

**BEFORE THE  
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of ) DOCKET UE-170717  
 )  
PACIFIC POWER & LIGHT )  
COMPANY, )  
 )  
2016 Power Cost Adjustment Mechanism. )  
\_\_\_\_\_ )

**EXHIBIT BGM-3C  
PCAM BALANCE CALCULATIONS  
(REDACTED VERSION)**

Washington Power Cost Adjustment Mechanism  
Deferral Period: January 1, 2016 - December 31, 2016  
Power Cost Adjustment Mechanism Calculation

Line No.		UE-140762												Total		
<b>Base NPC in Rates:</b>																
1	Total Annual NPC in Rates	(5.1)	\$	127,364,595												
2	Retail Sales @ Meter in Rates	(8.1)		4,010,161												
3	<b>NPC \$/MWh in Rates</b>	Line 1 / Line 2	\$	<b>31.76</b>												
<b>Deferral:</b>																
				<b>Jan-16</b>	<b>Feb-16</b>	<b>Mar-16</b>	<b>Apr-16</b>	<b>May-16</b>	<b>Jun-16</b>	<b>Jul-16</b>	<b>Aug-16</b>	<b>Sep-16</b>	<b>Oct-16</b>	<b>Nov-16</b>	<b>Dec-16</b>	<b>Total</b>
4	Base NPC in Rates	Line 3	\$	31.76	\$ 31.76	\$ 31.76	\$ 31.76	\$ 31.76	\$ 31.76	\$ 31.76	\$ 31.76	\$ 31.76	\$ 31.76	\$ 31.76	\$ 31.76	\$ 31.76
5	Actual WA Sales (MWh)	(8.1)		381,698	301,698	302,542	261,020	290,096	315,193	349,115	384,407	307,978	330,124	323,648	434,134	
6	Actual Collections of Base NPC	Line 4 x Line 5	\$	12,122,914	\$ 9,582,077	\$ 9,608,866	\$ 8,290,107	\$ 9,213,595	\$ 10,010,687	\$ 11,088,044	\$ 12,208,959	\$ 9,781,522	\$ 10,484,901	\$ 10,279,224	\$ 13,788,285	\$ 126,459,183
7	Washington Allocated Adjusted Actual NPC	(4.1)	\$	10,890,723	\$ 8,447,845	\$ 8,211,436	\$ 7,426,248	\$ 9,465,976	\$ 10,632,903	\$ 10,523,660	\$ 11,962,130	\$ 13,511,552	\$ 7,696,516	\$ 9,146,420	\$ 12,370,183	\$ 120,285,595
7A	Less: WA Allocated Joy Longwall Costs		\$	(288,204)	\$ (105,889)	\$ (594,135)	\$ (421,313)	\$ (427,524)	\$ (1,127,515)	\$ 21,151	\$ (920,613)	\$ (4,338,066)	\$ (273,321)	\$ (615,034)	\$ (700,373)	\$ (9,790,835)
8	Washington Allocated Actual Non-NPC EIM Costs	(6.1)		47,325	47,325	47,325	47,325	47,325	47,325	47,325	47,325	47,325	47,325	47,325	47,325	567,906
9	Total PCAM Adjusted Actual Costs	Line 7 + Line 8	\$	10,649,845	\$ 8,389,282	\$ 7,664,627	\$ 7,052,261	\$ 9,085,777	\$ 9,552,714	\$ 10,592,137	\$ 11,088,843	\$ 9,220,812	\$ 7,470,521	\$ 8,578,712	\$ 11,717,135	\$ 111,062,666
10	Total Monthly PCAM Differential - Above or (Below) Base	Line 7 - Line 6	\$	(1,473,069)	\$ (1,192,796)	\$ (1,944,239)	\$ (1,237,846)	\$ (127,818)	\$ (457,973)	\$ (495,907)	\$ (1,120,115)	\$ (560,710)	\$ (3,014,381)	\$ (1,700,512)	\$ (2,071,150)	
