL) OF
ERIC M. MARKELL
ON BEHALF OF PUGET SOUND ENERGY, INC.**

**REDACTED
VERSION**

MARCH 20, 2007

PUGET SOUND ENERGY, INC.

**PREFILED DIRECT TESTIMONY (HIGHLY CONFIDENTIAL) OF
ERIC M. MARKELL**

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PUGET SOUND ENERGY, INC.

**PREFILED DIRECT TESTIMONY (HIGHLY CONFIDENTIAL) OF
ERIC M. MARKELL**

I. INTRODUCTION

Q. Please state your name, business address, and position with Puget Sound Energy, Inc.

A. My name is Eric M. Markell. My business address is 10885 N.E. Fourth Street, Bellevue, WA 98004. I am the Senior Vice President Energy Resources for Puget Sound Energy, Inc. ("PSE" or "the Company").

Q. Have you prepared an exhibit describing your education, relevant employment experience and other professional qualifications?

A. Yes, I have. It is Exhibit No. ____ (EMM-2).

Q. What are your duties as Senior Vice President Energy Resources for PSE?

A. My present responsibilities include oversight of: (i) the operation and maintenance of the Company's electric generating facilities and the Jackson Prairie gas storage facility; (ii) contracts for long-term electric supply, transmission service, long-term gas supply, and long-term gas transportation service; (iii) generation resource acquisition; and (iv) integrated resource planning.

1 **Q. What has prompted the Company to file a power cost only rate case**
2 **(“PCORC”) at this time?**

3 A. As described more fully later in my testimony, the Company has a well
4 documented need to acquire additional generation resources. The Company has
5 been actively monitoring the resource market looking for opportunities to fill this
6 need that best serve our customers’ needs. The acquisition of the Goldendale
7 Generating Station was just such an opportunity.

8 With its purchase of the Goldendale Generating Station, PSE was able to acquire
9 a nearly new, highly efficient plant for approximately one half of what the
10 Company estimates it would cost to build such a facility if construction were
11 commenced today and completed in about two years. While the acquisition of
12 Goldendale was a great opportunity and will provide benefits to customers for
13 many years to come, it also prompted the need to seek recovery of the costs of the
14 plant.

15 **Q. What is the nature of your testimony in this proceeding?**

16 A. My testimony describes the Company’s need to acquire new or replacement
17 resources in order to have enough power to meet the projected demands of PSE’s
18 electric customers.

19 My testimony then presents a summary of the Company’s long-term electric
20 supply portfolio and the strategies the Company is pursuing to address the

1 Company's need to acquire additional electric resources. I also address the
2 Company's recent acquisition of the 277 MW gas-fired combined cycle electric
3 generation facility in Goldendale, Washington (the "Goldendale Generating
4 Station") for which the Company is seeking the Commission's prudence
5 determination and rate treatment in this case. Finally, I describe the Company's
6 resource acquisition process and how the Company has complied with the
7 prudence standard set forth by the Commission.

8 II. REQUESTED RELIEF

9 **Q. What level of rate increase is the Company requesting in this case?**

10 A. The total requested rate increase for electric customers is \$64,680,804, an average
11 3.67 percent increase over the electric rates set in the Company's 2006 general
12 rate case, Docket Nos. UE-060266 and UG-060267 (the "2006 GRC"), that
13 became effective on January 13, 2007.

14 **Q. Please explain why the Company needs the proposed rate relief.**

15 A. The Company's current electric rates include costs that it projected would be
16 incurred to generate or purchase the power PSE needs to serve its electric
17 customers during the rate year for its 2006 general rate case: January 2007
18 through December 2007. These projections were partially updated in January
19 2007 for natural gas prices as of November 30, 2006, at the time the Company
20 prepared its compliance filing in the 2006 general rate case.

1 Since that time, changes have occurred or will occur with respect to the
2 Company's electric portfolio that, in total, are projected to increase the
3 Company's revenue requirement and power costs during the proposed rate year
4 for this case: September 2007 through August 2008. These changes, and the
5 projected power cost increases, are discussed in the testimonies of John Story and
6 David Mills.

7 **Q. Is the Company requesting any other relief?**

8 A. Yes. PSE seeks a prudence determination in this proceeding with respect to the
9 acquisition of the Goldendale Generating Station and the costs associated with
10 this project.

