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

PSE.com

November 15, 2011

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. ffitch, Assistant Attorney General Bob Cedarbaum, WUTC

Puget Sound Energy Power Cost Adjustment Summary

Actual Costs and Disallowance as recorded through the PCA Mechanism																					
	Ac	tuals	Bas	seline	Differe	ice (A)	Wholesale	Customer	Imba	lance for Sha	ring	Compan	v per PCA	Custome	r per PCA	To	tal	Interest o	n Customer	Total Custo	mer per PCA
													7 P		, por , or	Monthly	Cumulative	milerest 0	ii Odatomei	Total Custo	mer per FCA
PCA Year (B)	Monthly	Cumulative	Baseline	Cumulative	Monthly	Cumulative	Monthly	Cumulative	Monthly	PCA Period	Cumulative	Monthly (A)	Cumulative (A)	Monthly (A)	Cumulative (A)		Difference (A)	Monthly (A)	Cumulative (A)	Monthly (A)	Cumulative (A)
1-8 - Cumulative Ar	nounts	8,321,804,736		8,295,200,928		26,603,809		(20,644)			26,583,163	21,778,789		4.804,374		26,583,163		881,54			5,685,925
	Ac	tuals	Bas	seline	Differe	ice (A)	Wholesale	Customer	Imba	lance for Sha	rina	Compan	v per PCA	Custome	r ner PCA	To	tal	Interest	n Customer	Total Cueto	mer per PCA
					Monthly	1.7								Customer per FCA			'tai	meresio	ii Customei	TOTAL CUSTO	iller per PCA
	Monthly	PCA Period	Baseline	PCA Period	Difference	PCA Period	Monthly	PCA Period	Monthly	PCA Period		Monthly	PCA Period	Monthly	PCA Period	Monthly Difference	PCA Period	Monthly	PCA Period		204 2 4 4
'			Dadomino				itionally	1 C) (1 C) Cu	Wolfing	T OAT BIIDG		ivioritiny	F CA FEII00	Wioritilly	PCA Period	Difference	PCA Period	wontniy	PCA Period	Monthly	PCA Period
9 Jan-10	134,953,506	134,953,506	126,298,040	126,298.040	8,655,466	8,655,466	(3,113)	(3,113)	8,652,354	8.652.354		8,652,354	8,652,354			0.050.054	0.050.054	40.004	40.004	10.001	
9 Feb-10	127,311,731	262,265,238	111,110,995	237,409,035	16,200,736	24,856,202	(5,826)	(8,939)	16,194,910	24,847,264		13,771,278	22,423,632	2,423,632	2,423,632	8,652,354 16,194,910	8,652,354 24,847,264	13,261	13,261	13,261	13,261
9 Mar-10	129,436,684	391,701,922	118,436,669	355,845,705	11,000,015	35,856,217	(3,956)	(12,894)	10,996,059	35,843,323		5,498,030	27,921,661	5,498,030	7,921,661	10,194,910		12,194 20,441	25,455	2,435,826	2,449,087
9 Apr-10	104,419,583	496,121,505	110,235,654	466,081,359	(5,816,071)	30,040,146	2,045	(10,850)	(5,814,026)	30,029,297		(2,907,013)	25,014,648	(2,907,013)	5,014,648	(5,814,026)	35,843,323 30,029,297	33,735	45,896	5,518,470	7,967,558
9 May-10	90,656,777	586,778,282	104,215,281	570,296,640	(13,558,504)	16,481,642	4,733	(6,116)	(13,553,771)	16,475,526		(8,539,122)	16,475,526	(5,014,648)	3,014,046	(13,553,771)	16,475,526	26,657	79,631 106,288	(2,873,278)	5,094,280
9 Jun-10 (C)	99,678,046	686,456,328	90,335,557	660,632,196	9,342,489	25,824,131	(3,261)	(9,378)	9,339,228	25,814,754		6,431,851	22,907,377	2.907.377	2.907,377	9,339,228	25,814,754	13,092	119,381	(4,987,992) 2,920,469	106,288 3,026,757
9 Jul-10	93,519,761	779,976,088	101,296,002	761,928,199	(7,776,242)	18,047,890	2,715	(6,663)	(7,773,527)	18,041,227		(4,866,150)	18,041,227	(2,907,377)	2,307,377	(7,773,527)	18.041.227	21.028	140,408	(2,886,349)	140,408
9 Aug-10	97,662,228	877,638,316	101,910,768	863,838,966	(4,248,540)	13,799,350	1,483	(5,180)	(4,247,057)	13,794,170		(4.247.057)	13,794,170	12,001,0,7,			13,794,170	13,261	153,670	13,261	153,670
9 Sep-10	105,254,061	982,892,377	97,163,879	961,002,845	8,090,182	21,889,532	(2,824)	(8,004)	8,087,358	21,881,528			20,940,764	940.764	940,764	8,087,358	21,881,528	12,917	166,587	953,681	1,107,351
9 Oct-10	113,891,199	1,096,783,576	108,947,212	1,069,950,057	4,943,987	26,833,518	(1,726)	(9,730)	4,942,261	26,823,788		2,471,130	23,411,894	2,471,130	3,411,894	4,942,261	26,823,788	16,078	182,665	2,487,209	3,594,559
9 Nov-10	127,729,035	1,224,512,611	127,209,681	1,197,159,738	519,354	27,352,873	(181)	(9,911)	519,173	27,342,961		259,587	23,671,481	259,587	3,671,481	519,173	27,342,961	21.971	204,636	281.557	3,876,117
9 Dec-10	148,516,485	1,373,029,096	139,692,838	1,336,852,576	8,823,647	36,176,520	(3,080)	(12,992)	8,820,567	36,163,528		4,410,283	28,081,764	4,410,283	8,081,764	8,820,567	36,163,528	23.788	228.424	4.434,072	8,310,188
10 Jan-11	136,860,617	136,860,617	140,508,766	140,508,766	(3,648,149)	(3,648,149)	1,274	1,274	(3,646,876)	(3,646,876)		(3,646,876)	(3,646,876)	-	-	(3,646,876)	(3,646,876)	35.569	35,569	35,569	35,569
10 Feb-11	130,443,864	267,304,480	127,314,917	267,823,683	3,128,946	(519,203)	(1,092)	181	3,127,854	(519,022)		3,127,854	(519,022)		-	3,127,854	(519,022)	32,127	67,696	32,127	67,696
10 Mar-11	122,241,272	389,545,752	126,505,123	394,328,807	(4,263,852)	(4,783,054)	1,489	1,670	(4,262,363)	(4,781,385)		(4,262,363)	(4,781,385)	-	-	(4,262,363)	(4,781,385)	35,569	103,266	35,569	103,266
10 Apr-11	104,683,648	494,229,400	116,015,164	510,343,971	(11,331,517)	(16,114,571)	3,956	5,626	(11,327,561)	(16,108,946)		(11,327,561)	(16,108,946)	-	-	(11,327,561)	(16,108,946)	34,422	137,688	34,422	137,688
10 May-11	89,900,087	584,129,487	105,909,373	616,253,344	(16,009,286)	(32,123,857)	5,589	11,214	(16,003,697)	(32,112,643)		(9,947,376)	(26,056,322)	(6,056,322)	(6,056,322)	(16,003,697)	(32,112,643)	35,030	172,718	(6,021,291)	(5,883,604)
10 Jun-11	99,731,063	683,860,549	96,350,816	712,604,160	3,380,246	(28,743,611)	(1,180)	10,034	3,379,066	(28,733,577)		1,689,533	(24,366,788)	1,689,533	(4,366,788)	3,379,066	(28,733,577)	18,394	191,112	1,707,928	(4,175,676)
10 Jul-11	88,229,728	772,090,277	98,167,272	810,771,432	(9,937,544)	(38,681,155)	3,469	13,504	(9,934,075)	(38,667,652)		(4,967,038)	(29,333,826)	(4,967,038)	(9,333,826)	(9,934,075)	(38,667,652)	23,073	214,185	(4,943,964)	(9,119,640)
10 Aug-11 10 Sep-11	89,101,047 101,359,870	861,191,324	96,828,232	907,599,665	(7,727,186)	(46,408,341)	2,698	16,201	(7,724,488)	(46,392,140)		(1,305,388)	(30,639,214)	(6,419,100)	(15,752,926)	(7,724,488)	(46,392,140)	9,234	223,419	(6,409,866)	(15,529,506)
10 38D-17 [101,359,870	962,551,194	98,417,999	1,006,017,664	2,941,870	(43,466,471)	(1,027)	15,174	2,940,843	(43,451,296)		294,084	(30,345,130)	2,646,759	(13,106,167)	2,940,843	(43,451,296)	(7,422)	215,997	2,639,337	(12,890,170)
													\$ 19,515,423		\$ (220,028)				\$ 1,325,970		\$ 1,105,943
																				-	

