

EXHIBIT NO. ___ (JMR-22)
DOCKET NO. UG-040640, *et al.* (consolidated)
2004 PSE GENERAL RATE CASE
WITNESS: JULIA M. RYAN

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*)

In the Matter of the Petition of

PUGET SOUND ENERGY, INC.

For an Order Regarding the Accounting
Treatment for Certain Costs of the Company's
Power Cost Only Rate Filing.

Docket No. UE-031471 (*consolidated*)

In the Matter of the Petition of

PUGET SOUND ENERGY, INC.

For an Accounting Order Authorizing
Deferral and Recovery of the Investment
And Costs Related to the White River
Hydroelectric Project.

Docket No. UE-032043 (*consolidated*)

TENTH EXHIBIT TO THE
PREFILED REBUTTAL TESTIMONY OF
JULIA M. RYAN (NONCONFIDENTIAL)
ON BEHALF OF PUGET SOUND ENERGY, INC.

NOVEMBER 3, 2004

GRC Power Cost Projections
Rate Year AURORA + Non-AURORA Power Costs
GRC 9.30.04 Gas Price Updates + 50 Year Hydro

General Rate Case Rate Year: March 2005 - February 2006

	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
501 Coal Fuel	\$ 3,524	\$ 3,428	\$ 2,848	\$ 3,012	\$ 3,524	\$ 3,524	\$ 3,428	\$ 3,524	\$ 3,428	\$ 3,524	\$ 3,626	\$ 3,331	\$ 40,719
547 Natural Gas Fuel	5,755	4,618	4,169	4,341	7,291	12,077	13,831	9,878	10,506	11,747	13,402	10,916	108,551
555 Purchase & Interchange	57,732	43,390	32,823	40,654	33,694	34,242	37,130	51,434	60,064	75,823	72,717	61,696	601,398
557 Other Power Supply	562	562	562	562	562	562	562	562	562	562	544	544	6,708
565 Wheeling	3,373	3,390	3,386	3,549	3,763	3,573	3,880	3,954	3,914	3,871	3,823	3,813	44,288
447 Secondary Sales	(1,128)	(1,642)	(448)	(1,295)	(5,162)	(4,981)	(3,887)	(2,570)	(2,680)	(1,662)	(1,318)	(1,122)	(27,896)
Subtotal	\$ 69,817	\$ 53,746	\$ 43,338	\$ 50,822	\$ 43,671	\$ 48,996	\$ 54,944	\$ 66,781	\$ 75,794	\$ 93,865	\$ 92,795	\$ 79,178	\$ 773,748
Non-Core Gas	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal with Non-Core Gas	\$ 69,817	\$ 53,746	\$ 43,338	\$ 50,822	\$ 43,671	\$ 48,996	\$ 54,944	\$ 66,781	\$ 75,794	\$ 93,865	\$ 92,795	\$ 79,178	\$ 773,748
6.40% 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	1,881,084	2,141,613	2,177,709	1,859,919	20,923,938
Delivered Load	1,790,852	1,550,997	1,476,250	1,384,211	1,412,194	1,439,218	1,403,975	1,582,645	1,760,695	2,004,550	2,038,336	1,740,884	19,584,806

Revenue Requirement Adjustments:	Before adjustment	Net Power Costs	Production O&M (including ben & p/r tax)	Subtotal Costs for Revenue Requirement
Tenaska Buyout Disallowance	\$ 21,442	\$ 35,351	\$ 54,163	\$ 814,650
Tenaska Prudence Disallowance	\$ 164,337	\$ 1,061	\$ 492	\$ 1,232
March Point 2 Prudence Disallowance	\$ 35,351	\$ 759,995	\$ 54,163	\$ 814,650
Remove CanWest Impact:				
Colstrip 500 KV Expense				492
Remove CanWest Impact:				(1,232)
Net Costs for Revenue Requirement	\$ 813,417	\$ 773,369	\$ 54,163	\$ 814,650
As Filed Net Costs	\$ 773,369	\$ 773,369	\$ 54,163	\$ 814,650
Difference	\$ 40,048	\$ 40,048	\$ 40,048	\$ 40,048