11 The Company also requests a waiver of the requirement that it file a general rate
12 case within three months of the effective date of the rate increase resulting from
13 this Power Cost Only Rate Case, as required by the PCA Settlement, executed by
14 the parties in Docket Nos. UE-011570 and UG-011571, and approved by the
15 Commission. PSE requests that it be granted an extension to file the general rate
16 case to no later than April 15, 2008, as described in more detail in the motion
17 accompanying this filing.

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III. PORTFOLIO SUMMARY

Q. Please describe the principal components of the Company's electric supply portfolio.

A. PSE derives most of its electric supply from a generation "portfolio" consisting of a mix of resources, owned and purchased, representing technology, fuel, transmission and geographic diversity. This portfolio approach helps mitigate the risk of supply disruption and attendant cost volatility by reducing reliance on any one resource, fuel type or geographic location. All of the natural gas-fueled resources are located in western Washington except the Goldendale Generating Station, which is located near the Oregon border in south-central Washington. The Company purchases under long-term contracts significant quantities of hydroelectric power from projects located along the middle section of the Columbia River in central Washington ("the Mid-C"). The Company also owns a 50% undivided interest in Colstrip Units 1 and 2 and a 25% undivided interest in Colstrip Units 3 and 4. The Colstrip Project is a 2,100 MW pulverized coal/steam electric generating plant located in eastern Montana. The geographic locations of the Company's electric portfolio resources are illustrated in Exhibit No. ____ (EMM-3).

PSE's ownership share and contractual interests in the Colstrip Project provide approximately one quarter of its annual energy requirements. Hydroelectric generation supplies approximately one third of the Company's annual energy

1 requirements, depending on the availability of water in any given year. Hydro
2 resources also provide valuable ancillary services to “firm” the Company’s
3 growing portfolio of wind resources. Natural gas-fired generation resources
4 provide another approximately one third of PSE’s annual energy requirements,
5 depending on market conditions. These natural gas-fired resources consist of
6 contracted and owned facilities. Contracted facilities include purchased power
7 agreements with three non-utility generators (“NUGs”), which are the Tenaska,
8 Sumas and March Point projects. PSE owns three gas-fired combustion turbine
9 combined cycled projects: (i) the 169 MW Encogen Generating Station; (ii) the
10 277 MW Goldendale Generating Station; and (iii) 49.85% of the 276 MW
11 Frederickson 1 Generating Station. The Company’s 149 MW Hopkins Ridge
12 Wind Project and its 229 MW Wild Horse Wind Project are expected to supply
13 about 5 percent of PSE’s 2008 energy load in an average wind year. Short-term
14 market purchases and various other contracts comprise the remaining resources.
15 The relative contributions of these various resources in 2006 is shown in Exhibit
16 No. ____ (EMM-4) at page 46. Because the Company’s Wild Horse Wind Project
17 did not enter commercial service until December 20, 2006, its energy contribution
18 in 2006 was minimal. Also, the Goldendale Generating Station was acquired by
19 the Company on February 21, 2007, and thus is not shown among the 2006
20 resources.

21 Further detail regarding the Company’s electric resource portfolio is found in
22 PSE’s 2005 Least Cost Plan (“2005 LCP”) at Chapter IX – Electric Resources,

1 which was filed with the Commission under Docket No. UE-050664. A copy of
2 the 2005 LCP is provided as Exhibit No. ____ (EMM-4).

3 **Q. Have there been changes to PSE's existing long-term electric resource**
4 **portfolio since the Company's 2006 General Rate Case?**

5 A. Yes. PSE acquired the 277 MW Goldendale Generating Station on February 21,
6 2007.

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7 **Q. Are there any resource acquisitions that the Company is currently pursuing?**

