

**EXHIBIT NO. \_\_\_(DEM-7)  
DOCKET NO. UE-09\_\_\_/UG-09\_\_\_  
2009 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-09\_\_\_  
Docket No. UG-09\_\_\_**

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

**MAY 8, 2009**

**PUGET SOUND ENERGY**  
**2009 General Rate Case Power Cost Projections**  
**AURORA + Non-AURORA Power Costs**  
**3.20.09 AURORA Model run**

**RY 3-month average gas prices at 3.20.09 = \$6.35**  
(dollars are in thousands)

**2009 GRC**

	<u>Apr-10</u>	<u>May-10</u>	<u>Jun-10</u>	<u>Jul-10</u>	<u>Aug-10</u>	<u>Sep-10</u>	<u>Oct-10</u>	<u>Nov-10</u>	<u>Dec-10</u>	<u>Jan-11</u>	<u>Feb-11</u>	<u>Mar-11</u>	<u>2009 GRC</u>	<u>2007 GRC</u>	<u>Change fr 2007 GRC</u>
501 Coal Fuel	\$ 5,778	\$ 5,644	\$ 6,565	\$ 7,146	\$ 7,228	\$ 7,064	\$ 7,228	\$ 7,072	\$ 7,236	\$ 7,727	\$ 7,213	\$ 7,680	\$ 83,583	\$ 60,294	\$ 23,289
547 Natural Gas Fuel	\$ 10,941	\$ 4,833	\$ 6,859	\$ 20,008	\$ 21,567	\$ 26,229	\$ 18,645	\$ 22,601	\$ 15,438	\$ 10,527	\$ 19,250	\$ 17,750	\$ 194,650	\$ 126,163	\$ 68,487
555 Purchase & Interchange	\$ 55,924	\$ 47,792	\$ 52,741	\$ 33,610	\$ 34,528	\$ 36,158	\$ 60,139	\$ 71,232	\$ 94,389	\$ 86,850	\$ 73,561	\$ 68,717	\$ 715,641	\$ 800,621	\$ (84,980)
557 Other Power Supply	\$ 644	\$ 644	\$ 644	\$ 644	\$ 644	\$ 644	\$ 644	\$ 644	\$ 644	\$ 644	\$ 644	\$ 644	\$ 7,731	\$ 6,928	\$ 803
565 Wheeling	\$ 7,018	\$ 7,027	\$ 7,015	\$ 7,037	\$ 7,029	\$ 7,032	\$ 7,028	\$ 7,030	\$ 7,014	\$ 7,000	\$ 6,985	\$ 7,037	\$ 84,253	\$ 72,028	\$ 12,225
447 Secondary Sales	\$ (1,640)	\$ (145)	\$ (2,702)	\$ (3,669)	\$ (3,331)	\$ (2,104)	\$ (466)	\$ (750)	\$ (78)	\$ (6)	\$ (219)	\$ (122)	\$ (15,231)	\$ (15,819)	\$ 587
<b>Subtotal</b>	<b>\$ 78,666</b>	<b>\$ 65,794</b>	<b>\$ 71,123</b>	<b>\$ 64,776</b>	<b>\$ 67,665</b>	<b>\$ 75,024</b>	<b>\$ 93,219</b>	<b>\$ 107,829</b>	<b>\$ 124,644</b>	<b>\$ 112,744</b>	<b>\$ 107,435</b>	<b>\$ 101,707</b>	<b>\$ 1,070,626</b>	<b>\$ 1,050,215</b>	<b>\$ 20,411</b>
456 Non-Core Gas	(13)	-	(6)	(32)	(31)	(46)	(16)	(25)	(7)	(3)	(21)	(19)	(220)	(155)	(66)
<b>Total Power Costs</b>	<b>\$ 78,653</b>	<b>\$ 65,794</b>	<b>\$ 71,117</b>	<b>\$ 64,745</b>	<b>\$ 67,633</b>	<b>\$ 74,978</b>	<b>\$ 93,203</b>	<b>\$ 107,804</b>	<b>\$ 124,636</b>	<b>\$ 112,740</b>	<b>\$ 107,414</b>	<b>\$ 101,688</b>	<b>\$ 1,070,405</b>	<b>\$ 1,050,061</b>	<b>\$ 20,345</b>
<b>Load in MWh</b>	1,877,509	1,788,489	1,688,648	1,750,599	1,766,400	1,704,267	1,936,802	2,174,476	2,487,657	2,449,111	2,128,285	2,164,375	23,916,618	23,599,466	317,152
6.7% Delivered Load	1,751,716	1,668,660	1,575,509	1,633,308	1,648,052	1,590,081	1,807,036	2,028,786	2,320,984	2,285,021	1,985,690	2,019,362	22,314,205	22,018,302	295,903
<b>Revenue Requirement Adjustments:</b>															
<b>ROR</b>															
<b>Before adjustment</b>													\$ 1,070,405	\$ 1,050,061	\$ 20,345
Tenaska Buyout Disallowance 7.38%													\$ (2,700)	\$ (5,260)	\$ 2,560
Tenaska Prudence Disallowance													(1,913)	(2,343)	430
March Point 2 Prudence Disallowance													(1,168)	(1,104)	(63)
<b>Net Power Costs</b>													\$ 1,064,625	\$ 1,041,353	\$ 23,271
<b>Production O&amp;M (including ben &amp; p/r tax)</b>													118,273	102,444	15,829
<b>Colstrip 500 KV Expense</b>													1,497	1,176	322
<b>Costs for Revenue Requirement</b>													<b>\$ 1,184,395</b>	<b>\$ 1,144,973</b>	<b>\$ 39,422</b>