



PUGET
SOUND
ENERGY

May 13, 2005

Carole J. Washburn, Secretary
Washington Utilities and Transportation Commission
P.O. Box 47250
Olympia, WA 98504-7250

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

Dear Ms. Washburn:

Attached is an original and two copies of Puget Sound Energy's ("the Company") 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

Roger Braden WUTC
Jim Russell WUTC
Bob Cedarbaum WUTC

All parties to UE-011570

Schedule B: Monthly Power Costs -- PCA PERIOD 3
Derived from Original PCA Exhibit B
Subject to PCA Sharing
UE-011570

Row		Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04	Jan-05	Feb-05	Mar-05	Period to Date
7	Return on Fixed RB	\$ 5,952,602	\$ 5,952,602	\$ 5,952,602	\$ 5,952,602	\$ 5,952,602	\$ 5,952,602	\$ 5,952,602	\$ 5,952,602	\$ 5,410,395	\$ 53,031,211
8	Other Fixed Costs	10,375,599	10,375,599	10,375,599	10,375,599	10,375,599	10,375,599	10,375,599	10,375,599	10,510,357	93,515,149
9	Subtotal Fixed Costs	\$ 16,328,201	\$ 16,328,201	\$ 16,328,201	\$ 16,328,201	\$ 16,328,201	\$ 16,328,201	\$ 16,328,201	\$ 16,328,201	\$ 15,920,752	\$ 146,546,360
10	Total Variable Component Actual										
11	Steam Oper. Fuel	\$ 3,288,599	\$ 3,480,552	\$ 3,610,969	\$ 3,463,020	\$ 3,325,277	\$ 3,476,529	\$ 3,503,854	\$ 2,965,708	\$ 3,421,975	\$ 30,536,484
12	Other Pwr Gen Fuel	5,284,453	5,992,443	3,634,557	2,772,513	3,579,636	4,022,986	5,288,247	3,115,691	2,152,905	35,643,441
13	Other Elec Revenues	(532,534)	(834,237)	(426,827)	(1,486,649)	(1,338,366)	(3,047,866)	(1,245,557)	(1,096,991)	(1,816,019)	(11,637,036)
14	Purchase Power	48,863,934	45,829,621	42,885,051	57,063,867	64,223,110	79,463,886	77,456,519	67,011,387	70,646,023	553,465,399
15	Sales to Other Util	(5,830,696)	(6,542,899)	(4,184,103)	(3,607,314)	(4,871,974)	(9,239,491)	(7,265,134)	(3,691,222)	(5,364,563)	(50,597,496)
16	Wheeling	3,410,410	3,571,738	3,572,097	3,532,623	3,416,831	3,671,000	3,426,574	2,963,424	3,147,921	30,712,618
17	Transmission Revenue	(120,482)	(118,471)	(129,934)	(473,842)	(451,927)	(517,107)	(450,165)	(434,022)	(495,764)	(3,191,714)
18	White River Amortization	124,559	124,559	124,559	124,559	124,559	124,559	124,559	124,559	124,559	1,121,027
19	Subtotal Variable Components	\$ 54,708,243	\$ 51,503,206	\$ 49,086,369	\$ 61,378,777	\$ 68,007,146	\$ 77,954,516	\$ 80,840,987	\$ 70,958,534	\$ 71,815,037	\$ 586,252,723
20	Regulatory Assets (Return on RB portion only)	2,780,064	2,780,064	2,780,064	2,780,064	2,780,064	2,780,064	2,780,064	2,780,064	2,878,716	25,119,228
21											
22	SUBTOTAL before Adjustments	\$ 73,816,508	\$ 70,811,471	\$ 68,194,634	\$ 80,487,042	\$ 87,115,411	\$ 97,062,781	\$ 98,949,162	\$ 90,066,799	\$ 90,614,505	\$ 757,918,311
23	Adjustments:										
24	Prudence from UE-921262	\$ (246,552)	\$ (240,477)	\$ (239,479)	\$ (260,821)	\$ (262,229)	\$ (279,095)	\$ (273,795)	\$ (246,098)	\$ (280,508)	\$ (2,329,054)