11	Cumulative PCAM Differential - Above or (Below) Base	Line 10 + Prior Month Line 11	\$	(1,473,069)	\$ (2,665,865)	\$ (4,610,104)	\$ (5,847,951)	\$ (5,975,769)	\$ (6,433,742)	\$ (6,929,649)	\$ (8,049,764)	\$ (8,610,474)	\$ (11,624,855)	\$ (13,325,367)	\$ (15,396,517)	\$ (15,396,517)
<b>Deadband:</b>																
12	Deadband +/- \$4 Million															\$ 4,000,000
13	PCAM Differential Outside of Deadband		\$	-	\$ -	\$ (610,104)	\$ (1,237,846)	\$ (127,818)	\$ (457,973)	\$ (495,907)	\$ (1,120,115)	\$ (560,710)	\$ (3,014,381)	\$ (1,700,512)	\$ (2,071,150)	
12	Cumulative PCAM Differential Outside of Deadband		\$	-	\$ -	\$ (610,104)	\$ (1,847,951)	\$ (1,975,769)	\$ (2,433,742)	\$ (2,929,649)	\$ (4,049,764)	\$ (4,610,474)	\$ (7,624,855)	\$ (9,325,367)	\$ (11,396,517)	\$ (11,396,517)
<b>Asymmetrical Sharing Band :</b>																
14	Amount Deferrable between \$4 million and \$10 million, 50/50 Sharing		\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
15	Amount Deferrable greater than \$10 million, 90/10 Sharing		\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
16	Amount Deferrable between (\$4 million) and (\$10 million), 75/25 Sharing		\$	-	\$ -	\$ (457,578)	\$ (928,385)	\$ (95,864)	\$ (343,480)	\$ (371,930)	\$ (840,086)	\$ (420,532)	\$ (1,792,144)	\$ -	\$ -	\$ -
17	Amount Deferrable less than (\$10 million), 90/10 Sharing		\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (562,370)	\$ (1,530,461)	\$ (1,864,035)	
18	<b>Total Incremental Deferral After Sharing</b>		\$	-	\$ -	\$ (457,578)	\$ (928,385)	\$ (95,864)	\$ (343,480)	\$ (371,930)	\$ (840,086)	\$ (420,532)	\$ (2,354,514)	\$ (1,530,461)	\$ (1,864,035)	\$ (9,206,865)
19	FERC Interest Rate - Published Quarterly	FERC		3.25%	3.25%	3.25%	3.46%	3.46%	3.46%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	
20	Beginning Balance		\$	-	\$ -	\$ -	\$ (458,198)	\$ (1,389,242)	\$ (1,489,250)	\$ (1,837,519)	\$ (2,215,351)	\$ (3,063,124)	\$ (3,493,204)	\$ (5,861,340)	\$ (7,411,128)	
21	Incremental Deferral After Sharing	Line 20		-	-	(457,578)	(928,385)	(95,864)	(343,480)	(371,930)	(840,086)	(420,532)	(2,354,514)	(1,530,461)	(1,864,035)	
22	Carrying Charge	[Line 20 + (Line 21 x 50%)] x Line 19/12		-	-	(620)	(2,660)	(4,144)	(4,789)	(5,902)	(7,687)	(9,547)	(13,622)	(19,327)	(24,334)	
23	<b>Ending Balance</b>		\$	-	\$ -	\$ (458,198)	\$ (1,389,242)	\$ (1,489,250)	\$ (1,837,519)	\$ (2,215,351)	\$ (3,063,124)	\$ (3,493,204)	\$ (5,861,340)	\$ (7,411,128)	\$ (9,299,497)	

Washington Power Cost Adjustment Mechanism  
Deferral Period: January 1, 2016 - December 31, 2016

Joy Longwall Costs

Purpose: Detail the Cost Impact of the Joy Longwall Failure in the Deferral Period

