

**EXHIBIT NO. \_\_\_(KJH-1HCT)  
DOCKET NO. UE-072300/UG-072301  
2007 PSE GENERAL RATE CASE  
WITNESS: KIMBERLY J. HARRIS**

**BEFORE THE  
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION,**

**Complainant,**

**v.**

**PUGET SOUND ENERGY, INC.,**

**Respondent.**

**Docket No. UE-072300  
Docket No. UG-072301**

**PREFILED DIRECT TESTIMONY (HIGHLY CONFIDENTIAL) OF  
KIMBERLY J. HARRIS  
ON BEHALF OF PUGET SOUND ENERGY, INC.**

**REDACTED  
VERSION**

**REVISED DECEMBER 21, 2007**

1 facility provides settlement of a potential lengthy and protracted legal  
2 proceeding. The plant purchase price is steeply discounted. The  
3 estimated portfolio benefit is \$64 million. In addition to the attractive  
4 price, retaining control of an asset inside PSE's service territory is  
5 valuable for reliability considerations as a load serving entity.

6 **E. The Company Informed and Involved its Board of Directors**

7 **Q. Has PSE actively involved its Board of Directors in its resource acquisition**  
8 **process?**

9 A. Yes. PSE's Energy Resources Group made several presentations to the Board of  
10 Directors and the Company's Energy Management Committee regarding the  
11 status of the Company's analyses of the many potential resource opportunities it  
12 was considering to meet its need for additional resources. *See Exhibit*  
13 No. \_\_\_(KJH-6HC) for presentations to the EMC and Exhibit No. \_\_\_(KJH-7HC)  
14 for presentations to the Board. The Board was thereby advised of the  
15 management team's evaluation methods, key assumptions, and preliminary  
16 conclusions as the RFP evaluation progressed.

17 **F. The Company Kept Contemporaneous Records of its Evaluation and**  
18 **Decision Processes**

19 **Q. Did the Company keep contemporaneous records of its evaluation and**  
20 **decision processes?**

21 A. Yes. The exhibits submitted with my testimony and with the respective  
22 testimonies of Messrs. Garratt and Elsea demonstrate the Company's