



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

December 27, 2012

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 being developed for use in PSE's 2013 Integrated Resource Plan ("IRP"). When developing these estimates of projected market prices for power PSE also considered: the most recent project proposals received from the last request for proposals; and the results of the most recently completed 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, Federal and State 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, and new resource costs being developed for PSE's 2013 IRP process. The prices are part of PSE's "Base" scenario being developed in the 2013 IRP process. 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.</u> <u>Annual</u>
2013	26.56	28.12	26.40	23.90	20.82	23.29	26.48	28.28	28.18	27.75	28.80	30.53	26.59
2014	30.73	31.53	28.63	26.33	23.34	25.41	28.61	30.55	30.62	30.16	30.71	32.22	29.07
2015	33.26	33.14	30.18	27.57	24.77	26.19	29.29	31.34	31.51	31.52	31.63	33.44	30.32
2016	34.29	34.18	31.10	29.28	24.79	27.68	30.70	32.42	33.15	33.44	34.22	35.85	31.76
2017	38.15	38.71	35.60	32.22	28.23	31.69	35.35	37.22	38.39	37.84	38.18	40.52	36.01
2018	42.01	43.76	40.76	37.14	32.75	34.80	40.00	43.03	43.60	42.42	42.64	44.55	40.62
2019	46.24	48.44	44.98	41.12	34.87	38.51	44.87	49.04	49.00	48.13	48.66	49.18	45.25
2020	47.61	49.79	44.73	41.74	31.74	39.00	45.89	50.01	49.00	49.20	49.03	50.74	45.71
2021	51.80	52.75	48.11	45.94	36.40	41.91	49.49	53.17	51.24	51.92	51.35	53.70	48.98
2022	52.51	53.72	47.66	46.22	33.31	41.31	49.33	52.71	52.80	53.35	54.00	55.86	49.40
2023	53.89	55.80	51.10	46.95	35.08	43.75	52.46	55.54	55.44	55.07	55.99	58.28	51.61
2024	55.38	58.34	52.69	48.39	39.63	42.04	52.75	57.72	57.00	55.48	56.88	58.64	52.91
2025	57.77	60.26	54.10	49.96	37.55	44.10	54.67	60.07	59.29	58.38	60.59	61.10	54.82
2026	62.00	63.80	56.23	51.76	38.67	47.24	57.22	62.45	61.52	61.79	62.26	63.85	57.40
2027	64.10	65.58	57.24	54.81	43.39	49.20	58.68	63.01	61.96	62.68	62.82	66.12	59.13
2028	64.78	66.66	59.43	55.26	43.36	50.75	60.77	64.50	64.67	65.38	67.49	69.85	61.08
2029	65.81	70.47	62.91	55.86	44.74	50.14	62.26	67.77	67.26	66.26	67.32	70.75	62.63
2030	67.64	72.13	63.57	58.06	49.58	51.93	63.09	69.68	68.20	67.36	69.12	71.84	64.35
2031	70.79	74.42	64.99	59.74	49.49	55.01	66.02	72.40	71.16	70.89	73.38	75.32	66.97
2032	73.11	75.47	65.63	61.42	49.61	57.73	67.65	73.36	71.88	73.07	73.63	77.46	68.34