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.
- (C) The June 2010 PCA calculation does not include a \$17.8 million loss that PSE recorded per the Washington Commission's order in Docket No. UE-070725 to adjust the carrying value of PSE's California wholesale energy sales regulatory asset as the sales occurred in 2000, prior to the establishment of the PCA menderhansm. Exclusion of this charge from the calculation of the imbalance for sharing is pursuant to the Methodology for Adjustments of Costs Outside of the PCA Period (PCA tru-up methodology).
- NOTE: In March 2011 PSE and BPA reached an agreement in which BPA would pay PSE \$2,110,264 for 58,880 MWh that PSE had purchased from Klicklat County PUD for Goldendale station service from March 2009 through February 11, 2011 but which was never delivered by BPA due to a metering problem. PSE recorded the amount as a credit to a 447 order in March 2011. However, following the PCA methodology for true-use greater than \$1 million, the credits related to the Z009 and 2010 amounts were not included in the calculation of the imbalance for sharing in March 2011. Instead the FERC 447 amounts for PCA periods 8 and 9 were restated to include the reductions for the settlement credits related to the S1,028,015, not of the wholesade adjustment. The amount of the reduction in the customer deferral was calculated in accordance with the sharing band level PSE was in at each time period. The revision of the PCA periods also resulted in a \$26,437 decrease in PCA interest on the customer deferral balance.
- NOTE: In September 2011 PSE received a \$5,909,103 tax refund from Canada related to GST and HST paid on gas transportation costs. The majority of the refund was for core gas but \$1,646,161 was for taxes paid on gas transportation costs for the combustion furthines from April 2008 March 2011. PSE recorded that amount as a credit to 547 orders in September 2011 but following the PCA methodology for true-ups greater than \$11 million, the credits related to the 2008 2011 amounts were not include in the calculation of the imbalance for sharing in September 2011. Instead the 547 amounts for PCA periods 7 10 were restated to include the reductions for the refund related to each PCA period. As a result, the previously reported customer deferral decreased by \$922,058 net of the wholesafe adjustment. The amount of the customer deferral dual canada in accordance with the sharing band level PSE was in at each time period. The revision of the PCA periods also resulted in a \$21,832 decrease in PCA interest on the customer deferral balance.

Schedule B: Monthly Power Costs -- PCA PERIOD 10 Derived from Original PCA Exhibit B Subject to PCA Sharing UE-011570

