

**EXHIBIT NO. ___(DEM-8C)
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___**

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

**REDACTED
VERSION**

MAY 8, 2009

2009 GRC vs 2007 GRC Updated Power Cost Projections

LN	FERC	Contract/Resource	2007 GRC Updated (costs in '000s)			2009 GRC (April10-Mar11) (costs in '000s)			Increase / (Decrease) Costs (costs in '000s)			Final	Incr/(Decr) MWhs		
			AURORA	Other	Total	AURORA	Other	Total	AURORA	Other	Total	2007 GRC MWH	2009 GRC MWH	09GRC-07GRC MWH	
1	a/c														
2	555	Baker Replacement	0	0	0	0	0	0	0	0	0	0	7,006	7,009	2
3	555	BC Hydro Point Roberts	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	19,723	20,138	415
4	555	BPA Firm - WNP #3 Exchange	12,818	0	12,818	14,876	0	14,876	2,058	0	2,058	368,751	383,704	14,953	
5	555	BPA Snohomish Conservation	3,811	0	3,811	0	0	0	(3,811)	0	(3,811)	90,112	0	(90,112)	
6	555	Canadian EA	0	0	0	0	0	0	0	0	0	(299,235)	(281,053)	18,183	
7	501	Colstrip 1&2	24,039	4,757	28,796	28,255	11,664	39,919	4,215	6,907	11,123	2,145,805	2,258,159	112,354	
8	501	Colstrip 3&4	23,623	7,875	31,498	28,798	14,866	43,664	5,175	6,991	12,166	2,622,472	2,703,369	80,897	
9	555	Credit Suisse	0	0	0	27,704	0	27,704	27,704	0	27,704	0	438,000	438,000	0
10	547	Crystal Mountain	0	0	0	0	0	0	0	0	0	0	0	0	
11	547	Encogen	2,304	(4,102)	(1,798)	6,289	(5,200)	1,090	3,985	(1,098)	2,888	30,062	103,040	72,978	
12	547	Fred 1	21,522	6,606	28,128	21,305	5,620	26,925	(217)	(986)	(1,203)	338,872	439,068	100,196	
13	547	Frederickson 1&2	563	0	563	15	0	15	(549)	0	(549)	5,425	187	(5,238)	
14	547	Fredonia 1&2	1,561	790	2,351	51	790	841	(1,509)	0	(1,509)	15,869	685	(15,183)	
15	547	Fredonia 3&4	602	790	1,392	57	790	847	(545)	0	(545)	6,816	831	(5,985)	
	547	Goldendale	87,781	3,293	91,074	44,759	3,348	48,107	(43,023)	56	(42,967)	1,390,754	938,350	(452,404)	
17	555	Hopkins Ridge Wind	0	(1,037)	(1,037)	0	(364)	(364)	0	673	673	454,408	477,363	22,955	
18	555	Klondike Wind PPA	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	3,025
19	555	Lehman Brothers PPA	23,457	0	23,457	0	0	0	(23,457)	0	(23,457)	364,800	0	(364,800)	
	555	Market Purchase	170,120	(2)	170,118	158,565	0	158,565	(11,555)	2	(11,552)	XXXXXX	XXXXXX	669,519	
21	447	Market Sale	(15,819)	0	(15,819)	(15,231)	0	(15,231)	587	0	587	XXXXXX	XXXXXX	(80,517)	
22	555	Mid Columbia	0	98,860	98,860	0	75,253	75,253	0	(23,607)	(23,607)	5,809,927	5,245,448	(564,479)	
23	547	Mint Farm	0	0	0	51,552	7,808	59,360	51,552	7,808	59,360	0	1,070,002	1,070,002	
24	555	Nooksack Hydro	1,248	17	1,266	1,063	0	1,063	(185)	(17)	(202)	21,900	18,655	(3,245)	
25	555	Northwestern	5,373	38,524	43,897	5,427	30,134	35,561	55	(8,390)	(8,336)	723,564	542,192	(181,372)	
26	555	PG&E Exchange	0	0	0	0	(0)	(0)	0	(0)	(0)	(69)	735	804	
27	555	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	182,400	180,000	(2,400)	
28	555	PR Displacement Product	4,493	0	4,493	7,079	0	7,079	2,586	0	2,586	156,970	253,584	96,613	
29	555	PSE Short Term Contracts	165,187	0	165,187	102,195	0	102,195	(62,992)	0	(62,992)	2,589,808	1,609,400	(980,408)	
30	555	Puget's Hydro	0	0	0	0	0	0	0	0	0	1,048,033	880,101	(167,932)	
31	555	QF Koma Kulshan Hydro	2,983	0	2,983	2,977	0	2,977	(6)	0	(6)	38,900	38,912	11	
32	555	QF March Point 1	37,439	0	37,439	38,737	0	38,737	1,297	0	1,297	668,868	691,747	22,879	
