

**Exh. JLB-6C
Docket UE-170717
Witness: Jason L. Ball
REDACTED VERSION**

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

PACIFIC POWER & LIGHT CO.,

Respondent.

DOCKET UE-170717

**EXHIBIT TO
TESTIMONY OF**

Jason L. Ball

**STAFF OF
WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION**

Staff Proposed Net Power Cost Deferral

January 25, 2018

UE-170717 Pacific Power PCAM
 Deferral Period: January 1, 2016 - December 31, 2016

Deferral Calculation

Line No.		UE-140762	As Filed	Staff Proposal
Base NPC in Rates:				
1	Total Annual NPC in Rates	\$ 127,364,595		
2	Retail Sales @ Meter in Rates	4,010,161		
3	NPC \$/MWh In Rates	\$ 31.76		
Deferral:				
4	Base NPC in Rates		\$ 31.76	\$ 31.76
5	Actual WA Sales (MWh)		3,981,654	3,981,654
6	Actual Collections of Base NPC		\$ 126,459,183	\$ 126,459,183
7	Washington Allocated Adjusted Actual NPC		\$ 120,285,595	\$ 109,072,034
8	Washington Allocated Actual Non-NPC EIM Costs		567,906	567,906
9	Total PCAM Adjusted Actual Costs		\$ 120,853,501	\$ 109,639,940
10	Total Monthly PCAM Differential - Above or (Below) Base			
11	Cumulative PCAM Differential - Above or (Below) Base		\$ (5,605,682)	\$ (16,819,243)
Deadband:				
12	Deadband +/- \$4 Million		\$ 4,000,000	\$ 4,000,000
13	PCAM Differential Outside of Deadband			
12	Cumulative PCAM Differential Outside of Deadband		\$ (1,605,682)	\$ (12,819,243)
Asymmetrical Sharing Bands:				
14	Amount Deferrable between \$4 million and \$10 million, 50/50 Sharing		\$ -	\$ -
15	Ratepayer Amount Deferrable greater than \$10 million, 90/10 Sharing		\$ -	\$ -
16		Amount Deferrable between (\$4 million) and (\$10 million), 75/25 Sharing	\$ (1,204,262)	\$ (5,250,000)
17		Amount Deferrable less than (\$10 million), 90/10 Sharing	\$ -	\$ (5,237,318)
18	Total Incremental Deferral After Sharing		\$ (1,204,262)	\$ (10,487,318)
19	Amount Deferrable between \$4 million and \$10 million, 50/50 Sharing		\$ -	\$ -
20	Company Amount Deferrable greater than \$10 million, 90/10 Sharing		\$ -	\$ -
21		Amount Deferrable between (\$4 million) and (\$10 million), 75/25 Sharing	\$ (401,421)	\$ (1,750,000)
22		Amount Deferrable less than (\$10 million), 90/10 Sharing	\$ -	\$ (581,924)
23	Total Incremental Deferral After Sharing		\$ (401,421)	\$ (2,331,924)
Ratepayer Total Deferral			\$ (1,204,262)	\$ (10,487,318)
Company Total Deferral			\$ (4,401,421)	\$ (6,331,924)

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 Net Power Cost Calculation

WEST CONTROL AREA ACUTAL NET POWER COSTS					
Line No	Category	FERC Acct	AS Filed	Staff Proposed Adjustment	Total
1	Sales for Resale				
2	Existing Firm PPL	447	\$ -	\$ -	\$ -
3	Existing Firm UPL	447	-	-	\$ -
4	Post-Merger Firm	447	56,396,921	-	\$ 56,396,921
5	Non-Firm	447	-	-	\$ -
6	Total Sales for Resale		56,396,921	-	56,396,921
7					
8	Purchased Power				
9	Existing Firm Demand PPL	555	\$ 1,955,621	\$ -	\$ 1,955,621
10	Existing Firm Demand UPL	555	-	-	-
11	Existing Firm Energy	555	4,604,620	-	4,604,620
12	Post-merger Firm	555	154,646,693	-	154,646,693
13	Washington Situs	555	301,945	-	301,945
14	Secondary Purchases	555	-	-	-
15	Total Purchased Power		161,508,879	-	161,508,879
16					
17	Wheeling Expense				0
18	Firm Wheeling (all)	565	\$ 111,608,050	\$ -	\$ 111,608,050
19	Non-firm Wheeling	565	-	-	-
20	Total Wheeling Expense		111,608,050	-	111,608,050
21					
22	Fuel Expense				0
23	Fuel Consumed - Coal	501			
24	Fuel Consumed - Gas	501	-	-	-
25	Natural Gas Consumed	547			
26	Steam from Other Sources	503	-	-	-
27	Total Fuel Expense		311,599,526	(49,379,111)	262,220,415
28					
29	ADJUSTED ACTUAL NET POWER COST		\$ 528,319,535	\$ (49,379,111)	\$ 478,940,424
	<i>check</i>			<i>(49,379,111)</i>	<i>478,940,424</i>

