

EXHIBIT NO. _____ (JMR-2)
DOCKET NO. _____
2003 POWER COST ONLY RATE CASE
WITNESS: JULIA M. RYAN

BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant,

Docket No. _____

v.

PUGET SOUND ENERGY, INC.,

Respondent.

DIRECT TESTIMONY OF
JULIA M. RYAN
ON BEHALF OF PUGET SOUND ENERGY, INC.

**PUGET SOUND ENERGY, INC.
QUALIFICATIONS OF JULIE M. RYAN**

Current Position and Professional Work Experience

In December of 2001, I joined PSE as Vice President of Energy Portfolio Management at Puget Sound Energy, Inc. (PSE). Prior to joining PSE, I worked with Duke/Louis Dreyfus, LLC, for thirteen years initially in the bulk agricultural commodity division, and later in the energy division, attaining the position of Senior Vice-President. In my role at Duke/Louis Dreyfus, I established the company's natural gas trading and marketing division, led the establishment of nationwide trading, marketing and hedging operations of the natural gas division, and supervised the company's position risks. I also led price risk assessment of reserve acquisitions and long-term natural gas sales for the acquisition of exploration and production companies that became Louis Dreyfus Natural Gas (now Dominion Exploration & Production). My last position with the company was Senior Vice President of Strategic Initiatives, where I was in charge of national marketing to industrial and commercial companies.

After leaving Louis Dreyfus, I served as Executive Vice-President of Merchant Energy Group of the Americas, Inc. (MEGA), a power and natural gas trading company. As Executive Vice-President of MEGA, during the company's start-up I led the development of the company's risk-management trading system, developed its risk management policies and procedures, and hired risk management and trading staff. At Merchant Energy Group, I led two power marketing alliances- an outsourcing arrangement with AES for its NY generation and a joint hedging management transaction with Central Hudson around one of its generating facilities. I also worked for two-and-a-half years in a risk advisory relationship with PSE's Risk Management Committee while at MEGA. Because of this background, I am familiar with the relevant trading and risk management issues discussed in my testimony.

Education and Professional Activities

I received a Bachelor of Arts degree in English from Smith College in 1984, graduating Phi Beta Kappa and with honors.

From 1992 until 1998, I served as a member of the Natural Gas Advisory Committee of the New York Mercantile Exchange. I have been a guest speaker at various industry conferences, speaking on such topics as risk management, trading, and energy alliances.

Representative Accomplishments

- **Louis Dreyfus**
 - Managed sales for export, and the hedging associated with, US produced agricultural commodities for Louis Dreyfus. This included sourcing supply from the interior growing regions and managing the pricing and supply for export sales to foreign governments. In my last position, I managed an export program of over 200,000 metric tons per year of wheat export sales and led trading of the company's North American physical positions of these commodities.
 - Developed the natural gas group for Louis Dreyfus, at a time when markets were de-regulating and the NYMEX futures market started:
 - Supervised physical and futures trading for North America.
 - Was an active member of the NYMEX Natural Gas Advisory Committee and helped develop the specifications for the Henry Hub futures delivery mechanism.
 - Participated in an industry group that developed a standardized contract that would allow companies to transact physical gas in connection with futures contracts.
 - Developed regional price assessments for reserves acquisitions and established prices for an exploration and production affiliate, Louis Dreyfus Natural Gas. Reserve acquisitions were predominantly in the Mid-continent and Permian basin regions. Developed pricing provisions for long-term regional sales contracts to independent power producers
 - Developed and led a joint venture natural gas fuels marketing joint venture in New England between Duke-Louis Dreyfus and Southern Connecticut Natural Gas (LDC). Target customers included industrial, government, and large commercial end-users. My department trained the sales people, managed the aggregated position risks, and arranged the physical delivery to the customers.
 - Led the national marketing for commercial and industrial accounts for Duke-Louis Dreyfus. This included physical delivery of natural gas to over 30 states in the US to over 250 customer sites and advising national accounts on electric cost savings. Developed a fuel management contract between Duke-Louis Dreyfus and

Commonwealth Electric for a new generating facility (Canal 2). Supervised marketing staff in four regional offices.

- **Merchant Energy Group of America**

- Responsible for wholesale electric origination, including the development and management of outsourcing and risk advisory transactions for MEGA:
- Project leader for an outsourcing contract between AES and Merchant Energy Group, to commercially manage 1400 MW of coal-fired generation in upstate New York.
- Structured and managed a hedging arrangement with Central Hudson Gas & Electric for the dispatching of one of its gas/oil generation units (Danskhammer 2) into the newly formed New York ISO.
- Led the Risk Advisory relationship with Puget Sound Energy. This entailed working with PSE staff and management to build the company's risk management capabilities. Assisted with: evaluation of risk management systems, hiring energy risk management staff, training in risk identification and modeling, and developing risk management strategies. Participated in company's Risk Management Committee meetings and led the development of PSE's risk management procedures.

- **TransAlta**

- As Managing Director for TransAlta, responsible for North American Electric Origination. Supervised marketing staff in Portland OR, Calgary AB and Annapolis MD.