

BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant,

v.

PUGET SOUND ENERGY, INC.,

Respondent.

Docket No. _____

DECLARATION OF ERIC M. MARKELL
IN SUPPORT OF PSE'S MOTION FOR
AMENDED PROTECTIVE ORDER WITH
HIGHLY CONFIDENTIAL PROVISIONS

1 I, Eric M. Markell, hereby declare under penalty of perjury under the laws of the
State of Washington that the following are true and correct:

2 I am Senior Vice President Energy Resources for Puget Sound Energy, Inc. ("PSE"
or "the Company"). My present responsibilities include oversight of PSE's generation
resource acquisition and management activities. I have personal knowledge of the matters
set forth in this Declaration and, as to matters that call for an opinion, state such opinion on
information and belief based on my experience in the industry and with the Company.

3 The Company is requesting a protective order with "highly confidential" provisions
to protect certain material contained in its June 7, 2005 PCORC Filing because inappropriate
release of that material would impose a highly significant risk of competitive harm to PSE
and to the owners and developers of power resources that participated in the Company's
recent competitive bidding process under Chapter 480-107 WAC.

4 PSE's Requests for Proposals (RFPs) for wind resources and for all generation
resources required entities that wished to sell power resources to the Company to provide
detailed, extensive information about their resources and the terms of the transactions they

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ERIC M. MARKELL- 1

[BA051570.008]

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proposed to the Company. Such information is extremely commercially sensitive because these owners and developers are competing against each other to sell their projects or power from their projects, to obtain financing for their projects, and in some cases to obtain the necessary permits and real estate rights for their projects.

5 In recognition of the sensitivity of the information PSE was requesting, the RFPs the Commission approved for issuance in Docket No. UE-031353 included a confidentiality agreement under which the Company agreed to protect from inappropriate disclosure any confidential information submitted by entities responding to the RFPs. The Company subsequently executed such agreements with project proposers. Among other things, the Company agreed that if PSE's decisions were at issue in a Commission proceeding, PSE would seek a protective order from the Commission with "highly confidential" provisions to protect against disclosure of the information to competitors and the public.

6 The Company and its customers also have an interest in protecting against disclosure of such information to the public or to developers or owners who are competing against each other in the industry for at least two reasons: (1) because such developers or owners should not be put in the position of being able to "game" the RFP process by having access to confidential information about their competitors; and (2) because if PSE is to attract a broad slate of proposals in response to future RFPs, developers or owners considering submitting proposals must have confidence that the confidentiality of their sensitive commercial information will be respected, notwithstanding the fact that PSE's resource acquisitions are subject to some degree of public scrutiny through the regulatory process.

7 In addition, the Company has marked a limited subset of additional information as "highly confidential" that was not submitted by project developers or owners, but that is highly commercially sensitive to PSE. Such information includes references to the

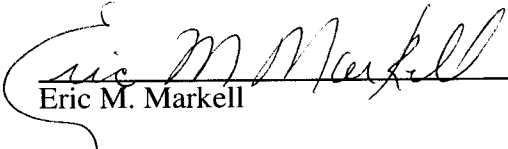
Company's negotiating strategies or cost information about resources outside the RFP process (such as PSE's hydro resources) that are currently the subject of negotiations and/or litigation. Release of such information to owners or developers of project resources or to counterparties with whom the Company is negotiating would harm the Company and its customers because it would undercut the Company's negotiating position.

8 The likely result of release of any of the "highly confidential" information to owners or developers of energy resources, or to persons or entities that represent or advise them, would be increased costs for the Company and, ultimately, its customers.

9 For these reasons, the Company is asking that the Commission issue a protective order with "highly confidential" provisions that permits the Company to designate information as "highly confidential" in its testimony, exhibits, responses to data requests, and briefing. The Company is also asking that only the Commission Staff and Public Counsel have access to such "highly confidential" information. Any further release to experts for Commission Staff or Public Counsel, or to any other parties who intervene in the June 7, 2005 PCORC Filing, should be subject to a showing that such persons or entities are not current or potential owners or developers of energy resources or consultants or advisors to such owners or developers.

10 Finally, with respect to treatment of "highly confidential" material, the Company is asking for limitations on copying and handling of such materials by parties who are entitled to access such materials in order to reduce the risk of inadvertent disclosure.

Executed this 6th day of June, 2005, at Bellevue, Washington.


Eric M. Markell

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