

EXHIBIT NO. _____ (WAG-20)
DOCKET NO. UE-031725
2003 POWER COST ONLY RATE CASE
WITNESS: WILLIAM A. GAINES

BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant,

v.

PUGET SOUND ENERGY, INC.,

Respondent.

Docket No. UE-031725

REBUTTAL TESTIMONY OF
WILLIAM A. GAINES
ON BEHALF OF PUGET SOUND ENERGY, INC.

FEBRUARY 13, 2004

Compare to WAG-16

PCORC Power cost projections vs 2002 rate case power cost projections

Exhibit Rebuttal WAG-20

FERC #/C	Contract/Resource	Per Last Rate Case Settlement (costs in '000s)			PCORC (costs in '000s)			Increase / (Decrease) Costs (costs in '000s)			RC Slmt MMWh	PCORC MMWh	Change MMWh	
		Aurora	Other	Total	Aurora	Other	Total	Aurora	Other	Total				
501	Colstrip 1&2	\$ 11,377	\$ 2,701	\$ 14,079	\$ 13,144	\$ 2,759	\$ 15,903	\$ 1,767	\$ 58	\$ 1,825	2,236,320	2,307,935	71,616	
501	Colstrip 3&4	16,084	3,299	19,382	16,868	3,735	20,593	774	437	1,211	2,638,003	2,600,360	(37,644)	
501	Puget's Hydro	-	-	0	-	-	-	-	-	0	1,420,197	1,198,223	(221,975)	
555	Encogen	29,736	1,929	31,665	31,963	(6,172)	25,821	2,267	(8,101)	(5,844)	1,012,080	755,846	(256,234)	
547	Nooksack Hydro	-	-	0	393	-	393	393	-	393	-	81,511	81,511	(75,115)
555	Fredonia 1&2	5,996	3,888	9,884	4,422	5,111	9,533	(1,574)	1,222	(352)	156,626	144,244	(12,382)	
547	Fredonia 3&4	6,801	1,593	8,394	7,039	1,852	8,891	238	259	497	195,384	190,829	(4,555)	
547	Fredonia 1&2	3,225	1,902	5,127	2,278	2,412	4,690	(947)	510	(437)	80,829	40,219	(40,610)	
547	Wintehom 2&3	5,963	1,927	7,890	1,132	3,214	4,346	(4,831)	1,287	(3,544)	164,530	18,806	(145,724)	
547	New CCCT 1	-	-	0	27,446	4,019	31,465	27,446	4,019	31,465	-	832,936	832,936	-
555	Baker Replacement	-	-	0	-	-	-	-	-	0	7,010	7,198	188	
555	BC Hydro Point Roberts	1,431	-	1,431	1,315	-	1,315	(116)	-	(116)	21,358	19,630	(1,727)	
555	BPA Firm - WNP #3 Exchange	10,830	-	10,830	10,634	-	10,634	(196)	-	(196)	384,388	361,795	(22,593)	
555	BPA Snohomish Conservation	4,733	-	4,733	3,598	-	3,598	(1,035)	-	(1,035)	89,874	92,170	(2,296)	
555	Mid Columbia	85,768	-	85,768	-	-	83,865	(1,903)	-	(1,903)	6,532,268	6,372,538	(159,731)	
555	Canadian EA	3,966	29,382	33,348	3,544	31,681	35,224	(422)	2,299	1,877	708,440	708,703	(263)	
555	MPC Firm Contract	-	-	0	-	-	-	-	-	0	39,031	38,650	(380)	
555	Stookumchuck Hydro	2,453	-	2,453	2,438	-	2,438	(15)	-	(15)	(3,633)	(3,596)	(36)	
555	Wasco Hydro	-	-	0	-	-	-	-	-	0	1,731	4,213	2,482	
555	PG&E Exchange	52	-	52	134	-	134	82	-	82	35,450	39,965	4,515	
555	QF Shipp Hutch Creek	2,654	-	2,654	2,976	-	2,976	322	-	322	642,884	689,051	46,167	
555	QF Koma Kulshan Hydro	36,674	-	36,674	37,342	-	37,342	668	-	668	433,615	470,671	37,056	
