



PUGET SOUND ENERGY

Puget Sound Energy, Inc.
P.O. Box 97034
Bellevue, WA 98009-9734

November 15, 2005

Carole J. Washburn, Secretary
Washington Utilities and Transportation Commission
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 ("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
Roger Braden, WUTC
Jim Russell, WUTC
Bob Cedarbaum, WUTC

All parties in UE-011570

Schedule B: Monthly Power Costs -- PCA PERIOD 4
Derived from Original PCA Exhibit B
Subject to PCA Sharing
UE-011570

Row		Jul-05	Aug-05	Sep-05	Period to Date
6					
7	Return on Fixed RB	\$ 5,352,302	\$ 5,352,302	\$ 5,352,302	\$ 16,056,905
8	Other Fixed Costs	10,524,795	10,524,795	10,524,795	31,574,385
9	Subtotal Fixed Costs	\$ 15,877,097	\$ 15,877,097	\$ 15,877,097	\$ 47,631,290
10	Total Variable Component Actual				
11	Steam Oper. Fuel	\$ 4,230,525	\$ 3,669,132	\$ 3,763,113	\$ 11,662,770
12	Other Pwr Gen Fuel	2,862,569	5,315,989	1,216,504	9,395,062
13	Other Elec Revenues	(724,475)	(3,581,050)	(4,828,688)	(9,134,213)
14	Purchase Power	56,664,685	65,777,648	64,011,670	186,454,003
15	Sales to Other Util	(15,262,086)	(16,785,220)	(8,579,054)	(40,626,360)
16	Wheeling	3,501,522	3,537,265	5,464,040	12,502,827
17	Transmission Revenue	(185,103)	(23,320)	(162,698)	(371,121)
18	WR Amort and DIT turnaround for Reg Assets (See Note 1)	32,864	32,864	(190,627)	(124,899)
19	Subtotal Variable Components	\$ 51,120,501	\$ 57,943,308	\$ 60,694,260	\$ 169,758,069
20					
21	Regulatory Assets (Return on RB portion only)	2,431,305	2,431,305	2,578,647	7,441,257
22					
23	SUBTOTAL before Adjustments	\$ 69,428,903	\$ 76,251,710	\$ 79,150,004	\$ 224,830,616
24					
25	Adjustments:				
26	Prudence from UE-921262	\$ (251,336)	\$ (267,973)	\$ (328,045)	\$ (847,354)
27	Contract price adjustment	(13,376)	(11,396)	(368)	(25,140)
28	Colstrip availability adjustment	-	-	-	-
29	Frederickson #1 True-up Adjustment	-	-	-	-
30	Tenaska Disallowance (prior month adj)	-	-	-	-
31	Tenaska Disallowance (current month adj)	\$ (778,427)	\$ (778,427)	\$ (778,427)	\$ (2,335,281)
32					
33	Subtotal Adjustments	\$ (1,043,139)	\$ (1,057,796)	\$ (1,106,840)	\$ (3,207,775)
34	Total allowable cost (line 28/line 30) (Before Tenaska adj)	\$ 68,385,764	\$ 75,193,914	\$ 78,043,164	\$ 221,622,841
35					
36					
37	PCA period delivered load (Kwh)	1,507,579,263	1,544,390,047	1,478,731,635	4,530,700,945
38	Baseline Power Cost	\$ 74,070,384	\$ 75,878,972	\$ 72,653,043	\$ 222,602,399
39	7/1/2005 -				
39a		\$0.049132			
40					
41	Imbalance for Sharing	\$ (5,684,621)	\$ (685,058)	\$ 5,390,121	\$ (979,558)
42	positive is potential customer surcharge, negative is potential customer credit	\$ (5,684,621)	\$ (685,058)	\$ 5,390,121	\$ (979,558)
43					
44					
45	Less Firm Wholesale	\$ (5,682,358)	\$ (684,785)	\$ 5,387,976	\$ (979,168)
46	Gross PCA	\$ (5,682,358)	\$ (684,785)	\$ 5,387,976	\$ (979,168)
47	Gross PCA Contra	\$ 5,682,358	\$ 684,785	\$ (5,387,976)	\$ 979,168
48					
49	Cumulative Gross PCA	\$ (5,682,358)	\$ (6,367,143)	\$ (979,168)	\$ (979,168)
50	Cumulative Gross PCA Contra	\$ 5,682,358	\$ 6,367,143	\$ 979,168	\$ 979,168
51					
52					
53					
54					
55					

Note: This schedule was derived from original PCA collaborative exhibit B
 Note 1: White River and DIT turnaround for all reg assets (per K Chandler and J Story memo 6/7/05)

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document excluding confidential papers upon the following parties of record in this proceeding via first class mail:

