



# PUGET SOUND ENERGY

*The Energy To Do Great Things*

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

February 12, 2010

David Danner, Executive Director and 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 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. fitch, Assistant Attorney General  
Mike Parvinen, WUTC  
Bob Cedarbaum, WUTC

## Puget Sound Energy Power Cost Adjustment Summary

Actual Costs and Disallowance as recorded through the PCA Mechanism

PCA Year (B)	Actuals		Baseline		Difference (A)		Wholesale Customer		Imbalance for Sharing		Company per PCA		Customer per PCA		Total		Interest on Customer		Total Customer per PCA		
	Monthly	Cumulative	Baseline	Cumulative	Monthly	Cumulative	Monthly	Cumulative	Monthly	PCA Period	Cumulative	Monthly (A)	Cumulative (A)	Monthly (A)	Cumulative (A)	Monthly Difference (A)	Cumulative Difference (A)	Monthly (A)	Cumulative (A)	Monthly (A)	Cumulative (A)
1-6 - Cumulative Amounts	5,593,791,690		5,590,731,290		3,060,399		(12,188)		3,048,210		1,878,121		1,170,089		3,048,210		1,267,577				2,437,667

  

	Actuals		Baseline		Difference (A)		Wholesale Customer		Imbalance for Sharing		Company per PCA		Customer per PCA		Total		Interest on Customer		Total Customer per PCA	
	Monthly	PCA Period	Baseline	PCA Period	Monthly	PCA Period	Monthly	PCA Period	Monthly	PCA Period	Monthly (A)	PCA Period (A)	Monthly (A)	PCA Period (A)	Monthly Difference (A)	PCA Period (A)	Monthly (A)	PCA Period (A)	Monthly (A)	PCA Period (A)
7 Jan-08	135,714,669	135,714,669	137,948,116	137,948,116	(2,133,448)	(2,133,448)	757	757	(2,132,689)	(2,132,689)	(2,132,689)	(2,132,689)	-	-	(2,132,689)	(2,132,689)	7,712	7,712	7,712	7,712
7 Feb-08	120,396,886	256,111,655	117,900,650	255,648,766	2,596,335	462,889	(922)	(164)	2,595,413	462,725	2,595,413	462,725	-	-	2,595,413	462,725	7,214	14,926	7,214	14,926
7 Mar-08	122,415,593	378,527,248	120,889,466	376,538,232	1,526,128	1,989,017	(542)	(706)	1,525,586	1,988,311	1,525,586	1,988,311	-	-	1,525,586	1,988,311	7,712	22,638	7,712	22,638
7 Apr-08	106,904,047	485,431,296	109,488,536	486,026,767	(2,584,488)	(595,472)	917	211	(2,583,571)	(595,260)	(2,583,571)	(595,260)	-	-	(2,583,571)	(595,260)	6,511	29,148	6,511	29,148
7 May-08	78,183,634	563,614,930	99,047,043	585,073,810	(20,863,408)	(21,458,880)	7,407	7,816	(20,856,002)	(21,451,262)	(20,130,371)	(20,725,631)	(725,631)	(725,631)	(20,856,002)	(21,451,262)	6,593	35,742	(719,038)	(689,889)
7 Jun-08	85,355,364	648,970,295	93,626,854	678,700,664	(8,271,489)	(29,730,369)	2,936	10,554	(8,268,553)	(29,719,815)	(4,134,277)	(24,859,808)	(4,134,277)	(4,859,808)	(8,268,553)	(29,719,815)	1,706	37,448	(4,132,570)	(4,822,460)
7 Jul-08	84,417,580	733,387,875	93,609,618	772,310,282	(9,192,038)	(38,922,407)	3,263	13,817	(9,188,775)	(38,908,590)	(4,594,387)	(29,454,295)	(4,594,387)	(9,454,295)	(9,188,775)	(38,908,590)	(17,276)	20,172	(4,611,684)	(9,434,123)
7 Aug-08	97,909,602	831,297,478	95,078,751	867,389,034	2,830,851	(36,091,556)	(1,005)	12,813	2,829,846	(36,078,744)	1,414,923	(28,039,372)	1,414,923	(8,039,372)	2,829,846	(36,078,744)	(37,085)	(16,913)	1,377,838	(8,056,285)
7 Sep-08	104,735,082	936,032,560	91,978,344	958,367,378	12,766,718	(23,334,838)	(4,529)	8,284	12,752,189	(23,326,554)	6,376,095	(21,663,277)	6,376,095	(1,663,277)	12,762,189	(23,326,554)	(28,998)	(45,911)	6,347,097	(1,709,188)
7 Oct-08	115,376,885	1,051,409,425	108,124,950	1,067,492,328	7,251,935	(16,082,903)	(2,574)	5,709	7,249,361	(16,077,194)	5,686,084	(16,077,194)	1,663,277	-	7,249,361	(16,077,194)	(1,867)	(47,778)	1,661,411	(47,778)
7 Nov-08	117,698,845	1,169,106,271	114,664,739	1,182,157,067	3,034,107	(13,048,796)	(1,091)	4,818	3,033,016	(13,044,178)	3,033,016	(13,044,178)	-	-	3,033,016	(13,044,178)	4,809	(42,969)	4,809	(42,969)