555	QF March Point Cogen Phase1	30,298	-	30,298	31,813	-	31,813	1,515	-	1,515	2,694	2,538	(156)	
555	QF Port Townsend Hydro	76	-	76	95	-	95	19	-	19	15,326	14,309	(1,018)	
555	QF Puget Energy Recovery Co. (PERC)	527	340	867	545	340	885	183	(0)	183	141,552	142,711	1,160	
555	QF Spokane MSW	12,391	-	12,391	12,573	-	12,573	183	-	183	994,379	1,073,563	79,184	
555	QF Sumas	78,319	-	78,319	83,224	-	83,224	4,905	-	4,905	1,421	753	(668)	
555	QF Snytwitz	73	-	73	41	-	41	(31)	-	(31)	1,704,353	1,267,867	(436,485)	
555	QF Tenaska	108,794	-	108,794	115,905	-	115,905	7,176	4,218	11,394	69,955	69,780	(176)	
555	QF Twin Falls	5,247	-	5,247	5,233	-	5,233	(13)	-	(13)	12,542	12,633	91	
555	QF Weeks Falls	941	-	941	947	-	947	7	-	7	1,528,251	2,469,970	941,719	
555	Market Purchases	50,341	-	50,341	101,366	-	102,246	890	-	890	(1,420,363)	(695,144)	(725,239)	
555MF	Market Purchases	(38,622)	-	(38,622)	(23,383)	-	(23,383)	15,239	-	15,239	79,030	-	(79,030)	
555	Columbia Storage Pwr Exch (CSPE)	-	48	48	-	-	-	(48)	-	(48)	1,379	-	(1,379)	
555	Supplemental Capacity	1,759	-	1,759	-	-	-	(1,759)	-	(1,759)	54,783	-	(54,783)	
555	WNP 15 year contract	20,010	-	20,010	(20,010)	-	(20,010)	(38,082)	-	(38,082)	1,072,621	-	(1,072,621)	
555	Other Power Costs	7,666	-	7,666	7,201	-	7,201	(465)	-	(465)	-	-	-	
557	Wheeling	42,647	-	42,647	42,289	-	42,289	(358)	-	(358)	-	-	-	
555	Douglas Settlement	(2,300)	-	(2,300)	(3,550)	-	(3,550)	(1,250)	-	(1,250)	-	-	-	
555	Capacity	11,173	-	11,173	3,018	-	3,018	(8,155)	-	(8,155)	-	-	-	
555	Powerex	(4,200)	-	(4,200)	(4,200)	-	(4,200)	(1,324)	-	(1,324)	-	-	-	
456	(Gain) / Loss on Sale of Excess Gas	1,109	-	1,109	(215)	-	(215)	(0)	-	(0)	-	-	-	
555	BEP Amort	3,527	-	3,527	3,527	-	3,527	(0)	-	(0)	20,752,124	20,760,020	7,897	
											\$ 20,752,124	\$ 20,760,020	7,897	
											Average Cost	\$ 31.51	Average Cost	\$ 33.36
501	Coal Fuel	27,461	6,000	33,461	30,002	6,494	36,496	2,541	494	3,035	-	-	-	
547	Natural Gas Fuel	51,721	11,239	62,960	74,311	10,435	84,746	22,589	(904)	21,785	-	-	-	
555	Purchases & Interchange	371,565	173,137	544,702	414,272	131,105	545,377	42,707	(42,032)	675	-	-	-	
557	Other Power Supply	-	7,666	7,666	-	-	-	-	(465)	(465)	-	-	-	
565	Wheeling	-	42,647	42,647	-	-	-	-	(358)	(358)	-	-	-	
447	Secondary Sales	(38,622)	-	(38,622)	(23,383)	-	(23,383)	15,239	-	15,239	-	-	-	
456	Non-Core Gas	-	1,109	1,109	-	-	-	-	(1,324)	(1,324)	-	-	-	
											\$ 412,126	\$ 241,798	\$ 653,923	
											(2,215)	(2,215)	(2,215)	
											53,458	53,458	53,458	
											\$ 706,167	\$ 743,126	\$ 37,959	
											Prudence Disallowance	(2,743)	(2,743)	
											Production O&M	53,458	53,458	
											Net Normalized Power Costs	\$ 706,167	\$ 37,959	