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STATE OF WASH.
UTIL. AND TRANSP.
COMMISSION

November 14, 2003

Carole J. Washburn, Secretary
Washington Utilities and Transportation Commission
1300 S. Evergreen Park Drive SW
P.O. Box 47250
Olympia, WA 98504-7250

Subject: Settlement Stipulation, Exhibit A, Settlement Terms for the Power Cost Adjustment Mechanism (PCA), Docket No. UE-011570

Dear Ms. Washburn:

Attached is Puget Sound Energy's quarterly report of the power cost deferral calculation.

In the Commission's Third Supplemental Order in Docket No. UE-011570, the Company received approval of the Settlement Stipulation which resolved all electric issues and common electric-natural gas issues in the consolidated proceeding, as well as some natural gas issues. Included in the Stipulation was Exhibit A to the Stipulation, Settlement Terms for the PCA, which contained detail of the agreement regarding a power-cost adjustment mechanism. The quarterly report is required by the PCA Settlement, Exhibit A, paragraph 4 (third bullet).

Please contact me at (425) 462-3885 if you have any questions.

Sincerely,

John H. Story
Director, Cost and Regulation

cc Simon J. ffitich
Assistant Attorney General
Public Counsel Section
900 4th Ave., Suite 2000
Seattle, WA 98164-1012

Lisa Steel WUTC
Merton Lott WUTC
Bob Cedarbaum WUTC

All parties to UE-011570

Puget Sound Energy Power Cost Adjustment Summary

PCA Year	Actuals		Baseline		Difference (A)		Company		Customer		Total	
	Actuals	Cumulative	Baseline	Cumulative	Monthly Difference	Cumulative Difference	Monthly	Cumulative	Monthly	Cumulative	Monthly Difference	Cumulative Difference
1	58,023,753	58,023,753	61,616,393	61,616,393	(3,592,640)	(3,592,640)	(3,592,640)	(3,592,640)	-	-	(3,592,640)	(3,592,640)
1	60,985,232	119,008,984	62,377,208	123,993,601	(1,391,976)	(4,984,617)	(1,391,976)	(4,984,617)	-	-	(1,391,976)	(4,984,617)
1	66,838,966	185,847,950	60,040,410	184,034,011	6,798,555	1,813,939	6,798,555	1,813,939	-	-	6,798,555	1,813,939
1	73,011,901	258,859,851	69,523,163	253,557,174	3,488,739	5,302,677	3,488,739	5,302,677	-	-	3,488,739	5,302,677
1	72,015,099	330,874,951	74,375,539	327,932,713	(2,360,439)	2,942,238	(2,360,439)	2,942,238	-	-	(2,360,439)	2,942,238
1	86,832,426	417,707,377	84,599,358	412,532,070	2,233,068	5,175,305	2,233,067	5,175,305	-	-	2,233,067	5,175,305
1	80,419,100	498,126,477	81,723,969	494,256,039	(1,304,869)	3,870,438	(1,304,868)	3,870,438	-	-	(1,304,868)	3,870,438
1	80,881,452	579,007,928	75,416,275	569,672,315	5,465,176	9,335,614	5,465,176	9,335,614	-	-	5,465,176	9,335,614
1	84,964,963	663,972,892	77,553,819	647,226,133	7,411,145	16,746,758	7,411,145	16,746,758	-	-	7,411,145	16,746,758
1	67,860,105	731,832,996	69,473,916	716,700,049	(1,613,811)	15,132,947	(1,613,811)	15,132,947	-	-	(1,613,811)	15,132,947
1	63,305,389	795,138,385	65,590,803	782,290,853	(2,285,414)	12,847,533	(2,285,414)	12,847,533	-	-	(2,285,414)	12,847,533
1	76,158,681	871,297,067	60,855,557	843,126,410	15,323,124	28,170,657	11,237,796	24,085,329	4,085,328	4,085,328	15,323,124	28,170,657
2	65,090,147	936,387,214	64,630,576	907,756,986	459,571	28,630,228	459,571	24,544,900	-	4,085,328	459,571	28,630,228
2	64,275,895	1,000,663,108	63,110,328	970,867,314	1,165,567	29,795,794	1,165,567	25,710,466	-	4,085,328	1,165,567	29,795,794
2	66,675,218	1,067,338,327	62,478,495	1,033,345,809	4,196,723	33,992,517	4,196,723	29,907,189	-	4,085,328	4,196,723	33,992,517
2											3rd atr change	5,821,860
2												a-b

Notes:

(A) A credit balance represents an overrecovery of power costs (baseline rate was greater than actual rate). A debit balance represents an underrecovery of power costs (actual rate was greater than baseline rate).

