

**EXHIBIT NO. ___(DEM-10C)
2013 PSE PCORC
WITNESS: DAVID E. MILLS**

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Petition of
PUGET SOUND ENERGY, Inc.

For an Accounting Order Authorizing
Accounting Treatment Related to Payments
for Major Maintenance Activities

Docket No. UE-130583

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,
Complainant,

v.

PUGET SOUND ENERGY, INC.,
Respondent.

Docket No. UE-130617

In the Matter of the Petition of
PUGET SOUND ENERGY, Inc.

For an Accounting Order Authorizing the
Sale of the Water Rights and Associated
Assets for the Electron Hydroelectric Project
in Accordance with WAC 480-143 and
RCW 80.12.

Docket No. UE-131099

In the Matter of the Petition of
PUGET SOUND ENERGY, Inc.

For an Accounting Order Authorizing the
Sale of Interests in the Development Assets
Required for the Construction and Operation
of Phase II of the Lower Snake River Wind
Facility

Docket No. UE-131230

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

AUGUST 28, 2013

**REDACTED
VERSION**

PUGET SOUND ENERGY
PCORC Power Costs Comparison
(dollars in thousands)

A/C	Contract/Resource	2013 PCORC (Nov13-Oct14) Rebuttal Prices = 8.513			2013 PCORC (Nov13-Oct14) Suppl Prices = 6.313			Increase / (Decrease) Costs			2013 PCORC	2013 PCORC	Change	
		AURORA	Other	Total	AURORA	Other	Total	AURORA	Other	Total	Rebuttal MWH	Suppl MWH	Incr/(Decr) MWH	
1	555H	Electron	\$0	\$ -	\$0	\$0	\$ -	\$0	\$0	\$ -	\$0	64,950	-	64,950
2	555H	Lower Baker	-	-	-	-	-	-	-	-	-	377,801	377,801	-
3	555H	Upper Baker	-	-	-	-	-	-	-	-	-	345,856	345,856	-
4	555H	Snoqualmie Falls	-	-	-	-	-	-	-	-	-	262,365	262,365	-
5	555	Mid-C Canadian EA	-	-	-	-	-	-	-	-	-	(185,521)	(185,521)	-
6	555H	Mid-C Rock Island	-	29,255	29,255	-	29,255	29,255	-	-	-	801,737	801,737	-
7	555H	Mid-C Rocky Reach	-	22,146	22,146	-	22,146	22,146	-	-	-	1,577,849	1,577,849	-
8	555H	Mid-C Priest Rapids Project	-	(3,513)	(3,513)	-	(4,205)	(4,205)	-	692	692	58,423	58,423	-
9	555H	Mid-C Douglas Wells	-	16,212	16,212	-	16,212	16,212	-	-	-	1,152,693	1,152,693	-
10	501	Colstrip 1&2	37,971	9,353	47,324	38,841	9,353	48,193	(869)	-	(869)	2,300,953	2,352,921	(51,968)
