



PUGET SOUND ENERGY

The Energy To Do Great Things

Puget Sound Energy
P.O. Box 97034
Bellevue, WA 98009-9734
PSE.com

December 29, 2011

VIA U.S. MAIL & ELECTRONIC FILING

Mr. David Danner, Executive Director and Secretary
Washington Utilities and Transportation Commission
P.O. Box 47250
Olympia, WA 98504-7250

Re: Compliance with WAC 480-107-055, Schedule of Estimated Avoided Cost

Dear Mr. Danner:

Enclosed for filing, please find Puget Sound Energy, Inc.'s ("PSE") schedule of estimated avoided cost, pursuant to WAC 480-107-055. An electronic copy of the same is being submitted through the Records Center Web Portal.

The schedule of estimated avoided cost does not provide a guaranteed contract price for electricity. As indicated in WAC 480-107-055 (4), this schedule provides only general information to potential bidders about the costs of new power supplies.

As provided for in WAC 480-107-055 (2), this schedule of estimated avoided cost is based upon estimates of currently projected market prices for power being used in PSE's latest request for proposals ("RFP") process. When developing these estimates of projected market prices for power PSE also considered: PSE's current integrated resource plan; the most recent project proposals received from the last RFP; and the results of the most recently completed bidding process.

If you have any questions about the information contained in this filing, please contact Eric Englert, Manager, Regulatory Initiatives & Tariffs, at 425-456-2312. Any other questions about this filing may be directed to me at 425-462-3495.

Sincerely,

Tom DeBoer
Director, Federal & State Regulatory Affairs
Enclosures

Schedule of Estimated Avoided Cost

Consistent with WAC 480-107-055, this schedule of estimated avoided costs is intended to provide only general information to potential bidders about the cost of new power supplies. It does not provide a guaranteed contract price for electricity.

As provided for in WAC 480-107-055 (2) this schedule of estimated avoided costs is based upon the estimates of currently projected market prices for power. The schedule below provides the nominal price forecast on a monthly basis for flat load. These forecasts are based on assumptions about natural gas prices, regional demand, new resource cost being used PSE's 2011 RFP process. The prices are part of PSE's "Base" scenario being used in the 2011 RFP process. Natural gas prices were updated in November 2011. Regional demand and new resource costs are consistent with PSE's 2011 Integrated Resource Plan. Estimated prices are derived using the AURORA model and do not include system integration, shaping, or transmission costs.

Monthly Prices for Mid-C Market (Nominal \$/MWh)

	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Avg. Annual</u>
2012	33.06	33.67	31.57	30.45	28.47	31.00	33.75	35.01	34.38	34.14	34.82	36.21	33.04
2013	36.92	38.25	35.88	33.58	31.72	33.51	36.91	38.67	37.94	37.14	37.67	39.88	36.51
2014	40.45	41.03	37.53	35.46	33.49	35.16	38.87	40.72	40.12	39.74	40.37	42.55	38.79
2015	42.85	43.49	39.66	37.00	34.76	37.33	40.83	42.81	42.23	42.18	42.63	44.12	40.82
2016	42.09	43.18	39.55	38.01	35.25	38.48	42.12	44.34	42.93	42.79	43.22	44.84	41.40
2017	42.35	43.67	40.05	39.88	37.06	40.21	44.41	46.73	44.97	45.18	45.89	46.69	43.09
2018	46.14	47.85	44.35	41.84	38.43	42.43	48.40	51.36	49.65	49.22	48.68	49.90	46.52
2019	49.43	51.19	46.72	44.58	40.53	44.48	50.46	53.50	49.73	48.59	47.67	49.68	48.05
2020	47.88	49.46	44.66	43.44	38.78	42.59	48.55	51.41	49.99	48.99	49.09	50.63	47.12
2021	50.12	51.68	47.60	45.25	39.16	46.51	52.66	55.24	53.84	53.30	53.61	54.97	50.33
2022	54.58	56.00	52.06	50.26	43.77	50.87	57.22	60.37	58.22	57.74	57.68	59.15	54.83
2023	58.68	60.05	54.45	53.02	46.15	53.33	60.50	63.73	59.15	59.23	59.53	60.68	57.37
2024	59.14	61.18	54.36	51.29	44.06	51.04	59.66	63.38	61.35	60.38	59.66	61.55	57.25
2025	60.87	62.89	56.84	54.77	48.05	54.36	62.39	66.24	64.29	62.44	61.65	64.61	59.95
2026	65.02	67.30	61.00	58.98	51.80	58.56	67.18	70.69	68.43	66.64	67.00	69.46	64.34
2027	67.92	70.52	63.92	60.46	51.44	61.94	70.63	74.12	70.85	69.69	69.88	71.74	66.93
2028	70.43	73.06	65.81	63.21	56.70	64.78	73.15	76.92	71.88	72.50	72.19	74.30	69.58
2029	73.47	77.30	68.46	66.06	59.16	64.26	75.53	80.85	76.72	75.27	74.01	77.67	72.40
2030	75.62	80.12	69.45	65.77	58.13	65.41	76.75	81.75	77.99	77.08	75.85	79.13	73.59
2031	77.74	82.68	70.00	67.48	60.41	66.39	76.49	81.23	83.39	84.57	82.47	86.24	76.59