



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

February 15, 2007

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

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STATE OF WASH.
UTIL. AND TRANSP.
COMMISSION

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

Dear Ms. Washburn:

Attached are an original and two copies of Puget Sound Energy, Inc.'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 & Regulation

cc Simon J. ffitich, Assistant Attorney General
Jim Russell, WUTC
Bob Cedarbaum, WUTC
All parties to UE-011570

Schedule B: Monthly Power Costs -- PCA PERIOD 5
Derived from Original PCA Exhibit B
Subject to PCA Sharing
UE-011570

Row		Jul-06	Aug-06	Sep-06	Oct-06	Nov-06	Dec-06	Period to Date
6	Return on Fixed RB	\$ 6,373,921	\$ 6,373,921	\$ 6,373,921	\$ 6,373,921	\$ 6,373,921	\$ 6,373,921	\$ 38,243,526
7	Other Fixed Costs	11,826,918	11,826,918	11,826,918	11,826,918	11,826,918	11,826,918	70,961,507
8	Subtotal Fixed Costs	\$ 18,200,839	\$ 18,200,839	\$ 18,200,839	\$ 18,200,839	\$ 18,200,839	\$ 18,200,839	\$ 109,205,033
9	Total Variable Component Actual							
	FERC Acct.							
10	Steam Oper. Fuel	4,220,584	5,341,888	3,632,289	4,115,203	4,403,562	4,594,872	26,308,398
11	Other Pwr Gen Fuel	7,562,647	7,771,627	6,993,586	5,736,134	3,390,924	2,920,875	34,375,793
12	Other Elec Revenues	(124,400)	(1,018,290)	1,206,432	(991,261)	(2,978,731)	(531,201)	(4,437,451)
13	Purchase Power	49,119,969	55,022,015	61,866,300	85,582,759	92,343,000	106,141,239	450,075,282
14	Sales to Other Util	(10,721,553)	(8,699,907)	(4,887,526)	(8,474,956)	(9,798,829)	(9,866,986)	(52,449,757)
15	Wheeling	4,191,705	4,162,849	4,370,018	4,213,315	4,879,755	5,137,398	26,955,040
16	Transmission Revenue	(171,220)	(118,162)	(143,708)	(558,064)	(176,843)	(271,896)	(1,439,893)
17	White River Amortization	124,558	124,558	124,558	124,558	124,558	124,558	747,348
18	Subtotal Variable Components	\$ 54,202,290	\$ 62,586,578	\$ 73,161,949	\$ 89,747,688	\$ 92,187,396	\$ 108,248,859	\$ 480,134,760
19	Regulatory Assets (Return on RB portion only)							
20		2,371,876	2,371,876	2,371,876	2,371,876	2,371,876	2,472,264	14,331,644
21								
22	SUBTOTAL before Adjustments	\$ 74,775,005	\$ 83,159,293	\$ 93,734,664	\$ 110,320,403	\$ 112,760,111	\$ 128,921,962	\$ 603,671,437
23	Adjustments:							
24	Prudence from UE-921262							
25	Contract price adjustment	(256,815)	(271,167)	(250,220)	(274,916)	(296,217)	(303,584)	(1,652,918)
26	Colstrip availability adjustment	-	-	-	-	(344,758)	(356,205)	(700,963)
27	Frederickson #1 True-up Adjustment							
28	Tenaska Disallowance (prior month adj)							
29	Tenaska Disallowance (current month adj)							
30		(714,309)	(714,309)	(714,309)	(714,309)	(714,309)	(714,309)	(4,285,854)
31	Subtotal Adjustments	\$ (971,124)	\$ (985,476)	\$ (964,529)	\$ (989,225)	\$ (1,355,284)	\$ (1,374,098)	\$ (6,639,735)
32	Total allowable cost (line 28/line 30) (Before Tenaska adj)	\$ 73,803,881	\$ 82,173,817	\$ 92,770,135	\$ 109,331,178	\$ 111,404,827	\$ 127,547,865	\$ 597,031,702
33	PCA period delivered load (Kwh)	1,573,491,962	1,568,350,162	1,541,506,974	1,721,945,007	1,973,308,935	2,114,878,043	10,493,481,083
34	Baseline Power Cost	\$ 89,533,013	\$ 89,240,945	\$ 87,713,288	\$ 97,980,393	\$ 112,283,252	\$ 120,338,676	\$ 597,089,567
35	7/1/2006 - 12/31/06	\$0.056901						
36	Imbalance for Sharing	(15,729,132)	(7,067,128)	(5,056,847)	(11,350,785)	(8,784,25)	(7,209,189)	(57,865)
37	positive is potential customer surcharge, negative is potential customer credit	\$ (15,729,132)	\$ (7,067,128)	\$ 5,056,847	\$ 11,350,785	\$ (8,784,25)	\$ 7,209,189	\$ (57,865)
38	Less Firm Wholesale	(15,724,481)	(7,065,039)	5,055,351	11,347,429	(878,165)	7,207,057	(57,848)
39	Gross PCA	(15,724,481)	(7,065,039)	5,055,351	11,347,429	(878,165)	7,207,057	(57,848)
40	Gross PCA Contra	15,724,481	7,065,039	(5,055,351)	(11,347,429)	878,165	(7,207,057)	57,848
41	Cumulative Gross PCA	(15,724,481)	(22,789,520)	(17,734,169)	(6,386,740)	(7,264,905)	(57,848)	(57,848)
42	Cumulative Gross PCA Contra	15,724,481	22,789,520	17,734,169	6,386,740	7,264,905	57,848	57,848
43								
44								
45	Jul06 - Dec06							
46	0.02957%							
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54	Note: This schedule was derived from original PCA collaborative exhibit B							
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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:

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