



*The Energy To Do Great Things*

Puget Sound Energy  
P.O. Box 97034  
Bellevue, WA 98009-9734  
PSE.com

December 23, 2010

VIA U.S. MAIL & ELECTRONIC FILING

Mr. David Danner, Executive Director and Secretary  
Washington Utilities and Transportation Commission  
P.O. Box 47250  
Olympia, WA 98504-7250

Re: Compliance with WAC 480-107-055, Schedule of Estimated Avoided Cost

Dear Mr. Danner:

Enclosed for filing, please find Puget Sound Energy, Inc.'s ("PSE") schedule of estimated avoided cost, pursuant to WAC 480-107-055. An electronic copy of the same is being submitted through the Records Center Web Portal.

The schedule of estimated avoided cost does not provide a guaranteed contract price for electricity. As indicated in WAC 480-107-055(4), this schedule provides only general information to potential bidders about the costs of new power supplies.

As provided for in WAC 480-107-055(2), this schedule of estimated avoided cost is based upon estimates of currently projected market prices for power used in PSE's latest request for proposals ("RFP") process. When developing these estimates of projected market prices for power PSE considered the most recent project proposals received in response to an RFP, PSE's current integrated resource plan and the results of the most recent bidding process.

If you have any questions about the information contained in this filing, please contact Eric Englert, Manager, Regulatory Initiatives & Tariffs, at 425-456-2312. Any other questions about this filing may be directed to me at 425-462-3495.

Sincerely,

Tom DeBoer  
Director, Rates & Regulatory Affairs

Enclosures

## Schedule of Estimated Avoided Cost

**Consistent with WAC 480-107-055, this schedule of estimated avoided costs is intended to provide only general information to potential bidders about the cost of new power supplies. It does not provide a guaranteed contract price for electricity.**

As provided for in WAC 480-107-055 (2) this schedule of estimated avoided costs is based upon the estimates of currently projected market prices for power. The schedule below provides the nominal price forecast on a monthly basis for flat load. These forecasts are based on assumptions about natural gas prices, regional demand, new resource cost and development, as used PSE's 2010 RFP process. The prices are part of PSE's "2010 Trends" scenario used in the 2010 RFP. Estimated prices are derived using the AURORA model and do not include system integration, shaping, or transmission costs.

### Monthly Prices for Mid-C Market (Nominal \$/MWh)

	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Avg Annual</u>
<b>2010</b>	39.77	43.85	38.08	35.55	30.62	32.22	40.77	43.28	46.13	44.23	54.30	53.94	41.88
<b>2011</b>	50.78	53.03	45.49	39.33	34.74	34.77	44.78	47.72	51.46	49.64	59.49	57.06	47.32
<b>2012</b>	57.25	61.55	53.62	46.78	43.31	44.66	52.50	55.12	57.90	56.55	66.51	64.33	54.96
<b>2013</b>	58.95	63.70	55.90	49.16	44.25	45.17	53.65	56.33	60.39	57.65	66.36	65.92	56.41
<b>2014</b>	60.18	65.58	56.50	49.61	44.69	46.31	55.49	58.31	62.89	59.05	69.00	68.58	57.96
<b>2015</b>	59.08	65.88	57.15	51.76	47.48	50.17	59.45	63.09	64.76	61.01	71.38	70.76	60.13
<b>2016</b>	55.84	64.08	55.14	52.68	49.02	51.65	60.82	67.14	65.15	60.72	72.65	71.21	60.48
<b>2017</b>	58.42	64.80	55.58	52.54	49.07	51.77	61.70	68.39	66.35	61.45	75.15	72.73	61.47
<b>2018</b>	58.64	67.62	57.24	53.34	48.39	50.45	62.38	69.76	68.13	62.48	72.51	71.77	61.85
<b>2019</b>	60.03	69.94	59.51	57.64	52.11	53.33	66.59	72.92	72.13	65.55	75.72	75.03	65.01
<b>2020</b>	61.04	68.45	59.16	55.54	45.51	49.59	66.07	72.41	73.00	66.32	78.06	75.13	64.16
<b>2021</b>	64.28	71.65	62.44	56.93	46.46	50.79	67.89	73.82	72.75	66.50	79.37	76.62	65.75
<b>2022</b>	67.24	73.74	66.18	61.95	49.76	55.49	70.10	76.74	75.62	69.98	81.95	78.15	68.87
<b>2023</b>	69.22	75.62	65.75	59.43	48.61	52.23	72.81	80.51	79.11	73.89	85.54	81.39	70.31
<b>2024</b>	74.80	82.18	70.75	61.64	50.33	49.70	77.18	83.97	84.38	76.71	87.36	85.28	73.65
<b>2025</b>	79.74	85.87	76.92	69.71	54.17	57.19	80.94	86.76	89.35	81.16	91.95	89.84	78.59
<b>2026</b>	86.74	94.14	80.12	68.11	54.52	60.53	89.22	96.18	99.98	91.63	103.06	101.11	85.40
<b>2027</b>	97.84	105.88	90.84	76.08	63.05	68.93	97.89	105.28	107.40	97.71	111.42	109.36	94.25
<b>2028</b>	110.22	116.89	103.03	88.91	75.35	84.88	109.51	117.81	118.36	110.40	124.85	121.41	106.75
<b>2029</b>	123.79	130.55	112.70	90.36	77.13	81.28	122.32	135.97	137.22	124.92	139.06	137.53	117.69