

Exhibit ___ (YKGM-12)
Docket Nos. UE-040640, et al.
Witness: Yohannes K.G. Mariam

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant,

v.

PUGET SOUND ENERGY, INC.

Respondent.

DOCKET NO. UG-040640

DOCKET NO. UE-040641

(consolidated)

EXHIBIT TO TESTIMONY OF

Yohannes K.G. Mariam

**STAFF OF
WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION**

**Net Power Cost Adjustment with Natural Gas
And Coal Prices, and 50-Year Streamflow,
And Wheeling Discharge Allowance**

September 23, 2004

Exhibit (YKGM-12): Table 1. Net Power Costs Impacts of Changing Natural Gas and Coal Price, and wheeling charges, and Using 50 Hydro years

Cost Items	Mar-05	Apr-05	May-05	Jun-05	Jul-05	Aug-05	Sep-05	Oct-05	Nov-05	Dec-05	Jan-06	Feb-06	Rate Year
Coal Fuel	\$ 3,607	\$ 3,508	\$ 2,923	\$ 3,087	\$ 3,607	\$ 3,607	\$ 3,508	\$ 3,607	\$ 3,508	\$ 3,607	\$ 3,700	\$ 3,398	\$ 41,866
Natural Gas Fuel	8,228	7,327	5,908	6,462	10,877	19,435	22,560	17,317	15,391	15,799	17,371	14,616	161,291
Purchase & Interchange	54,291	40,836	31,038	37,944	31,891	31,953	32,723	45,297	53,440	66,900	66,546	56,084	554,700
Other Power Supply	562	562	562	562	562	562	562	562	562	562	544	544	6,708
Wheeling	3,383	3,412	3,392	3,527	3,724	3,549	3,868	3,555	3,522	3,541	3,435	3,427	42,335
Secondary Sales	(1,727)	(3,050)	(633)	(1,898)	(8,513)	(11,032)	(9,103)	(6,709)	(4,970)	(2,933)	(2,799)	(2,508)	(55,873)
Subtotal	\$ 68,303	\$ 52,594	\$ 43,189	\$ 49,685	\$ 41,948	\$ 48,074	\$ 54,118	\$ 63,629	\$ 71,453	\$ 89,476	\$ 90,798	\$ 77,561	\$ 750,828
Non-Core Gas	(30)	(29)	-	(29)	(30)	(30)	(29)	(30)	(29)	(30)	(30)	(27)	(323)
Subtotal with Non-Core Gas	\$ 68,273	\$ 52,565	\$ 43,189	\$ 49,656	\$ 41,918	\$ 48,044	\$ 54,089	\$ 63,598	\$ 71,424	\$ 89,446	\$ 90,768	\$ 77,534	\$ 750,504
Load in MWh	1,913,303	1,657,048	1,577,190	1,478,858	1,508,755	1,537,626	1,499,973	1,690,860	1,881,085	2,141,614	2,177,709	1,859,919	20,923,938
Delivered Load	1,790,852	1,550,987	1,476,249	1,384,211	1,412,194	1,439,218	1,403,975	1,582,645	1,760,695	2,004,550	2,038,335	1,740,884	19,584,806

Revenue Requirement Adjustments:

Before adjustment	\$ 750,504
Tenaska Buyout Disallowance	50.0% \$ 18,402
Tenaska Prudence Disallowance	1.2% \$ 143,707
March Point 2 Prudence Disallowance	3.0% \$ 35,575
Net Power Costs	\$ 738,512
Production O&M (including ben & pit tax)	53,496
Colstrip 500 KV Expense	492
Net Costs for Revenue Requirement	\$ 792,500
As Filed	782,570
Diff = Est. Buyout Disallow	9,930
	19,131