



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

2009 AUG 14 AM 8:38

August 14, 2008

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

**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,

A handwritten signature in black ink, appearing to read "John H. Story", is written over a horizontal line.

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	Apr-08	May-08	Jun-08
6						
7	\$ 10,683,565	\$ 10,683,565	\$ 10,683,565	\$ 10,683,565	\$ 10,683,565	\$ 10,683,565
8	\$ 15,818,659	\$ 15,818,659	\$ 15,818,659	\$ 15,818,659	\$ 15,818,659	\$ 15,818,659
9	\$ 26,502,223	\$ 26,502,223	\$ 26,502,223	\$ 26,502,223	\$ 26,502,223	\$ 26,502,223
10						
	Total Variable Component Actual					
	FERC Acct.					
11	\$ 5,206,729	\$ 4,971,072	\$ 4,977,254	\$ 5,081,547	\$ 3,935,514	\$ 3,270,837
12	\$ 9,666,470	\$ 12,193,131	\$ 9,998,896	\$ 14,008,389	\$ 3,301,621	\$ 1,825,788
13	\$ (577,846)	\$ (646,170)	\$ (1,419,713)	\$ (442,841)	\$ (3,279,151)	\$ (4,601,617)
14	\$ 98,396,538	\$ 75,848,552	\$ 79,394,985	\$ 66,243,686	\$ 51,975,935	\$ 56,709,452
15	\$ (9,855,410)	\$ (5,022,701)	\$ (3,149,335)	\$ (10,273,293)	\$ (10,429,952)	\$ (3,711,925)
16	\$ 5,906,030	\$ 6,009,208	\$ 5,870,729	\$ 5,731,141	\$ 5,771,343	\$ 5,591,081
17	\$ (603,335)	\$ (434,352)	\$ (573,379)	\$ (952,830)	\$ (969,627)	\$ (1,161,818)
18	\$ 124,558	\$ 124,558	\$ 124,558	\$ 124,558	\$ 124,558	\$ 124,558
19	\$ 108,263,734	\$ 93,043,298	\$ 95,223,995	\$ 79,520,557	\$ 50,430,241	\$ 58,046,356
20						
21	\$ 1,858,812	\$ 1,858,812	\$ 1,751,850	\$ 1,823,158	\$ 1,823,158	\$ 1,824,670
22	\$ 25,337	\$ 23,854	\$ 25,337	\$ 32,220	\$ 25,337	\$ 24,595
23	\$ 136,650,106	\$ 121,428,187	\$ 123,503,405	\$ 107,878,158	\$ 78,780,959	\$ 86,397,844
24						
25	\$ (326,424)	\$ (308,098)	\$ (339,216)	\$ (294,611)	\$ (62,480)	\$ (265,118)
26						
27						
28						
29						
30						
31						
32						
33						
34	\$ (861,269)	\$ (842,943)	\$ (874,061)	\$ (829,456)	\$ (597,325)	\$ (799,963)
35	\$ 135,788,837	\$ 120,585,244	\$ 122,629,344	\$ 107,048,702	\$ 78,183,634	\$ 85,597,881
36						
37	\$ 2,304,651,422	\$ 1,969,482,392	\$ 2,021,123,597	\$ 1,830,514,031	\$ 1,655,945,076	\$ 1,565,326,165
38						
39	\$ 137,848,116	\$ 117,800,650	\$ 120,889,466	\$ 109,488,536	\$ 99,047,043	\$ 93,626,854
40						
40a	\$ (2,059,278)	\$ 2,784,594	\$ 1,739,879	\$ (2,439,833)	\$ (20,863,408)	\$ (8,028,972)
41	\$ (2,059,278)	\$ 2,784,594	\$ 1,739,879	\$ (2,439,833)	\$ (20,863,408)	\$ (8,028,972)
42						
43						
44						
45	\$ (2,058,547)	\$ 2,783,606	\$ 1,739,261	\$ (2,438,967)	\$ (20,856,002)	\$ (8,026,122)
46	\$ (2,058,547)	\$ 2,783,606	\$ 1,739,261	\$ (2,438,967)	\$ (20,856,002)	\$ (8,026,122)
47	\$ 2,058,547	\$ (2,783,606)	\$ (1,739,261)	\$ 2,438,967	\$ 20,856,002	\$ 8,026,122
48						
49	\$ (2,058,547)	\$ 725,059	\$ 2,464,320	\$ 25,352	\$ (20,830,649)	\$ (28,856,772)
50	\$ 2,058,547	\$ (725,059)	\$ (2,464,320)	\$ (25,352)	\$ 20,830,649	\$ 28,856,772
51						
52						
53						
54						
55						

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:

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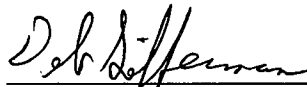
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Dated: August 14, 2008



Deb Sifferman, Compliance Coordinator
Puget Sound Energy, Rates & Regulatory Department