

Exhibit No. JP-1T  
Docket UE-23 \_\_\_\_  
Witness: Jack Painter

**BEFORE THE WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION,

Complainant,

v.

PACIFICORP dba  
PACIFIC POWER & LIGHT COMPANY

Respondent.

Docket UE-23 \_\_\_\_

**PACIFICORP**

**DIRECT TESTIMONY OF JACK PAINTER**

**June 2023**

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**ATTACHED EXHIBITS**

Exhibit No. JP-2—2022 PCAM Deferral Calculation

Exhibit No. JP-3—2022 PTC Tracker Calculation

1 **Q. Please state your name, business address, and present position with PacifiCorp**  
2 **dba Pacific Power & Light Company (PacifiCorp or Company).**

3 A. My name is Jack Painter and my business address is 825 NE Multnomah Street, Suite  
4 600, Portland, Oregon 97232. My title is Net Power Cost Specialist.

5 **QUALIFICATIONS**

6 **Q. Briefly describe your education and professional experience.**

7 A. I received a Bachelor of Arts degree in Business Administration with a Finance major  
8 from Washington State University in 2007. I have been employed by PacifiCorp since  
9 2008 and have held positions in the regulation and jurisdictional loads departments. I  
10 joined the regulatory net power costs group in 2019 and assumed my current role as a  
11 Net Power Cost Specialist in 2020.

12 **Q. Have you testified in previous regulatory proceedings?**

13 A. Yes. I have previously provided testimony to the public utility commissions in  
14 Washington, Oregon, California, Utah, Wyoming, and Idaho.

15 **PURPOSE OF TESTIMONY**

16 **Q. What is the purpose of your testimony in this proceeding?**

17 A. My testimony presents and supports the Company's calculation of the Power Cost  
18 Adjustment Mechanism (PCAM) for the 12-month period from January 1, 2022,  
19 through December 31, 2022 (Deferral Period). More specifically, I provide the  
20 following:

- 21 • Background on the PCAM and an accounting of how the PCAM balance was  
22 calculated for the Deferral Period;

- 1 • Discussion of the main differences between adjusted actual net power costs  
2 (Actual NPC) and net power costs in rates (Base NPC), both allocated on a  
3 Washington Inter-Jurisdictional Allocation Methodology (WIJAM) basis;<sup>1</sup>
- 4 • Discussion about the Company’s participation in the Western Energy  
5 Imbalance Market (WEIM) with the California Independent System Operator  
6 (CAISO) and the benefits from the WEIM that are passed through to  
7 customers; and
- 8 • Background on the Production Tax Credit (PTC) Tracker and an accounting of  
9 how the PTC balance was calculated for the Deferral Period.

10 Additionally, PacifiCorp’s filing includes testimony from Ramon J. Mitchell, who  
11 addresses the prudence of PacifiCorp’s risk management practices and hedging  
12 activities as required by the Commission order from the 2022 Power Cost Only Rate  
13 Case.<sup>2</sup>

14 **Q. Please explain the settlement stipulation in PacifiCorp’s last general rate case in**  
15 **docket UE-191024 (2021 Rate Case).**

16 A. The parties to the 2021 Rate Case originally settled the proceeding in July of 2020  
17 and agreed to an update to the Base NPC calculation that would occur in October of  
18 2020 (October Update). The October Update reflected a \$17.9 million increase to  
19 Base NPC over the \$101.7 million that was estimated in the original settlement. Since  
20 the October Update NPC increase was greater than the balance of the PCAM deferred  
21 balancing account at that time, to make up for the shortfall between the Base NPC  
22 from the October Update and the estimated baseline established in the Stipulation, the  
23 Parties proposed, and the Washington Utilities and Transportation Commission

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<sup>1</sup> The new WIJAM was approved in the Company’s last general rate case in Docket No. UE-191024 and became effective beginning January 1, 2021.

<sup>2</sup> *WUTC v. PacifiCorp d/b/a Pacific Power & Light Co.*, Docket No. UE-210402, Order 06 at ¶154 (Mar. 29, 2022).

1 (Commission) approved, the reflection of this difference in the PCAM deferred  
2 balancing account.

3 **Q. How is the incremental increase in Base NPC from the October Update reflected**  
4 **in the PCAM deferral account?**

5 A. A step is added to the calculation of the 2022 PCAM deferral balance to include the  
6 deferred portion of the Base NPC: the Deferred NPC Baseline Adjustment (DNBA).  
7 The DNBA is equal to the \$/megawatt-hour (MWh) difference between the October  
8 Update (October NPC) and Base NPC multiplied by the actual sales.