	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Total
Direct Joy Longwall Costs													
Abandonment Losses	-	-	-	-	-	-	-	-	13,162,876	(659,046)	-	-	\$ 12,503,830
Failed Recovery Efforts	944,687	1,567,759	1,359,455	671,787	571,306	548,542	314,424	226,575	1,179,404	-	-	-	7,383,939
Depreciation Expenses	17,742	-	-	-	-	-	-	-	-	-	-	-	17,742
<b>Total Direct Joy Longwall Costs</b>	<b>962,429</b>	<b>1,567,759</b>	<b>1,359,455</b>	<b>671,787</b>	<b>571,306</b>	<b>548,542</b>	<b>314,424</b>	<b>226,575</b>	<b>14,342,280</b>	<b>(659,046)</b>	<b>-</b>	<b>-</b>	<b>19,905,511</b>

Impact of Lost Production at Underground Mine:

Actual													
Tons Delivered*													
Cost \$													
\$/Ton													
Budget (Jul. 2015)													
Tons Delivered													
Cost \$													
\$/Ton													
Variance													
Tons Delivered													
Cost \$													
\$/Ton													

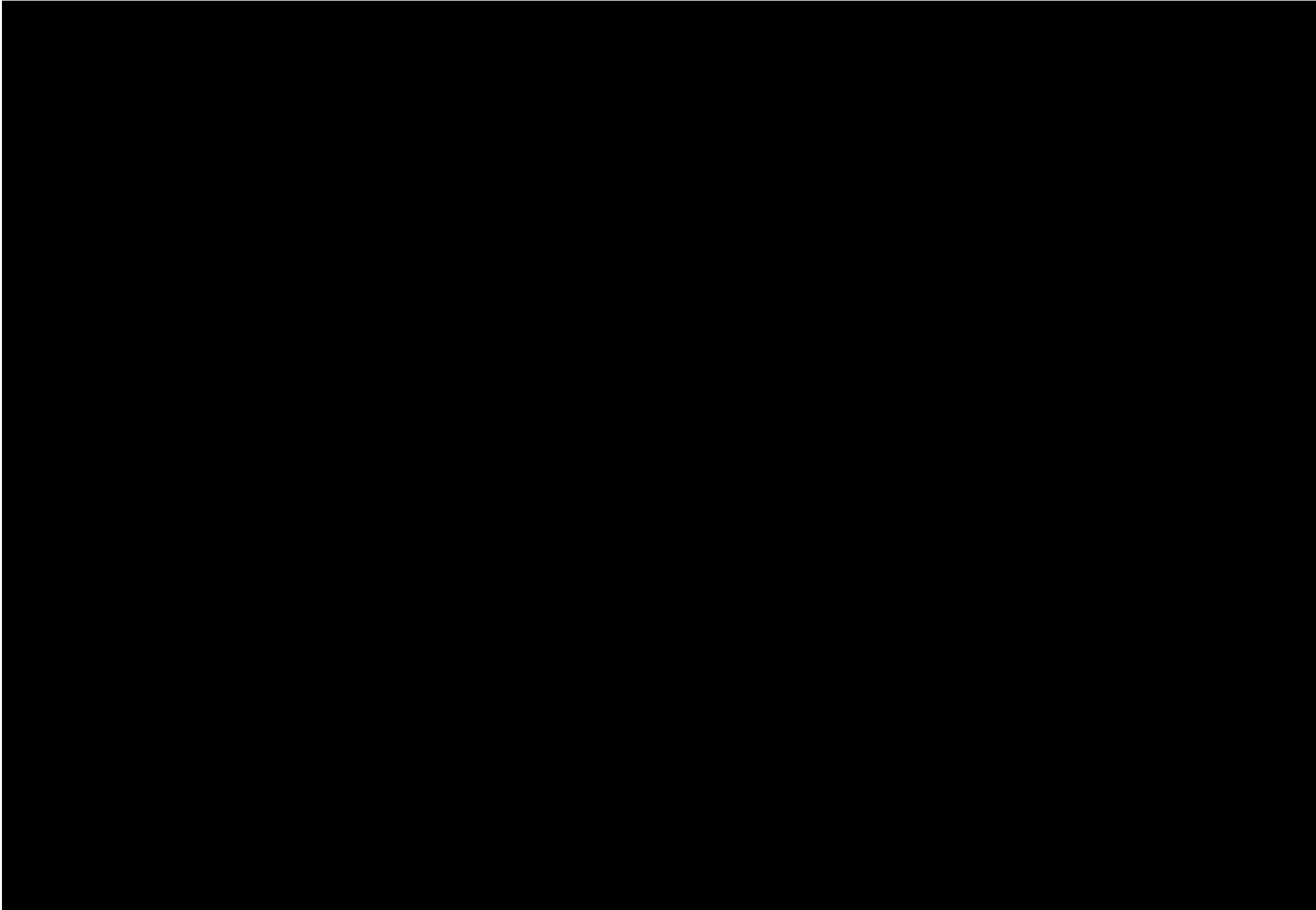
Lost Production Impact On Actual Tons Delivered	470,885	(1,648,221)	1,907,639	1,791,088	1,983,074	6,667,236	(612,145)	5,775,742	7,304,235	2,804,236	4,085,653	4,652,561	35,181,984
