



PUGET SOUND ENERGY

The Energy To Do Great Things

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

February 13, 2009

David Danner, Secretary and Executive Director
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 Mr. Danner:

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

STATE OF WASHINGTON
UTILITIES AND TRANSPORTATION
COMMISSION

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Schedule B: Monthly Power Costs -- PCA PERIOD 7
Subject to 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	Oct-08	Nov-08	Dec-08
7	Return on Fixed RB	\$ 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	\$ 10,930,666	\$ 10,930,666
8	Other Fixed Costs	\$ 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	\$ 16,396,179	\$ 16,396,179
9	Subtotal Fixed Costs	\$ 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	\$ 27,326,844	\$ 27,326,844
10	Total Variable Component Actual											
11	Steam Oper. Fuel	\$ 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	\$ 4,782,817	\$ 4,610,100
12	Other Pwr-Gen Fuel	\$ 9,696,470	\$ 12,193,131	\$ 9,986,896	\$ 14,008,389	\$ 3,301,621	\$ 1,825,788	\$ 9,205,001	\$ 19,460,000	\$ 20,195,223	\$ 17,127,868	\$ 11,327,462
13	Other Elec Revenues	\$ (577,846)	\$ (646,170)	\$ (1,419,713)	\$ (442,641)	\$ (3,279,151)	\$ (4,601,617)	\$ (5,989,000)	\$ (2,003,605)	\$ 843,465	\$ (260,359)	\$ 2,293,646
14	Purchase Power	\$ 98,396,538	\$ 75,848,552	\$ 79,394,985	\$ 66,243,686	\$ 51,975,935	\$ 56,709,452	\$ 54,323,415	\$ 52,107,219	\$ 51,323,415	\$ 65,729,200	\$ 69,077,298
15	Sales to Other Util	\$ (9,855,410)	\$ (5,022,701)	\$ (3,149,335)	\$ (10,273,293)	\$ (10,429,952)	\$ (3,711,925)	\$ (11,250,704)	\$ (6,266,144)	\$ (4,975,924)	\$ (4,314,008)	\$ (5,340,128)
16	Wheeling	\$ 5,906,030	\$ 6,009,208	\$ 5,873,729	\$ 5,771,141	\$ 5,931,081	\$ 5,657,267	\$ 5,931,929	\$ 5,657,267	\$ 5,931,929	\$ 6,232,355	\$ 6,204,880
17	Transmission Revenue	\$ (603,335)	\$ (434,352)	\$ (573,379)	\$ (952,830)	\$ (989,627)	\$ (1,161,818)	\$ 29,006	\$ (283,066)	\$ (204,886)	\$ (549,772)	\$ (394,103)
18	White River Amortization	\$ 124,558	\$ 124,558	\$ 124,558	\$ 124,558	\$ 124,558	\$ 124,558	\$ 124,558	\$ 124,558	\$ 124,558	\$ 124,558	\$ 124,558
19	Condensate Amortization	\$ 124,558	\$ 124,558	\$ 124,558	\$ 124,558	\$ 124,558	\$ 124,558	\$ 124,558	\$ 124,558	\$ 124,558	\$ 124,558	\$ 124,558
20	Subtotal Variable Components	\$ 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	\$ 86,340,494	\$ 132,273,980
21	Regulatory Assets (Return on RB portion only)	\$ 1,859,812	\$ 1,859,812	\$ 1,751,850	\$ 1,823,158	\$ 1,823,158	\$ 1,824,670	\$ 1,823,410	\$ 1,807,273	\$ 1,821,617	\$ 2,197,142	\$ 1,535,057
22	Fixed and Interest Costs on Hedging Facility	\$ 25,337	\$ 23,854	\$ 25,337	\$ 32,220	\$ 25,337	\$ 24,595	\$ 25,337	\$ 24,595	\$ 25,624	\$ 27,449	\$ 33,366
23	Fixed and Interest Costs on Hedging Facility	\$ 136,650,106	\$ 121,428,187	\$ 123,503,405	\$ 107,878,158	\$ 76,780,959	\$ 86,397,844	\$ 85,422,568	\$ 98,808,086	\$ 105,657,254	\$ 116,689,958	\$ 118,699,940