8 A. Yes, several transactions selected through the 2005 RFP process or arising from
9 other market opportunities are in various stages of negotiation and
10 documentation, but are not ripe for consideration in this proceeding. They
11 include: (i) a [REDACTED] purchased power agreement for [REDACTED]
12 [REDACTED] wind generation project [REDACTED]; (ii) a
13 [REDACTED] gas-fired combustion turbine peaking project in [REDACTED];
14 (iii) a [REDACTED] purchased power agreement [REDACTED]
15 [REDACTED]; (iv) a [REDACTED]
16 purchased power agreement for [REDACTED]; (v) a [REDACTED]
17 [REDACTED] purchased power agreement [REDACTED]; (vi) a [REDACTED]
18 [REDACTED] agreement with a cogeneration plant [REDACTED];
19 (vii) an [REDACTED] gas-fired [REDACTED] project in [REDACTED]; and
20 (viii) a [REDACTED] purchased power agreement [REDACTED]. In

1 addition, the Company keeps careful track of certain opportunities placed on its
2 “watch list” in the event issues identified with such projects are resolved and they
3 merit further consideration. Each of these commercial undertakings involves
4 different types of counterparties, resources, transaction structures and timelines.
5 In each case, PSE is focused on the task at hand, is applying its extensive
6 analytical, commercial and legal capabilities, and will continue to finalize the
7 transactions that will best serve our customers for decades to come.

8 **Q. What are the new electric portfolio resources for which the Company is**
9 **seeking a prudence determination from the Commission in this case?**

10 A. PSE seeks a prudence determination in this proceeding with respect to the
11 acquisition of the Goldendale Generating Station, including its associated capital
12 costs, operating costs, transmission costs and costs for natural gas pipeline
13 capacity.

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14 **Q. Would you please summarize the estimated costs and benefits of the**
15 **Goldendale Generating Station?**

16 A. The Goldendale Generating Station is among the most attractive alternatives
17 available to the Company arising out of PSE’s market monitoring activities and
18 its RFP process under WAC Chapter 480-107.

19 The Company’s analyses estimate that the Goldendale Generating Station has a
20 20-year levelized cost of approximately \$[REDACTED]/MWh and a net present value

1 benefit to PSE's electric portfolio of greater than \$104 million when compared
2 with the cost of generic resources in the Company's 2005 Least Cost Plan filed
3 with the Commission on May 2, 2005, in Docket No. UE-050664. PSE purchased
4 the Goldendale Generating Station for approximately one half of what the
5 Company estimates it would cost to build such a facility if construction were
6 commenced today and completed in about two years. In addition, the purchase
7 price paid by PSE for the Goldendale Generating Station represents slightly more
8 than one-third of its actual construction cost four years ago. Detailed quantitative
9 benefits are described in Mr. Elsea's testimony, Exhibit No. ____ (WJE-1HCT).

10 As an existing facility, the ability for the Goldendale Generating Station to
11 immediately enter PSE's fleet was also a strong match with PSE's resource needs.
12 *See generally* Exhibit No. ____ (EMM-5HC).

13 **Q. Have there been any significant changes to PSE's natural gas transportation**
14 **supply resources that serve its electric supply portfolio since the 2006 GRC?**

15 A. Yes. The Company will enter into a contract to acquire additional long-term
16 pipeline transportation capacity to serve the Goldendale Generating Station. In
17 addition, as part of the Goldendale Generating Station, PSE acquired the rights for
18 gas transportation on a 5.1 mile lateral from Northwest Pipeline Company's
19 mainline facilities to the Goldendale Generating Station. Please see the prefiled
20 direct testimony of Roger Garratt, Exhibit No. ____ (RG-1HCT), for a more
21 complete discussion of this arrangement.

1 **IV. THE COMPANY'S NEED TO ACQUIRE ADDITIONAL**
2 **ELECTRIC RESOURCES**

3 **Q. Does the Company need to acquire additional power resources?**

4 A. Yes. In several proceedings over the past six years, the Company has extensively
5 documented its need to acquire additional power resources now and well into the
6 future. That need was uncontested in the 2003 PCORC, the 2004 GRC, the 2005
7 PCORC and the 2006 GRC. Nevertheless, I provide below an overview of the
8 analyses underlying the Company's determination that it needed to acquire
9 additional long-term power resources.

10 A. **The Company's Short Position**

11 **Q. What analyses did the Company undertake in determining that it needed to**
12 **acquire additional power resources?**

13 A. PSE engaged in an extensive process to analyze its long term power resource
14 needs, which are documented in the 2005 Least Cost Plan. *See generally* Exhibit
15 No. ____ (EMM-4). PSE is currently preparing its 2007 Integrated Resource Plan
16 which will be filed with the Commission later this year. However, the need for
17 the resources addressed in this proceeding were documented in the 2005 Least
18 Cost Plan.

