

Calendar Year 2019 PCAM Deferral

Actual PCAM Costs (\$/MWh)	\$	30.25
Base PCAM Costs (\$/MWh)		31.76
PCAM Cost Differential (\$/MWh)		<u>(1.51)</u>
Washington Sales (MWh)		4,144,590
Total PCAM Differential*	\$	(6,269,634)
Total Deferrable ABOVE Deadband		-
Total Deferrable BELOW Deadband		(2,269,634)
Washington Deferral after Sharing		(1,702,226)
Interest Accrued through December 31, 2019		(416,596)
Requested PCAM Recovery	\$	<u>(2,118,821)</u>

* *Calculated monthly*

Washington Power Cost Adjustment Mechanism
 Deferral Period: January 1, 2019 - December 31, 2019
 Exhibit No. DGW-2: Power Cost Adjustment Mechanism Calculation

Line No.		UE-140762														
Base NPC in Rates:																
1	Total Annual NPC in Rates	(4.1)	\$	127,364,595												
2	Retail Sales @ Meter in Rates	(7.1)		4,010,161												
3	NPC \$/MWh In Rates	Line 1 / Line 2	\$	31.76												
Deferral:																
				Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Total
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)	(7.1)		378,966	381,557	365,050	254,107	281,345	338,506	368,820	372,346	302,784	356,651	360,956	383,502	
6	Actual Collections of Base NPC	Line 4 x Line 5		12,036,152	12,118,421	11,594,161	8,070,553	8,935,651	10,751,111	11,713,895	11,825,875	9,616,554	11,327,387	11,464,129	12,180,212	131,634,103
7	Washington Allocated Adjusted Actual NPC	(3.1)		10,246,512	15,103,650	11,071,875	7,352,345	7,811,361	8,575,028	10,725,352	12,073,474	10,414,161	9,744,867	10,371,614	11,501,797	124,992,037
8	Washington Allocated Actual Non-NPC EIM Costs	(5.1)		31,036	31,036	31,036	31,036	31,036	31,036	31,036	31,036	31,036	31,036	31,036	31,036	372,432
9	Total PCAM Adjusted Actual Costs	Line 7 + Line 8		10,277,548	15,134,686	11,102,911	7,383,381	7,842,397	8,606,064	10,756,388	12,104,510	10,445,197	9,775,903	10,402,650	11,532,833	125,364,469
10	Total Monthly PCAM Differential - Above or (Below) Base	Line 7 - Line 6		(1,758,604)	3,016,265	(491,250)	(687,172)	(1,093,255)	(2,145,047)	(957,507)	278,635	828,642	(1,551,483)	(1,061,479)	(647,380)	
11	Cumulative PCAM Differential - Above or (Below) Base	Line 10 + Prior Month Line 11	\$	(1,758,604)	\$ 1,257,661	\$ 766,411	\$ 79,239	\$ (1,014,016)	\$ (3,159,062)	\$ (4,116,570)	\$ (3,837,935)	\$ (3,009,292)	\$ (4,560,776)	\$ (5,622,255)	\$ (6,269,634)	\$ (6,269,634)
Deadband:																
12	Deadband +/- \$4 Million															4,000,000
13	PCAM Differential Outside of Deadband			-	-	-	-	-	-	(116,570)	116,570	-	(560,776)	(1,061,479)	(647,380)	
14	Cumulative PCAM Differential Outside of Deadband		\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (116,570)	\$ -	\$ -	\$ (560,776)	\$ (1,622,255)	\$ (2,269,634)	\$ (2,269,634)
Asymmetrical Sharing Band :																
15	Amount Deferrable between \$4 million and \$10 million, 50/50 Sharing		\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
16	Amount Deferrable greater than \$10 million, 90/10 Sharing			-	-	-	-	-	-	-	-	-	-	-	-	
17	Amount Deferrable between (\$4 million) and (\$10 million), 75/25 Sharing			-	-	-	-	-	-	(87,427)	87,427	-	(420,582)	(796,109)	(485,535)	
18	Amount Deferrable less than (\$10 million), 90/10 Sharing			-	-	-	-	-	-	-	-	-	-	-	-	
19	Total Incremental Deferral After Sharing		\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (87,427)	\$ 87,427	\$ -	\$ (420,582)	\$ (796,109)	\$ (485,535)	\$ (1,702,226)
Deferred Balancing Account:																
20	FERC Interest Rate - Published Quarterly	FERC		5.18%	5.18%	5.18%	5.45%	5.45%	5.45%	5.50%	5.50%	5.50%	5.42%	5.42%	5.42%	
21	Beginning Balance		\$	(7,332,177)	\$ (7,363,827)	\$ (7,395,614)	\$ (7,427,539)	\$ (7,461,272)	\$ (7,495,159)	\$ (7,529,199)	\$ (7,561,336)	\$ (7,598,777)	\$ (7,633,605)	\$ (8,089,614)	\$ (8,924,060)	
22	Incremental Deferral After Sharing	Line 21		-	-	-	-	-	-	(87,427)	87,427	-	(420,582)	(796,109)	(485,535)	
23	Carrying Charge	[Line 21 + (Line 22 x 50%)] x Line 20/12		(31,651)	(31,787)	(31,924)	(33,733)	(33,887)	(34,041)	(34,709)	(34,868)	(34,828)	(35,428)	(38,336)	(41,404)	
24	Ending Balance		\$	(7,363,827)	(7,395,614)	(7,427,539)	(7,461,272)	(7,495,159)	(7,529,199)	(7,561,336)	(7,598,777)	(7,633,605)	(8,089,614)	(8,924,060)	(9,450,998)	(9,450,998)