24	SUBTOTAL before Adjustments	\$ (326,424)	\$ (308,098)	\$ (339,216)	\$ (294,611)	\$ (62,480)	\$ (265,118)	\$ (312,552)	\$ (288,972)	\$ (274,205)	\$ (252,142)	\$ (241,294)
25	Adjustments:											
27	Prudence from UE-921262											
28	Contract price adjustment - discontinued Jan 13, 2007											
29	Colstrip availability adjustment											
30	New resource pricing adjustment - Sumas (Aug - Oct08)											
31	New resource pricing adjustment - Klondike (Dec07-Oct08)											
32	Tenaska Disallowance (prior month adj)											
33	Tenaska Disallowance (current month adj)											
34	Subtotal Adjustments	\$ (661,269)	\$ (842,943)	\$ (874,061)	\$ (629,456)	\$ (597,325)	\$ (799,963)	\$ (647,397)	\$ (823,817)	\$ (870,808)	\$ (1,089,923)	\$ (771,594)
35	Total allowable costs	\$ 135,788,837	\$ 120,585,244	\$ 122,629,344	\$ 107,048,702	\$ 78,183,634	\$ 85,597,881	\$ 84,573,161	\$ 97,984,269	\$ 104,786,448	\$ 115,600,029	\$ 117,928,346
36	PCA period delivered load (kwh)	\$ 2,304,651,422	\$ 1,989,482,392	\$ 2,021,123,597	\$ 1,830,514,031	\$ 1,655,945,076	\$ 1,565,326,165	\$ 1,565,038,010	\$ 1,569,600,108	\$ 1,537,765,107	\$ 1,807,716,555	\$ 1,824,680,361
37	Baseline Power Cost	\$ 137,848,116	\$ 117,800,650	\$ 120,889,466	\$ 109,488,536	\$ 99,047,043	\$ 93,626,854	\$ 93,603,618	\$ 95,078,751	\$ 91,976,344	\$ 108,124,950	\$ 114,664,739
40	9/1/07 - 10/31/08	\$ (2,059,278)	\$ 2,784,594	\$ 1,739,879	\$ (2,439,833)	\$ (20,863,408)	\$ (6,028,972)	\$ (9,034,457)	\$ 2,905,518	\$ 12,808,102	\$ 7,475,079	\$ 3,263,608
41	11/1/08 -	\$ (2,059,278)	\$ 2,784,594	\$ 1,739,879	\$ (2,439,833)	\$ (20,863,408)	\$ (6,028,972)	\$ (9,034,457)	\$ 2,905,518	\$ 12,808,102	\$ 7,475,079	\$ 3,263,608
42	Imbalance for Sharing											
43	positive is potential customer surcharge, negative is potential cust credit											
44												
45	Less Firm Wholesale	\$ (2,058,547)	\$ 2,783,606	\$ 1,739,261	\$ (2,438,967)	\$ (20,856,002)	\$ (6,026,122)	\$ (9,031,250)	\$ 2,904,487	\$ 12,803,555	\$ 7,472,425	\$ 3,262,434
46	Gross PCA	\$ (2,058,547)	\$ 2,783,606	\$ 1,739,261	\$ (2,438,967)	\$ (20,856,002)	\$ (6,026,122)	\$ (9,031,250)	\$ 2,904,487	\$ 12,803,555	\$ 7,472,425	\$ 3,262,434
47	Gross PCA Contra	\$ 2,058,547	\$ (2,783,606)	\$ (1,739,261)	\$ 2,438,967	\$ 20,856,002	\$ 8,026,122	\$ (2,904,487)	\$ (12,803,555)	\$ (7,472,425)	\$ (3,262,434)	\$ (12,639,894)
48	Cumulative Gross PCA	\$ (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)	\$ (14,707,564)	\$ 1,194,774
49	Cumulative Gross PCA Contra	\$ 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	\$ 14,707,564	\$ (1,194,774)

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon the following parties of record in this proceeding via first class U.S. mail:

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Dated: February 11, 2009



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