



PUGET SOUND ENERGY

The Energy To Do Great Things

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

May 14, 2010

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. Fitch, Assistant Attorney General
Gene Waas, WUTC
Bob Cedarbaum, WUTC

Schedule B: Monthly Power Costs -- PCA PERIOD 9
Derived from Original PCA Exhibit B
Subject to PCA Sharing
UE-011570

Row		Jan-10	Feb-10	Mar-10
6				
7	Return on Fixed RB	\$ 10,930,666	\$ 10,930,666	\$ 10,930,666
8	Other Fixed Costs	16,396,179	16,396,179	16,396,179
9	Subtotal Fixed Costs	\$ 27,326,844	\$ 27,326,844	\$ 27,326,844
10	Total Variable Component Actual			
	FERC Acct.			
11	Steam Oper. Fuel 501	\$ 6,842,158	\$ 4,543,006	\$ 6,604,372
12	Other Pwr Gen Fuel 547	8,700,330	14,696,674	16,821,920
13	Other Elec Revenues 45600012,18,80,81,130	3,287,961	1,928,500	2,703,109
14	Purchase Power 555	87,684,681	76,444,652	76,695,087
15	Sales to Other Util 447	(5,895,128)	(4,057,814)	(7,255,304)
16	Wheeling 565	6,215,108	6,184,318	5,963,881
17	Transmission Revenue 45610005	(164,851)	(127,776)	(156,122)
18	White River Amortization 40700015	124,558	124,558	124,558
19	Goldendale Amortization 40730041	346,846	346,846	346,846
20	Subtotal Variable Components	\$ 107,141,663	\$ 100,033,164	\$ 101,848,347
21	Regulatory Assets (Return on RB portion only)	1,146,364	578,829	925,700
22	Fixed and Interest Costs on Hedging Facility 42806051, 43100071, 41800031	28,795	28,237	25,337
24	SUBTOTAL before Adjustments	\$ 135,643,666	\$ 128,015,074	\$ 130,126,228
25				
26	Adjustments:			
27	Prudence from UE-921262	\$ (264,119)	\$ (240,998)	\$ (250,444)
28	Contract price adjustment - discontinued Jan 13, 2007	-	-	-
29	Colstrip availability adjustment	-	-	-
31	New resource pricing adj-Credit Suisse PPA	(15,215)	(13,742)	(15,194)
32	New resource pricing adj-Farm Pwr Rexville	(5,905)	(5,487)	(7,238)
33	New resource pricing adj-Qualco	(6,794)	(8,002)	(5,054)
34	Tenaska Disallowance (prior month adj)	-	-	-
35	Tenaska Disallowance (current month adj)	\$ (253,534)	\$ (253,534)	\$ (245,383)
36				
37	Subtotal Adjustments	\$ (545,567)	\$ (519,763)	\$ (523,313)
38	Total allowable costs	\$ 135,098,099	\$ 127,495,311	\$ 129,602,915
39				
40				
41	PCA period delivered load (Kwh)	2,009,803,156	1,768,129,014	1,884,703,765
42	Baseline Power Cost			
43	11/1/08 - \$0.062841	\$ 126,298,040	\$ 111,110,995	\$ 118,436,669
43a				
44	Imbalance for Sharing	\$ 8,800,059	\$ 16,384,316	\$ 11,166,246
45	positive is potential customer surcharge, negative is potential cust credit	\$ 8,800,059	\$ 16,384,316	\$ 11,166,246
46				
47	Nov 1'08 - 0.035961%			
48	Less Firm Wholesale	\$ 8,796,895	\$ 16,378,424	\$ 11,162,231
49	Gross PCA	\$ 8,796,895	\$ 16,378,424	\$ 11,162,231
50	Gross PCA Contra	\$ (8,796,895)	\$ (16,378,424)	\$ (11,162,231)
51				
52	PCA Off-set	\$ -	\$ -	\$ -
53	Adjusted Gross PCA	\$ 8,796,895	\$ 16,378,424	\$ 11,162,231
54	Adjusted Gross PCA - Contra	\$ (8,796,895)	\$ (16,378,424)	\$ (11,162,231)
55				
56	Cumulative Gross PCA	\$ 8,796,895	\$ 25,175,319	\$ 36,337,549
57	Cumulative Gross PCA Contra	\$ (8,796,895)	\$ (25,175,319)	\$ (36,337,549)
58				
59	Cumulative PCA Off-set	\$ -	\$ -	\$ -
60	Cumulative Adjusted Gross PCA	\$ 8,796,895	\$ 25,175,319	\$ 36,337,549
61	Cumulative Adjusted Gross PCA Contra	\$ (8,796,895)	\$ (25,175,319)	\$ (36,337,549)
62				