



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

May 14, 2007

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

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UTILITY AND TRAMPSP.
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 6
Derived from Original PCA Exhibit B
Subject to PCA Sharing
UE-011570

Row		FERC Acct.	Jan-07	Feb-07	Mar-07	Period to Date
6						
7	Return on Fixed RB		\$ 8,603,630	\$ 9,487,152	\$ 9,913,008	\$ 28,003,790
8	Other Fixed Costs		13,344,978	14,272,462	14,268,854	41,886,294
9	Subtotal Fixed Costs		\$ 21,948,608	\$ 23,759,614	\$ 24,181,862	\$ 69,890,085
10	Total Variable Component Actual					
11	Steam Oper. Fuel	501	\$ 4,334,388	\$ 5,592,776	\$ 4,709,458	\$ 14,636,622
12	Other Pwr Gen Fuel	547	4,905,757	4,343,369	2,075,834	11,324,960
13	Other Elec Revenues	45600012,18,35,36,80,81,130	261,137	(658,992)	(1,355,882)	(1,753,737)
14	Purchase Power	555	99,247,547	86,755,150	78,174,972	264,177,669
15	Sales to Other Util	447	(6,349,731)	(7,915,628)	(4,935,556)	(19,200,915)
16	Wheeling	565	5,259,751	5,277,787	5,756,987	16,294,525
17	Transmission Revenue		(144,000)	(638,928)	(423,671)	(1,206,599)
18	White River Amortization	45600017	124,558	124,558	124,558	373,674
19	Subtotal Variable Components		\$ 107,639,407	\$ 92,880,092	\$ 84,126,700	\$ 284,646,199
20						
21	Regulatory Assets (Return on RB portion only)		2,134,917	2,134,917	2,134,917	6,404,752
22						
23	SUBTOTAL before Adjustments		\$ 131,722,932	\$ 118,774,623	\$ 110,443,479	\$ 360,941,035
24						
25	Adjustments:					
26	Prudence from UE-921262		\$ (297,830)	\$ (276,016)	\$ (288,932)	\$ (862,778)
27	Contract price adjustment		(228,797)	-	-	(228,797)
28	Colstrip availability adjustment		-	-	-	-
29						
30	New resource pricing adjustment - Goldendale		-	-	(190,344)	(190,344)
31	Tenaska Disallowance (prior month adj)				\$	
32	Tenaska Disallowance (current month adj)		\$ (646,622)	\$ (646,622)	\$ (646,622)	\$ (1,939,867)
33						
34	Subtotal Adjustments		\$ (1,173,250)	\$ (922,638)	\$ (1,125,898)	\$ (3,221,786)
35	Total allowable costs		\$ 130,549,683	\$ 117,851,985	\$ 109,317,581	\$ 357,719,249
36						
37						
38	PCA period delivered load (Kwh)		2,287,773,848	1,858,118,508	1,902,872,486	6,048,764,842
39	Baseline Power Cost					
40	1/1/07 - 1/12/07	\$0.056901	\$ 50,390,950			50,390,950
39a	1/13/2007 - 12/31/07	\$0.056899	79,782,866	105,725,085	108,271,542	293,779,492
42	Imbalance for Sharing		\$ 375,867	\$ 12,126,900	\$ 1,046,040	\$ 13,548,807
43	positive is potential customer surcharge, negative is potential customer credit		\$ 375,867	\$ 12,126,900	\$ 1,046,040	\$ 13,548,807
44						
45						
46	Less Firm Wholesale	Jan 1'07 - Jan 12'07	\$ 375,740	\$ 12,122,474	\$ 1,045,658	\$ 13,543,872
47	Gross PCA	0.02957%	\$ 375,740	\$ 12,122,474	\$ 1,045,658	\$ 13,543,872
48	Gross PCA Contra		\$ (375,740)	\$ (12,122,474)	\$ (1,045,658)	\$ (13,543,872)
49						
50	Cumulative Gross PCA		\$ 375,740	\$ 12,498,214	\$ 13,543,872	\$ 13,543,872
51	Cumulative Gross PCA Contra		\$ (375,740)	\$ (12,498,214)	\$ (13,543,872)	\$ (13,543,872)
52						
53						
54	Note: This schedule was derived from original PCA collaborative exhibit B					
55						