Row 6	,		Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11
7	Return on Fixed RB	\$		13,607,032					13,607,032	\$ 13,607,032	\$ 13,607,032
8	Other Fixed Costs		17,098,452	17,098,452	17,098,452	17,098,452	17,098,452	17,098,452	17,098,452	17,098,452	17,098,452
9	Subtotal Fixed Costs	\$	30,705,485 \$	30,705,485	30,705,485 \$	30,705,485 \$	30,705,485 \$	30,705,485 \$	30,705,485	\$ 30,705,485	\$ 30,705,485
10	Total Variable Component Actual FERC Acct.										
11	Steam Oper. Fuel 501	\$	6,309,883 \$	5,929,078	6,284,947 \$	4,972,679 \$	4,469,888 \$	3,435,276 \$	6.718.637	\$ 7,060,538	\$ 7,112,995
12	Other Pwr Gen Fuel 547	(a)	13,107,840	8,765,319	4,232,596	5,157,962	3,949,056	4.095.012	4,818,586	13,708,125	23,823,291
13	Other Elec Revenues 45600012,18,80,81,130		9,737,050	12,122,117	10,810,123	3,903,715	1,279,522	792,552	5,487,186	2,846,784	1,322,680
14	Purchase Power 555		72,039,636	67,579,343	64,065,915	54,329,616	44,810,047	53,775,939	35,845,574	33,473,495	36,763,685
15	Sales to Other Util 447		(2,929,467)	(2,585,373)	(1,373,314)	(1,596,701)	(2,425,963)	(1,472,619)	(3,223,940)	(6,922,184)	(6,697,635)
16	Wheeling 565		6,857,027	6,994,593	6,648,298	6,609,413	6,518,290	7,226,722	6,646,174	6,982,199	7,002,383
17	Transmission Revenue 45610005		(534,282)	(660,938)	(715,901)	(993,537)	(1,133,289)	(433,802)	(425,656)	(419,584)	(324,007)
18	White River Amortization 40700015		124,558	124,558	124,558	124,558	124,558	124,558	124,558	124,558	124,558
19	Goldendale Amortization 40730041		346,846	346,846	346,846	346,846	346,846	346,846	346,846	346,846	346,846
20	Mint Farm Amortization 40730051		240,421	240,421	240,421	240,421	240.421	240.421	240,421	240,421	240,421
21	Wild Horse Expn Amortization 40730061		234,856	234,856	234,856	234,856	234.856	234.856	234,856	234,856	234,856
22	Freddy 1-Prepaid Major Maint-Amort-51218007, 51318019, 55360	053, 554600	11,784	11,784	11,784	11,784	11,784	11,784	11,784	11,784	11,784
- 23	Goldendale-Prepaid Major Maint-Amort 553002864		29,548	29,548	29,548	29,548	29,548	29,548	29,548	29,548	29,548
24	Mnt Farm- Prepaid Major Maint - Amort 553002866		65,181	65,181	65,181	65,181	65,181	65,181	65,181	65,181	65,181
25	Sumas- Hot Gas Path Inspection 553008200		30,517	30,517	30,517	30,517	30,517	30,517	30,517	30,517	30,517
26	Goldendale-Hot Gas Path - Amort 553011340		-	,	-	-	-	-	64,201	64,201	64,201
27	Subtotal Variable Components	- \$	105,671,398 \$	99,227,850	91,036,375 \$	73,466,858 \$	58,551,262 \$	68,502,791 \$			\$ 70,151,304
28			,,	,,	* * * * * * * * * * * * * * * * * * * *		00,001,202	σο,σοΣ,τοτ φ	01,014,470	Ψ 07,011,200	Ψ 10,151,004
29	Regulatory Assets (Return on RB portion only)		696,936	696,936	696,936	696,936	696,936	696,936	696,936	711,734	702,865
30	Fixed & Interest Cost on Hedging Facility 42806051, 43100071,	41900031	25,337	23,113	25,337	24,595	25,337	24,595	25,337	25,337	24,595
31	SUBTOTAL before Adjustments	\$		130,653,384							\$ 101,584,249
32	·		,	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	, ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	το 1,000,011, φ	σο,στο,σ2σ φ	σσ,σεσ,σση φ	00,442,201	Ψ 05,515,041	Ψ 101,304,243
33	Adjustments:										
34	Prudence from UE-921262	\$	(238,539) \$	(209,520)	(222,861) \$	(210,226) \$	(78,933) \$	(198,744) \$	(212,503)	\$ (218,794)	\$ (224,379)
35	Contract price adjustment - discontinued Jan 13, 2007	•	((200,020)	(222,001)	(2.10,220) ψ	(10,000) 	(130,144) ψ	(212,500)	Ψ (2.10,194)	Ψ (224,573)
36	Colstrip availability adjustment		_	_	_	_	_	_	_	_	_
37	New resource pricing adjustment		_						_	-	-
38	Tenaska Disallowance (prior month adj)										
39	Tenaska Disallowance (current month adi)	\$	s - \$	_ 9	5 - \$	· - \$	- \$	- \$	- :	•	\$ -
40	(•	, Ψ	- '	- Ψ	- φ	- φ	- φ		-	φ -
41	Subtotal Adjustments	-\$	(238,539) \$	(209,520)	(222,861) \$	(210,226) \$	(78,933) \$	(198,744) \$	(212,503)	\$ (218,794)	\$ (224,379)
42	Total allowable costs			130,443,864							\$ 101,359,870
43	——————————————————————————————————————	_ <u>-</u>	100,000,017	100,110,001	, 122,2-1,212 ψ	104,000,040 ψ	03,300,007 #	33,731,003 ¥	00,229,720	\$ 09,101,04 <i>1</i>	\$ 101,339,670
44											
45	PCA period delivered load (Kwh)		2,182,253,653	1,977,338,863	1,964,761,883	1,798,322,267	1,641,674,903	1,493,510,087	1,521,666,517	1,500,910,396	1,525,552,981
46	Baseline Power Cost		2, 102,200,000	1,511,000,000	1,504,701,665	1,730,322,207	1,041,074,303	1,455,510,007	1,521,666,517	1,500,910,596	1,525,552,961
47	4/7/10 - 3/31/11 \$0.064387	\$	140,508,766 \$	127,314,917	126,505,123						
47	4/1/11 - \$0.064513	Ψ) 140,300,700 φ	127,314,917		440.045.404	405.000.070 A	00.050.040	00 407 070		
48	Imbalance for Sharing	-\$	(3,648,149) \$	3,128,946		116,015,164 \$ (11,331,517) \$				\$ 96,828,232	
50	positive is potential customer surcharge, negative is potential cust cre							3,380,246 \$	(, , ,	\$ (7,727,186)	
50	positive is potential customer surcharge, negative is potential cust de	edit \$	(3,648,149) \$	3,128,946	(4,263,852) \$	(11,331,517) \$	(16,009,286) \$	3,380,246 \$	(9,937,544)	\$ (7,727,186)	\$ 2,941,870
51	A no. 014 O										
53	Apr 8'10 Less Firm Wholesale 0,034910%	\$	(3.040.070) #	0.407.054	(4.000.000)	(44.007.504) 0	(40.000.00=; +	0.070.000	(0.001.07=		
53 53	Gross PCA 0.034910%	,	(-11 / +	3,127,854				3,379,066 \$	(9,934,075)		
53 54		\$	(-)	3,127,854	, , , , ,	* / - / - / / / / / / / / / / / - / / / / / / / / / / / - / / / / / / / / / / / - / / / / / / / / / / - / / - / / / / - / / - / / - / / - / / - /		3,379,066 \$		\$ (7,724,488)	
	Gross PCA Contra	\$	3,646,876 \$	(3,127,854)	4,262,363 \$	11,327,561 \$	16,003,697 \$	(3,379,066) \$	9,934,075	\$ 7,724,488	\$ (2,940,843)
55	Ourselative Overes BOA	_									
56	Cumulative Gross PCA	\$	(0,0,0,0,0, 4	(519,022)	, , , , ,					\$ (46,392,140)	
57	Cumulative Gross PCA Contra	\$	3,646,876 \$	519,022	4,781,385 \$	16,108,946 \$	32,112,643 \$	28,733,577 \$	38,667,652	\$ 46,392,140	\$ 43,451,296
58											

⁽a) In Sep11 PSE received a \$1,646,181 refund from Canada of taxes paid on non-core gas pipeline transportaion costs from Apr08 - Mar11. The refund was booked to 547 orders but as the amount was over \$1 million prior PCA periods were adjusted.

