

**EXHIBIT NO. ___ (DEM-10C)
DOCKET NOS. UE-111048/UG-111049
2011 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-111048
Docket No. UG-111049**

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

**REDACTED
VERSION**

SEPTEMBER 1, 2011

PUGET SOUND ENERGY
2011 General Rate Case Docket UE-111048 & UG-111049
(dollars in thousands)

2011 GRC (May12-Apr13) 2011 GRC (May12-Apr13)
Update As Filed As Filed

Increase / (Decrease) Costs

A/C	Contract/Resource	AURORA	Other	Total	AURORA	Other	Total	AURORA	Other	Total	11GRC Update MWH	11GRC As Filed MWH	Incr/(Decr) MWH
555H	Electron	\$0	-	\$0	-	-	\$0	-	-	\$0	72,704	72,704	-
555H	Lower Baker	-	-	-	-	-	-	-	-	-	369,178	369,178	-
555H	Upper Baker	-	-	-	-	-	-	-	-	-	352,730	352,730	-
555H	Snoqualmie Falls	-	-	-	-	-	-	-	-	-	-	-	-
555	Mid-C Canadian EA	-	61,544	61,544	-	-	-	-	-	-	(186,491)	(186,491)	-
555H	Mid-C Rocky Reach	-	-	-	-	(5,067)	(5,067)	-	-	-	839,476	839,476	-
555H	Mid-C Priest Rapids Project	-	16,574	16,574	-	16,710	16,710	-	-	-	1,538,280	1,538,280	-
555H	Mid-C Douglas Wells	-	10,251	10,251	-	10,251	10,251	(3)	(3)	(136)	53,865	53,865	-
501	Colstrip 1&2	36,996	7,344	44,021	36,999	7,344	44,020	0	0	0	1,155,121	1,155,121	-
501	Colstrip 3&4	36,676	-	36,676	36,676	-	36,676	-	-	-	2,143,870	2,144,000	(130)
555	Northwestern	-	-	-	-	-	-	-	-	-	2,702,388	2,702,359	40
547	Goldendate	43,780	-	43,780	43,662	-	43,662	118	118	118	1,242,318	1,258,156	(15,838)
547	Mint Farm	44,702	-	44,702	44,518	-	44,518	184	184	184	1,243,696	1,257,781	(14,085)
547	Sumas	9,872	-	9,872	9,856	-	9,856	16	16	16	246,301	249,863	(3,562)
547	Freddy1	7,950	-	7,950	7,896	-	7,896	55	55	55	217,789	219,765	(1,966)
547	Encogen	3,950	-	3,950	3,964	-	3,964	(13)	(13)	(13)	83,987	85,616	(1,628)
547	Frederickson 1&2	-	-	-	-	-	-	-	-	-	-	-	-
547	Frederickson 3&4	315	-	315	331	-	331	(16)	(16)	(16)	5,865	6,227	(363)
547	Whitehorn 2&3	-	-	-	-	-	-	-	-	-	-	-	-
547	KlamathPeaker	-	1,785	1,785	-	1,785	-	-	-	-	-	-	-
555	QF March Point 1	-	-	-	-	-	-	-	-	-	-	-	-
555	QF March Point 2	-	-	-	-	-	-	-	-	-	-	-	-
555	QF Tenaska	-	-	-	-	-	-	-	-	-	-	-	-
555	Tenaska Excess Energy	-	-	-	-	-	-	-	-	-	-	-	-
555	Hopkins Ridge	-	-	-	-	-	-	-	-	-	-	-	-
555W	Wild Horse	-	-	-	-	-	-	-	-	-	447,831	447,831	-
555W	Wild Horse Expansion	-	-	-	-	-	-	-	-	-	604,733	604,733	-
555	LSR1	-	-	-	-	-	-	-	-	-	91,731	91,731	-
