

**EXHIBIT NO. ___(DEM-11C)
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**

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

**REDACTED
VERSION**

APRIL 11, 2008

2007 GRC Updated vs As Filed Power Cost Projections

LN	FERC	Contract/Resource	2007 GRC As Filed (costs in '000s)			2007 GRC (Nov08-Oct09) Updated (costs in '000s)			Increase / (Decrease) Costs (costs in '000s)			As Filed	Updated	Incr/(Decr) MWhs
			AURORA	Other	Total	AURORA	Other	Total	AURORA	Other	Total	2007 GRC MWH	2007 GRC MWH	Updated vs As Filed MWH
1	a/c													
2	547	Crystal Mountain	0	0	0	0	0	0	0	0	0	0	0	0
3	555	Baker Replacement	0	0	0	0	0	0	0	0	0	7,006	7,006	0
4	555	BC Hydro Point Roberts	XXXXXXXXXX	0	XXXXXXXXXX	XXXXXXXXXX	0	XXXXXXXXXX	0	0	0	19,723	19,723	0
5	555	BPA Firm - WNP #3 Exchange	12,803	0	12,803	12,818	0	12,818	15	0	15	368,751	368,751	0
6	555	BPA Snohomish Conservation	3,811	0	3,811	3,811	0	3,811	0	0	0	90,112	90,112	0
7	555	Canadian EA	0	0	0	0	0	0	0	0	0	(299,235)	(299,235)	0
8	501	Colstrip 1&2	24,782	4,682	29,464	24,373	4,757	29,130	(409)	74	(335)	2,161,280	2,173,311	12,031
9	501	Colstrip 3&4	22,491	7,875	30,367	22,843	7,875	30,718	351	0	351	2,510,234	2,553,700	43,466
10	547	Encogen	2,798	(2,258)	540	2,348	(4,102)	(1,754)	(450)	(1,844)	(2,294)	37,620	30,653	(6,967)
11	547	Fred 1	23,721	6,474	30,195	21,762	6,606	28,368	(1,960)	132	(1,828)	395,098	342,503	(52,595)
12	547	Frederickson 1&2	506	0	506	565	0	565	59	0	59	5,096	5,445	349
13	547	Fredonia 1&2	1,482	790	2,272	1,585	790	2,375	103	0	103	15,756	16,119	363
14	547	Fredonia 3&4	558	790	1,349	600	790	1,390	41	0	41	6,590	6,791	201
15	547	Goldendale	84,272	3,274	87,546	87,821	3,293	91,113	3,548	19	3,567	1,419,778	1,391,395	(28,382)
16	565	Hopkins Ridge Wind	0	(1,037)	(1,037)	0	(1,037)	(1,037)	0	0	0	454,408	454,408	0
17	555	Klondike Wind PPA	8,168	143	8,311	8,197	143	8,340	30	0	30	XXXXXXXXXX	XXXXXXXXXX	0
18	555	Lehman Brothers PPA	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	0	XXXXXXXXXX	0	0	0	364,800	364,800	0
19	555	Market Purchase	290,774	(3)	290,771	173,818	(2)	173,816	(116,956)	1	(116,956)	XXXXXXXXXX	XXXXXXXXXX	(2,077,066)
20	447	Market Sale	(6,297)	0	(6,297)	(15,212)	0	(15,212)	(8,915)	0	(8,915)	XXXXXXXXXX	XXXXXXXXXX	(155,919)
21	555	Mid Columbia	0	97,428	97,428	0	98,860	98,860	0	1,432	1,432	5,809,927	5,809,927	0
22	555	Nooksack Hydro	1,402	(3)	1,399	1,248	17	1,266	(153)	20	(133)	21,900	21,900	0
23	555	Northwestern	5,109	38,524	43,633	5,104	38,524	43,628	(5)	0	(5)	692,062	692,062	0
24	555	PG&E Exchange	0	(0)	(0)	0	0	0	0	0	0	(69)	(69)	0
25	555	XXXXXXXXXXXXXXXXXXXXXXXXXXXX	XXXXXXXXXX	0	XXXXXXXXXX	XXXXXXXXXX	0	XXXXXXXXXX	0	0	0	182,400	182,400	0
26	555	PR Displacement Product	4,493	0	4,493	4,493	0	4,493	0	0	0	156,970	156,970	0
27	555	PSE Short Term Contracts	16,017	0	16,017	165,187	0	165,187	149,170	0	149,170	234,450	2,589,808	2,355,358
28	555	Puget's Hydro	0	0	0	0	0	0	0	0	0	1,048,033	1,048,033	0
29	555	QF Koma Kulshan Hydro	2,983	0	2,983	2,983	0	2,983	1	0	1	38,900	38,900	0
30	555	QF March Point 1	37,333	0	37,333	37,439	0	37,439	106	0	106	668,868	668,868	0