11	501	Colstrip 3&4	35,876	8,742	44,619	35,876	8,742	44,618	1	-	1	2,612,529	2,612,475	54
13	547	Goldendale	31,721	-	31,721	32,039	-	32,039	(318)	-	(318)	997,575	956,276	41,298
14	547	Mint Farm	36,904	-	36,904	37,255	-	37,255	(351)	-	(351)	1,167,820	1,120,265	47,555
15	547	Sumas	11,009	-	11,009	10,188	-	10,188	821	-	821	313,482	273,215	40,267
16	547	Freddy1	5,222	-	5,222	5,456	-	5,456	(234)	-	(234)	162,081	161,639	442
17	547	Encogen	7,212	-	7,212	7,379	-	7,379	(167)	-	(167)	183,477	179,585	3,893
18	547	Fredonia 1&2	379	-	379	357	-	357	22	-	22	8,378	7,540	838
19	547	Fredonia 3&4	2,352	-	2,352	2,371	-	2,371	(19)	-	(19)	59,341	56,922	2,419
20	547	Frederickson 1&2	394	-	394	370	-	370	25	-	25	8,703	7,792	911
21	547	Whitehorn 2&3	498	-	498	495	-	495	3	-	3	11,075	10,478	597
22	547	Ferndale	13,374	-	13,374	13,626	-	13,626	(252)	-	(252)	367,283	358,273	9,011
23	555	KlamathPeaker	1	1,794	1,795	3	1,795	1,797	(2)	(0)	(2)	11	50	(39)
28	555W	Hopkins Ridge	-	-	-	-	-	-	-	-	-	447,831	447,831	-
29	555W	Wild Horse	-	-	-	-	-	-	-	-	-	604,733	604,733	-
30	555W	Wild Horse Expansion	-	-	-	-	-	-	-	-	-	91,731	91,731	-
31	555W	LSR1	-	-	-	-	-	-	-	-	-	892,274	892,274	-
32	555W	Klondike Wind PPA	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX
33	555	Baker Replacement	-	-	-	-	-	-	-	-	-	7,009	7,009	-
34	555	Barclays PPA	16,362	-	16,362	16,362	-	16,362	-	-	-	216,000	216,000	-
36	555	PG&E Exchange	-	5	5	-	5	5	-	-	-	156	156	-
37	555	Point Roberts BC Hydro	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX	-	-	-	20,729	20,729	-
39	555	ElectronPPA	-	-	-	2,988	-	2,988	(2,988)	-	(2,988)	-	51,501	(51,501)
40	555	QF Hutchinson Hydro	56	-	56	56	-	56	-	-	-	1,872	1,872	-
41	555	QF Koma Kulshan	3,116	-	3,116	3,131	-	3,131	(15)	-	(15)	39,088	39,088	-
42	555	QF Nooksack	228	-	228	228	-	228	-	-	-	3,997	3,997	-
44	555	QF Sygitowicz	29	-	29	29	-	29	-	-	-	360	360	-
45	555	QF Twin Falls	5,251	-	5,251	5,251	-	5,251	-	-	-	70,014	70,014	-
46	555	QF Weeks Falls	961	-	961	961	-	961	-	-	-	12,807	12,807	-
47	555	Wasco Hydro	-	-	-	-	-	-	-	-	-	-	-	-
48	555	WNP-3 Exchange BPA Firm	16,118	-	16,118	16,118	-	16,118	-	-	-	393,793	393,793	-
50	555	WNP-3 Return	-	-	-	-	-	-	-	-	-	-	-	-