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 Net Power Cost Calculation

WASHINGTON ALLOCATED					
Line No	Category	Allocator	AS Filed	Staff Proposed Adjustment	Total
30	ENERGY Allocator	CAEW	22.709%		
31	GENERATION Allocator	CAGW	22.745%		
32					
33	Sales for Resale				
34	Existing Firm PPL	CAGW	\$ -	\$ -	\$ -
35	Existing Firm UPL	CAGW	\$ -	\$ -	\$ -
36	Post-Merger Firm	CAGW	\$ 12,827,350	\$ -	\$ 12,827,350
37	Non-Firm	CAEW	\$ -	\$ -	\$ -
38	Total Sales for Resale		12,827,350	-	12,827,350
39					
40	Purchased Power				
41	Existing Firm Demand PPL	CAGW	\$ 444,802	\$ -	\$ 444,802
42	Existing Firm Demand UPL	CAGW	\$ -	\$ -	\$ -
43	Existing Firm Energy	CAEW	\$ 1,045,669	\$ -	\$ 1,045,669
44	Post-merger Firm	CAGW	\$ 35,174,034	\$ -	\$ 35,174,034
45	Washington Situs	WA	\$ 301,945	\$ -	\$ 301,945
46	Secondary Purchases	CAEW	\$ -	\$ -	\$ -
47	Total Purchased Power		36,966,449	-	36,966,449
48					
49	Wheeling Expense				
50	Firm Wheeling (all)	CAGW	\$ 25,384,994	\$ -	\$ 25,384,994
51	Non-firm Wheeling	CAEW	\$ -	\$ -	\$ -
52	Total Wheeling Expense		25,384,994	-	25,384,994
53					
54	Fuel Expense				
55	Fuel Consumed - Coal	CAEW			
56	Fuel Consumed - Gas	CAEW	\$ -	\$ -	\$ -
57	Natural Gas Consumed	CAEW			
58	Steam from Other Sources	CAEW	\$ -	\$ -	\$ -
59	Total Fuel Expense		70,761,501	(11,213,560)	59,547,941
60					
61	ADJUSTED ACTUAL NET POWER COST		\$ 120,285,595	\$ (11,213,560)	\$ 109,072,034

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Staff Adjustment to Power Costs

1	Total Coal Costs		<i>Tab Net Power Cost Calculation - Line 23, Column "As Filed"</i>
2			
3	BCC Underground Only (UG)		
4	BCC UG Volume (Tons of Coal)		<i>Informal Boise 002 - 2 (C)</i>
5			
6	BCC UG Costs		<i>Informal Boise 002 - 2 (C)</i>
7	Abandonment and Recovery (A&R) Included In UG Costs		<i>Informal Boise 002 - 3 (C)</i>
8	BCC UG Costs w/o A&R		<i>Line 6 - Line 7</i>
9	\$/Ton		<i>Line 8 ÷ Line 4</i>
10			
11	Black Butte \$/Ton		<i>S&P Global Market Intelligence</i>
12	Difference From BCC UG		<i>Line 9 - Line 11</i>
13			
14	Remove Excess UG Production Expenses		<i>Line 12 * Line 4</i>
15	Remove A&R Expenses		<i>Informal Boise 002 - 3 (C)</i>
16	Total Adjustment to WCA Net Power Costs		<i>(Line 14 + Line 15) * Line 23</i>
17			
18	WA Allocated		<i>Line 16 * Line 21</i>
19			
20		WASHINGTON	
21	CAGW	22.709%	
22			
23	WCA Bridger Allocation	99.650%	