33	555	QF March Point 2	26,395	0	26,395	33,214	0	33,214	6,820	0	6,820	381,674	429,867	48,193	
34	555	QF Port Townsend Hydro	330	0	330	193	0	193	(137)	0	(137)	2,505	2,525	20	
35	555	QF Puyallup Energy Recovery Co. (PERC)	183	159	342	0	0	0	(183)	(159)	(342)	5,179	0	(5,179)	
36	555	QF Spokane MSW	12,836	0	12,836	12,881	0	12,881	44	0	44	142,428	142,221	(207)	
37	555	QF Sygitowicz	47	0	47	47	0	47	(0)	0	(0)	703	644	(59)	
38	555	QF Tenaska	100,435	31,942	132,377	91,791	38,307	130,098	(8,643)	6,365	(2,278)	309,941	436,268	126,327	
39	555	QF Twin Falls	5,151	0	5,151	5,114	0	5,114	(36)	0	(36)	68,675	68,193	(483)	
40	555	QF Weeks Falls	923	0	923	931	0	931	8	0	8	12,301	12,414	113	
41	555	Qualco Dairy Digester	0	0	0	267	0	267	267	0	267	0	3,496	3,496	
42	555	Sempra PPA	30,086	0	30,086	37,628	0	37,628	7,542	0	7,542	438,000	547,800	109,800	
43	547	Sumas	8,935	0	8,935	14,952	0	14,952	6,017	0	6,017	127,900	269,040	141,140	
44	547	Tenaska Excess Energy	1	0	1	5	0	5	4	0	4	14	71	57	
45	555	TransAlta Exchange	(1,460)	0	(1,460)	(1,102)	0	(1,102)	359	0	359	0	0	0	
46	555	Vanderhaak Dairy	0	0	0	0	0	0	0	0	0	0	0	0	
47	555	Wasco Hydro	2,498	0	2,498	2,523	0	2,523	25	0	25	38,126	38,203	76	
48	547	Whitehorn 2&3	501	181	682	20	181	201	(480)	(0)	(481)	4,716	257	(4,459)	
49	555	Wild Horse Expansion	0	0	0	0	536	536	0	536	536	0	90,467	90,467	
50	555	Wild Horse Wind	0	4,641	4,641	0	3,795	3,795	0	(846)	(846)	641,924	640,060	(1,864)	
51	555	QF Hutch.-TY + Settlement Adjustments	0	0	0	0	0	0	0	0	0	0	0	0	
52	557	Other Power Costs	0	6,928	6,928	0	7,731	7,731	0	803	803	0	0	0	
53	565	Wheeling	0	72,028	72,028	0	84,253	84,253	0	12,225	12,225	0	0	0	
54	555	Douglas Settlement	0	(5,235)	(5,235)	0	(2,826)	(2,826)	0	2,409	2,409	0	0	0	
55	555	Capacity	0	21	21	0	46	46	0	25	25	0	0	0	
56	555	Powerex	0	0	0	0	0	0	0	0	0	0	0	0	
57	456	(Gain) / Loss on Sale of Excess Gas	0	(155)	(155)	0	(220)	(220)	0	(66)	(66)	0	0	0	
58	555	BEP Amort	0	3,527	3,527	0	3,527	3,527	0	0	0	0	0	0	
59	547	Gas Contracts Mark to Market	0	(5,166)	(5,166)	0	42,312	42,312	0	47,478	47,478	0	0	0	
60	555	Total	\$ 784,676	\$ 265,385	\$ 1,050,061	\$ 747,966	\$ 322,439	\$ 1,070,405	\$ (36,709)	\$ 57,054	\$ 20,345	23,599,467	23,916,618	317,151	
62	501	Coal Fuel	47,662	12,632	60,294	57,052	26,531	83,583	9,390	13,899	23,289	4,768,277	4,961,528	193,251	
63	547	Natural Gas Fuel	123,771	2,392	126,163	139,005	55,650	194,655	15,234	53,258	68,492	1,920,426	2,821,530	901,104	
64	555	Purchase & Interchange	629,061	171,560	800,621	567,141	148,495	715,636	(61,920)	(23,065)	(84,985)	17,221,124	16,524,437	(696,686)	
65	557	Other Power Supply	0	6,928	6,928	0	7,731	7,731	0	803	803	0	0	0	
66	565	Wheeling	0	72,028	72,028	0	84,253	84,253	0	12,225	12,225	0	0	0	
67	447	Secondary Sales	(15,819)	0	(15,819)	(15,231)	0	(15,231)	587	0	587	(310,360)	(390,878)	(80,517)	
68	456	Non-Core Gas	0	(155)	(155)	0	(220)	(220)	0	(66)	(66)	0	0	0	
69	555	Total	\$ 784,676	\$ 265,385	\$ 1,050,061	\$ 747,966	\$ 322,439	\$ 1,070,405	\$ (36,709)	\$ 57,054	\$ 20,345	23,599,467	23,916,618	317,151	
71		Prudence & Buyout Disallowances			\$(8,707)			\$(8,707)			\$(8,707)			2,926	
72		Production O&M (including ben & p/r tax)			102,444			118,273			15,829			15,829	
73		Colstrip 500 KV Expense			1,176			1,497			322			322	
74		Costs for Revenue Requirement			\$ 1,144,973			\$ 1,184,395			\$ 39,422			\$ 39,422	