PUGET SOUND ENERGY
PCORC Power Costs Comparison
 (dollars in thousands)

A/C	Contract/Resource	2013 PCORC (Nov13-Oct14) Rebuttal Prices = 8.5.13			2013 PCORC (Nov13-Oct14) Suppl Prices = 6.3.13			Increase / (Decrease) Costs			2013 PCORC	2013 PCORC	Change		
		AURORA	Other	Total	AURORA	Other	Total	AURORA	Other	Total	Rebuttal MWH	Suppl MWH	Incr/(Decr) MWH		
51	555	Qualco Dairy Digester	36	-	36	36	-	-	36	-	-	-	352	352	-
53	555	Sch91Contracts	9,846	-	9,846	9,846	-	-	9,846	-	-	-	114,784	114,784	-
54	447	Market Sale PSE's	(4,402)	-	(4,402)	(4,402)	-	-	(4,402)	-	-	-	(120,600)	(120,600)	-
55	555	Market Purchase PSE's	208,017	-	208,017	207,582	-	-	207,582	435	-	435	6,086,040	6,075,240	10,800
56	555MP	Market Purchase	65,333	-	65,333	71,902	-	-	71,902	(6,568)	-	(6,568)	XXXXXXX	XXXXXXX	XXXXXXX
57	447	Market Sale	(25,420)	-	(25,420)	(25,459)	-	-	(25,459)	39	-	39	(801,493)	(779,927)	(21,566)
58	555	Peak Planning	-	16	16	-	13	-	13	-	3	3	-	-	-
59	555	BEP Amortization	-	3,527	3,527	-	3,527	-	3,527	-	-	-	-	-	-
60	555	Douglas Settlement Pymt	-	(908)	(908)	-	(918)	-	(918)	-	10	10	-	-	-
61	557	Other Power Costs	-	7,833	7,833	-	7,833	-	7,833	-	-	-	-	-	-
62	565	Transmission	-	107,803	107,803	-	110,483	-	110,483	-	(2,679)	(2,679)	-	-	-
63	555	Chelan Amort	-	7,088	7,088	-	7,088	-	7,088	-	-	-	-	-	-
64	456	MTM & Sales of Excess Gas	-	(9,037)	(9,037)	-	(14,958)	-	(14,958)	-	5,921	5,921	-	-	-
65	456	Cedar Hills Gas	-	-	-	-	1,984	-	1,984	-	(1,984)	(1,984)	-	-	-
66	555	Wind Integration Costs	-	3,162	3,162	-	3,162	-	3,162	-	-	-	-	-	-
71	547	Gas Transportation	-	41,580	41,580	-	41,571	-	41,571	-	9	9	-	-	-
72		Total	\$489,274	\$245,058	\$734,332	\$499,712	\$243,087	\$742,800	\$742,800	(\$10,439)	\$1,971	(\$8,468)	22,890,882	22,890,882	0
73															
74	501	Coal	\$73,848	\$18,095	\$91,942	\$74,716	\$18,095	\$92,811	\$92,811	(\$869)	\$0	(\$869)	4,913,482	4,965,397	(51,914)
75	547	Natural Gas	109,065	41,580	150,644	109,535	41,571	151,106	151,106	(470)	9	(461)	3,279,215	3,131,984	147,231
76	555	Purchased Power	261,469	14,684	276,153	264,039	14,671	278,710	278,710	(2,570)	13	(2,557)	6,781,491	6,822,231	(40,740)
77	555W	Wind	9,382	-	9,382	9,382	-	9,382	9,382	-	-	-	2,195,964	2,195,964	-
78	555H	Hydro	-	64,100	64,100	-	63,408	63,408	63,408	-	692	692	4,641,674	4,576,724	64,950
79	557	Other Power Costs	-	7,833	7,833	-	7,833	7,833	7,833	-	-	-	-	-	-
80	565	Transmission	-	107,803	107,803	-	110,483	110,483	110,483	-	(2,679)	(2,679)	-	-	-
81	555MP	Market Purchases	65,333	-	65,333	71,902	-	71,902	71,902	(6,568)	-	(6,568)	2,001,150	2,099,110	(97,960)
82	447	Secondary Sales	(29,822)	-	(29,822)	(29,861)	-	(29,861)	(29,861)	39	-	39	(922,093)	(900,527)	(21,566)
83	456	Non-Core Gas	-	(9,037)	(9,037)	-	(12,974)	(12,974)	(12,974)	-	3,937	3,937	-	-	-
84		Total	\$489,274	\$245,058	\$734,332	\$499,712	\$243,087	\$742,800	\$742,800	(\$10,439)	\$1,971	(\$8,468)	22,890,882	22,890,882	0