**GRC Power Cost Projections Reconciliation
Rate Year AURORA + Non-AURORA Power Costs**

Power Costs	GRC 9.30.04		Tenaska & March Point		Net Costs for	
	Aurora	Not in Models	Total	Disallowance	Production O&M 500 KV	Revenue Requirements
9.30.04 Rebuttal Gas Price Update vs GRC Filing	\$ 525,879	\$ 205,494	\$ 731,373	\$ (11,993)	\$ 53,496	\$ 492
REBUTTAL w/ Gas Price Update						
GRC 1.19.04 as filed	\$ 525,879	\$ 205,494	\$ 731,373	\$ (11,993)	\$ 53,496	\$ 492
Reconciling Items:						
50 yr vs 60 yr hydro	(1,978)		(1,978)			(1,978) H
Update Gas Forecast	56,440		56,440			56,440 G
Gas MTM		(9,784)	(9,784)			(9,784) G
Update Coal Price & move adj to Aurora	2,406		2,406			1,495 Coal
Remove PSEG contract to Tenaska		323	323			323 Contracts
Douglas Settlement		(931)	(931)			(931) G
Adjust Wheeling Incr from 15% to 14%		(179)	(179)			(179) W
Adjust WNP3 Contract		(1,525)	(1,525)			(1,525) Contracts
Capacity Cost Update		(2,746)	(2,746)			(2,746) Cap
Fixed Fuel Costs for Encogen		28	28			28 G
Prudence & Buyout Disallowance				(1,761)		(1,761) G
Colstrip O&M					1,151	1,151 Coal
Generation Impact for Freddy/Epoor					(62)	(62) G
Normalized Major Maintenance					(422)	(422) G
Net Change before CanWest	\$ 56,868	\$ (15,725)	\$ 41,143	\$ (1,761)	\$ 39,382	\$ 667
Net Change before CanWest	\$ 582,748	\$ 189,768	\$ 772,516	\$ (13,754)	\$ 758,762	\$ 492
Rebuttal w/ Gas Price Updates b4 CanWest	\$ 582,748	\$ 189,768	\$ 772,516	\$ (13,754)	\$ 758,762	\$ 492
CanWest Sllmt		1,577	1,577			1,577 CW
CanWest Replacement Gas Contracts MTM		(345)	(345)			(345) CW
CanWest Change	\$ -	\$ 1,232	\$ 1,232	\$ -	\$ -	\$ -
Net Change	\$ 56,868	\$ (14,493)	\$ 42,375	\$ (1,761)	\$ 40,614	\$ 667
GRC 9.30.04 rebuttal w/ CanWest	\$ 582,748	\$ 191,001	\$ 773,748	\$ (13,754)	\$ 54,163	\$ 492

As Filed	
H	Hydro Update
G	Gas Price Update
Cap	Capacity Update
Coal	Colstrip Update
Contracts	Contracts Update
W	Wheeling
CW	Rebuttal before CanW
	CanWest Update
	Rebuttal

AURORA As Filed \$ 525,879
 AURORA As Filed w/ 50 year Hydro 523,901
 Decrease due to 50 vs 60 year Hydro (1,978)

GRC Power Cost Projections
Rate Year AURORA + Non-AURORA Power Costs
GRC 1.19.04 50 Year Hydro

General Rate Case Rate Year: March 2005 - February 2006

	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	\$ 3,524	\$ 3,429	\$ 2,848	\$ 3,012	\$ 3,524	\$ 3,524	\$ 3,429	\$ 3,524	\$ 3,429	\$ 3,524	\$ 3,626	\$ 3,331	\$ 40,726
Natural Gas Fuel	5,543	4,965	4,605	4,559	7,026	11,594	14,061	10,231	10,434	10,960	11,940	10,026	105,934
Purchase & Interchange	53,627	40,324	30,843	38,105	31,707	32,258	34,324	46,845	54,619	69,248	67,580	57,313	556,792
Other Power Supply	562	562	562	562	562	562	562	562	562	562	544	544	6,708
Wheeling	3,373	3,390	3,386	3,549	3,763	3,573	3,880	3,954	3,914	3,871	3,823	3,813	44,288
Secondary Sales	(990)	(1,743)	(530)	(1,315)	(4,683)	(4,832)	(4,124)	(2,974)	(2,558)	(1,528)	(1,160)	(969)	(27,406)
Subtotal	\$ 65,639	\$ 50,927	\$ 41,714	\$ 48,472	\$ 41,899	\$ 46,679	\$ 52,131	\$ 62,142	\$ 70,399	\$ 86,628	\$ 86,354	\$ 74,058	\$ 727,043
Non-Core Gas	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal with Non-Core Gas	\$ 65,639	\$ 50,927	\$ 41,714	\$ 48,472	\$ 41,899	\$ 46,679	\$ 52,131	\$ 62,142	\$ 70,399	\$ 86,628	\$ 86,354	\$ 74,058	\$ 727,043

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	1,550,997	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	Net Power Costs
Tenaska Buyout Disallowance	50.0%	\$ 18,360	\$ 727,043	\$ 727,043
Tenaska Prudence Disallowance	1.2%	\$ 143,972	(9,180)	(9,180)
March Point 2 Prudence Disallowance	3.0%	\$ 35,704	(1,728)	(1,728)
			(1,071)	(1,071)
			\$ 715,064	\$ 715,064
Production O&M (including ben & p/r tax)			54,626	54,626
Colstrip 500 KV Expense			492	492
Net Costs for Revenue Requirement			\$ 770,182	\$ 770,182
As Filed Net Costs			773,369	773,369
Difference			(3,187)	(3,187)