

EXHIBIT NO. ___ (AS-3)
DOCKET NO. UE-12 ___
WITNESS: ALIZA SEELIG

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

Petition of

PUGET SOUND ENERGY, INC.

**for Approval of a Power Purchase Agreement
for Acquisition of Coal Transition Power, as
Defined in RCW 80.80.010, and the Recovery
of Related Acquisition Costs**

Docket No. UE-12 ___

**SECOND EXHIBIT (NONCONFIDENTIAL) TO THE
PREFILED DIRECT TESTIMONY OF
ALIZA SEELIG
ON BEHALF OF PUGET SOUND ENERGY, INC.**

AUGUST 20, 2012

Optimization Model Scenario Assumptions

Scenario	PSE Demand	Gas Price	AURORA Electric Price	Generic Resource Costs	Emissions Price
Base	Base	Base	Base	Base	None
Base + CO ₂	Base	Base	Base + CO ₂	Base	EPA APA Analysis
Base w/ New Gas ⁽¹⁾	Base	Base + New Gas	Base + New Gas	Base	None
High Prices	Base	High	High	Base	None
Low Growth	Low Structural ⁽²⁾	Low	Low	Base	None
<u>SENSITIVITY</u> Low Price w/ Base Load	Base	Low	Low	Base	None

Notes:

(1) “Base w/ New Gas”: New Wood Mackenzie gas prices as of late April 2012.

(2) Lower regional population growth.