**PUGET SOUND ENERGY
PCORC Power Costs Comparison**
(dollars in thousands)

A/C	Contract/Resource	2013 PCORC (Nov13-Oct14) Rebuttal Prices = 8.5.13			2011 GRC (May12-Apr13) Prices = 4.25.12			Increase / (Decrease) Costs			2013 PCORC	11GRC	Change	
		AURORA	Other	Total	AURORA	Other	Total	AURORA	Other	Total	MWH	MWH	Incr/(Decr)	
		\$0 \$	-	\$0	\$0 \$	-	\$0	\$0 \$	-	\$0			MWH	
1	555H	Electron	-	-	-	-	-	-	-	-	64,950	72,704	(7,754)	
2	555H	Lower Baker	-	-	-	-	-	-	-	-	377,801	369,178	8,623	
3	555H	Upper Baker	-	-	-	-	-	-	-	-	345,856	352,730	(6,874)	
4	555H	Snoqualmie Falls	-	-	-	-	-	-	-	-	262,365	-	262,365	
5	555	Mid-C Canadian EA	-	-	-	-	-	-	-	-	(185,521)	(188,991)	3,470	
6	555H	Mid-C Rock Island	-	29,255	29,255	-	31,983	31,983	-	(2,728)	(2,728)	801,737	839,476	(37,739)
7	555H	Mid-C Rocky Reach	-	22,146	22,146	-	21,768	21,768	-	378	378	1,577,849	1,538,280	39,569
8	555H	Mid-C Priest Rapids Project	-	(3,513)	(3,513)	-	(2,994)	(2,994)	-	(520)	(520)	58,423	67,924	(9,501)
9	555H	Mid-C Douglas Wells	-	16,212	16,212	-	16,726	16,726	-	(514)	(514)	1,152,693	1,155,121	(2,428)
10	501	Colstrip 1&2	37,971	9,353	47,324	36,848	9,676	46,523	1,124	(323)	800	2,300,953	2,169,047	131,906
11	501	Colstrip 3&4	35,876	8,742	44,619	36,074	7,128	43,202	(198)	1,614	1,416	2,612,529	2,639,485	(26,956)
13	547	Goldendale	31,721	-	31,721	35,174	-	35,174	(3,453)	-	(3,453)	997,575	1,690,129	(692,554)
14	547	Mint Farm	36,904	-	36,904	36,744	-	36,744	160	-	160	1,167,820	1,714,619	(546,800)
15	547	Sumas	11,009	-	11,009	11,665	-	11,665	(657)	-	(657)	313,482	527,270	(213,788)
16	547	Freddy1	5,222	-	5,222	7,374	-	7,374	(2,152)	-	(2,152)	162,081	359,989	(197,909)
17	547	Encogen	7,212	-	7,212	7,128	-	7,128	83	-	83	183,477	280,005	(96,527)
18	547	Fredonia 1&2	379	-	379	109	-	109	270	-	270	8,378	3,487	4,891
19	547	Fredonia 3&4	2,352	-	2,352	1,227	-	1,227	1,125	-	1,125	59,341	42,085	17,257
20	547	Frederickson 1&2	394	-	394	20	-	20	374	-	374	8,703	635	8,067
21	547	Whitehorn 2&3	498	-	498	37	-	37	461	-	461	11,075	1,159	9,915
22	547	Ferndale	13,374	-	13,374	-	-	-	13,374	-	13,374	367,283	-	367,283
23	555	KlamathPeaker	1	1,794	1,795	-	1,785	1,785	1	9	10	11	-	11
28	555W	Hopkins Ridge	-	-	-	-	-	-	-	-	-	447,831	447,831	-
29	555W	Wild Horse	-	-	-	-	-	-	-	-	-	604,733	604,733	-
30	555W	Wild Horse Expansion	-	-	-	-	-	-	-	-	-	91,731	91,731	-
31	555W	LSR1	-	-	-	-	-	-	-	-	-	892,274	892,068	206
32	555W	Klondike Wind PPA	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX
33	555	Baker Replacement	-	-	-	-	-	-	-	-	-	7,009	7,009	-
34	555	Barclays PPA	16,362	-	16,362	16,362	-	16,362	-	-	-	216,000	216,000	-
36	555	PG&E Exchange	-	5	5	-	(16)	(16)	-	21	21	156	36	120
37	555	Point Roberts BC Hydro	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX	20,729	20,618	111
39	555	ElectronPPA	-	-	-	-	-	-	-	-	-	-	-	-
40	555	QF Hutchinson Hydro	56	-	56	-	-	-	56	-	56	1,872	-	1,872
41	555	QF Koma Kulshan	3,116	-	3,116	2,981	-	2,981	135	-	135	39,088	38,832	256
42	555	QF Nooksack	228	-	228	1,261	-	1,261	(1,033)	-	(1,033)	3,997	22,123	(18,126)
44	555	QF Sygitowicz	29	-	29	53	-	53	(23)	-	(23)	360	660	(300)
45	555	QF Twin Falls	5,251	-	5,251	5,157	-	5,157	94	-	94	70,014	68,760	1,254
46	555	QF Weeks Falls	961	-	961	945	-	945	16	-	16	12,807	12,598	209
47	555	JP Morgan	-	-	-	36,392	-	36,392	(36,392)	-	(36,392)	-	529,800	(529,800)
48	555	Shell Energy PPA	-	-	-	25,427	-	25,427	(25,427)	-	(25,427)	-	402,000	(402,000)
50	555	Wasco Hydro	-	-	-	1,722	-	1,722	(1,722)	-	(1,722)	-	27,022	(27,022)
51	555	WNP-3 Exchange BPA Firm	16,118	-	16,118	15,919	-	15,919	199	-	199	393,793	426,435	(32,642)

PUGET SOUND ENERGY
PCORC Power Costs Comparison
(dollars in thousands)

