



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

November 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,

John H. Story
Director, Cost & Regulation

cc Simon J. ffitch, Assistant Attorney General
Gene Waas, WUTC
Bob Cedarbaum, WUTC
All parties to UE-011570

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OFFICE OF THE ATTORNEY GENERAL
COMMUNICATIONS SECTION

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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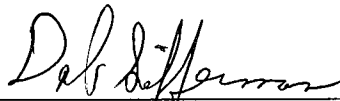
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Dated: November 14, 2008



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

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	Jul-08	Aug-08	Sep-08
6									
7	\$ 10,683,565	\$ 10,683,565	\$ 10,683,565	\$ 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	\$ 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	\$ 26,502,223	\$ 26,502,223	\$ 26,502,223
10									
11	\$ 5,206,729	\$ 4,971,072	\$ 4,977,254	\$ 5,081,547	\$ 3,935,514	\$ 3,270,837	\$ 5,181,206	\$ 5,520,726	\$ 5,675,403
12	\$ 9,666,470	\$ 12,193,131	\$ 9,998,896	\$ 14,008,389	\$ 3,301,621	\$ 1,825,788	\$ 9,205,001	\$ 19,460,000	\$ 20,195,223
13	\$ (577,846)	\$ (646,170)	\$ (1,419,713)	\$ (442,641)	\$ (3,279,151)	\$ (4,601,617)	\$ (5,989,000)	\$ (2,003,605)	\$ 543,465
14	\$ 98,366,538	\$ 75,848,552	\$ 79,394,985	\$ 66,243,686	\$ 51,975,935	\$ 56,709,452	\$ 54,328,111	\$ 52,107,219	\$ 51,323,415
15	\$ (9,855,410)	\$ (5,022,701)	\$ (3,149,335)	\$ (10,273,293)	\$ (10,429,952)	\$ (3,711,925)	\$ (11,250,704)	\$ (10,125,983)	\$ (6,266,144)
16	\$ 5,906,030	\$ 6,009,208	\$ 5,870,729	\$ 5,731,141	\$ 5,771,343	\$ 5,591,081	\$ 5,443,410	\$ 5,637,267	\$ 5,931,929
17	\$ (603,335)	\$ (434,352)	\$ (573,379)	\$ (952,830)	\$ (969,627)	\$ (1,161,818)	\$ 29,006	\$ (233,066)	\$ (204,686)
18	\$ 124,558	\$ 124,558	\$ 124,558	\$ 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	\$ 57,071,588	\$ 70,457,116	\$ 77,323,163
20									
21	\$ 1,858,812	\$ 1,858,812	\$ 1,751,850	\$ 1,823,158	\$ 1,823,158	\$ 1,824,670	\$ 1,823,410	\$ 1,823,410	\$ 1,807,273
22	\$ 25,337	\$ 23,854	\$ 25,337	\$ 32,220	\$ 25,337	\$ 24,595	\$ 25,337	\$ 25,337	\$ 24,595
23	\$ 136,650,106	\$ 121,428,187	\$ 123,503,405	\$ 107,878,158	\$ 78,780,959	\$ 86,397,844	\$ 85,422,558	\$ 98,808,086	\$ 105,657,254
24									
25	\$ (326,424)	\$ (308,098)	\$ (339,216)	\$ (294,611)	\$ (62,480)	\$ (265,118)	\$ (312,552)	\$ (288,972)	\$ (274,205)
26									
27									
28									
29									
30									
31									
32									
33									
34	\$ (861,269)	\$ (842,943)	\$ (874,061)	\$ (829,456)	\$ (597,325)	\$ (799,953)	\$ (847,397)	\$ (823,817)	\$ (870,808)
35	\$ 135,788,837	\$ 120,585,244	\$ 122,629,344	\$ 107,048,702	\$ 78,183,634	\$ 85,597,881	\$ 84,575,161	\$ 97,984,269	\$ 104,786,446
36									
37	\$ 2,304,651,422	\$ 1,969,482,392	\$ 2,021,123,597	\$ 1,830,514,031	\$ 1,655,945,076	\$ 1,565,326,185	\$ 1,565,038,010	\$ 1,589,600,108	\$ 1,537,765,107
38									
39	\$ 137,848,116	\$ 117,800,650	\$ 120,889,466	\$ 109,488,536	\$ 99,047,043	\$ 93,626,854	\$ 93,609,618	\$ 95,078,751	\$ 91,978,344
40	\$ (2,059,278)	\$ 2,784,594	\$ 1,739,879	\$ (2,439,833)	\$ (20,863,408)	\$ (8,028,972)	\$ (9,034,457)	\$ 2,905,518	\$ 12,808,102
40a	\$ (2,059,278)	\$ 2,784,594	\$ 1,739,879	\$ (2,439,833)	\$ (20,863,408)	\$ (8,028,972)	\$ (9,034,457)	\$ 2,905,518	\$ 12,808,102
41									
42									
43									
44									
45	\$ (2,058,547)	\$ 2,783,606	\$ 1,739,261	\$ (2,438,967)	\$ (20,856,002)	\$ (8,026,122)	\$ (9,031,250)	\$ 2,904,487	\$ 12,803,555
46	\$ (2,058,547)	\$ 2,783,606	\$ 1,739,261	\$ (2,438,967)	\$ (20,856,002)	\$ (8,026,122)	\$ (9,031,250)	\$ 2,904,487	\$ 12,803,555
47	\$ 2,058,547	\$ (2,783,606)	\$ (1,739,261)	\$ 2,438,967	\$ 20,856,002	\$ 8,026,122	\$ 9,031,250	\$ (2,904,487)	\$ (12,803,555)
48									
49	\$ (2,058,547)	\$ 725,059	\$ 2,464,320	\$ 25,352	\$ (20,830,649)	\$ (28,856,772)	\$ (37,888,021)	\$ (34,983,535)	\$ (22,179,979)
50	\$ 2,058,547	\$ (725,059)	\$ (2,464,320)	\$ (25,352)	\$ 20,830,649	\$ 28,856,772	\$ 37,888,021	\$ 34,983,535	\$ 22,179,979
51									
52									
53									

Note: This schedule was derived from original PCA collaborative exhibit B