60

⁶³ Note: This schedule was derived from original PCA collaborative exhibit B

Puget Sound Energy Power Cost Adjustment Summary

Actual Costs and Disallowance as recorded through the PCA Mechanism Actuals Baseline Difference (A) Wholesale Customer Imbalance for Sharing Company per PCA Customer per PCA Total Interest or Customer Interest or																					
	Ac	iuais	Bas	seline	Differe	nce (A)	Wholesale	Customer	lmba	lance for Sha	ring	Compan	y per PCA	Custome	r per PCA	To	otal	Interest o	n Customer	Total Custo	mer per PCA
PCA Year (B)	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)		Cumulative (A)
1-8 - Cumulative A		8,321,804,736		8,295,200,928		26,603,809		(20,644)			26,583,163		21,778,789		4,804,374		26,583,163	· · · · · · · · · · · · · · · · · · ·	881,549		5,685,925
	Ac	tuals	Bas	seline	Differe	nce (A)	Wholesale	Customer	Imba	lance for Sha	ring	Compan	v per PCA	Custome	r per PCA	Te	otal	Indonesia a	n Customer	T-t-LO	204
	Monthly	PCA Period	Baseline	PCA Period	Monthly Difference	PCA Period	Monthly	PCA Period	Monthly	PCA Period		Monthly	PCA Period	Monthly	PCA Period	Monthly Difference	PCA Period	Monthly	PCA Period	Monthly	mer per PCA PCA Period
9 Jan-10	134,953,506	134,953,506	126,298,040	126,298,040	8,655,466	S OFF ION	(0.110)											,			
9 Feb-10	127,311,731	262,265,238	111,110,995	237,409,035	16,200,736	8,655,466 24,856,202	(3,113)	(3,113)	8,652,354	8,652,354		8,652,354	8,652,354	-	•	8,652,354	8,652,354	13,261	13,261	13,261	13,261
9 Mar-10	129,436,684	391,701,922	118,436,669	355,845,705	11,000,015	35,856,217	(3,956)	(12,894)	16,194,910 10,996,059	24,847,264 35,843,323		13,771,278	22,423,632	2,423,632	2,423,632	16,194,910	24,847,264	12,194	25,455	2,435,826	2,449,087
9 Apr-10	104,419,583	496,121,505	110,235,654	466,081,359	(5,816,071)	30,040,146	2,045	(10,850)	(5,814,026)	30,029,297		5,498,030 (2,907,013)	27,921,661	5,498,030	7,921,661	10,996,059	35,843,323	20,441	45,896	5,518,470	7,967,558
9 May-10	90,656,777	586,778,282	104,215,281	570,296,640	(13,558,504)	16,481,642	4,733	(6,116)	(13,553,771)	16,475,526		(8,539,122)	25,014,648 16,475,526	(2,907,013) (5,014,648)	5,014,648	(5,814,026)	30,029,297	33,735	79,631	(2,873,278)	5,094,280
9 Jun-10 (C)	99,678,046	686,456,328	90,335,557	660,632,196	9,342,489	25,824,131	(3,261)	(9,378)	9,339,228	25,814,754		6,431,851	22,907,377	2,907,377	2,907,377	(13,553,771) 9,339,228	16,475,526 25,814,754	26,657	106,288	(4,987,992)	106,288
9 Jui-10 9 Aug-10	93,519,761 97,662,228	779,976,088	101,296,002	761,928,199	(7,776,242)	18,047,890	2,715	(6,663)	(7,773,527)	18,041,227		(4,866,150)	18,041,227	(2,907,377)	2,001,011	(7.773.527)	18,041,227	13,092 21,028	119,381 140,408	2,920,469 (2,886,349)	3,026,757 140,408
9 Sep-10	105,254,061	877,638,316 982,892,377	101,910,768 97,163,879	863,838,966 961,002,845	(4,248,540)	13,799,350	1.483	(5,180)	(4,247,057)	13,794,170		(4,247,057)	13,794,170	-		(4,247,057)	13,794,170	13,261	153,670	13,261	153,670
9 Oct-10	113,891,199	1,096,783,576	108.947.212	1,069,950,057	8,090,182 4,943,987	21,889,532 26,833,518	(2.824)	(8,004)	8,087,358	21,881,528		7,146,594	20,940,764	940,764	940,764	8,087,358	21,881,528	12,917	166,587	953,681	1,107,351
9 Nov-10	127,729,035	1,224,512,611	127,209,681	1,197,159,738	519,354	27,352,873	(1,726) (181)	(9,730) (9,911)	4,942,261 519,173	26,823,788 27,342,961		2,471,130	23,411,894	2,471,130	3,411,894	4,942,261	26,823,788	16,078	182,665	2,487,209	3,594,559
9 Dec-10	148,516,485	1,373,029,096	139,692,838	1,336,852,576	8,823,647	36,176,520	(3,080)	(12.992)	8,820,567	36,163,528		259,587 4,410,283	23,671,481 28,081,764	259,587	3,671,481	519,173	27,342,961	21,971	204,636	281,557	3,876,117
							(0,000)	112,002)	9,020,001	00,100,020		4,410,203	20,081,754	4,410,283	8,081,764	8,820,567	36,163,528	23,788	228,424	4,434,072	8,310,188
10 Jan-11 10 Feb-11	136,860,617	136,860,617	140,508,766	140,508,766	(3,648,149)	(3,648,149)	1,274	1,274	(3,646,876)	(3,646,876)		(3,646,876)	(3,646,876)	J		(3,646,876)	(3,646,876)	35,569	05.500	05 500	25.55
10 Feb-11 10 Mar-11	130,443,864 122,241,272	267,304,480	127,314,917	267,823,683	3,128,946	(519,203)	(1,092)	181	3,127,854	(519,022)		3,127,854	(519,022)	_		3,127,854	(519,022)	32,127	35,569 67,696	35,569 32,127	35,569 67,696
10 Apr-11	104,683,648	389,545,752 494,229,400	126,505,123 116,015,164	394,328,807	(4,263,852)	(4,783,054)	1,489	1,670	(4,262,363)	(4,781,385)		(4,262,363)	(4,781,385)	-	-	(4,262,363)	(4,781,385)	35,569	103,266	35,569	103,266
10 May-11	89,900,087	584,129,487	105,909,373	510,343,971 616,253,344	(11,331,517)	(16,114,571)	3,956	5,626	(11,327,561)	(16,108,946)		(11,327,561)	(16,108,946)	-	-	(11,327,561)	(16,108,946)	34,422	137,688	34,422	137.688
10 Jun-11	99,731,063	683,860,549	96,350,816	712,604,160	(16,009,286) 3.380.246	(32,123,857)	5,589 (1,180)	11,214	(16,003,697)	(32,112,643)		(9,947,376)	(26,056,322)	(6,056,322)	(6,056,322)	(16,003,697)	(32,112,643)	35,030	172,718	(6,021,291)	(5,883,604)
10 Jul-11	88,229,728	772,090,277	98,167,272	810,771,432	(9,937,544)	(38,681,155).	3.469	10,034 13,504	3,379,066 (9,934,075)	(28,733,577)		1,689,533	(24,366,788)	1,689,533	(4,366,788)	3,379,066	(28,733,577)	18,394	191,112	1,707,928	(4,175,676)
10 Aug-11	89,101,047	861,191,324	96,828,232	907,599,665	(7.727,186)	(46,408,341)	2,698	16,201	(7,724,488)	(46,392,140)		(4,967,038) (1,305,388)	(29,333,826) (30,639,214)	(4,967,038) (6,419,100)	(9,333,826) (15,752,926)	(9,934,075) (7,724,488)	(38,667,652) (46,392,140)	23,073 9,234	214,185	(4.943,964)	(9,119,640)
10 Sep-11	101,359,870	962,551,194	98,417,999	1,006,017,664	2,941,870	(43,466,471)	(1,027)	15,174	2,940,843	(43,451,296)		294,084	(30,345,130)	2,646,759	(13,106,167)	2.940.843	(43,451,296)	(7,422)	223,419 215,997	(6,409,866) 2,639,337	(15,529,506) (12,890,170)
§ 19,515,423												\$ 19,515,423		\$ (220,028)				\$ 1,325,970		\$ 1,105.943	

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 2009 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.

(C) The June 2010 PCA calculation does not include a \$17.8 million loss that PSE recorded per the Washington Commission's order in Docket No. UE-070725 to adjust the carrying value of PSE's California wholesale energy sales regulatory asset as the sales occurred in 2000, prior to the establishment of the PCA mechanism. Exclusion of this charge from the calculation of the imbalance for sharing is pursuant to the Methodology for Adjustments of Costs Outside of the PCA Period ("PCA tru-up methodology").

NOTE: In March 2011 PSE and BPA reached an agreement in which BPA would pay PSE \$2,110,264 for 58,880 MWh that PSE had purchased from Klickitat County PUD for Goldendale station service from March 2009 through February 11, 2011 but which was never delivered by BPA due to a metering problem. PSE recorded the amount as a credit to a 447 order in March 2011. However, following the PCA methodology for true-ups greater than \$1 million, the credits related to the 2009 and 2010 amounts were not included in the calculation of the imbalance for sharing in March 2011. Instead the FERC 447 amounts for PCA periods 8 and 9 were restated to include the reductions for the settlement credits related to each PCA period. As a result the previously reported customer deferral decreased by \$1,028,615, net of the wholesale adjustment. The amount of the reduction in the customer deferral was calculated in accordance with the sharing band level PSE was in at each time period. The revision of the PCA periods also resulted in a \$26,437 decrease in PCA interest on the customer deferral balance.