19 The Company's 2005 Least Cost Plan concluded that the Company has a present
20 need to acquire resources for approximately 305 aMW by 2008, growing to

1 approximately 739 aMW by 2011 and to approximately 1,471 aMW by 2013. As
2 shown on page 44 of Exhibit No. ____ (EMM-4), PSE was short on an energy basis
3 in eight months during 2006, and PSE's short position grows over time. By 2012,
4 PSE will be short energy in every month, increasing its dependence on the spot
5 markets for both power and short term transmission services. In summary, the
6 Company has a significant near-term need for resources that grows materially
7 over time. *See* Exhibit No. ____ (EMM-7).

8 **Q. What is driving the growing need for resources?**

9 A. The growing need for resources is primarily driven by load growth and the need
10 to replace expiring energy supply contracts with non-utility generators, as well as
11 other further reductions of generation from existing Mid-C hydroelectric
12 contracts, as discussed in the 2006 GRC.

13 **B. Strategy for Addressing the Company's Short Position**

14 **Q. What is the Company's strategy to meet the growing needs noted above?**

15 A. The Company determined in its 2003 and 2005 Least Cost Plans that it should
16 balance exposure to a variety of risks by adopting a strategy of acquiring a diverse
17 portfolio of resources to meet its needs. This portfolio includes a mix of energy
18 efficiency, renewable and thermal resources. *See* Exhibit No. ____ (EMM-4)
19 at 279-280.

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¹ Order No. 12, Docket M

² See e.g., *WUTC v. Puget Sound Power & Light Co.*, Docket No. UE-921262, et al., Nineteenth Supplemental Order (September 27, 1994) (“*Prudence Order*”) at 11.

1 would cost to build the resource itself.³ The utility must analyze the
2 resource alternatives using current information that adjusts for such
3 factors as end effects, capital costs, impact on the utility's credit quality,
4 dispatchability, transmission costs, and whatever other factors need
5 specific analysis at the time of a purchase decision.⁴

- 6 • The utility should inform its board of directors about the purchase
7 decision and its costs. The utility should also involve the board in the
8 decision process.⁵
- 9 • The utility must keep adequate contemporaneous records that will allow
10 the Commission to evaluate its actions with respect to the decision
11 process. The Commission should be able to follow the utility's decision
12 process; understand the elements that the utility used; and determine the
13 manner in which the utility valued these elements.⁶

14 **Q. Did the Company's acquisition of the Goldendale Generating Station meet**
15 **this standard?**

16 A. Yes. As discussed in more detail below and in the testimonies and exhibits in this
17 case, the Company had a clear documented need for power in both the near and
18 long term. The Company's decision to acquire the Goldendale Generating Station
19 was evaluated in the context of formal requests for proposals issued pursuant to
20 the Commission's competitive bidding rules, WAC Chapter 480-107, shortly after
21 completion of the Company's 2005 Least Cost Plan.

22 The Company also had a deliberate, organized process for evaluating bids and
23 other acquisitions available in the marketplace. The acquisition of the Goldendale
24 Generating Station was the result of an extensive process through which the

³ *Id.*

⁴ *Id.* at 2, 33-37, 46-47.

⁵ *Id.* at 37, 46.

⁶ *Id.* at 2, 37, 46.

1 Company evaluated the relative costs and risks of many potential alternative
2 resource opportunities. It examined purchased power agreements and ownership
3 of new resources. The Company also examined a self-build option, which is
4 discussed in more detail in the testimony of Mr. Garratt, Exhibit __ (RG-1HCT).
5 The evaluation process also included significant modeling that can be replicated.
6 Consistent with the Commission's prior orders, the Company kept detailed
7 records in connection with this evaluation process and the management decisions
8 that resulted from that process.