PAC Share of Lost Production Impact On Actual Tons Delivered (66.6%)	313,924	(1,098,814)	1,271,759	1,194,059	1,322,049	4,444,824	(408,096)	3,850,495	4,869,490	1,869,490	2,723,769	3,101,707	23,454,656
<b>PAC Cost of Joy Longwall Failure</b>	<b>1,276,352</b>	<b>468,945</b>	<b>2,631,214</b>	<b>1,865,846</b>	<b>1,893,355</b>	<b>4,993,366</b>	<b>(93,672)</b>	<b>4,077,070</b>	<b>19,211,770</b>	<b>1,210,444</b>	<b>2,723,769</b>	<b>3,101,707</b>	<b>43,360,167</b>
CAGE Allocation factor	22.71%	22.71%	22.71%	22.71%	22.71%	22.71%	22.71%	22.71%	22.71%	22.71%	22.71%	22.71%	22.71%
Bridger %	99.43%	99.43%	99.43%	99.43%	99.43%	99.43%	99.43%	99.43%	99.43%	99.43%	99.43%	99.43%	99.43%
Net Allocation	22.58%	22.58%	22.58%	22.58%	22.58%	22.58%	22.58%	22.58%	22.58%	22.58%	22.58%	22.58%	22.58%
<b>WA Allocated</b>	<b>288,204</b>	<b>105,889</b>	<b>594,135</b>	<b>421,313</b>	<b>427,524</b>	<b>1,127,515</b>	<b>(21,151)</b>	<b>920,613</b>	<b>4,338,066</b>	<b>273,321</b>	<b>615,034</b>	<b>700,373</b>	<b>9,790,835</b>