Schedule B: Monthly Power Costs
Derived from Original PCA Exhibit B
Subject to PCA Sharing
UE-011570

Row		Jul-03	Aug-03	Sep-03	Period to Date	
6						
7	Return on Fixed RB	\$ 4,643,796	\$ 4,643,796	\$ 4,643,796	\$ 13,931,389	
8	Other Fixed Costs	11,318,666	11,318,666	11,318,666	33,955,997	
9	Subtotal Fixed Costs	\$ 15,962,462	\$ 15,962,462	\$ 15,962,462	\$ 47,887,386	
10	Total Variable Component Actual					
	FERC Acct.					
11	Steam Oper. Fuel	501	\$ 3,100,043	\$ 3,147,825	\$ 3,187,664	\$ 9,435,532
12	Other Pwr Gen Fuel	547	4,115,712	3,757,239	3,463,707	11,336,658
13	Other Elec Revenues	45600012,18,35,36	(552,347)	99,033	105,440	(347,874)
14	Purchase Power	555	56,232,242	53,192,823	54,316,856	163,741,921
15	Sales to Other Util	447	(19,155,882)	(17,254,577)	(15,732,024)	(52,142,483)
16	Wheeling	565	3,251,949	3,528,617	3,291,053	10,071,619
17	Transmission Revenue	45600017	(118,807)	(116,759)	(119,959)	(355,525)
18	Subtotal Variable Components		\$ 46,872,910	\$ 46,354,201	\$ 48,512,737	\$ 141,739,848
19						
20	Regulatory Assets (Return on RB portion only)		2,597,719	2,597,719	2,597,719	\$ 7,793,158
21						
22	SUBTOTAL before Adjustments		\$ 65,433,091	\$ 64,914,382	\$ 67,072,918	\$ 197,420,392
23	SUBTOTAL before Adjustments		\$ 65,433,091	\$ 64,914,382	\$ 67,072,918	\$ 197,420,392
24	Adjustments:					
25	Prudence from UE-921262		\$ (210,839)	\$ (210,522)	\$ (208,979)	\$ (630,340)
26	Contract price adjustment		(105,932)	(402,000)	(161,892)	(669,824)
27	Colstrip availability adjustment		-	-	-	-
28	New resource pricing adjustment		-	-	-	-
29	Firm Wholesale Cost adjustment		(26,173)	(25,966)	(26,829)	(78,968)
30	Subtotal Adjustments		\$ (342,944)	\$ (638,488)	\$ (397,700)	\$ (1,379,132)
31						
32	Total allowable cost (line 28/line 30)		\$ 65,090,147	\$ 64,275,895	\$ 66,675,218	\$ 196,041,260
33						
34	PCA period delivered load (Kwh)		1,470,447,440	1,435,859,393	1,421,484,209	4,327,791,042
35	Baseline Power Cost	\$0.043953	\$ 64,630,576	\$ 63,110,328	\$ 62,478,495	\$ 190,219,400
36						
37	Imbalance for Sharing		\$ 459,571	\$ 1,165,567	\$ 4,196,723	\$ 5,821,860
38	positive is potential customer surcharge, negative is potential customer cred		\$ 459,571	\$ 1,165,567	\$ 4,196,723	\$ 5,821,860
39						
40	Gross PCA		\$ 459,571	\$ 1,165,567	\$ 4,196,723	\$ 5,821,860
41	Gross PCA Contra		\$ (459,571)	\$ (1,165,567)	\$ (4,196,723)	\$ (5,821,860)
42						
43	Cumulative Gross PCA		\$ 459,571	\$ 1,625,137	\$ 5,821,860	\$ 5,821,860
44	Cumulative Gross PCA Contra		\$ (459,571)	\$ (1,625,137)	\$ (5,821,860)	\$ (5,821,860)
45						
46						
47	Note: This schedule was derived from original PCA collaborative exhibit B					