

EXHIBIT NO. ___(JHS-9)
DOCKET NO. UE-09___/UG-09___
2009 PSE GENERAL RATE CASE
WITNESS: JOHN H. STORY

**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 (NONCONFIDENTIAL) TO THE PREFILED DIRECT
TESTIMONY OF JOHN H. STORY
ON BEHALF OF PUGET SOUND ENERGY, INC.**

MAY 8, 2009

1 Page 2 of Exhibit No. ____ (JHS-9) shows two examples of under and over
2 recovered power costs as calculated under the PCA mechanism for a sixteen month
3 period. The column labeled "Difference" is the Actual Power Cost column minus the
4 Baseline Cost. For purposes of this exhibit the actual power costs would include the
5 charge to Account 555 for the market price of power that has been credited to the Mint
6 Farm deferral.

7 If the next general rate case filing was finalized sixteen months after the
8 beginning of the Mint Farm deferral the following adjustments would be made to the
9 Mint Farm deferral.

10 Example 1 – No adjustment would be made as power costs were under recovered
11 by \$14,648,536.

12 Example 2 – As power costs were over collected per the PCA true-up, the
13 \$16,915,039 would be used to offset the net variable cost deferral. Because Exhibit
14 No. ____ (WJE-18) is based on a twelve month period, it is assumed that power costs
15 would be comparable for an additional four months and the net variable cost deferral
16 would be approximately \$17,734,909 (Exhibit No. ____ (WJE-18) amount of
17 \$13,301,182*16/12). All of the \$16,915,039 would be used to offset this balance and the
18 amount deferred for the total net variable cost portion of Mint Farm would be \$819,870
19 (\$17,734,909 - \$16,915,039).

20 If the net variable costs deferred were less than the \$16,915,039 the over

1 collection would be credited to the net variable cost deferral to eliminate any deferral and
 2 the remaining amount of the over collection would be subject to the PCA sharing bands
 3 starting with the first \$20 million over recovery being credited to the company.

	Actuals	Baseline	Difference	
	Power Cost	Baseline Rate * Load	Monthly	
Example 1				
Month 1	\$ 58,033,261	\$ 61,616,393	\$ (3,583,132)	
Month 2	60,995,923	62,377,208	(1,381,285)	
Month 3	66,852,027	60,040,410	6,811,617	
Month 4	73,027,438	69,523,163	3,504,275	
Month 5	72,030,237	74,375,539	(2,345,302)	
Month 6	86,853,495	84,599,358	2,254,137	
Month 7	80,417,925	81,723,969	(1,306,044)	
Month 8	80,919,874	75,416,275	5,503,599	
Month 9	84,985,417	77,553,819	7,431,598	
Month 10	67,904,413	69,473,916	(1,569,503)	
Month 11	63,348,684	65,590,803	(2,242,119)	
Month 12	50,037,002	60,835,557	(10,798,555)	
Month 13	65,158,883	64,630,576	528,307	
Month 14	64,642,085	63,110,328	1,531,758	
Month 15	66,762,206	62,478,495	4,283,711	
Month 16	74,997,315	68,971,841	6,025,475	\$ 14,648,536
Example 2				
Month 1	68,385,764	74,070,384	(5,684,621)	
Month 2	75,193,914	75,878,972	(685,058)	
Month 3	78,043,164	72,653,043	5,390,121	
Month 4	85,939,385	80,243,630	5,695,755	
Month 5	101,154,361	101,324,973	(170,612)	
Month 6	124,835,336	114,228,749	10,606,588	
Month 7	104,869,972	107,291,961	(2,421,989)	
Month 8	102,226,685	99,805,664	2,421,022	
Month 9	108,739,595	101,462,777	7,276,818	
Month 10	77,304,654	86,590,213	(9,285,559)	
Month 11	64,186,677	82,958,420	(18,771,743)	
Month 12	73,821,765	78,718,897	(4,897,132)	
Month 13	73,803,881	89,533,013	(15,729,132)	
Month 14	82,173,817	89,240,945	(7,067,128)	
Month 15	92,770,135	87,713,288	5,056,847	
Month 16	109,331,178	97,980,393	11,350,785	\$(16,915,039)

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