Bridger Coal Company: 2016 Actual Costs and Tons

	Jan. Act.	Feb. Act.	Mar. Act.	Apr. Act.	May Act.	Jun. Act.	Jul. Act.	Aug. Act.	Sept. Act.	Oct. Act.	Nov. Act.	Dec. Act.	Total
[Redacted Content]													

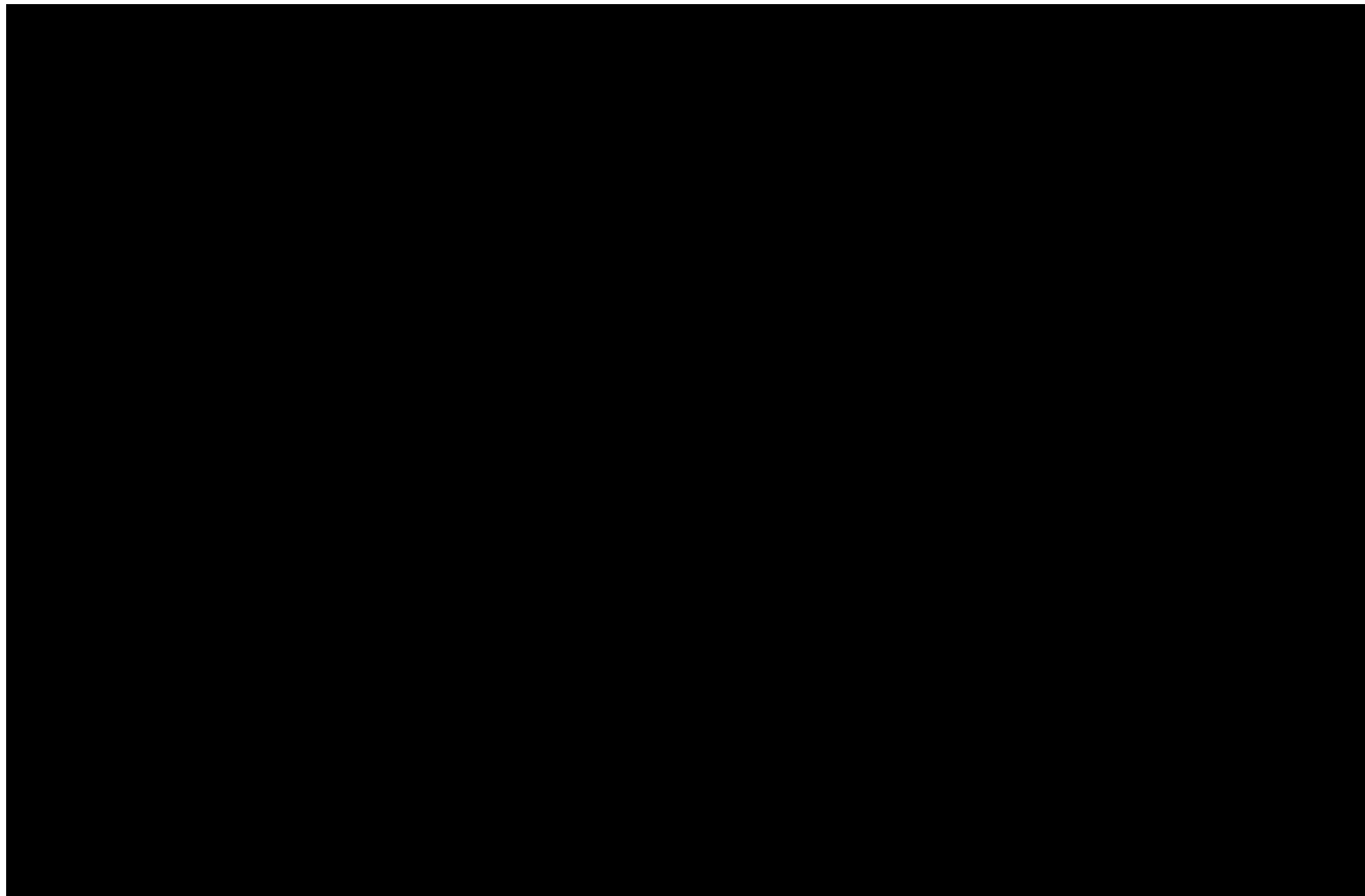
Bridger Coal Company: 2016 Actual Costs and Tons

Jan. Act.	Feb. Act.	Mar. Act.	Apr. Act.	May Act.	Jun. Act.	Jul. Act.	Aug. Act.	Sept. Act.	Oct. Act.	Nov. Act.	Dec. Act.	Total
-----------	-----------	-----------	-----------	----------	-----------	-----------	-----------	------------	-----------	-----------	-----------	-------