9 The acquisition of the Goldendale Generating Station followed closely, and built
10 upon, the thorough evaluation and decision-making activities used by the
11 Company to acquire its interests in the Frederickson 1 gas-fired generation
12 facility, the Hopkins Ridge Wind Project, the Chelan hydroelectric contract and
13 the Wild Horse Wind Project, which investments the Commission determined
14 were prudent and were made at reasonable costs.⁷ The Company's efforts in
15 acquiring the Goldendale Generating Station accordingly, meet the "adequate
16 study" and "reasonable data and methods" standards applied by the Commission
17 in determining whether an acquisition was prudent.

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⁷ See Order No. 12, Docket No. UE-031725, at ¶¶17-18; Order No. 04, Docket No. UE-050870 at ¶¶21, 30; Order No. 8, Docket No. UE-060266, *et al.*, at ¶¶165, 170, 185.

1 **B. The Company's Resource Acquisition Strategy Is Informed By The**
2 **Least Cost Planning Process**

3 **Q. What analyses did the Company undertake in determining that it needed to**
4 **acquire additional power resources?**

5 A. The acquisition that the Company is presenting for approval in this proceeding
6 was evaluated contemporaneously with the 2005 RFP process that began shortly
7 after the Company filed its 2005 Least Cost Plan with the Commission.

8 During the course of the 2005 RFP process, the Company continued to inform
9 itself about developments and opportunities in the marketplace, worked to
10 improve its analytical tools and updated analyses such as long-term resource
11 needs, updated projected development and construction costs of generation
12 technologies, and projected wholesale natural gas and electric prices for use in its
13 on-going long-term planning process. Such data, estimates, and analyses
14 informed the acquisition presented in this case. Both the 2003 Least Cost Plan
15 and 2005 Least Cost Plan demonstrated an ongoing need to acquire additional
16 electric supply resources.

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1 **C. The Company Issued a Request For Proposals To Meet Its Resource**
2 **Needs**

3 **Q. How did the Company implement its strategy to meet the growing electric**
4 **supply needs noted above?**

5 A. Shortly after completion and filing of its 2005 Least Cost Plan, the Company
6 commenced the 2005 RFP Process by filing with the Commission a draft “All-
7 Source” RFP under the Commission’s competitive bidding rules (WAC Chapter
8 480-107). The Commission received and considered public comment on the draft
9 RFP and ultimately approved its issuance, with some revisions, in Order No. 01,
10 Docket No. UE-051162.

11 **Q. What response did PSE receive to its RFP?**

12 A. PSE received 48 project proposals from 38 different owners/developers in
13 response to the 2005 All Source RFP. Many of the All-Source proposals
14 contained multiple offers such as purchased power agreements, asset ownership,
15 and hybrid options. Considering all the options offered under each proposal,
16 more than 120 different proposals were submitted. Mr. Garratt’s testimony
17 presents the results of the RFP in greater detail. See Exhibit No. ____ (RG-1HCT).

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1 **Q. How did the response to the 2005 RFP compare to the response to PSE’s**
2 **previous RFP?**

3 A. While PSE was generally pleased with the number of proposals that came forth,
4 there was a noticeable upward shift in proposed prices and costs and many faced
5 considerable development and execution challenges. From a review of the
6 resources presented, it appears that much of the “low-hanging fruit” is gone and
7 renewable resources, especially, are going to be difficult to obtain in sufficient
8 quantity.

9 **Q. Could you elaborate on renewable resources that were proposed in the 2005**
10 **RFP?**

11 A. Yes. The Company received a proposal for one small geothermal project, but no
12 proposals for any biomass, commercial solar, wave or tidal power projects.
13 Projects powered by wind energy, the most abundant renewable resource, face
14 many challenges with respect to permitting, acquisition of transmission service,
15 acquisition of integration service and timely and economic acquisition of turbines
16 and construction services.

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1 **D. The Company Evaluated The Resource Alternatives Proposed In**
2 **Response To The RFP Using Current Information That Adjusted For**
3 **Appropriate Factors And Risks**

4 **Q. How did the Company go about evaluating the proposals that were**
5 **submitted in response to the All Source RFP?**

6 A. Because this Commission and stakeholders are already generally familiar with the
7 Company's evaluation process, I summarize that process at a very high level.
8 Generally, the Company engaged in a comprehensive process to evaluate the
9 costs and risks associated with each proposal, both as individual projects and
10 when viewed as potential additions to the Company's resource portfolio. PSE
11 evaluated the proposals in two stages based on the criteria set forth in its RFP.
12 These criteria were designed to take into account qualitative and quantitative
13 factors impacting the decision whether to acquire a potential resource. They
14 included consideration of end effects, dispatchability, transmission costs, capital
15 costs, impact on the Company's credit quality, and project feasibility, among
16 other factors.