555W	Klondike Wind PPA	-	-	-	-	-	-	-	-	-	892,068	892,068	-
555	Baker Replacement	-	-	-	-	-	-	-	-	-	7,009	7,009	-
555	Barclays PPA	16,362	-	16,362	16,362	-	16,362	-	-	-	216,000	216,000	-
555	Credit Suisse	-	-	-	-	-	-	-	-	-	-	-	-
555	PG&E Exchange	-	(15)	(15)	-	(16)	(16)	-	-	-	36	36	-
555	Point Roberts BC Hydro	1,440	-	1,440	1,440	-	1,440	1	1	1	20,618	20,618	-
555	Powerex OnPeak PPA	-	-	-	-	-	-	-	-	-	-	-	-
555	PR Displacement Product	2,981	-	2,981	2,981	-	2,981	-	-	-	38,832	38,832	-
555	QF Koma Kulshan	1,261	-	1,261	1,261	-	1,261	-	-	-	22,123	22,123	-
555	QF Nooksack	-	-	-	-	-	-	-	-	-	-	-	-
555	QF Spokane MSW	-	-	-	-	-	-	-	-	-	660	660	-
555	QF Sygitowicz	53	-	53	53	-	53	-	-	-	68,760	68,760	-
555	QF Twin Falls	5,157	-	5,157	5,157	-	5,157	-	-	-	12,588	12,588	-
555	QF Weeks Falls	945	-	945	945	-	945	-	-	-	529,800	529,800	-
555	JP Morgan	36,392	-	36,392	36,392	-	36,392	-	-	-	402,000	402,000	-
555	Shell Energy PPA	25,427	-	25,427	25,427	-	25,427	-	-	-	27,022	27,022	-
555	TransAlta Exchange	-	-	-	-	-	-	-	-	-	426,435	405,156	21,279
555	Wasco Hydro	1,722	-	1,722	1,722	-	1,722	1,260	1,260	1,260	-	-	-
555	WNP-3 Exchange BPA Firm	15,919	-	15,919	14,659	-	14,659	-	-	-	3,427	3,427	-
555	WNP-3 Return	-	341	341	341	-	341	-	-	-	43,236	39,474	3,762
555	Qualico Dairy Digester	4,000	-	4,000	3,628	-	3,628	372	372	372	-	-	-
555	Sch9Contracts	-	-	-	-	-	-	-	-	-	-	-	-
447	Market Sale PSE's	-	-	-	-	-	-	-	-	-	-	-	-
555	Market Purchase PSE's	188,512	-	188,512	154,400	-	154,400	34,112	34,112	34,112	4,504,200	3,642,600	861,600
555MP	Market Purchase	(10,447)	-	(10,447)	(7,226)	-	(7,226)	(3,220)	(3,220)	(3,220)	(310,681)	(225,649)	(85,032)
447	Market Sale	-	3,527	3,527	-	3,527	-	-	-	-	-	-	-
555	BEP Amortization	-	(2,175)	(2,175)	-	(2,108)	(2,108)	-	(67)	(67)	-	-	-
555	Douglas Settlement Pymt	-	8,029	8,029	-	9,494	9,494	-	(1,465)	(1,465)	-	-	-
557	Other Power Costs	-	97,660	97,660	-	99,784	99,784	-	(2,124)	(2,124)	-	-	-
565	Transmission	-	4,975	4,975	-	14,538	14,538	-	(9,561)	(9,561)	-	-	-
456	MTM & Sales of Excess Gas	-	604	604	-	607	607	-	(3)	(3)	-	-	-
547	Other(gas amort, oil & accgt)	-	5,386	5,386	-	5,386	5,386	-	-	-	-	-	-
555	Wind Integration Costs	-	-	-	-	-	-	-	-	-	-	-	-

PUGET SOUND ENERGY
2011 General Rate Case Docket UE-111048 & UG-111049
 (dollars in thousands)
2011 GRC (May12-Apr13) 2011 GRC (May12-Apr13)
Update As Filed