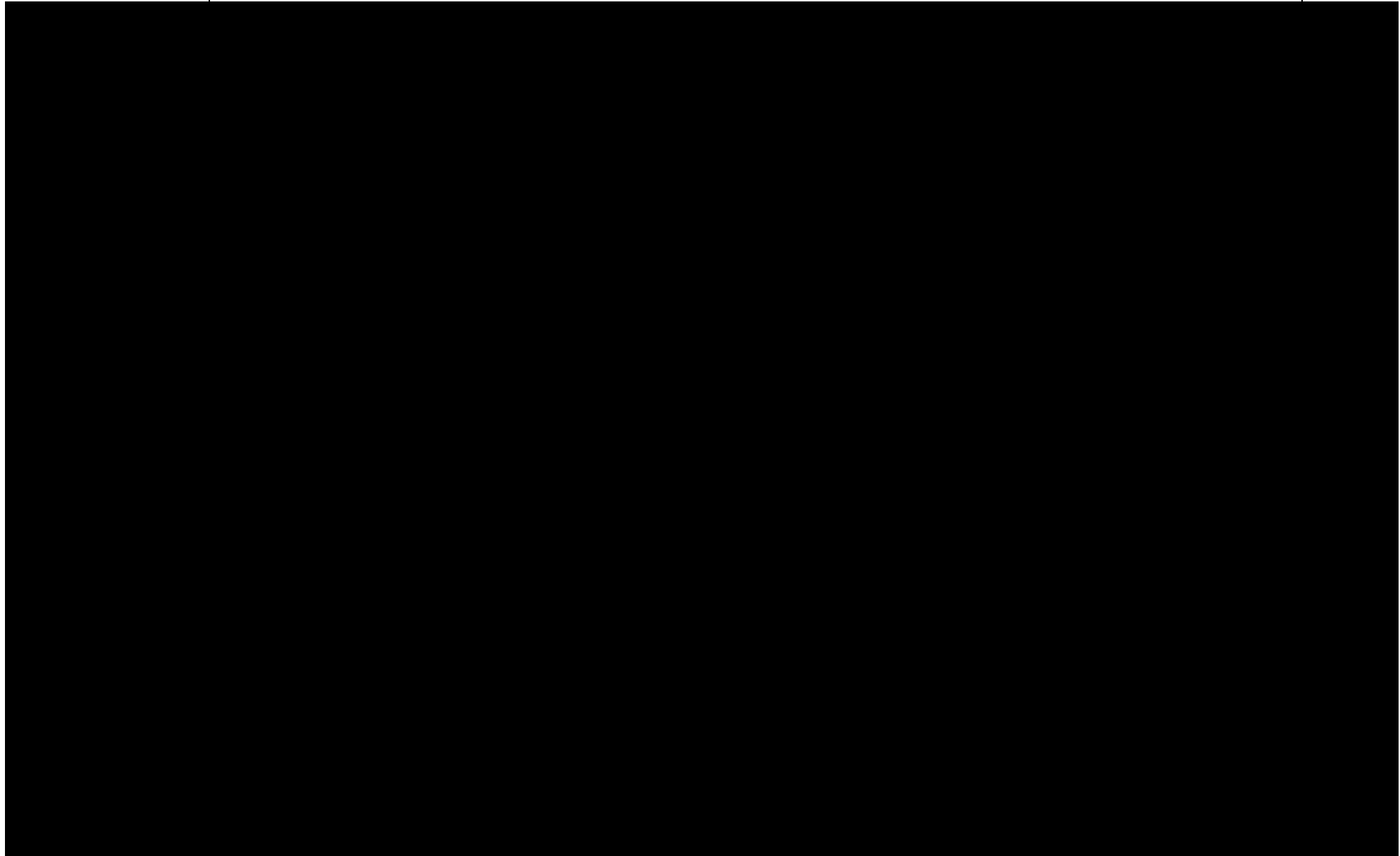


Bridger Coal Company: 2016 Actual Costs and Tons

Jan. Act.	Feb. Act.	Mar. Act.	Apr. Act.	May Act.	Jun. Act.	Jul. Act.	Aug. Act.	Sept. Act.	Oct. Act.	Nov. Act.	Dec. Act.	Total
-----------	-----------	-----------	-----------	----------	-----------	-----------	-----------	------------	-----------	-----------	-----------	-------