A/C	Contract/Resource	2013 PCORC (Nov13-Oct14) Rebuttal Prices = 8.5.13			2011 GRC (May12-Apr13) Prices = 4.25.12			Increase / (Decrease) Costs			2013 PCORC	11GRC	Change	
		AURORA	Other	Total	AURORA	Other	Total	AURORA	Other	Total	Prices = 8.5.13 MWH	Prices = 4.25.12 MWH	Incr/(Decr) MWH	
53	555	Qualco Dairy Digester	36	-	36	341	-	341	(305)	-	(305)	352	3,427	(3,076)
54	555	Sch91Contracts	9,846	-	9,846	4,000	-	4,000	5,846	-	5,846	114,784	43,236	71,548
55	447	Market Sale PSE's	(4,402)	-	(4,402)	(4,913)	-	(4,913)	511	-	511	(120,600)	(222,600)	102,000
56	555	Market Purchase PSE's	208,017	-	208,017	238,242	-	238,242	(30,225)	-	(30,225)	6,086,040	6,132,000	(45,960)
57	555MP	Market Purchase	65,333	-	65,333	32,647	-	32,647	32,686	-	32,686	XXXXXXXX	XXXXXXXX	XXXXXXXX
58	447	Market Sale	(25,420)	-	(25,420)	(36,112)	-	(36,112)	10,692	-	10,692	(801,493)	(1,547,281)	745,788
59	555	Peak Planning	-	16	16	-	743	743	-	(727)	(727)	-	-	-
60	555	BEP Amortization	-	3,527	3,527	-	3,527	3,527	-	-	-	-	-	-
61	555	Douglas Settlement Pymt	-	(908)	(908)	-	(218)	(218)	-	(689)	(689)	-	-	-
62	557	Other Power Costs	-	7,833	7,833	-	8,029	8,029	-	(196)	(196)	-	-	-
63	565	Transmission	-	107,803	107,803	-	92,329	92,329	-	15,475	15,475	-	-	-
64	555	Chelan Amort	-	7,088	7,088	-	7,088	7,088	-	0	0	-	-	-
65	456	MTM & Sales of Excess Gas	-	(9,037)	(9,037)	-	52,496	52,496	-	(61,533)	(61,533)	-	-	-
66	456	Cedar Hills Gas	-	-	-	-	-	-	-	-	-	-	-	-
71	555	Wind Integration Costs	-	3,162	3,162	-	5,386	5,386	-	(2,224)	(2,224)	-	-	-
72	547	Gas Transportation & Oil	-	41,580	41,580	-	31,424	31,424	-	10,156	10,156	-	-	-
73		Total	\$489,274	\$245,058	\$734,332	\$523,270	\$ 286,859	\$810,130	(\$33,997)	(\$41,801)	(\$75,798)	22,890,882	23,172,444	(281,562)
74		ck s/b zero			-			-			-			
75	501	Coal	\$73,848	\$18,095	\$91,942	\$72,922	\$16,804	\$89,726	\$926	\$1,291	\$2,217	4,913,482	4,808,532	104,950
76	547	Natural Gas	109,065	41,580	150,644	99,479	31,424	130,903	9,585	10,156	19,741	3,279,215	4,619,379	(1,340,164)
77	555	Purchased Power	261,469	14,684	276,153	350,241	18,294	368,536	(88,773)	(3,610)	(92,382)	6,781,491	7,761,563	(980,073)
78	555W	Wind	9,382	-	9,382	9,006	-	9,006	376	-	376	2,195,964	2,195,759	206
79	555H	Hydro	-	64,100	64,100	-	67,484	67,484	-	(3,384)	(3,384)	4,641,674	4,395,412	246,261
80	557	Other Power Costs	-	7,833	7,833	-	8,029	8,029	-	(196)	(196)	-	-	-
81	565	Transmission	-	107,803	107,803	-	92,329	92,329	-	15,475	15,475	-	-	-
82	555MP	Market Purchases	65,333	-	65,333	32,647	-	32,647	32,686	-	32,686	2,001,150	1,161,680	839,470
83	447	Secondary Sales	(29,822)	-	(29,822)	(41,025)	-	(41,025)	11,202	-	11,202	(922,093)	(1,769,881)	847,788
84	456	Non-Core Gas	-	(9,037)	(9,037)	-	52,496	52,496	-	(61,533)	(61,533)	-	-	-
85		Total	\$489,274	\$245,058	\$734,332	\$523,270	\$286,859	\$810,130	(\$33,997)	(\$41,801)	(\$75,798)	22,890,882	23,172,444	(281,562)

-9.4%