NOTE: In September 2011 PSE received a \$8,909,103 tax refund from Canada related to GST and HST paid on gas transportation costs. The majority of the refund was for core gas but \$1,646,181 was for taxes paid on gas transportation costs for the combustion turbines from April 2008 - March 2011. PSE recorded that amount as a credit to 647 orders in September 2011 but following the PCA methodology for true-ups greater than \$1 million, the credit is related to the 2008 - 2011 amounts were not included in the calculation of the imbalance for sharing in September 2011. Instead the \$47 amounts for PCA periods 7 - 10 were restated to include the reductions for the refund related to each PCA period. As a result, the previously reported customer deferral decreased by \$922,058 net of the wholesale adjustment. The amount of the customer deferral asc calculated in accordance with the sharing band level PSE was in at each time period. The revision of the PCA periods also resulted in a \$21,832 decrease in PCA interest on the customer deferral balance.

Schedule B: Monthly Power Costs -- PCA PERIOD 10 Derived from Original PCA Exhibit B Subject to PCA Sharing UE-011570

-	OE-011070																		
Rov 6			Jan-11	Fel	b-11		Mar-11	Д	Apr-11	N	May-11		Jun-11		Jul-11		Aug-11		Sep-11
7	Deliver on Fire d DD								•						Out-11		Aug-11		3eh-11
8	Return on Fixed RB Other Fixed Costs	\$	13,607,032 \$	13	3,607,032	\$	13,607,032 \$	5 1	3,607,032 \$	\$	13,607,032	\$	13,607,032	\$	13,607,032	\$	13,607,032	•	13,607,032
9	Subtotal Fixed Costs		17,098,452		7,098,452		17,098,452	1	7,098,452		17,098,452	,	17,098,452	•	17,098,452	Ψ	17,098,452	Ψ	17,098,452
10	=	\$	30,705,485 \$	30	7,705,485	\$	30,705,485 \$	3	0,705,485 \$	\$;	30,705,485	\$	30,705,485	\$		\$	30,705,485	\$	30,705,485
											, ,	,	,,	_	00,100,100	*	00,100,400	Ψ	00,700,400
11	Steam Oper, Fuel 501	\$	6,309,883 \$	5	5,929,078	\$	6,284,947 \$	S	4,972,679 \$	\$	4,469,888	\$	3,435,276	Φ	6.718.637	æ	7,060,538	\$	7 440 005
12	Other Pwr Gen Fuel 547 (a))	13,107,840	8	3,765,319		4,232,596		5,157,962	*	3,949,056	Ψ	4,095,012	Ψ	4,818,586	Ψ	13,708,125	Φ	7,112,995 23,823,291
13 14	Other Elec Revenues 45600012,18,80,81,130		9,737,050	12	2,122,117		10,810,123		3,903,715		1,279,522		792,552		5,487,186		2,846,784		1,322,680
	Purchase Power 555		72,039,636	67	,579,343		64,065,915		4,329,616		44,810,047		53,775,939		35,845,574		33,473,495		36,763,685
15	Sales to Other Util 447		(2,929,467)		2,585,373)		(1,373,314)		(1,596,701)		(2,425,963)		(1,472,619)		(3,223,940)		(6,922,184)		
16	Wheeling 565		6,857,027	· e	,994,593		6,648,298		6,609,413		6,518,290		7,226,722		6,646,174		6,982,199		(6,697,635) 7,002,383
17	Transmission Revenue 45610005		(534,282)		(660,938)		(715,901)		(993,537)		(1,133,289)		(433,802)		(425,656)		(419,584)		
18	White River Amortization 40700015		124,558		124,558		124,558		124,558		124,558		124,558		124.558		124,558		(324,007)
19	Goldendale Amortization 40730041		346,846		346,846		346,846		346,846		346,846		346,846		346,846		346,846		124,558 346,846
20	Mint Farm Amortization 40730051		240,421		240,421		240,421		240,421		240,421		240,421		240,421		240,421		240,421
21	Wild Horse Expn Amortization 40730061		234,856		234,856		234,856		234,856		234,856		234,856		234,856		234,856		
22	Freddy 1-Prepaid Major Maint-Amort-51218007, 51318019, 55360053, 55460)(11,784		11,784		11,784		11,784		11,784		11,784		11,784		11,784		234,856
23	Goldendale-Prepaid Major Maint-Amort 553002864		29,548		29,548		29,548		29,548		29,548		29,548		29.548		29,548		11,784
24	Mnt Farm- Prepaid Major Maint - Amort 553002866		65,181		65,181		65,181		65,181		65,181		65,181		25,546 65,181				29,548
25	Sumas- Hot Gas Path Inspection 553008200		30,517		30,517		30,517		30,517		30,517		30,517		30,517		65,181 30,517		65,181
26	Goldendale-Hot Gas Path - Amort 553011340		· <u>-</u>		-		-		00,017		50,517		30,317		64,201		64,201		30,517
27	Subtotal Variable Components	\$	105,671,398 \$	99	,227,850	\$	91,036,375 \$	7	3,466,858 \$	\$ 1	58,551,262	\$	68,502,791	\$	57,014,473	<u> </u>	57,877,285	•	64,201
28			, ,		,,	•	σ.,,οσο,,σ.ο φ	,	υ,400,000 ψ	•	00,001,202	Ψ	00,002,791	φ	07,014,473	Φ	57,077,265	Ф	70,151,304
29	Regulatory Assets (Return on RB portion only)		696,936		696,936		696,936		696.936		696,936		696,936		696,936		744 704		700.005
30	Fixed & Interest Cost on Hedging Facility 42806051, 43100071, 41900031		25,337		23,113		25,337		24,595		25,337		24,595		25,337		711,734		702,865
31	SUBTOTAL before Adjustments	\$	137,099,156 \$	130		\$		10	4,893,874 \$	3 3		\$		\$		\$	25,337 89,319,841	Φ 4	24,595 01,584,249
32					, ,	*		, ,0	ν,ουυ,οι	,	00,070,020	Ψ	33,323,007	φ	00,442,231	φ	09,319,041	\$	01,584,249
33	Adjustments:																		
34	Prudence from UE-921262	\$	(238,539) \$		(209,520)	\$	(222,861) \$:	(210,226) \$	\$	(78,933)	Ф	(198,744)	e	(212,503)	œ	(218,794)	•	(004.070)
35	Contract price adjustment - discontinued Jan 13, 2007		, , , ,		()	*	(222,001) Ψ		(Z10,220) W	Y	(70,555)	Ψ	(130,144)	Ψ	(212,503)	Φ	(210,/94)	Ф	(224,379)
36	Colstrip availability adjustment		-		_		_		_		_								
37	New resource pricing adjustment		-										_		-		-		•
38	Tenaska Disallowance (prior month adj)																		
39	Tenaska Disallowance (current month adj)	\$	- \$		-	\$	- \$:	- \$		_	\$		\$		\$		•	
40			·			•	*		Ψ	۲	=	Ψ	-	φ	-	Φ	-	\$	-
41	Subtotal Adjustments	\$	(238,539) \$		(209,520)	\$	(222,861) \$		(210,226) \$	Ř	(78,933)	9	(198,744)	•	(212,503)	-	(218,794)	•	(004.070)
42	Total allowable costs	\$	136,860,617 \$			\$	122,241,272 \$					\$		-Ψ -	88,229,728	\$			(224,379) 01,359,870
43									1,000,010 0		00,000,001	Ψ	00,701,000	Ψ	00,229,720	Ψ	05,101,047	φι	01,359,670
44																			
45	PCA period delivered load (Kwh)		2,182,253,653	1.977	,338,863		1,964,761,883	1 79	8,322,267	1.6/	41,674,903	4	493,510,087	4	,521,666,517	4 1	500,910,396		05 550 004
46	Baseline Power Cost		, , , , , ,	.,	,,		1,00 1,10 1,000	1,10	0,022,201	1,0-	41,014,000	1,	430,310,007	,	,521,000,517	1,5	300,910,396	1,0	25,552,981
47	4/7/10 - 3/31/11 \$0.064387	\$	140,508,766 \$	127	,314,917	\$	126,505,123												
47	4/1/11 - \$0.064513	•	, , , , , , , , , , , , , , , , , , ,		,014,017	Ψ		11	6,015,164 \$	10	05,909,373	œ	96,350,816	•	00 467 070	•	00 000 000	•	00 447 000
48	Imbalance for Sharing	\$	(3,648,149) \$	- 3	.128.946	\$	(4,263,852) \$		1.331.517) \$			\$	3,380,246	\$	98,167,272				98,417,999
50	positive is potential customer surcharge, negative is potential cust credit	\$	(3,648,149) \$			\$	(4,263,852) \$	<u> </u>	1,331,517) \$		16,009,286)			\$	(9,937,544)			\$	2,941,870
50		*	(σ,σ,σ,τ,σ) φ	Ü	, 120,040	Ψ	(4,200,002) ¢	' ('	1,001,017) φ	P (1	10,009,200)	Ф	3,380,246	Ф	(9,937,544)	\$	(7,727,186)	\$	2,941,870
51	Apr 8'10																		
53	Less Firm Wholesale 0.034910%	\$	(3,646,876) \$	વ	,127,854	\$	(4,262,363) \$-	- /4	1 327 5641 6	2 /4	16 003 6071	æ	2 270 000	Ф	(0.094.075)	æ	/7 704 40C	•	
53	Gross PCA	\$	(3,646,876) \$,127,854		(4,262,363) \$				16,003,697)		3,379,066		(9,934,075)		(7,724,488)		2,940,843
54	Gross PCA Contra	\$	3,646,876 \$,127,854)		4,262,363 \$		1,327,561) \$	•	16,003,697)			\$	(9,934,075)		(7,724,488)		2,940,843
55		*	ο,ο ιο,ο ιο φ	(3	1,21,004)	Ψ	4,202,303 \$		1,327,561 \$, 1	16,003,697	φ	(3,379,066)	ф	9,934,075	\$	7,724,488	\$	(2,940,843)
56	Cumulative Gross PCA	\$	(3,646,876) \$		(519,022)	s.	(4,781,385) \$	74	6,108,946) \$	· /n	20 110 640	œ	/00 700 F7T	e	(22.667.655)	•	(40.000.446)		10 151 000
57	Cumulative Gross PCA Contra	\$	3.646.876 \$		519,022		4,781,385 \$	•						\$	(38,667,652)				43,451,296)
58		Ψ	υ ιοπο _ι οτο ψ		0101022	Ψ	+,101,000 \$	11	6,108,946 \$) 3	32,112,643	\$	28,733,577	\$	38,667,652	\$	46,392,140	\$	43,451,296
59																			