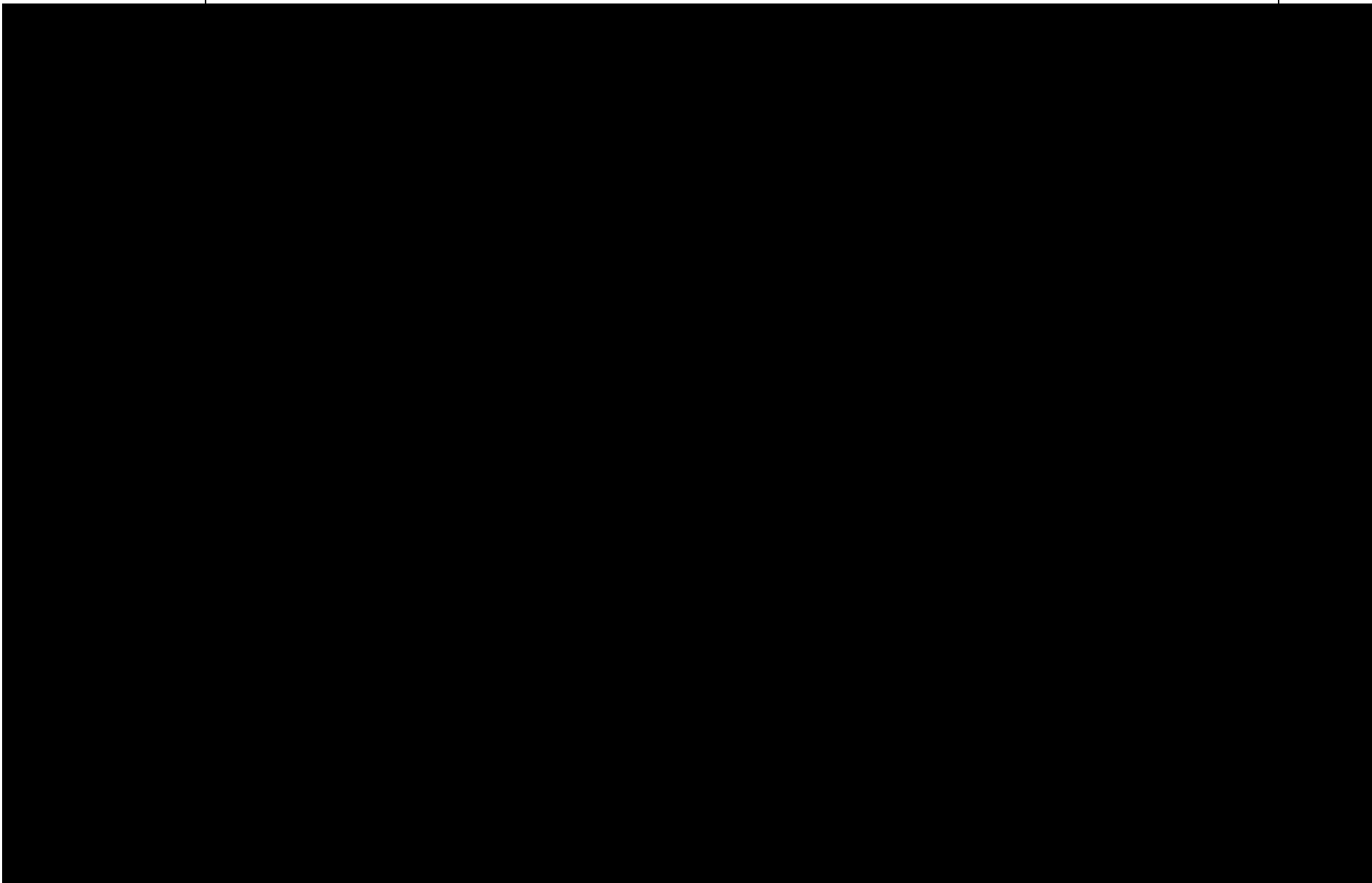


	2016												
	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Total



--

2016												
Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Total





Jul-15

	2016												
	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Total

Jul-15

--

2016												
Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Total

