

**EXHIBIT NO. ___(WJE-17C)
DOCKET NO. UE-09___/UG-09___
2009 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-09___
Docket No. UG-09___**

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

**REDACTED
VERSION**

MAY 8, 2009

	Alternative 1. Purchase Fredonia Gas Turbine Units #3 and #4 from Lessor	Alternative 2. Re-lease with GE or another Lessor at higher rate	Alternative 3. Purchase Alternative Peaking Resource
Capital Cost	\$43.7 million in December 2009 \$404 / kw	\$38.0 million in August 2011 at lease residual value	\$43.5 million in December 2009
Plant Sale Proceeds			Third party rough estimate of about \$50 million installed
Capital for Replacement Capacity			~\$134 million (108 MW * \$1,240/kw)
Additional Lease Pmts	None after 2009	Uncertain lease rate through July 2011 then purchase	None after 2009
Life of Plant	21.6 yrs remaining	21.6 years	30 years
First year available	No break in availability	No break in availability	2012 at earliest
Heat Rate and variable price of power if \$7/mmbtu gas	XX mmbtu/MWh or \$XXX/MWh	XX mmbtu/MWh or \$XXX/MWh	XX mmbtu/MWh or \$XXX/MWh
22 yr PV Revenue Requirement of Lease and Capital Costs (2010 – 2031)	\$47.5 million Note: Rev Req for same period if we had purchased in 2001 is \$48.7 million	N/A If possible \$45.5 million	~\$129.4 million (there would be added costs and benefits 2032 through 2041)

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