

EXHIBIT NO. \_\_\_ (DOD-3)  
DOCKET NO. UE-121373  
WITNESS: DANIELLE O. DIXON

**BEFORE THE  
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**Petition of**

**PUGET SOUND ENERGY, INC.**

**for Approval of a Power Purchase Agreement  
for Acquisition of Coal Transition Power, as  
Defined in RCW 80.80.010, and the Recovery  
of Related Acquisition Costs**

**Docket No. UE-121373**

**SECOND EXHIBIT TO THE  
PREFILED DIRECT TESTIMONY OF  
DANIELLE O. DIXON  
ON BEHALF OF NW ENERGY COALITION**

**NOVEMBER 2, 2012**

**BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**Docket Nos. UE-121373  
Puget Sound Energy, Inc.'s  
Petition for Approval of a Power Purchase Agreement for  
Acquisition of Coal Transition Power**

**NWEC DATA REQUEST NO. 002**

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...

- f) If the proposed PPA is approved in this proceeding, what are PSE's plans with regard to purchasing additional power from the Centralia coal plant after December 31, 2012, either directly or through a third party, on a long-term, short term or spot market basis?

**Response:**

...

- f) PSE has no current plans to purchase additional power from Centralia coal plant after December 31, 2012; however, PSE cannot state with certainty that it will not purchase additional power in the future. PSE has an obligation to meet its resource needs for reliability and will seek to meet those needs at the lowest reasonable costs.

With respect to a long-term purchase, PSE would be constrained from purchasing additional power from Centralia coal plant at the BPA C.W. Paul and PSE Tono substations Point of Receipts (POR) due to limitation of long-term firm transmission capacity. With respect to short-term or spot market basis, PSE has a rolling 36-month programmatic hedging program in place to meet its resource balance needs within that time frame. Please see Attachment A to PSE's Response to NWEC Data Request No. 005 for a discussion of PSE's current policies and procedures for the short-term hedging program.