A/C	Contract/Resource		AURORA		Other		Total		Increase / (Decrease) Costs			11GRC		Incr/(Decr) MWH
	AURORA	Other	AURORA	Other	AURORA	Other	AURORA	Other	Total	Update MWH	As Filed MWH	11GRC MWH		
555	-	33,068	-	33,068	-	33,068	-	33,068	-	-	-	-	-	(0)
	Gas Transportation													
	\$599,088	\$244,701	\$595,095	\$258,054	\$853,149	\$853,149	\$3,992	(\$13,352)	(\$9,360)	23,172,444	23,172,444	23,172,444	-	-
501	\$73,673	\$17,595	\$73,675	\$17,595	\$91,270	\$91,270	(\$2)	\$0	(\$2)	4,846,268	4,846,359	4,846,359	4,846,359	(91)
547	110,570	604	110,226	607	110,833	110,833	343	(3)	340	3,039,966	3,077,408	3,077,408	3,077,408	(37,442)
555	300,512	41,576	264,767	41,643	306,409	306,409	35,745	(67)	35,678	6,227,985	5,341,354	5,341,354	5,341,354	886,641
555W	-	-	-	-	-	-	-	-	-	-	-	-	-	-
555H	-	73,052	-	73,188	73,188	73,188	-	(136)	(136)	4,381,364	4,381,364	4,381,364	4,381,364	-
557	-	8,029	-	9,494	9,494	9,494	-	(1,465)	(1,465)	-	-	-	-	-
565	-	97,660	-	99,784	99,784	99,784	-	(2,124)	(2,124)	-	-	-	-	-
555MP	-	-	-	-	-	-	-	-	-	-	-	-	-	-
447	(10,447)	-	(7,226)	-	(7,226)	(7,226)	(3,220)	-	(3,220)	(310,681)	(225,649)	(225,649)	(85,032)	-
456	-	4,975	-	14,538	14,538	14,538	-	(9,561)	(9,561)	-	-	-	-	-
	\$599,088	\$244,701	\$595,095	\$258,054	\$853,149	\$853,149	\$3,992	(\$13,352)	(\$9,360)	23,172,444	23,172,444	23,172,444	23,172,444	-
	Production O&M													
	-	1,420	-	1,698	1,698	1,698	-	(279)	(279)	-	-	-	-	-
	-	1,420	-	1,698	1,698	1,698	-	(279)	(279)	-	-	-	-	-
	Colstrip 500KV													
	\$599,088	\$383,727	\$595,095	\$397,358	\$992,454	\$992,454	\$3,992	(\$13,631)	(\$9,639)	23,172,444	23,172,444	23,172,444	23,172,444	(0)
	Regulatory Disallowances													
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total													
	\$599,088	\$383,727	\$595,095	\$397,358	\$992,454	\$992,454	\$3,992	(\$13,631)	(\$9,639)	23,172,444	23,172,444	23,172,444	23,172,444	(0)

PUGET SOUND ENERGY
2011 General Rate Case Docket UE-111048 & UG-111049
(dollars in thousands)

