



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

May 14, 2008

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

RECEIVED
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION
2008 MAY 15 AM 8:26

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
Gene Waas, WUTC
Bob Cedarbaum, WUTC
All parties to UE-011570

Schedule B: Monthly Power Costs -- PCA PERIOD 7
Derived from Original PCA Exhibit B
Subject to PCA Sharing
UE-011570

Row		Jan-08	Feb-08	Mar-08
6				
7	Return on Fixed RB	\$ 10,683,565	\$ 10,683,565	\$ 10,683,565
8	Other Fixed Costs	15,818,659	15,818,659	15,818,659
9	Subtotal Fixed Costs	\$ 26,502,223	\$ 26,502,223	\$ 26,502,223
10	Total Variable Component Actual			
11	<u>FERC Acct.</u>			
12	501	\$ 5,206,729	\$ 4,971,072	\$ 4,977,254
13	547	9,666,470	12,193,131	9,998,896
14	45600012,18,80,81,130	(577,846)	(646,170)	(1,419,713)
15	555	98,396,538	75,848,552	79,394,985
16	447	(9,855,410)	(5,022,701)	(3,149,335)
17	565	5,906,030	6,009,208	5,870,729
18	45610005	(603,335)	(434,352)	(573,379)
19	40700015	124,558	124,558	124,558
20	Subtotal Variable Components	\$ 108,263,734	\$ 93,043,298	\$ 95,223,995
21	Regulatory Assets (Return on RB portion only)	1,858,812	1,858,812	1,751,850
22	Fixed and Interest Costs on Hedging Facility 42806051, 43100071, 41900031	25,337	23,854	25,337
23	SUBTOTAL before Adjustments	\$ 136,650,106	\$ 121,428,187	\$ 123,503,405
24				
25	Adjustments:			
26	Prudence from UE-921262	\$ (326,424)	\$ (308,098)	\$ (339,216)
27	Contract price adjustment - discontinued Jan 13, 2007	-	-	-
28	Colstrip availability adjustment	-	-	-
29				
30	New resource pricing adjustment - Klondike	-	-	-
31	Tenaska Disallowance (prior month adj)	-	-	-
32	Tenaska Disallowance (current month adj)	\$ (534,845)	\$ (534,845)	\$ (534,845)
33				
34	Subtotal Adjustments	\$ (861,269)	\$ (842,943)	\$ (874,061)
35	Total allowable costs	\$ 135,788,837	\$ 120,585,244	\$ 122,629,344
36				
37				
38	PCA period delivered load (Kwh)	2,304,651,422	1,969,482,392	2,021,123,597
39	Baseline Power Cost			
40	9/1/07 -	\$ 137,848,116	\$ 117,800,650	\$ 120,889,466
40a				
41	Imbalance for Sharing	\$ (2,059,278)	\$ 2,784,594	\$ 1,739,879
42	positive is potential customer surcharge, negative is potential cust credit	\$ (2,059,278)	\$ 2,784,594	\$ 1,739,879
43				
44				
45	Sep 1'07 -			
46	0.03550%	\$ (2,058,547)	\$ 2,783,606	\$ 1,739,261
47	Less Firm Wholesale	\$ (2,058,547)	\$ 2,783,606	\$ 1,739,261
48	Gross PCA	\$ 2,058,547	\$ (2,783,606)	\$ (1,739,261)
49	Gross PCA Contra			
50	Cumulative Gross PCA	\$ (2,058,547)	\$ 725,059	\$ 2,464,320
51	Cumulative Gross PCA Contra	\$ 2,058,547	\$ (725,059)	\$ (2,464,320)
52				
53	Note: This schedule was derived from original PCA collaborative exhibit B			

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

Public Counsel

Simon J. ffitc
Public Counsel Section
Office of Attorney General
800 Fifth Avenue, Suite 2000
Seattle, WA 98104-3188

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

Federal Executive Agencies

Kay Davoodi
ACQ-Utility Rates & Studies Office
Naval Facilities Engineering Command-HQ
1322 Patterson Ave SE Bldg #33
Washington Navy Yard, DC 20374-5018

Federal Executive Agencies

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

Kroger Co.

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

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

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

Northwest Industrial Gas Users

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

Cogeneration Coalition of Washington

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

Sound Transit

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

Seattle Steam Company

Stanley Gent
President & CEO
Seattle Steam Company
1325 Fourth Avenue, Suite 1440
Seattle, WA 98101

Industrial Customers Northwest Utilities

S. Bradley Van Cleve
Melinda Davison
Davison Van Cleve
333 SW Taylor St, Ste 400
Portland, OR 97204

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