9 
$$\text{Deferred NPC Baseline Adjustment}$$
  
10 
$$= (\text{October NPC}_{\$/MWh} - \text{Base NPC}_{\$/MWh}) \times \text{Actual Sales}_{MWh}$$

11 The DNBA is calculated and added to the PCAM balance monthly. This amount does  
12 not run through the dead and sharing bands but is added in after the bands are applied.  
13 Interest accrues monthly consistent with the past operation of the PCAM.

14 **Q. When do rates for the 2021 Rate Case and therefore the DNBA end?**

15 A. The 2021 Rate case is in effect from January 1, 2021, through April 30, 2022.

16 **Q. When do rates for the 2022 Power Cost Only Rate Case (PCORC) docket**  
17 **UE-210402 begin?**

18 A. Rates for the 2022 PCORC begin on May 1, 2022. The 2022 PCORC established new  
19 Base NPC rates, new Base PTC rates, and eliminated the DNBA.

20 **Q. Are you proposing a rate change to Schedule 97 as part of this proceeding?**

21 A. Yes. If the cumulative PCAM deferred balancing account meets the surcharge or  
22 credit threshold of \$17 million, there would be a proposed change to Tariff  
23 Schedule 97. Since the ending balance in the 2022 PCAM deferred balancing account

1 is a \$71.5 million surcharge, the Company proposes to change Tariff Schedule 97  
2 using a 24-month amortization period beginning January 1, 2024. Over the course of  
3 the amortization period, the Company expects to recover a total of \$77.3 million,  
4 which includes interest through the two-year amortization period as shown in  
5 workpaper 4.<sup>3</sup> Any difference between the amount the Company expects to collect  
6 and actual customer collections at the end of the amortization period will be included  
7 in the 2025 PCAM deferred balancing account to be filed in June 2026.

### 8 SUMMARY OF THE PCAM DEFERRAL CALCULATION

9 **Q. Please briefly describe the Company's PCAM authorized by the Commission.**

10 A. The Commission's Order 09 in docket UE-140762 approved the PCAM to allow the  
11 Company to track unexpected variations in power costs in the PCAM deferral  
12 account. In most years, if the cumulative positive or negative balance in the PCAM  
13 deferral account, including monthly interest, exceeds \$17 million, either a surcharge  
14 or sur-credit is triggered.

15 **Q. Please summarize the Company's calculation of the PCAM deferral for the**  
16 **Deferral Period.**

17 A. For the Deferral Period, the cumulative PCAM differential was a \$72.7 million  
18 charge before application of the deadband and asymmetrical sharing bands. After  
19 application of the deadband and asymmetrical sharing bands, the filing results in a  
20 deferral charge of \$59.4 million. The DNBA adjustment when applied to actual  
21 Washington sales results in a charge of \$6.2 million. Including interest, the total  
22 PCAM recovery for the deferral period is \$71.5 million.

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<sup>3</sup> NEW-PAC-PCAM-WP4-6-15-23.xlsx

1 **Q. Have you provided detailed support for the calculation of the PCAM balance**  
2 **with your testimony?**

3 A. Yes. Exhibit No. JP-2 includes a detailed calculation of the Company's 2022 PCAM  
4 deferral on a monthly basis. Detailed confidential workpapers supporting Exhibit No.  
5 JP-2 are provided separately.

### 2022 PCAM CALCULATION

7 **Q. Please describe the Company's calculation of the PCAM deferral for the**  
8 **Deferral Period.**

9 A. As previously noted, the PCAM deferral is calculated on a monthly basis as the  
10 difference between Base NPC collected through general rates and Actual NPC. The  
11 accrued PCAM variance is subject to the following parameters:

- 12 • Symmetrical Deadband: Any PCAM difference between negative \$4 million  
13 and positive \$4 million will be absorbed by the Company.
- 14 • Asymmetrical sharing of the PCAM difference as follows:
  - 15 ○ Between \$4 and \$10 million; shared 50 percent by customers and  
16 50 percent by the Company;
  - 17 ○ Greater than \$10 million; shared 90 percent by customers and  
18 10 percent by the Company;
  - 19 ○ Between -\$4 and -\$10 million; shared 75 percent by customers and  
20 25 percent by the Company; and
  - 21 ○ Less than -\$10 million; shared 90 percent by customers and 10 percent  
22 by the Company.
- 23 • Amortization of Deferral: The amortization of PCAM variances are deferred  
24 until the balance of the deferral balancing account results in either a surcharge  
25 or credit greater than \$17 million.