⁽a) In Sep11 PSE received a \$1,646,181 refund from Canada of taxes paid on non-core gas pipeline transportation costs from Apr08 - Mar11. The refund was booked to 547 orders but as the amount was over \$1 million prior PCA periods were adjusted.

Puget Sound Energy Power Cost Adjustment Summary

Actual Costs and Disallowance as recorded through the PCA Mechanism Actuals Baseline Difference (A) Wholesale Customer Imbalance for Sharing Company neg PCA Customer PCA Cus																					
	Act	tuals	Bas	seline	Differe	nce (A)	Wholesale	Customer	lmbai	lance for Shar	ing	Compan	y per PCA	Custome	r per PCA	To	otal	Interest o	n Customer	Total Custo	mer per PCA
PCA Year (B)	Monthly	Cumulative	Baseline	Cumulative	Monthly	Cumulative	Monthly	Cumulative	Monthly	PCA Period	Cumulative	Monthly (A)	Cumulative (A)	Monthly (A)	Cumulative (A)	Monthly	Cumulative Difference (A)	Monthly (A)	Cumulative (A)		Cumulative (A)
1-8 - Cumulative A	mounts	8,321,804,736		8,295,200,928		26,603,809		(20,644)			26,583,163		21,778,789		4,804,374		26,583,163		881,549		5,685,925
	Act	tuals	Bas	seline	Differe	nce (A)	Wholesale	Customer	lmbal	lance for Shar	ing	Compan	v per PCA	Custome	r per PCA	Tr	otal	Interest o	n Customer	Total Custo	mer per PCA
	Monthly	PCA Period	Baseline	PCA Period	Monthly Difference	PCA Period	Monthly	PCA Period	Monthly	PCA Period		Monthly	PCA Period	Monthly	PCA Period	Monthly Difference	PCA Period	Monthly	PCA Period	Monthly	PCA Period
9 Jan-10	134,953,506	134,953,506	126,298,040	126 200 040	0.055.400	2.055.100										Dilloronoo	7 0717 01100	Montany	FOAFellod	Monthly	FCA Pellod
9 Feb-10 9 Mar-10 9 May-10 9 Jun-10 (c) 9 Jul-10 9 Jul-10 9 Aug-10 9 Sep-10 9 Oct-10 9 Nov-10	134,535,305 127,311,731 129,436,684 104,419,583 90,656,777 99,678,046 93,519,761 97,662,228 105,254,061 113,891,199 127,729,035 148,516,485	262,245,238 391,701,922 496,121,505 586,778,282 686,456,328 779,976,088 877,638,316 982,892,377 1,096,783,576 1,224,512,611 1,373,029,096	111,110,995 118,436,669 110,235,654 104,215,281 90,335,557 101,296,002 101,910,768 97,163,879 108,947,212 127,209,681	126,298,040 237,409,035 355,845,705 466,081,359 570,296,640 660,632,196 761,928,199 863,838,966 961,002,845 1,069,950,057 1,197,159,738 1,336,852,576	8,655,466 16,200,736 11,000,015 (5,816,071) (13,558,504) 9,342,489 (7,776,242) (4,248,540) 8,090,182 4,943,987 519,354 8,823,647	8,655,466 24,856,207 35,856,217 30,040,146 16,481,642 25,824,131 18,047,890 13,799,350 21,889,532 26,833,518 27,352,873 36,176,520	(3,113) (5,826) (3,956) 2,045 4,733 (3,261) 2,715 1,483 (2,824) (1,726) (181) (3,080)	(3,113) (8,939) (12,894) (10,850) (6,116) (9,376) (6,663) (5,180) (8,004) (9,730) (9,911) (12,992)	8,652,354 16,194,910 10,996,059 (5,814,026) (13,553,771) 9,339,228 (7,773,527) (4,247,057) 8,087,358 4,942,261 519,173 8,820,567	8,652,354 24,847,264 35,843,323 30,029,297 16,475,526 25,814,754 18,041,227 13,794,170 21,881,528 26,823,788 27,342,961 36,163,528		8,652,354 13,771,278 5,498,030 (2,907,013) (8,539,122) 6,431,851 (4,866,150) (4,247,057) 7,146,594 2,471,130 259,587 4,410,283	8,652,354 22,423,632 27,921,661 25,014,648 16,475,526 22,907,377 18,041,227 13,794,170 20,940,764 23,411,894 23,671,481 28,081,764	2,423,632 5,498,030 (2,907,013) (5,014,648) 2,907,377 (2,907,377 940,764 2,471,130 259,587 4,410,283	2,423,632 7,921,661 5,014,648 - 2,907,377 - 940,764 3,411,894 3,671,481 8,081,764	8,652,354 16,194,910 10,996,059 (5,814,026) (13,553,771) 9,339,228 (7,773,527) (4,247,057) 8,087,358 4,942,261 519,173 8,820,567	8,652,354 24,847,264 35,843,323 30,029,297 16,475,526 25,814,754 18,041,227 13,794,170 21,881,528 26,823,788 27,342,961 36,163,528	13,261 12,194 20,441 33,735 26,657 13,092 21,028 13,261 12,917 16,078 21,971 23,788	13,261 25,455 45,896 79,631 106,288 119,381 140,408 153,670 166,587 182,665 204,636	13,261 2,435,826 5,518,470 (2,873,278) (4,987,992) 2,920,469 (2,886,349) 13,261 953,681 2,487,209 281,557 4,434,072	13,261 2,449,087 7,967,558 5,094,280 106,288 3,026,757 140,408 153,670 1,107,351 3,594,559 3,876,117 8,310,188
10 Jan-11 10 Feb-11 10 Mar-11 10 Apr-11 10 May-11 10 Jul-11 10 Jul-11 10 Aug-11 10 Sep-11	136,860,617 130,443,864 122,241,272 104,683,648 89,900,087 99,731,063 88,229,728 89,101,047 101,359,870	136.860,617 267,304,480 389,545,752 494,229,400 584,129,487 683,860,549 772,090,277 861,191,324 962,551,194	140,508,766 127,314,917 126,505,123 116,015,164 105,909,373 96,350,816 98,167,272 96,828,232 98,417,999	140,508,766 267,623,683 394,328,607 510,343,971 616,253,344 712,604,160 810,771,432 907,599,665 1,006,017,664	(3,648,149) 3,128,946 (4,263,652) (11,331,517) (16,009,286) 3,380,246 (9,937,544) (7,727,186) 2,941,870	(3,648,149) (519,203) (4,783,054) (16,114,571) (32,123,857) (28,743,611) (38,681,155) (46,408,341) (43,466,471)	1,274 (1,092) 1,489 3,956 5,589 (1,180) 3,469 2,698 (1,027)	1,274 181 1,670 5,626 11,214 10,034 13,504 16,201	(3,646,876) 3,127,854 (4,262,363) (11,327,561) (16,003,697) 3,379,066 (9,934,075) (7,724,488) 2,940,843	(3,646,876) (519,022) (4,781,385) (16,108,946) (32,112,643) (28,733,577) (38,667,652) (46,382,140) (43,451,296)		(3,646,876) 3,127,854 (4,262,363) (11,327,561) (9,947,376) 1,689,533 (4,967,038) (1,305,388) 294,084	(3,646,876) (519,022) (4,781,365) (16,108,946) (26,056,322) (24,366,782) (29,333,826) (30,639,214) (30,345,130)	(6,056,322) 1,689,533 (4,967,038) (6,419,100) 2,646,759	(6,056,322) (4,366,788) (9,333,826) (15,752,926) (13,106,167)	(3,646,876) 3,127,854 (4,262,363) (11,327,561) (16,003,697) 3,379,066 (9,934,075) (7,724,488) 2,940,843	(3,646,876) (519,022) (4,781,365) (16,108,946) (32,112,643) (28,733,577) (38,667,652) (46,392,140) (43,451,296)	35,569 32,127 35,569 34,422 35,030 18,394 23,073 9,234 (7,422)	35,569 67,696 103,266 137,688 172,718 191,112 214,185 223,419 215,997	35,569 32,127 35,569 34,422 (6,021,291) 1,707,926 (4,943,964) (6,409,866) 2,639,337	35,569 67,696 103,266 137,688 (5,883,604) (4,175,676) (9,119,640) (15,529,506) (12,890,170)

