

Exhibit No. MGW-2
Docket UE-_____
Witness: Michael G. Wilding

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of

PACIFIC POWER & LIGHT
COMPANY,

2017 Power Cost Adjustment Mechanism

Docket UE-_____

PACIFIC POWER & LIGHT COMPANY

EXHIBIT

2017 PCAM DEFERRAL CALCULATION

June 2018

Calendar Year 2017 PCAM Deferral

Actual PCAM Costs (\$/MWh)		\$ 27.20
Base PCAM Costs (\$/MWh)		\$ 31.76
\$/MWh PCAM Cost Differential	\$	<u>(4.56)</u>
Washington Sales (MWh)		4,221,298
Total PCAM Differential*	\$	(19,249,685)
Total Deferrable ABOVE Deadband	\$	-
Total Deferrable BELOW Deadband		(15,249,685)
Washington Deferral after Sharing	\$	(12,824,717)
Interest Accrued through December 31, 2017	\$	(366,560)
Requested PCAM Recovery	\$	<u>(13,191,277)</u>

* Calculated monthly

Washington Power Cost Adjustment Mechanism
Deferral Period: January 1, 2017 - December 31, 2017
Exhibit No. MGW-2: Power Cost Adjustment Mechanism Calculation

Line No.	UE-140762	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Total
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:														
4 Base NPC in Rates	Line 3	\$ 11,736	\$ 11,736	\$ 11,736	\$ 11,736	\$ 11,736	\$ 11,736	\$ 11,736	\$ 11,736	\$ 11,736	\$ 11,736	\$ 11,736	\$ 11,736	\$ 142,824
5 Actual IVA Sales (MWh)	(7.1)	\$ 454,309	\$ 340,054	\$ 318,819	\$ 296,140	\$ 303,551	\$ 314,961	\$ 370,693	\$ 389,175	\$ 334,245	\$ 327,546	\$ 359,325	\$ 423,083	\$ 4,010,161
6 Actual Collections of Base NPC	Line 4 x Line 5	\$ 14,428,074	\$ 10,800,263	\$ 10,125,841	\$ 9,087,928	\$ 9,640,917	\$ 10,002,297	\$ 11,773,080	\$ 12,360,370	\$ 10,615,765	\$ 10,402,941	\$ 11,380,566	\$ 13,450,349	\$ 134,070,389
7 Washington Allocated Adjusted Actual NPC	(3.1)	\$ 13,651,994	\$ 9,183,718	\$ 8,039,947	\$ 6,767,261	\$ 7,625,796	\$ 8,122,099	\$ 10,621,774	\$ 12,366,551	\$ 10,135,673	\$ 8,278,444	\$ 8,671,858	\$ 10,854,884	\$ 114,259,239
8 Washington Allocated Actual Non-NPC EIM Costs	(5.1)	\$ 46,784	\$ 46,784	\$ 46,784	\$ 46,784	\$ 46,784	\$ 46,784	\$ 46,784	\$ 46,784	\$ 46,784	\$ 46,784	\$ 46,784	\$ 46,784	\$ 561,404
9 Total PCAM Adjusted Actual Costs	Line 7 + Line 8	\$ 13,698,777	\$ 9,230,502	\$ 8,086,731	\$ 6,814,045	\$ 7,672,579	\$ 8,168,882	\$ 10,668,558	\$ 12,413,335	\$ 10,182,456	\$ 8,325,228	\$ 8,618,641	\$ 10,941,768	\$ 114,820,703
Total Monthly PCAM Differential - Above or (Below)	Line 7 - Line 6	\$ (730,296)	\$ (1,569,761)	\$ (2,039,110)	\$ (2,273,881)	\$ (1,968,338)	\$ (1,834,415)	\$ (1,104,522)	\$ 51,965	\$ (433,091)	\$ (2,077,713)	\$ (2,761,924)	\$ (2,508,582)	\$ (19,249,685)
Cumulative PCAM Differential - Above or (Below)	Line 10 + Prior Month	\$ (730,296)	\$ (2,300,058)	\$ (4,339,167)	\$ (6,613,048)	\$ (8,581,386)	\$ (10,415,801)	\$ (11,520,323)	\$ (11,468,359)	\$ (11,901,467)	\$ (13,979,179)	\$ (16,741,104)	\$ (19,249,685)	\$ (19,249,685)
Deadband +/- \$4 Million	Line 11	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,000,000
PCAM Differential Outside of Deadband	Line 12	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cumulative PCAM Differential Outside of Deadband	Line 13	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Asymmetrical Sharing Band:	Line 14	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amount Deferrable between \$4 million and \$10 million	Line 15	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amount Deferrable greater than \$10 million, 90/10	Line 16	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amount Deferrable between (\$4 million) and (\$10 million), 75/25	Line 17	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amount Deferrable less than (\$10 million), 90/10	Line 18	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Incremental Deferral After Sharing	Line 19	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FERC Interest Rate - Published Quarterly	Line 20	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Beginning Balance	Line 21	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Incremental Deferral After Sharing	Line 22	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Carrying Charge	Line 23	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ending Balance	Line 24	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Asymmetrical Sharing Band	Upper Limit	Customer Share
Lower Limit	\$ 4,000,000	50%
Upper Limit	\$ 10,000,000	10%
Lower Limit	\$ (4,000,000)	75%
Upper Limit	\$ (10,000,000)	10%

Note: 1 The January 1, 2017 beginning balance is pending commission approval in Docket UE-170717