

**EXHIBIT NO. ___(WJE-14HC)
DOCKET NO. UE-07___/UG-07___
2007 PSE GENERAL RATE CASE
WITNESS: W. JAMES ELSEA**

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

PUGET SOUND ENERGY, INC.,

Respondent.

**Docket No. UE-07___
Docket No. UG-07___**

**THIRTEENTH EXHIBIT (HIGHLY CONFIDENTIAL) TO THE
PREFILED DIRECT TESTIMONY OF
W. JAMES ELSEA
ON BEHALF OF PUGET SOUND ENERGY, INC.**

**REDACTED
VERSION**

DECEMBER 3, 2007

From: Valdman, Bert
Sent: Tuesday, May 01, 2007 3:09 PM
To: Harris, Kimberly; Markell, Eric; Elsea, Jim; O'Connor, Jennifer; McLain, Sue
Cc: DeBoer, Tom; Mills, David E; Seelig, Aliza; Garratt, Roger; Wiegand, Paul; Philipps, Christine A
Subject: RE: Powerex PPA Approval Requested
Approved.

From: Harris, Kimberly
Sent: Tuesday, May 01, 2007 1:39 PM
To: Markell, Eric; Elsea, Jim; Valdman, Bert; O'Connor, Jennifer; McLain, Sue
Cc: DeBoer, Tom; Mills, David E; Seelig, Aliza; Garratt, Roger; Wiegand, Paul; Philipps, Christine A
Subject: RE: Powerex PPA Approval Requested

Approved.

From: Markell, Eric
Sent: Tuesday, May 01, 2007 1:38 PM
To: Elsea, Jim; Valdman, Bert; Harris, Kimberly; O'Connor, Jennifer; McLain, Sue
Cc: DeBoer, Tom; Mills, David E; Seelig, Aliza; Garratt, Roger; Wiegand, Paul; Philipps, Christine A
Subject: RE: Powerex PPA Approval Requested

Approved.

EMM

From: Elsea, Jim
Sent: Tuesday, May 01, 2007 1:36 PM
To: Valdman, Bert; Harris, Kimberly; Markell, Eric; O'Connor, Jennifer; McLain, Sue
Cc: DeBoer, Tom; Mills, David E; Seelig, Aliza; Garratt, Roger; Wiegand, Paul; Philipps, Christine A
Subject: Powerex PPA Approval Requested
Importance: High

EMC Members,

Christine received an updated firm offer from Powerex for the Power Purchase Agreement discussed at yesterday's EMC meeting. She has also received indicative market bids from Citigroup and Lehman. Christine will be bringing you a copy of a short summary presentation for your review and approval. Specifically we are requesting EMC approval to enter into a four year seasonal on-peak power purchase agreement with Powerex Corp., December through February 2008-2012 at revised price cap of \$88/MWh levelized.

Please email your response before 2:30 pm. An affirmative vote will allow us to transact today.

A comparison of levelized cost and portfolio benefit follows:

	Levelized Cost delivered to PSE	Portfolio Benefit	Portfolio Benefit Ratio
Powerex		\$11.9 million	0.245
Citigroup		\$11.2 million	0.229
Lehman		\$10.4 million	0.209

Jim Elsea
81-3632

HIGHLY CONFIDENTIAL PER
WAC 480-07-160