Commission Staff

Robert D. Cedarbaum
Senior Counsel
Shannon E. Smith
Assistant AG
P.O. Box 40128
Olympia, WA 98504-0128

Federal Executive Agencies

Norman Furuta
Associate Counsel
Department of the Navy
2001 Junipero Serra Blvd., Suite 600
Daly City, CA 94014-1976

Federal Executive Agencies

Maurice Brubaker
Brubaker and Associates, Inc.
1215 Fern Ridge Parkway, Suite 208
St. Louis, MO 63141

Northwest Energy Coalition and Natural Resources Defense Council

Danielle Dixon
Policy Associate
NW Energy Coalition
219 First Avenue, Suite 100
Seattle, WA 98104

Northwest Industrial Gas Users

Paula Pyron
4113 Wolf Berry Court
Lake Oswego, OR 97035-1827

Sound Transit

Elizabeth Thomas
Preston Gates Ellis
925 Fourth Avenue, Suite 2900
Seattle, WA 98104

Industrial Customers Northwest Utilities

S. Bradley Van Cleve
Melinda Davison
Davison Van Cleve
1000 SW Broadway, Ste 2460
Portland, OR 97205

Public Counsel

Simon J. Ffitch
Public Counsel Section
Office of Attorney General
900 Fourth Avenue, Suite 2000
Seattle, WA 98164-1012

Federal Executive Agencies

Kay Davoodi
Rate Intervention
Naval Facilities Engineering Command
1314 Harwood Street SE
Washington Navy Yard, DC 20374-5018

Kroger Co.

Mike Kurtz
Boehm, Kurtz and Lowry
2110 CBLD Center
36 East Seventh St.
Cincinnati, OH 45202

Northwest Industrial Gas Users

Edward A. Finklea
Chad Stokes
Cable Huston Benedict Haagensen & Lloyd
1001 SW 5th Suite 2000
Portland, OR 97204

Cogeneration Coalition of Washington

Don Brookhyser
Elizabeth Westby
Alcantar & Kahl, LLP
1300 SW Fifth Avenue, Suite 1750
Portland, OR 97201

Seattle Steam Company

James G. Young
President & CEO
Seattle Steam Company
1325 Fourth Avenue, Suite 1440
Seattle, WA 98101

AT&T Wireless and Seattle Times Co.

John A. Cameron
Traci A.G. Kirkpatrick
Davis Wright Tremaine LLP
1300 SW Fifth Avenue, Suite 2300
Portland, OR 97201

**Cost Management Services, Inc. &
Cities of Auburn, Des Moines, Federal Way,
Redmond, Renton, SeaTac, and Tukwila**
Elizabeth Thomas
Preston Gates Ellis
925 Fourth Avenue, Suite 2900
Seattle, WA 98104-1158

City of Bremerton
Angela L. Olsen
Assistant City Attorney
McGavick Graves
1102 Broadway, Suite 500
Tacoma, WA 98401

City of Kent
Tom Brubaker, Deputy City Attorney
220 Fourth Avenue South
Kent, WA 98032

King County
Donald C. Woodworth
Deputy Prosecuting Attorney
500 Fourth Avenue, Suite 900
Seattle, WA 98104

WorldCom, Inc.
Lisa F. Rackner
Ater Wynne LLP
222 SW Columbia, Suite 1800
Portland, OR 97201-6618

WorldCom, Inc.
Kevin Gallagher
WorldCom, Inc.
1133 – 19th St. NW
Washington, D.C. 20036

City of Bellevue
c/o Lori Molander Riordan
Supervising Attorney
City Attorney's Office
11511 Main Street
P.O. Box 90012
Bellevue, WA 98009-9012

**Multi-Service Center, Opportunity
Council, Energy Project**
Charles Eberdt
The Energy Project
1701 Ellis Street
Bellingham, WA 98225

**Multi-Service Center, Opportunity
Council, Energy Project**
Ronald L. Roseman
2011 – 14th Avenue East
Seattle, WA 98112
Phone: 206-324-8792

City of Kent
Michael L. Charneski
Attorney at Law
19812 194th Avenue NE
Woodinville, WA 98072


King County
Thomas Kuffel
Office of the Prosecuting Attorney
E-550 King County Courthouse
516 Third Avenue
Seattle, WA 98104

WorldCom, Inc.
Kirk Gibson
Ater Wynne LLP
222 SW Columbia, Suite 1800
Portland, OR 97201-6618

City of Maple Valley
c/o John Starbard
City Manager
22035 S.E. Wax Road
P.O. Box 320
Maple Valley, WA 98038

Microsoft Corporation
Harvard P. Spigal
Preston, Gates & Ellis, LLP
222 SW Columbia, Ste 1400
Portland, OR 97201-6632

Dated: November 15, 2005



Deb Sifferman, Administrative Specialist
Puget Sound Energy, Rates & Regulatory Department