31	555	QF March Point 2	26,804	0	26,804	26,372	0	26,372	(431)	0	(431)	382,506	381,494	(1,013)
32	555	QF Puyallup Energy Recovery Co. (PERC)	315	159	474	330	159	489	15	0	15	5,179	5,179	0
33	555	QF Port Townsend Hydro	183	0	183	183	0	183	0	0	0	2,505	2,505	0
34	555	QF Spokane MSW	12,815	0	12,815	12,836	0	12,836	21	0	21	142,428	142,428	0
35	555	QF Sygitowicz	47	0	47	47	0	47	0	0	0	703	703	0
36	555	QF Tenaska	101,864	31,942	133,806	100,264	31,942	132,206	(1,600)	0	(1,600)	376,206	308,264	(67,942)
37	555	QF Twin Falls	5,151	0	5,151	5,151	0	5,151	0	0	0	68,675	68,675	0
38	555	QF Weeks Falls	923	0	923	923	0	923	0	0	0	12,301	12,301	0
39	555	Sempra PPA	XXXXXXXXXX	0	XXXXXXXXXX	XXXXXXXXXX	0	XXXXXXXXXX	0	0	0	438,000	438,000	0
40	547	Sumas	10,017	0	10,017	8,924	0	8,924	(1,093)	0	(1,093)	150,012	127,229	(22,183)
41	555	TransAlta Exchange	XXXXXXXXXX	0	XXXXXXXXXX	XXXXXXXXXX	0	XXXXXXXXXX	0	0	0	0	0	0
42	555	Wasco Hydro	2,492	0	2,492	2,498	0	2,498	6	0	6	38,126	38,126	0
43	547	Whitehorn 2&3	440	181	621	491	181	672	51	0	51	4,328	4,628	299
44	555	Wild Horse Wind	0	4,998	4,998	0	4,641	4,641	0	(356)	(356)	641,924	641,924	0
45	555	Vanderhaak Dairy	0	0	0	0	0	0	0	0	0	0	0	0
46	555	ORMAT	0	0	0	0	0	0	0	0	0	0	0	0
47	555	QF Hutch.-TY + Settlement Adjustments	0	0	0	0	0	0	0	0	0	0	0	0
48	557	Other Power Costs	0	7,058	7,058	0	6,928	6,928	0	(130)	(130)	0	0	0
49	565	Wheeling	0	72,176	72,176	0	72,028	72,028	0	(148)	(148)	0	0	0
50	555	Douglas Settlement	0	(5,079)	(5,079)	0	(5,235)	(5,235)	0	(156)	(156)	0	0	0
51	555	Capacity	0	63	63	0	21	21	0	(42)	(42)	0	0	0
52	555	Powerex	0	0	0	0	0	0	0	0	0	0	0	0
53	456	(Gain) / Loss on Sale of Excess Gas	0	(188)	(188)	0	(155)	(155)	0	33	33	0	0	0
54	555	BEP Amort	0	3,527	3,527	0	3,527	3,527	0	0	0	0	0	0
55	547	Gas Contracts Mark to Market	0	772	772	0	(5,166)	(5,166)	0	(5,938)	(5,938)	0	0	0
56		Total	\$ 766,851	\$ 272,288	\$ 1,039,139	\$ 788,397	\$ 265,385	\$ 1,053,782	\$ 21,546	\$ (6,903)	\$ 14,643	23,599,465	23,599,466	1
58	501	Coal Fuel	47,273	12,558	59,831	47,216	12,632	59,848	(58)	74	17	4,671,514	4,727,011	55,497
59	547	Natural Gas Fuel	123,795	10,023	133,818	124,096	2,392	126,488	302	(7,631)	(7,329)	2,034,278	1,925,363	(108,914)
60	555	Purchase & Interchange	602,080	171,699	773,779	632,298	171,560	803,858	30,217	898	31,115	16,581,487	16,790,824	209,337
61	557	Other Power Supply	0	7,058	7,058	0	6,928	6,928	0	(130)	(130)	0	0	0
62	565	Wheeling	0	71,139	71,139	0	72,028	72,028	0	(148)	(148)	454,408	454,408	0
63	447	Secondary Sales	(6,297)	0	(6,297)	(15,212)	0	(15,212)	(8,915)	0	(8,915)	(142,222)	(298,142)	(155,919)
64	456	Non-Core Gas	0	(188)	(188)	0	(155)	(155)	0	33	33	0	0	0
65		Total	\$ 766,851	\$ 272,288	\$ 1,039,139	\$ 788,397	\$ 265,385	\$ 1,053,782	\$ 21,546	\$ (6,903)	\$ 14,643	23,599,465	23,599,466	1
67		Prudence & Buyout Disallowances			\$ (8,707)			\$ (8,751)			\$ (44)			
68		Production O&M (including ben & p/r tax)			103,745			102,444			(1,301)			
69		Colstrip 500 KV Expense			1,176			1,176			-			
70		Costs for Revenue Requirement			\$ 1,135,353			\$ 788,397			\$ 13,297			