

**EXHIBIT NO. ___(DEM-10)
DOCKET NO. UE-072300/UG-072301
2007 PSE GENERAL RATE CASE
WITNESS: DAVID E. MILLS**

**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**

**FIRST EXHIBIT (NONCONFIDENTIAL) TO THE
PREFILED SUPPLEMENTAL DIRECT TESTIMONY OF
DAVID E. MILLS
ON BEHALF OF PUGET SOUND ENERGY, INC.**

APRIL 11, 2008

PUGET SOUND ENERGY
2007 General Rate Case Power Cost Projections
AURORA + Non-AURORA Power Costs
4.8.08 AURORA Model run

3-month average gas prices at 3/11/2008

(dollars are in thousands)

2007 GRC

	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	UPDATE	AS FILED	Change fm	Settlement	Change fm
													2007 GRC	2007 GRC	As Filed	2007 PCORC	07PCORC
501 Coal Fuel	\$ 5,211	\$ 5,364	\$ 5,333	\$ 4,917	\$ 5,134	\$ 4,265	\$ 4,147	\$ 3,990	\$ 5,044	\$ 5,440	\$ 5,424	\$ 5,579	\$ 59,848	\$ 59,831	\$ 17	\$ 59,022	\$ 826
547 Natural Gas Fuel	\$ 13,344	\$ 10,293	\$ 8,808	\$ 9,300	\$ 8,241	\$ 8,467	\$ 7,787	\$ 7,199	\$ 15,249	\$ 12,331	\$ 13,777	\$ 11,692	\$ 126,488	\$ 133,818	\$ (7,329)	\$ 130,738	\$ (4,249)
555 Purchase & Interchange	\$ 80,390	\$ 95,404	\$ 88,058	\$ 82,771	\$ 83,427	\$ 63,629	\$ 49,200	\$ 54,278	\$ 40,513	\$ 44,375	\$ 49,862	\$ 71,951	\$ 803,858	\$ 772,742	\$ 31,115	\$ 712,132	\$ 91,726
557 Other Power Supply	\$ 577	\$ 577	\$ 577	\$ 577	\$ 577	\$ 577	\$ 577	\$ 577	\$ 577	\$ 577	\$ 577	\$ 577	\$ 6,928	\$ 7,058	\$ (130)	\$ 6,782	\$ 146
565 Wheeling	\$ 5,987	\$ 5,980	\$ 5,976	\$ 5,967	\$ 6,017	\$ 5,971	\$ 5,981	\$ 5,958	\$ 6,004	\$ 5,991	\$ 6,074	\$ 6,124	\$ 72,028	\$ 72,176	\$ (148)	\$ 68,206	\$ 3,822
447 Secondary Sales	\$ (2,864)	\$ (268)	\$ (788)	\$ (583)	\$ (925)	\$ (1,836)	\$ (742)	\$ (1,006)	\$ (3,732)	\$ (1,846)	\$ (573)	\$ (49)	\$ (15,212)	\$ (6,297)	\$ (8,915)	\$ (6,530)	\$ (8,682)
Subtotal	\$ 102,645	\$ 117,350	\$ 107,963	\$ 102,950	\$ 102,471	\$ 81,073	\$ 66,950	\$ 70,997	\$ 63,656	\$ 66,869	\$ 75,141	\$ 95,875	\$ 1,053,937	\$ 1,039,327	\$ 14,610	\$ 970,350	\$ 83,587
456 Non-Core Gas	(20)	(4)	(3)	(8)	(3)	(10)	-	(5)	(29)	(24)	(34)	(13)	(155)	(188)	33	(592)	437
Total Power Costs	\$ 102,624	\$ 117,345	\$ 107,960	\$ 102,941	\$ 102,467	\$ 81,063	\$ 66,950	\$ 70,992	\$ 63,626	\$ 66,844	\$ 75,107	\$ 95,862	\$ 1,053,782	\$ 1,039,139	\$ 14,643	\$ 969,757	\$ 84,025
Load in MWh	2,104,318	2,412,942	2,404,003	2,092,306	2,153,597	1,879,900	1,794,857	1,676,320	1,727,095	1,740,460	1,680,785	1,932,886	23,599,466	23,599,465	1	23,301,685	297,781
6.7% Delivered Load	1,963,329	2,251,275	2,242,934	1,952,121	2,009,306	1,753,946	1,674,601	1,564,006	1,611,379	1,623,849	1,568,173	1,803,382	22,018,302	22,018,301	1	21,740,472	277,829
													Revenue Requirement Adjustments:				
													Before adjustment				
													\$ 1,053,782	\$ 1,039,139	\$ 14,643	\$ 969,757	\$ 84,025
													\$ (5,304)	\$ (5,340)	\$ 36	\$ (6,865)	\$ 1,561
													\$ (2,343)	\$ (2,265)	\$ (78)	\$ (2,330)	\$ (13)
													\$ (1,104)	\$ (1,102)	\$ (2)	\$ (1,105)	\$ 1
													\$ 1,045,031	\$ 1,030,432	\$ 14,599	\$ 959,458	\$ 85,573
													102,444	103,745	(1,301)	91,505	10,939
													1,176	1,176	-	1,352	(176)
													\$ 1,148,651	\$ 1,135,353	\$ 13,297	\$ 1,052,315	\$ 96,336
													\$ 1,148,651	\$ 1,135,353		\$ 1,052,315	