\$ 19,515,423

\$ (220,028)

\$ 1,325,970

\$ 1,105,943

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.

(C) The June 2010 PCA calculation does not include a \$17.8 million loss that PSE recorded per the Washington Commission's order in Docket No. UE-070725 to adjust the carrying value of PSE's California wholesale energy sales regulatory asset as the sales occurred in 2000, prior to the establishment of the PCA mechanism. Exclusion of this charge from the calculation of the imbalance for sharing is pursuant to the Methodology for Adjustments of Costs Outside of the PCA Period ("PCA tru-up methodology").

NOTE: In March 2011 PSE and BPA reached an agreement in which BPA would pay PSE \$2,110,264 for 58,880 MWh that PSE had purchased from Klickitat County PUD for Goldendale station service from March 2009 through February 11, 2011 but which was never delivered by BPA due to a metering problem. PSE recorded the amount as a credit to a 447 order in March 2011. However, following the PCA methodology for true-ups greater than \$1 million, the credits related to the 2009 and 2010 amounts were not included in the calculation of the imbalance for sharing in March 2011. Instead the FERC 447 amounts for PCA periods 8 and 9 were restated to include the reductions for the settlement credits related to each PCA period. As a result the previously reported customer deferral decreased by \$1,029,615, net of the wholesale adjustment. The amount of the reduction in the customer deferral was calculated in accordance with the sharing band level PSE was in at each time period. The revision of the PCA periods also resulted in a \$25,437 decrease in PCA interest on the customer deferral balance.

NOTE: in September 2011 PSE received a \$5,909,103 tax refund from Canada related to GST and HST paid on gas transportation costs. The majority of the refund was for core gas but \$1,646,181 was for taxes paid on gas transportation costs for the combustion turbines from April 2008 - March 2011. PSE recorded that amount as a credit to 547 orders in September 2011 but following the PCA methodology for true-ups greater than \$1 million, the credits related to the 2008 - 2011 amounts were not included in the calculation of the limbalance for sharing in September 2011. Instead the 547 amounts for PCA periods 7 - 10 were restated to include the reductions for the refund related to each PCA period. As a result, the previously reported customer deferral decreased by \$922,056 net of the wholesale adjustment. The amount of the customer deferral was calculated in accordance with the sharing band level PSE was in at each time period. The revision of the PCA periods also resulted in a \$21,832 decrease in PCA interest on the customer deferral balance.

Schedule B: Monthly Power Costs -- PCA PERIOD 10 Derived from Original PCA Exhibit B Subject to PCA Sharing UE-011570