26 For the Deferral Period, the PCAM differential was a \$72.7 million charge. After  
27 application of the deadband and asymmetrical sharing bands plus the DNBA  
28 adjustment, the Company is seeking approval to charge the PCAM balancing account

1 with \$71.5 million including interest. A summary of the deferral calculation is shown  
 2 in Table 1.

**Table 1**  
**Summary of PCAM Account Balance**

<b><u>Calendar Year 2022 PCAM Deferral</u></b>	
Actual PCAM Costs (\$/MWh)	\$ 50.81
Base PCAM Costs (\$/MWh)	33.48
PCAM Cost Differential (\$/MWh)	<u>17.33</u>
Washington Sales (MWh)	4,181,079
Total PCAM Differential*	\$ 72,671,801
Total Deferrable ABOVE Deadband	-
Total Deferrable BELOW Deadband	68,671,801
Washington Deferral after Sharing	59,404,621
DNBA Adjustment	6,235,305
Interest Accrued through December 31, 2022	703,704
Interest Accrued January 1, 2023 through March 31, 2023	1,052,084
Interest Accrued April 1, 2023 through June 30, 2023	1,271,584
Interest Accrued July 1, 2023 through December 31, 2023	2,799,978
<b>Requested PCAM Recovery</b>	<b><u><u>\$ 71,467,276</u></u></b>
<i>* Calculated monthly</i>	

3 **Q. How is the PCAM differential calculated on a monthly basis?**

4 A. The PCAM differential is calculated by subtracting the NPC collected in base rates  
 5 from the PCAM Adjusted Actual Costs as shown in the formula below:

6 
$$\text{PCAMC} - (\text{Base NPC}_{\$/\text{MWh}} \times \text{Actual Sales}) = \text{PCAM Differential}$$





1 Account 501 - Fuel, steam generation; excluding fuel handling, start-up fuel  
2 (gas and diesel fuel, residual disposal) and other costs that are  
3 not modeled in GRID;  
4 Account 503 - Steam from other sources;  
5 Account 547 - Fuel, other generation;  
6 Account 555 - Purchased power; and  
7 Account 565 - Transmission of electricity by others.

8 **Q. What adjustments are made to Actual NPC and why are they needed?**

9 A. The Company adjusts Actual NPC to reflect the ratemaking treatment of several  
10 items, including:

- 11 • out of period accounting entries booked in the Deferral Period that relate to  
12 operations before implementation of the PCAM on April 1, 2015;
- 13 • reductions to coal costs for legal fees related to fines and citations;
- 14 • revenue from a contract related to the Leaning Juniper wind resource;
- 15 • an adjustment for costs related to participation in the Western Power Pool's  
16 (WPP)<sup>4</sup> Western Resource Adequacy Program (WRAP); and
- 17 • an adjustment for costs of the WEIM Body of State Regulators (BOSR) fees  
18 charged for commission related work as a participant in the WEIM.

19 **Q. Please state the amount of the adjusted Actual NPC that were allocated to  
20 Washington and describe how the amount was calculated.**

21 A. Washington-allocated Actual NPC were approximately \$212.4 million during the  
22 Deferral Period. To arrive at this value, the Company applied the allocation  
23 methodology approved by the Commission using actual allocation factors from  
24 calendar year 2022.

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<sup>4</sup> Western Power Pool was formerly known as Northwest Power Pool.

1 **Q. How much of base PCAM costs did the Company collect from Washington**  
2 **customers during the Deferral Period?**

3 A. During the Deferral Period, the Company received \$139.8 million in base PCAM  
4 revenue from Washington customers, \$72.7 million less than Washington-allocated  
5 Actual NPC.

6 **Q. What was the total amount of the deferral over the Deferral Period?**

7 A. After application of the deadband and asymmetrical sharing bands to the NPC  
8 differential plus the DNBA adjustment, the deferral was a \$71.5 million charge  
9 including interest, as shown in Table 1.

10 **Q. Please describe how the interest on the PCAM deferral balance was determined.**

11 A. Interest is accrued monthly on the PCAM deferral balance during the deferral period  
12 and from the end of the deferral period until Schedule 97 rates become effective  
13 January 1, 2024, at the FERC interest rates that are published quarterly. As shown in  
14 Table 1, the 2022 PCAM accrued \$5.8 million of interest. Additionally, interest  
15 accrues through the amortization period while rates are being collected. The  
16 Company expects to collect \$5.9 million throughout the amortization period.

