

**EXHIBIT NO. \_\_\_(DEM-6)  
DOCKET NO. UE-07\_\_\_/UG-07\_\_\_  
2007 PSE GENERAL RATE CASE  
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\_\_\_  
Docket No. UG-07\_\_\_**

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

**DECEMBER 3, 2007**

**2007 General Rate Case Power Cost Projections**  
**AURORA + Non-AURORA Power Costs**  
**10.31.07 AURORA Model run**  
**3-month average gas prices at 10/19/2007**  
(dollars are in thousands)

**2007 GRC**

	<u>Nov-08</u>	<u>Dec-08</u>	<u>Jan-09</u>	<u>Feb-09</u>	<u>Mar-09</u>	<u>Apr-09</u>	<u>May-09</u>	<u>Jun-09</u>	<u>Jul-09</u>	<u>Aug-09</u>	<u>Sep-09</u>	<u>Oct-09</u>	<u>2007 GRC</u>	<u>Settlement 2007 PCORC</u>	<u>Change fm 07PCORC</u>
501 Coal Fuel	\$ 5,222	\$ 5,375	\$ 5,326	\$ 4,909	\$ 5,130	\$ 4,277	\$ 4,143	\$ 3,974	\$ 5,037	\$ 5,436	\$ 5,423	\$ 5,578	\$ 59,831	\$ 59,022	\$ 809
547 Natural Gas Fuel	\$ 15,252	\$ 11,379	\$ 9,470	\$ 11,182	\$ 10,345	\$ 8,529	\$ 7,721	\$ 7,165	\$ 14,538	\$ 12,024	\$ 13,742	\$ 12,471	\$ 133,818	\$ 130,738	\$ 3,080
555 Purchase & Interchange	\$ 75,265	\$ 91,868	\$ 84,450	\$ 80,544	\$ 78,350	\$ 61,462	\$ 45,117	\$ 51,746	\$ 40,598	\$ 44,387	\$ 49,540	\$ 69,416	\$ 772,742	\$ 712,132	\$ 60,610
557 Other Power Supply	\$ 588	\$ 588	\$ 588	\$ 588	\$ 588	\$ 588	\$ 588	\$ 588	\$ 588	\$ 588	\$ 588	\$ 588	\$ 7,058	\$ 6,782	\$ 276
565 Wheeling	\$ 5,979	\$ 6,085	\$ 6,001	\$ 5,936	\$ 6,125	\$ 5,967	\$ 6,017	\$ 5,965	\$ 6,019	\$ 5,985	\$ 5,992	\$ 6,103	\$ 72,176	\$ 68,206	\$ 3,970
447 Secondary Sales	\$ (150)	\$ (1)	\$ (9)	\$ (2)	\$ -	\$ (2)	\$ (3)	\$ (236)	\$ (3,529)	\$ (1,746)	\$ (568)	\$ (50)	\$ (6,297)	\$ (6,530)	\$ 233
<b>Subtotal</b>	<b>\$ 102,157</b>	<b>\$ 115,294</b>	<b>\$ 105,826</b>	<b>\$ 103,158</b>	<b>\$ 100,538</b>	<b>\$ 80,820</b>	<b>\$ 63,583</b>	<b>\$ 69,202</b>	<b>\$ 63,251</b>	<b>\$ 66,674</b>	<b>\$ 74,718</b>	<b>\$ 94,107</b>	<b>\$ 1,039,327</b>	<b>\$ 970,350</b>	<b>\$ 68,978</b>
456 Non-Core Gas	(30)	(7)	(4)	(16)	(8)	(10)	-	(5)	(30)	(24)	(36)	(17)	(188)	(592)	404
<b>Total Power Costs</b>	<b>\$ 102,126</b>	<b>\$ 115,287</b>	<b>\$ 105,822</b>	<b>\$ 103,142</b>	<b>\$ 100,530</b>	<b>\$ 80,810</b>	<b>\$ 63,583</b>	<b>\$ 69,197</b>	<b>\$ 63,221</b>	<b>\$ 66,650</b>	<b>\$ 74,681</b>	<b>\$ 94,090</b>	<b>\$ 1,039,139</b>	<b>\$ 969,757</b>	<b>\$ 69,382</b>
<b>Load in MWh</b>	2,104,318	2,412,942	2,404,003	2,092,306	2,153,597	1,879,900	1,794,857	1,676,320	1,727,094	1,740,459	1,680,785	1,932,886	23,599,465	23,301,685	297,780
6.7% <b>Delivered Load</b>	1,963,329	2,251,275	2,242,934	1,952,121	2,009,306	1,753,946	1,674,601	1,564,006	1,611,379	1,623,849	1,568,173	1,803,382	22,018,301	21,740,472	277,829
<b>Revenue Requirement Adjustments:</b>															
<b>Before adjustment</b>													\$ 1,039,139	\$ 969,757	\$ 69,382
Tenaska Buyout Disallowance 50.0%													\$ (5,340)	\$ (6,865)	\$ 1,525
Tenaska Prudence Disallowance 1.2%													\$ (2,265)	\$ (2,330)	\$ 65
March Point 2 Prudence Disallowance 3.0%													\$ (1,102)	\$ (1,105)	\$ 3
<b>Net Power Costs</b>													\$ 1,030,432	\$ 959,458	\$ 70,974
<b>Production O&amp;M (including ben &amp; p/r tax)</b>													103,745	91,505	12,240
<b>Colstrip 500 KV Expense</b>													1,176	1,352	(176)
<b>Costs for Revenue Requirement</b>													<b>\$ 1,135,353</b>	<b>\$ 1,052,315</b>	<b>\$ 83,039</b>