

**EXHIBIT NO. ___(DEM-11)
DOCKET NO. UE-07___
PCA 5 COMPLIANCE
WITNESS: DAVID E. MILLS**

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**In the Matter of the Petition of
PUGET SOUND ENERGY, INC.**

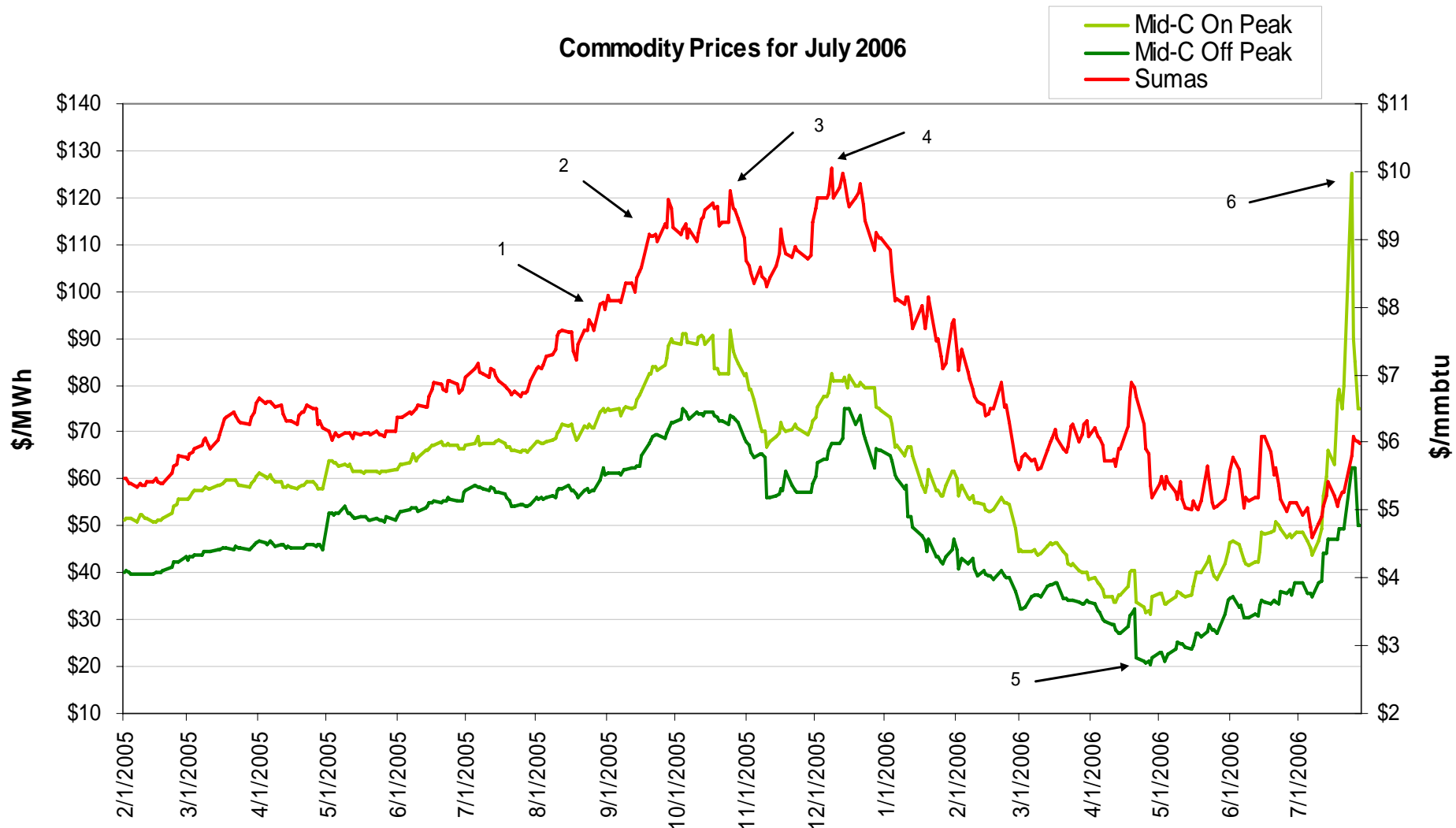
**For Approval of its March 2007 Power Cost
Adjustment Mechanism Report**

Docket No. UE-_____

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

March 30, 2007

Commodity Prices for July 2006



Key:

1. Hurricane Katrina made landfall August 29, 2005
2. Hurricane Rita made landfall September 24, 2005
3. With the formation of Hurricane Wilma in late October, the 2005 season became the most active on record.
4. Cold temperatures in the Mid-West and East Coast during the first week of December caused a record storage inventory withdrawal.
5. BPA forced to draft heavily to meet flood control levels, an abundance of hydro power available in the market, compressing heat rates. NWRFC runoff forecasts for the 2006 water year continued to improve.
6. July 2006 power prices reached their peak on July 24, 2006 as a result of sustained warm temperatures.