17 **Q. Are costs related to Western Power Pool's (WPP) Western Resource Adequacy**  
18 **Program (WRAP) and the CAISO WEIM Body of State Regulators (BOSR)**  
19 **included in the PCAM?**

20 A. Yes. Costs have been included related to the participation in the WRAP and the  
21 WEIM BOSR. Both costs were included in the 2023 Rate Case in docket UE-230172  
22 for rates effective on March 1, 2024. Because this PCAM filing covers the 2022  
23 deferral period, calendar year 2022 costs have been included in this filing and 2023

1 costs will be included in the 2023 PCAM, but costs will not be included in the 2024  
 2 PCAM filing if approved in the 2023 Rate Case. Washington allocated costs are  
 3 \$4,428 for participation in the WEIM BOSR and \$35,688 for participation in the  
 4 WPP WRAP.

5 **Q. Is the Company requesting a rate change with this filing?**

6 A. Yes. The PCAM balancing account exceeds the customer surcharge or credit  
 7 threshold of \$17 million and the Company is requesting a rate change to schedule 97  
 8 with a 24-month amortization period beginning January 1, 2024. Please refer to Table  
 9 2 below for a summary of the deferred balancing account.

**Table 2  
 Deferred Balancing Account**

<b>Balancing Account Activity</b>	<b>Washington Customers</b>
Beginning Deferral Balance	\$ -
2022 PCAM Deferral	59,404,621
DNBA Adjustment	6,235,305
Interest	703,704
<b>Activity Through December 31, 2022</b>	<u>66,343,630</u>
Interest Accrued January 1, 2023 through March 31, 2023	1,052,084
Interest Accrued April 1, 2023 through June 30, 2023	1,271,584
Interest Accrued July 1, 2023 through December 31, 2023	2,799,978
<b>December 31, 2022 Ending Balance</b>	<u><u>\$ 71,467,276</u></u>

1 **DIFFERENCES IN NPC**

2 **Q. On a WIJAM basis, what was the difference between Actual NPC and Base NPC**  
3 **for the Deferral Period?**

4 A. Actual NPC for the Deferral Period were \$212 million, which was \$75 million more  
5 than Base NPC for the Deferral Period. Table 3 below provides a high-level summary  
6 of the difference between the Base NPC and Actual NPC by category on a WIJAM  
7 basis.

**Table 3**  
**Net Power Cost Reconciliation (\$millions)**

<b>Base NPC</b>	<b>\$ 137</b>
Increase/(Decrease) to NPC:	
Wholesale Sales Revenue	(0)
Purchased Power Expense	43
Coal Fuel Expense	(2)
Natural Gas Expense	31
Wheeling and Other Expense	2
<b>Total Increase/(Decrease)</b>	<b>75</b>
2021 GRC Settlement Adjustment	0
<b>Total Company NPC Difference</b>	<b>\$ 75</b>
<b>Adjusted Actual NPC</b>	<b>\$ 212</b>

8 **Q. Please describe the Base NPC the Company used to calculate the NPC component**  
9 **of the PCAM deferral.**

10 A. Two Base NPC rates were used to calculate the 2022 PCAM deferral. First, the 2021  
11 Rate Case established Base NPC of \$122 million using a test period of January 2021  
12 through December 2021 and became effective January 1, 2021, and ended April 30,

1 2022. Second, the 2022 PCORC established Base NPC of \$146 million using a test  
2 period of January 2022 through December 2022 and became effective May 1, 2022.

3 **Q. Please describe some of the weather events that impacted NPC during the**  
4 **Deferral Period.**

5 A. Similar to 2021, calendar year 2022 was also marked by several extreme and  
6 unforeseeable weather events that had a collective impact on Actual NPC during the  
7 year. Multiple heat waves across the Company's service territories throughout July,  
8 August, and September had a significant effect on market prices, ultimately leading to  
9 an increase in NPC. Cumulatively, the NPC differential for those months amounted to  
10 \$16.4 million, or almost a quarter of the entire \$72.7 million variance on a  
11 Washington-allocated basis.

12 Additionally, ongoing drought in the West, which began in the summer of  
13 2020, continued to impact Actual NPC because it reduced the availability of the  
14 Company's hydro resources. In 2022, actual generation from hydro resources were  
15 34,893 MWhs, or 13 percent, lower than forecast generation and needed to be  
16 replaced to meet customer demand either through system dispatch of other resources,  
17 reduced market sales, increased market purchases, or any combination of these  
18 options. The estimated impact to WIJAM NPC in 2022 due to decreased hydro  
19 MWhs from drought is \$4.5 million.

20 Finally, in December 2022 a historic winter cyclone event occurred across the  
21 majority of the U.S., which impacted both market prices and natural gas prices, along  
22 with an increase in demand. Natural gas prices across the Company's delivery points  
23 drastically increased. At the Sumas natural gas trading hub, average prices were

1 401 percent higher in December 2022 as compared to December 2021, while market  
2 prices at the Mid-Columbia and Four-Corners trading hubs were, on average,  
3 406 percent higher across all load hours. The NPC differential in December alone is  
4 \$38.6 million, over half of the total Washington-allocated NPC variance.