_	OL-011070																			
Row 6	<i>(</i>			Jan-11		Feb-11	ī	Mar-11		Apr-11		May-11		Jun-11		Jul-11		Aug-11		Sep-11
7	Return on Fixed RB		•	40.007.000	_							-						, g		OSP*11
8	Other Fixed Costs		\$	13,607,032	\$	13,607,032 \$	6	13,607,032	\$	13,607,032	\$	13,607,032	\$	13,607,032	\$	13,607,032	\$	13,607,032	\$	13,607,032
9	Subtotal Fixed Costs		\$	17,098,452 30,705,485	-	17,098,452		17,098,452	_	17,098,452		17,098,452		17,098,452		17,098,452		17,098,452		17,098,452
10		FERC Acct.	Ψ	30,703,463	φ	30,705,485 \$	Þ	30,705,485	\$	30,705,485	\$	30,705,485	\$	30,705,485	\$	30,705,485	\$	30,705,485	\$	30,705,485
11	Steam Oper, Fuel	501	\$	6,309,883	Ф	F 000 070 A		0.004.64=	_											
12	Other Pwr Gen Fuel	547 (a)		13,107,840	φ	5,929,078 \$ 8,765,319	Þ	6,284,947	\$	4,972,679	\$	4,469,888	\$	3,435,276	\$	6,718,637	\$	7,060,538		7,112,995
13	Other Elec Revenues	45600012,18,80,81,130		9,737,050		12,122,117		4,232,596		5,157,962		3,949,056		4,095,012		4,818,586		13,708,125		23,823,291
14	Purchase Power	555		72,039,636		67,579,343		10,810,123 64,065,915		3,903,715		1,279,522		792,552		5,487,186		2,846,784		1,322,680
15	Sales to Other Util	447		(2,929,467)		(2,585,373)		(1,373,314)		54,329,616 (1,596,701)		44,810,047		53,775,939		35,845,574		33,473,495		36,763,685
16	Wheeling	565		6,857,027		6,994,593		6,648,298		6,609,413		(2,425,963)		(1,472,619)		(3,223,940)		(6,922,184)		(6,697,635)
17	Transmission Revenue	45610005		(534,282)		(660,938)		(715,901)		(993,537)		6,518,290 (1,133,289)		7,226,722 (433,802)		6,646,174		6,982,199		7,002,383
18	White River Amortization	40700015		124,558		124,558		124,558		124,558		124,558		124,558		(425,656) 124,558		(419,584)		(324,007)
19	Goldendale Amortization	40730041		346,846		346,846		346,846		346,846		346,846		346,846		346,846		124,558		124,558
20	Mint Farm Amortization	40730051		240,421		240,421		240,421		240,421		240,421		240,421		240,421		346,846 240,421		346,846
21	Wild Horse Expn Amortization	40730061		234,856		234,856		234,856		234,856		234,856		234,856		234,856		234,856		240,421 234,85 6
22	Freddy 1-Prepaid Major Maint-Amort-512		(11,784		11,784		11,784		11,784		11,784		11,784		11,784		11,784		11,784
· 23	Goldendale-Prepaid Major Maint-Amort	553002864		29,548		29,548		29,548		29,548		29,548		29,548		29,548		29,548		29,548
25		553002866		65,181		65,181		65,181		65,181		65,181		65,181		65,181		65,181		65,181
26	Sumas- Hot Gas Path Inspection Goldendale-Hot Gas Path - Amort	553008200		30,517		30,517		30,517		30,517		30,517		30,517		30,517		30,517		30,517
27	Subtotal Variable Components	553011340		-		-		-						-		64,201		64,201		64,201
28	Subtotal Valiable Components		\$	105,671,398	\$	99,227,850 \$	}	91,036,375	\$	73,466,858	\$	58,551,262	\$	68,502,791	\$		\$	57,877,285	\$	70,151,304
29	Regulatory Assets (Return on RB por	tion entra																, ,		, ,
30	Fixed & Interest Cost on Hedging Fac	clich (colors)		696,936		696,936		696,936		696,936		696,936		696,936		696,936		711,734		702,865
31	SUBTOTAL before Adjustments	Jinty 42806061, 43100071, 419000 <u>31</u>		25,337	_	23,113		25,337		24,595		25,337		24,595		25,337		25,337		24,595
32	SOUTH DOTOIC Adjustinents		\$	137,099,156	\$	130,653,384 \$	5 1	122,464,133	\$	104,893,874	\$	89,979,020	\$	99,929,807	\$	88,442,231	\$	89,319,841	\$ 1	01,584,249
33	Adjustments:																			
34	Prudence from UE-921262		\$	(238,539)	•	(200 E20) @		(000 004)	•	(0.40.000)	_		_							
35	Contract price adjustment - discontinued	i Jan 13. 2007	Ψ	(230,539)	φ	(209,520) \$	•	(222,861)	\$	(210,226)	\$	(78,933)	\$	(198,744)	\$	(212,503)	\$	(218,794)	\$	(224,379)
36	Colstrip availability adjustment			-		_														
37	New resource pricing adjustment			-		-		-		-		-		-		-		-		-
38	Tenaska Disallowance (prior month adj)																			
39	Tenaska Disallowance (current month a	dj)	\$	_	\$	- \$			g.	_	\$		\$		\$		\$			
40					7	*			Ψ		Ψ	-	φ	-	φ	-	Ф	-	\$	-
41	Subtotal Adjustments	•	\$	(238,539)	\$	(209,520) \$		(222,861)	\$	(210,226)	\$	(78,933)	\$	(198,744)	\$	(212,503)	\$	(218,794)	\$	(004.270)
42	Total allowable costs		\$	136,860,617	\$	130,443,864 \$					\$		\$		\$					(224,379) 01,359,870
43									_		•	1212221247	<u> </u>		-	OO,LLO,1 LO	Ψ	05,101,047	ΨΙ	01,000,070
44	204																			
45	PCA period delivered load (Kwh)			2,182,253,653		1,977,338,863	1,9	64,761,883	1,	798,322,267	1,	641,674,903	1.4	493,510,087	1.	521,666,517	1.5	500,910,396	1.5	25,552,981
46 47	Baseline Power Cost											, , ,	.,	,,	-,		.,,-	,	.,,	20,002,001
47		\$0.064387	\$	140,508,766	\$	127,314,917 \$	1	26,505,123												
48		\$0.064513							\$	116,015,164	\$	105,909,373	\$	96,350,816	\$	98,167,272	\$	96,828,232	\$	98.417.999
50	Imbalance for Sharing		\$	(3,648,149)		3,128,946 \$		(4,263,852)	\$	(11,331,517)	\$	(16,009,286)	\$	3,380,246	\$		\$		\$	2,941,870
50 50	positive is potential customer surcharge, neg	pative is potential cust credit	\$	(3,648,149)	\$	3,128,946 \$		(4,263,852)	\$	(11,331,517)	\$	(16,009,286)	\$	3,380,246	\$	(9,937,544)		(7,727,186)		2,941,870
51		A 014 O														•		,		• •
53	Less Firm Wholesale	Apr 8'10			_															
53	Gross PCA	0.034910%	\$	(3,646,876)		3,127,854 \$				(11,327,561)		(16,003,697)		3,379,066	\$	(9,934,075)	\$	(7,724,488)	\$	2,940,843
54	Gross PCA Contra		\$	(3,646,876)		3,127,854 \$				(11,327,561)		(16,003,697)			\$	(9,934,075)	\$	(7,724,488)	\$	2,940,843
55	CICCO I OA COIIIIA		\$	3,646,876	\$	(3,127,854) \$		4,262,363	\$	11,327,561	\$	16,003,697	\$	(3,379,066)	\$	9,934,075	\$	7,724,488	\$	(2,940,843)
56	Cumulative Gross PCA		\$	(2.646.070)	æ	/540.005° *		// 70/ 005			_									
57	Cumulative Gross PCA Contra		э \$	(3,646,876) 3,646,876		(519,022) \$				(16,108,946)				(28,733,577)		(38,667,652)				
58			φ	3,040,076	Ф	519,022 \$		4,781,385	Þ	16,108,946	\$	32,112,643	\$	28,733,577	\$	38,667,652	\$	46,392,140	\$	43,451,296
59																				
-00																				

⁽a) In Sep11 PSE received a \$1,646,181 refund from Canada of taxes paid on non-core gas pipeline transportation costs from Apr08 - Mar11. The refund was booked to 547 orders but as the amount was over \$1 million prior PCA periods were adjusted.