17 A more detailed description of the Company's 2005 RFP process is presented in
18 this case in Mr. Roger Garratt's testimony, Exhibit No. ____ (RG-1HCT) and in
19 Mr. W. James Elsea's testimony, Exhibit No. ____ (WJE-1HCT).

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1 **Q. When did the Company seriously begin considering the Goldendale**
2 **Generating Station?**

3 A. In June 2005, at the same time the Company was engaged in the 2005 RFP
4 process, Calpine solicited potential bidders for the sale of its Northwest
5 generation assets, including the Goldendale Generating Station, in a reverse
6 auction process.

7 PSE submitted an indicative non-binding bid on June 29, 2005, but eventually
8 Calpine's much publicized deteriorating credit condition caused PSE to suspend
9 negotiations. However, PSE continued to have interest in the generating facility
10 as a potential purchase out of bankruptcy.

11 In early January 2006, PSE and Calpine restarted discussions for the potential
12 purchase of the facility. Throughout those discussions, PSE evaluated the
13 acquisition of the Goldendale Generating Station against the other resource
14 alternatives revealed in PSE's 2005 RFP solicitation and against other resources
15 apparent in the marketplace.

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1 **E. The Company Informed and Involved its Board of Directors**

2 **Q. Has PSE actively involved its Board of Directors in its resource acquisition**
3 **process?**

4 A. Yes. PSE's Energy Resources Group made several presentations to the Board of
5 Directors and the Company's Energy Management Committee regarding the
6 status of the Company's analyses of the many potential resource opportunities it
7 was considering to meet its need for additional resources. *See* Exhibit
8 No. ____ (EMM-5HC); Exhibit No. ____ (EMM-6); Exhibit No. ____ (EMM-8HC);
9 Exhibit No. ____ (EMM-9); Exhibit No. ____ (EMM-10HC); Exhibit
10 No. ____ (EMM-11HC) and Exhibit No. ____ (EMM-12). The Board was thereby
11 advised of the management team's evaluation methods, key assumptions, and
12 preliminary conclusions as the RFP evaluation progressed. For the Goldendale
13 Generating Station acquisition, the Board approved the acquisition, including the
14 specific bidding strategy described in the testimony of Mr. Garratt. *See* Exhibit
15 No. ____ (EMM-5HC); Exhibit No. ____ (EMM-6); Exhibit No. ____ (EMM-11HC)
16 and Exhibit No. ____ (EMM-12)

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1 **F. The Company Kept Contemporaneous Records of its Evaluation and**
2 **Decision Processes**

3 **Q. Did the Company keep contemporaneous records of its evaluation and**
4 **decision processes?**

5 A. Yes. The exhibits submitted with my testimony and with the respective
6 testimonies of Messrs. Roger Garratt and W. James Elsea demonstrate the
7 Company's contemporaneous documentation.

8 **VI. CONCLUSION**

9 **Q. Would you please summarize your testimony?**

10 A. PSE continues to face a significant resource need. The acquisition of the
11 Goldendale Generating Station directly fills this resource need and clearly meets
12 the Commission's standard for prudence. Meeting our ongoing resource need,
13 however, is now still more challenging in light of the large amount of qualified
14 renewable energy the Company must acquire as a result of Washington State's
15 new Renewable Portfolio Standard, and the increased competition for such
16 resources. Meeting this new standard will require diligent efforts by all the
17 participants in the renewable supply value chain and may well require the
18 Company to develop new, more expansive tactics and innovative ownership and
19 contractual structures to timely secure such renewable resources.

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1 In the meantime, the Company's long-term electric acquisition program continues
2 to succeed in bringing into the Company's portfolio acquisitions – like the
3 Goldendale Generating Station acquisition – that meet the customers' load
4 requirements, that have been thoroughly analyzed in a process that meets the
5 Commission's prudence standard and that accordingly should be approved for
6 recovery in rates.

7 **Q. Does that conclude your testimony?**

8 A. Yes, it does.