A/C	Contract/Resource	2011 GRC (May12-Apr13) Update		2009 GRC (Apr10-Mar11) Compliance Filing		Increase / (Decrease) Costs		11GRC Update		09GRC Compliance Filing		Incr/(Decr) MWH	
		AURORA	Other	Total	AURORA	Other	Total	AURORA	Other	Total	Update MWH		MWH
1	555H	\$0	-	\$0	-	\$0	-	\$0	-	\$0	78,869	(6,165)	
2	555H	-	-	-	-	-	-	-	-	-	374,657	(5,479)	
3	555H	-	-	-	-	-	-	-	-	-	357,317	(4,587)	
4	555H	-	-	-	-	-	-	-	-	-	55,681	(55,681)	
5	555	-	61,544	61,544	72,773	(8,782)	72,773	(11,228)	(186,491)	(283,623)	97,132	(776,655)	
6	555H	-	(5,067)	(5,067)	(8,782)	15,850	15,850	724	839,476	1,616,131	2,406,772	(868,492)	
7	555H	36,996	10,251	47,247	10,909	41,994	41,994	5,253	1,538,280	2,250,441	2,893,728	(191,330)	
8	555H	36,676	7,344	44,021	10,820	40,172	40,172	3,849	2,702,398	2,893,728	588,047	(42,762)	
9	555H	-	-	-	30,134	35,827	35,827	(5,693)	-	-	588,047	1,167,101	(11,980)
10	501	-	-	-	47,909	47,909	47,909	(4,129)	1,242,318	1,068,340	1,195,547	48,149	
11	501	-	-	-	54,206	54,206	54,206	(9,503)	1,243,696	1,195,547	341,524	(95,223)	
12	555	43,780	43,780	87,560	17,755	105,315	105,315	(7,883)	246,301	503,732	285,933	(74,602)	
13	547	44,702	44,702	89,404	23,004	112,408	112,408	(5,169)	83,987	158,589	697	(697)	
14	547	9,872	9,872	19,744	9,119	28,863	28,863	(48)	5,865	1,635	201	(201)	
15	547	7,950	7,950	15,900	15	15,915	15,915	(15)	-	201	233	(233)	
16	547	3,950	3,950	7,900	17	7,917	7,917	(17)	-	233	-	-	
17	547	315	315	630	-	630	630	1,785	-	690,789	690,789	(690,789)	
18	547	-	-	-	38,591	38,591	38,591	(38,591)	-	374,855	374,855	(374,855)	
19	547	-	-	-	29,723	29,723	29,723	(29,723)	-	567,136	567,136	(567,136)	
20	547	-	-	-	94,844	94,844	94,844	(94,844)	-	147	147	(147)	
21	547	-	-	-	9	9	9	(9)	447,831	477,363	29,532	(29,532)	
22	555	-	1,785	1,785	-	-	-	-	604,733	640,060	35,327	(35,327)	
23	555	-	-	-	-	-	-	-	91,731	90,467	1,264	(1,264)	
24	555	-	-	-	-	-	-	-	892,068	-	-	892,068	
25	555	-	-	-	-	-	-	-	-	-	-	-	
26	555	-	-	-	-	-	-	-	-	-	-	-	
27	555W	-	-	-	-	-	-	-	-	-	-	-	
28	555W	-	-	-	-	-	-	-	-	-	-	-	
29	555	-	-	-	-	-	-	-	-	-	-	-	
30	555W	-	-	-	-	-	-	-	-	-	-	-	
31	555W	-	-	-	-	-	-	-	-	-	-	-	
32	555	16,362	-	16,362	-	-	-	16,362	7,009	216,000	438,000	216,000	
33	555	-	-	-	27,704	27,704	27,704	(27,704)	-	-	-	(438,000)	
34	555	-	-	-	-	-	-	-	36	711	20,132	(675)	
35	555	1,440	(15)	1,425	35	1,406	1,406	34	20,618	180,000	253,584	(180,000)	
36	555	-	(15)	(15)	1,440	1,425	1,425	(15)	-	-	38,446	(253,584)	
37	555	-	-	-	14,679	14,679	14,679	(14,679)	-	-	18,180	3,943	
38	555	-	-	-	7,079	7,079	7,079	(7,079)	-	-	142,466	(142,466)	
39	555	2,981	2,981	5,962	2,932	2,932	2,932	49	38,832	38,446	695	(35)	
40	555	1,261	1,261	2,522	1,036	1,036	1,036	225	22,123	18,180	695	(35)	
41	555	-	-	-	12,882	12,882	12,882	(12,882)	-	-	660	695	
42	555	53	53	106	50	106	106	2	660	695	695	(35)	
43	555	5,157	5,157	10,314	5,016	10,314	10,314	141	68,760	66,887	1,873	1,873	
44	555	945	945	1,890	927	1,890	1,890	18	12,598	12,356	242	242	
45	555	36,392	36,392	72,784	37,628	72,784	72,784	(37,628)	529,800	547,800	18,000	(18,000)	
46	555	25,427	25,427	50,854	25,427	25,427	25,427	(25,427)	402,000	-	402,000	-	
47	555	-	-	-	(1,102)	(1,102)	(1,102)	1,102	-	-	-	-	
48	555	1,722	1,722	3,444	2,525	3,444	3,444	(803)	27,022	38,286	407,307	(11,264)	
49	555	15,919	15,919	31,838	13,750	31,838	31,838	2,169	426,435	407,307	19,128	19,128	
50	555	-	-	-	-	-	-	-	-	-	-	-	
51	555	341	341	682	267	682	682	74	3,427	3,496	69	(69)	
52	555	4,000	4,000	8,000	192	8,192	8,192	3,808	43,236	2,515	40,721	40,721	
53	447	-	-	-	-	-	-	-	-	-	-	-	
54	555	188,512	188,512	377,024	102,775	377,024	377,024	(59)	4,504,200	1,585,000	2,919,200	-	
55	555MP	(10,447)	(10,447)	(20,894)	(28,648)	(20,894)	(20,894)	18,201	(310,681)	(718,914)	408,232	-	
56	447	-	-	-	3,527	3,527	3,527	-	-	-	-	-	
57	555	-	3,527	3,527	-	-	-	-	-	-	-	-	
58	555	-	(2,175)	(2,175)	(2,600)	(2,600)	(2,600)	425	-	-	-	-	
59	557	-	8,029	8,029	7,731	7,731	7,731	299	-	-	-	-	
60	565	-	97,660	97,660	80,782	80,782	80,782	16,879	-	-	-	-	
61	456	-	4,976	4,976	32,398	32,398	32,398	(27,422)	-	-	-	-	
62	547	-	604	604	(1,095)	(1,095)	(1,095)	1,699	-	-	-	-	
63	555	-	5,386	5,386	4,365	4,365	4,365	1,021	-	-	-	-	