7 Dec-08	180,270,142	1,329,378,413	147,723,604	1,329,880,671	12,646,538	(502,258)	(4,512)	106	12,642,026	(502,152)	12,642,026	(502,152)	-	-	12,642,026	(502,152)	4,969	(38,000)	4,969	(38,000)
8 Jan-09	132,240,030	132,240,030	142,357,342	142,357,342	(10,117,312)	(10,117,312)	3,638	3,638	(10,113,674)	(10,113,674)	(10,113,674)	(10,113,674)	-	-	(10,113,674)	(10,113,674)	4,482	4,482	4,482	4,482
8 Feb-09	127,071,155	259,311,185	121,748,943	264,106,285	5,322,213	(4,795,099)	(1,914)	1,724	5,320,299	(4,793,375)	5,320,299	(4,793,375)	-	-	5,320,299	(4,793,375)	4,057	8,549	4,057	8,549
8 Mar-09	129,736,605	389,047,792	129,587,005	393,693,290	149,601	(4,645,486)	(54)	1,671	149,548	(4,643,827)	149,548	(4,643,827)	-	-	149,548	(4,643,827)	4,492	13,041	4,492	13,041
8 Apr-09	104,126,702	493,174,494	107,439,486	501,132,776	(3,312,784)	(7,958,282)	1,191	2,862	(3,311,593)	(7,955,420)	(3,311,593)	(7,955,420)	-	-	(3,311,593)	(7,955,420)	3,241	16,282	3,241	16,282
8 May-09	87,437,166	580,611,661	100,022,769	601,155,545	(12,585,602)	(20,543,885)	4,528	7,398	(12,581,077)	(20,536,487)	(12,312,628)	(20,269,248)	(268,248)	(268,248)	(12,581,077)	(20,536,487)	3,924	19,606	(264,924)	(249,642)
8 Jun-09	93,682,795	674,294,456	94,670,137	695,825,662	(987,342)	(21,531,227)	355	7,743	(986,987)	(21,523,484)	(493,493)	(20,761,742)	(493,493)	(761,742)	(986,987)	(21,523,484)	2,452	22,059	(491,041)	(739,683)
8 Jul-09	101,286,132	775,580,588	103,847,342	799,673,024	(2,561,210)	(24,112,436)	928	8,671	(2,560,281)	(24,103,765)	(1,280,141)	(22,051,883)	(1,280,141)	(2,051,883)	(2,560,281)	(24,103,765)	1,012	23,071	(1,289,128)	(2,028,812)
8 Aug-09	101,022,363	876,562,952	99,568,751	899,236,766	1,455,632	(22,656,804)	(523)	8,148	1,455,106	(22,648,657)	727,554	(1,324,328)	727,554	(1,324,328)	1,455,106	(22,648,657)	(2,969)	20,702	725,185	(1,903,627)
8 Sep-09	109,549,838	966,102,790	96,914,436	996,154,192	12,835,402	(10,021,402)	(4,544)	3,604	12,830,858	(10,017,798)	11,308,530	(10,017,798)	1,824,328	-	12,830,858	(10,017,798)	(294)	20,408	1,824,328	20,408
8 Oct-09	128,551,003	1,114,684,653	109,843,920	1,105,998,112	18,707,984	8,688,582	(6,728)	(3,124)	18,701,256	8,683,458	18,701,256	8,683,458	-	-	18,701,256	8,683,458	3,230	23,637	3,230	23,637
8 Nov-09	127,508,493	1,242,193,186	119,041,969	1,225,040,081	8,486,524	17,153,106	(3,045)	(8,168)	8,483,479	17,146,937	8,483,479	17,146,937	-	-	8,483,479	17,146,937	3,126	26,763	3,126	26,763
8 Dec-09	184,605,690	1,409,798,877	149,548,885	1,374,588,966	15,056,805	32,209,911	(5,416)	(1,583)	15,051,391	32,198,328	8,852,227	26,099,164	6,099,164	6,099,164	15,051,391	32,198,328	3,773	30,536	6,102,937	6,129,760

Customer Cumulative Deferral \$ 7,289,253

\$ 1,260,113

\$ 8,529,367

**Notes:**

(A) A credit balance represents an overrecovery of power costs (baseline rate was greater than actual rate). A debit balance represents an underrecovery of power costs (actual rate was greater than baseline rate.) The difference excludes any adjustments for Firm Wholesale Customers.

(B) The PCA mechanism was a June through July fiscal period from July 2002 through June 2006 with a cumulative cap on excess power costs of \$40 million. The Washington Commission changed the PCA mechanism period to a calendar year basis without a cumulative cap starting January 2007.

NOTE: PSE received a refund in October 2009 related to state utility tax on Tenaska displacement charges from November 2005 - September 2009. The taxes were included in the Tenaska purchase power expenses in the period incurred. According to the PCA true-up methodology, the actual cost for each month was revised to reflect the correct expense therefore PCA 4 to PCA 9 period costs have been revised.