25	Contract price adjustment	(12,111)	(11,977)	8,933	(6,164)	(13,361)	8,605	590	(204)	(338)	(27,827)
26	Costip availability adjustment	-	-	3,126.83	1,563.42	1,563.42	(7,817.00)				0
27	Frederickson #1 True-up Adjustment										
28	Tenaska Disallowance (prior month adj)										
29	Tenaska Disallowance (current month adj)										
30											
31											
32											
33	Subtotal Adjustments	\$ (1,204,304)	\$ (1,194,968)	\$ (1,174,624)	\$ (1,213,063)	\$ (1,219,668)	\$ (1,223,748)	\$ (1,218,846)	\$ (1,191,943)	\$ (1,164,970)	\$ (10,806,134)
34	Total allowable cost (line 28/line 30) (before Tenaska adj)	\$ 72,612,204	\$ 69,616,502	\$ 67,020,011	\$ 79,273,979	\$ 85,895,744	\$ 95,839,032	\$ 97,730,315	\$ 88,874,856	\$ 89,449,534	\$ 747,112,177
35											
36	PCA period delivered load (Kwh)	1,505,672,925	1,518,220,896	1,438,527,629	1,613,588,029	1,818,690,442	2,029,607,929	2,062,784,766	1,805,488,208	1,762,054,643	15,554,635,467
37	Baseline Power Cost	\$ 69,717,173	\$ 70,298,182	\$ 66,608,145	\$ 74,713,967	\$ 84,210,824	\$ 93,976,936	\$ 95,513,123	\$ 83,599,520	\$ 7,895,663	\$ 646,533,523
38											
39	5/24/04 - 3/04/05	\$ 2,893,030	\$ (881,680)	\$ 411,866	\$ 4,560,013	\$ 1,684,920	\$ 1,862,096	\$ 3,217,192	\$ 5,275,335	\$ 76,195,210	\$ 78,195,210
40	3/4/05 - 6/30/05	\$ 2,893,030	\$ (881,680)	\$ 411,866	\$ 4,560,013	\$ 1,684,920	\$ 1,862,096	\$ 3,217,192	\$ 5,275,335	\$ 3,358,671	\$ 22,383,444
41	Imbalance for Sharing	\$ 2,893,030	\$ (881,680)	\$ 411,866	\$ 4,560,013	\$ 1,684,920	\$ 1,862,096	\$ 3,217,192	\$ 5,275,335	\$ 3,358,671	\$ 22,383,444
42	positive is potential customer surcharge, negative is potential customer credit	\$ 2,893,030	\$ (881,680)	\$ 411,866	\$ 4,560,013	\$ 1,684,920	\$ 1,862,096	\$ 3,217,192	\$ 5,275,335	\$ 3,358,671	\$ 22,383,444
43											
44											
45	Less Firm Wholesale	\$ 2,893,859	\$ (881,323)	\$ 411,699	\$ 4,558,169	\$ 1,684,239	\$ 1,861,343	\$ 3,215,891	\$ 5,273,202	\$ 3,357,313	\$ -
46	Gross PCA	\$ 2,893,859	\$ (881,323)	\$ 411,699	\$ 4,558,169	\$ 1,684,239	\$ 1,861,343	\$ 3,215,891	\$ 5,273,202	\$ 3,357,313	\$ 22,374,391
47	Gross PCA Contra	\$ (2,893,859)	\$ 881,323	\$ (411,699)	\$ (4,558,169)	\$ (1,684,239)	\$ (1,861,343)	\$ (3,215,891)	\$ (5,273,202)	\$ (3,357,313)	\$ (22,374,391)
48											
49	Cumulative Gross PCA	\$ 2,893,859	\$ 2,012,536	\$ 2,424,235	\$ 6,982,404	\$ 8,666,643	\$ 10,527,966	\$ 13,743,877	\$ 19,017,079	\$ 22,374,391	\$ 22,374,391
50	Cumulative Gross PCA Contra	\$ (2,893,859)	\$ (2,012,536)	\$ (2,424,235)	\$ (6,982,404)	\$ (8,666,643)	\$ (10,527,966)	\$ (13,743,877)	\$ (19,017,079)	\$ (22,374,391)	\$ (22,374,391)
51											
52											
53	Note: This schedule was derived from original PCA collaborative exhibit B										
54	Note 1: Fixed costs 7/04-2/05 are per PCORC Exhibit A-1, 4/05-6/05 are per GRC, 3/05 is blended 3 days PCORC and 28 days GRC										