PUGET SOUND ENERGY
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(dollars in thousands)

2011 GRC (May12-Apr13) 2009 GRC (Apr10-Mar11)
Update Compliance Filing

A/C	Contract/Resource	2011 GRC (May12-Apr13) Update		2009 GRC (Apr10-Mar11) Compliance Filing		Increase / (Decrease) Costs			11GRC Update MWH	09GRC Compliance Filing MWH	Incr/(Decr) MWH
		AURORA	Other	Total	AURORA	Other	Total	AURORA			
64	555	-	33,068	33,068	-	27,969	-	5,099	23,172,444	-	-
65	65	\$599,088	\$244,701	\$843,789	\$684,030	\$284,028	(\$84,942)	(\$124,268)	23,172,444	22,984,236	188,208
66	66										
67	501	\$73,673	\$17,595	\$91,268	\$60,436	\$21,730	\$13,237	\$9,103	4,846,268	5,144,169	(297,901)
68	547	110,570	604	111,174	152,179	(1,095)	(41,610)	(39,911)	3,039,966	3,270,497	(230,531)
69	555	300,512	41,576	342,088	398,549	63,488	(98,038)	(119,950)	6,227,995	5,800,686	427,309
70	555W										
71	555H	-	73,052	73,052	-	79,841	-	(6,789)	4,381,354	6,153,154	(1,771,800)
72	557	-	8,029	8,029	-	7,731	-	299	-	-	-
73	565	-	97,660	97,660	-	80,782	-	16,879	-	-	-
74	555MP										
75	447	(10,447)	-	(10,447)	(28,648)	-	18,201	18,201	(310,681)	(718,914)	408,232
76	456	\$599,088	\$244,701	\$843,789	\$684,030	\$284,028	(\$84,942)	(\$124,268)	23,172,444	22,984,236	188,208
77											
	Production O&M	137,606	1,420	137,606	112,197	1,497	25,410	25,410			
	Colstrip 500KV	1,420	1,420	1,420	1,497	1,497	(78)	(78)			
	Regulatory Disallowances										
	Total	\$599,088	\$383,727	\$982,815	\$684,030	\$396,590	(\$84,942)	(\$97,805)	23,172,444	22,984,236	188,208