



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

May 13, 2015

Steven V. King, 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. King:

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 Susan Free at (425) 456-2105 if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'Katherine J. Barnard', with a large, stylized flourish at the end.

Katherine J. Barnard
Director, Revenue Requirements & Regulatory Compliance

cc Simon J. ffitich, Assistant Attorney General
Sally Brown, 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	Monthly Difference (A)	Cumulative Difference (A)	Monthly (A)	Cumulative (A)	Monthly (A)	Cumulative (A)		
1-12- Cumulative Amounts	13,611,984,748		13,647,522,823		(35,538,075)		448		(35,537,628)		(29,281,607)		(6,256,021)		(35,537,628)			911,485		(5,344,535)				
13 Jan-14	126,181,086	126,181,086	125,778,060	125,778,060	403,026	403,026	(145)	(145)	402,881	402,881	402,881	402,881	-	-	402,881	402,881	(17,268)	(17,268)	(17,268)	(17,268)				
13 Feb-14	136,895,675	262,876,760	116,529,335	242,307,395	20,166,339	20,569,365	(7,274)	(7,419)	20,159,065	20,561,946	19,878,092	20,280,973	280,973	280,973	20,159,065	20,561,946	(15,572)	(32,841)	265,401	248,133				
13 Mar-14	111,391,764	374,268,524	112,934,525	355,241,920	(1,542,762)	19,026,604	556	(6,863)	(1,542,205)	19,019,741	(1,261,232)	19,019,741	(280,973)	-	(1,542,205)	19,019,741	(16,518)	(49,358)	(297,491)	(49,358)				
13 Apr-14	96,575,172	470,843,696	98,988,523	454,230,443	(2,413,352)	16,613,252	870	(5,992)	(2,412,481)	16,607,259	(2,412,481)	16,607,259	-	-	(2,412,481)	16,607,259	(16,711)	(66,070)	(16,711)	(66,070)				
13 May-14	93,358,977	564,202,672	90,224,423	544,454,866	3,134,554	19,747,805	(1,131)	(7,123)	3,133,423	19,740,682	3,133,423	19,740,682	-	-	3,133,423	19,740,682	(17,268)	(83,338)	(17,268)	(83,338)				
13 Jun-14	87,527,240	651,729,911	88,811,092	633,265,958	(1,283,852)	18,463,953	463	(6,660)	(1,283,389)	18,457,293	(1,283,389)	18,457,293	-	-	(1,283,389)	18,457,293	(16,711)	(100,049)	(16,711)	(100,049)				
13 Jul-14	96,295,496	748,025,407	99,378,987	732,644,945	(3,983,491)	15,380,462	1,112	(5,548)	(3,982,379)	15,374,914	(3,982,379)	15,374,914	-	-	(3,982,379)	15,374,914	(17,268)	(117,318)	(17,268)	(117,318)				
13 Aug-14	99,122,121	847,147,527	95,794,997	828,439,941	3,327,224	18,707,686	(1,200)	(6,748)	3,326,024	18,700,938	3,326,024	18,700,938	-	-	3,326,024	18,700,938	(17,268)	(134,586)	(17,268)	(134,586)				
13 Sep-14	97,295,067	944,442,594	87,768,650	918,208,491	9,526,417	28,234,102	(3,436)	(10,184)	9,522,980	28,223,918	5,411,021	24,111,959	4,111,959	4,111,959	9,522,980	28,223,918	(16,345)	(150,931)	4,095,614	3,981,028				
13 Oct-14	102,212,121	1,046,654,714	96,652,919	1,012,861,410	5,559,202	33,793,304	(2,005)	(12,189)	5,557,197	33,781,115	2,778,598	26,890,558	2,778,598	6,890,558	5,557,197	33,781,115	(5,671)	(156,602)	2,772,928	6,733,956				
13 Nov-14	117,974,711	1,164,629,425	113,383,972	1,126,245,382	4,590,739	38,384,043	(1,656)	(13,845)	4,589,083	38,370,198	2,294,541	29,185,099	2,294,541	9,185,099	4,589,083	38,370,198	1,899	(154,703)	2,296,441	9,030,396				
13 Dec-14	123,344,794	1,287,974,218	121,587,269	1,247,832,651	1,757,525	40,141,568	(613)	(14,458)	1,756,912.13	40,127,110	827,612	30,012,711	829,300	10,114,399	1,756,912	40,127,110	8,168	(146,535)	937,468	9,967,864				
14 Jan-15	119,235,519	119,235,519	121,438,517	121,438,517	(2,202,998)	(2,202,998)	768	768	(2,202,230)	(2,202,230)	(2,202,230)	(2,202,230)	-	-	(2,202,230)	(2,202,230)	10,650	10,650	10,650	10,650				
14 Feb-15	105,377,338	224,612,857	100,806,788	222,245,305	4,570,551	2,367,553	(1,593)	(825)	4,568,957	2,366,727	4,568,957	2,366,727	-	-	4,568,957	2,366,727	9,620	20,270	9,620	20,270				
14 Mar-15	105,640,903	330,253,761	106,028,656	328,273,961	(387,752)	1,979,800	135	(690)	(387,617)	1,979,110	(387,617)	1,979,110	-	-	(387,617)	1,979,110	10,650	30,920	10,650	30,920				
													\$	2,710,214		\$	3,858,378			\$	795,870		\$	4,654,249

