

EXHIBIT NO. \_\_\_(DEM-5C)  
DOCKET NO. UE-09\_\_\_  
PCA 7 COMPLIANCE  
WITNESS: DAVID E. MILLS

BEFORE THE  
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of the Petition of  
PUGET SOUND ENERGY, INC.  
For Approval of its March 2009 Power Cost  
Adjustment Mechanism Period 7 Report

Docket No. UE-09\_\_\_

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

REDACTED VERSION

March 31, 2009

**Page Redacted as Confidential  
per WAC 480-07-160**

**Schedule F**  
**Spot Market Exposure for Gas and Power Portfolios**

Spot Market Exposure is measured monthly, and aggregated in a Rolling Twelve Month total that includes twelve full months following the current month. Monthly Spot Market Exposure is measured by multiplying the net open position by the current forward market price.

The Director has exposure authority up to the CFO/CRO level. Exposure above the CFO/CRO level requires notification to the EMC.

**Power (Combined Power and Gas for Power)**

**CFO/CRO**

Monthly	\$ 7M
Rolling 12 Months	\$50M

**EMC**

Monthly	+\$ 7M
Rolling 12 Months	+\$50M

*Exposure is calculated individually for the on-peak power position, the off-peak power position and the gas for power position. The limit is calculated on the net exposure of all three.*

**Gas Total Portfolio (including EMC Approved Hedging Plan)**

**CFO/CRO**

Monthly	\$ 50M
Rolling 12 Months	\$400M

**EMC**

Monthly	+\$ 50M
Rolling 12 Months	+\$400M

*Exposure is calculated by month in the Gas Portfolio by taking the net open position and subtracting assumed storage withdrawal for any given month.*