

**EXHIBIT NO. DEM-5C
DOCKET NO. UE-10____
PCA 8 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 2010 Power Cost
Adjustment Mechanism Report**

Docket No. UE-10____

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

**REDACTED
VERSION**

MARCH 31, 2010

**Schedule F
Spot Market Exposure for Gas and Power Portfolios**

Spot Market Exposure is measured monthly, and aggregated in a Rolling Twelve Month total that includes twelve full months following the current month. Monthly Spot Market Exposure is measured by multiplying the net open position by the current forward market price.

The Director has exposure authority up to the CFO/CRO level. Exposure above the CFO/CRO level requires notification to the EMC.

Power (Combined Power and Gas for Power)

CFO/CRO

Monthly		■
Rolling 12 Months		■

EMC

Monthly	+	■
Rolling 12 Months	+	■

Exposure is calculated individually for the on-peak power position, the off-peak power position and the gas for power position. The limit is calculated on the net exposure of all three.

Gas Total Portfolio (including EMC Approved Hedging Plan)

CFO/CRO

Monthly		■
Rolling 12 Months		■

EMC

Monthly	+	■
Rolling 12 Months	+	■

Exposure is calculated by month in the Gas portfolio by taking the net open position and subtracting assumed storage withdrawal for any given month.

REDACTED