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 adjustment 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.

Schedule B: Monthly Power Costs -- PCA PERIOD 14
Derived from Original PCA Exhibit B
Subject to PCA Sharing
UE-011570

Row			Jan-15	Feb-15	Mar-15	Period to Date
6						
7	Return on Fixed RB		\$ 19,208,305	\$ 19,208,305	\$ 19,208,305	\$ 57,624,914
8	Other Fixed Costs		21,313,784	21,313,784	21,313,784	\$ 63,941,351
9	Subtotal Fixed Costs		\$ 40,522,088	\$ 40,522,088	\$ 40,522,088	\$ 121,566,265
10	Total Variable Component Actual	<u>FERC Acct.</u>				
11	Steam Oper. Fuel	501	\$ 7,661,930	\$ 4,667,125	\$ 6,287,250	\$ 18,616,305
12	Other Pwr Gen Fuel	547	11,477,482	6,938,337	11,070,427	29,486,246
13	Other Elec Revenues	45600080, 45600081	1,187,364	2,496,568	1,810,516	5,494,448
14	Purchase Power	555	47,856,432	40,821,227	35,347,997	124,025,656
15	Sales to Other Util	447	(2,197,219)	(2,222,322)	(2,158,198)	(6,577,739)
16	Wheeling	565	9,163,460	8,605,170	9,182,944	26,951,574
17	Transmission Revenue	45610005	(649,964)	(642,315)	(635,818)	(1,928,097)
18	Regulatory Amortizations	407 / 513	1,665,328	1,665,328	1,665,328	4,995,984
19	Subtotal Variable Components		\$ 76,164,813	\$ 62,329,118	\$ 62,570,446	\$ 201,064,377
20						
21	Regulatory Assets (Return on RB portion only)		2,287,619	2,287,661	2,287,640	\$ 6,862,920
22	Fixed & Int Cost on Hedging Facility 42806051, 42816025, 43100071		61,458	58,241	61,458	181,157
23	SUBTOTAL before Adjustments		\$ 119,035,978	\$ 105,197,108	\$ 105,441,632	\$ 329,674,719
24						
25	Adjustments:					
26	Colstrip availability adjustment		-	-	-	-
27	Centralia PPA ROR Equity Adjustment		199,541	180,230	199,271	579,042
28						
29	Subtotal Adjustments		\$ 199,541	\$ 180,230	\$ 199,271	\$ 579,042
30	Total allowable costs		\$ 119,235,519	\$ 105,377,338	\$ 105,640,903	\$ 330,253,761
31						
32						
33	PCA period delivered load (Kwh)		2,030,099,422	1,685,196,803	1,772,491,276	5,487,787,501
34	Baseline Power Cost	Dec'14 -				
35		\$0.059819	\$ 121,438,517	\$ 100,806,788	\$ 106,028,656	328,273,961
36						
37	Imbalance for Sharing		\$ (2,202,998)	\$ 4,570,551	\$ (387,752)	\$ 1,979,800
38	positive is potential cust surcharge, negative is potential cust credit		\$ (2,202,998)	\$ 4,570,551	\$ (387,752)	\$ 1,979,800
39						
40		Dec'14 -				
41	Less Firm Wholesale	0.03486%	\$ (2,202,230)	\$ 4,568,957	\$ (387,617)	\$ 1,979,110
42	Gross PCA		\$ (2,202,230)	\$ 4,568,957	\$ (387,617)	\$ 1,979,110
43	Gross PCA Contra		\$ 2,202,230	\$ (4,568,957)	\$ 387,617	\$ (1,979,110)
44						
45	Cumulative Gross PCA		\$ (2,202,230)	\$ 2,366,727	\$ 1,979,110	\$ 1,979,110
46	Cumulative Gross PCA Contra		\$ 2,202,230	\$ (2,366,727)	\$ (1,979,110)	\$ (1,979,110)
47						
48						
49	Note: This schedule was derived from original PCA collaborative exhibit B					
50						