5 **Q. How has the conflict in Ukraine impacted regional natural gas fuel prices?**

6 A. The ongoing conflict in Ukraine has resulted in decreased availability of natural gas  
7 in Europe, which was previously sourced from Russian imports. With decreased  
8 European supply, the associated European demand has turned to U.S. domestic supply  
9 to fill the gap. This has resulted in increased competition over domestic supply, which  
10 has driven regional natural gas fuel prices upwards due to domestic production being  
11 unable to keep pace with the increased demand. This increase in natural gas fuel  
12 prices correspondingly increases regional natural gas market prices and regional  
13 power market prices, in that order. It is difficult to predict (or forecast) how long, and  
14 in what direction, these factors will continue to impact regional prices.

15 **Q. Please describe the differences between Actual NPC and Base NPC.**

16 A. Actual NPC were higher than Base NPC due to a \$43 million increase in purchased  
17 power expense, a \$31 million increase in natural gas fuel expense, and a \$2 million  
18 increase in wheeling and other expenses. These increased expenses were partially  
19 offset by a \$2 million reduction in coal fuel expense and a \$200 thousand increase in  
20 wholesale sales revenue.

21 **Q. Please explain the changes in wholesale sales revenue.**

22 A. Wholesale sales revenue increased by \$200 thousand relative to Base NPC because  
23 the average price of actual wholesale sales market transactions (represented in GRID

1 and Aurora as short-term firm and system balancing sales) was \$30.91/MWh, or 94  
2 percent, higher than Base NPC. The increase in the average price of actual wholesale  
3 sales market transactions was partially offset by a decrease in actual wholesale market  
4 volumes of 39 gigawatt-hours (GWh), which were 45 percent lower than Base NPC.

5 **Q. Please explain the changes in purchased power expense.**

6 A. Purchased power expense increased primarily due to higher market purchases of  
7 \$43.4 million (represented in GRID and Aurora as short-term firm and system  
8 balancing purchases) with the most significant impact tied to several heat waves  
9 throughout July, August, and September, further compounded by ongoing drought  
10 dating back to the summer of 2020. Actual market purchases were approximately  
11 90 GWh, or 8 percent, lower than Base NPC, but the average price of actual market  
12 purchase transactions was \$48.67/MWh, or 97 percent, higher than Base NPC.  
13 Company witness Ramon Mitchell also provides additional information on the  
14 Company's hedging practices and discusses market exposure in Washington-allocated  
15 NPC.

16 During the summer 2022 heat waves, the Mid-Columbia market hub saw an  
17 average increase in heavy load hour market prices of 103 percent, or just over double,  
18 in August and September as compared to the same timeframe in 2021. This is  
19 significant considering 2021 also experienced an extreme heat dome and drought. The  
20 Four Corners market hub saw an average increase in heavy load hour market prices of  
21 151 percent for the same period.



1 **Q. Please explain the changes in coal fuel expense.**

2 A. Coal generation volume decreased by 13 GWh compared to Base NPC and overall  
3 coal fuel expense decreased due to the lower average cost of coal generation from  
4 \$24.43/MWh in Base NPC to \$23.67/MWh, or 3 percent, in the Deferral Period.

5 **Q. Please explain the changes in natural gas fuel expense.**

6 A. The total natural gas fuel expense in Actual NPC increased by \$31.1 million  
7 compared to Base NPC due to an increase in the average cost of natural gas  
8 generation from \$39.17/MWh in Base NPC to \$61.33/MWh, or 57 percent in the  
9 deferral period caused by conflict in Ukraine and a historic winter weather event as  
10 discussed above. Additionally, natural gas volumes were 335 GWh, or 71 percent,  
11 higher than Base NPC during the Deferral Period. Even with higher natural gas prices  
12 in 2022, Company owned gas-generating plants were still least-cost dispatch  
13 resources, on average, and more economic than market purchases leading to the  
14 increase in natural gas output.

#### 15 **IMPACT OF PARTICIPATING IN THE WEIM**

16 **Q. What is the CAISO Western Energy Imbalance Market?**

17 A. The CAISO WEIM is an advanced real-time energy market that automatically finds  
18 low-cost energy to serve real-time consumer demand across the west by allowing  
19 participants to buy and sell power close to the time electricity is consumed. Since its  
20 launch in 2014, the WEIM has enhanced grid reliability, improved the integration of  
21 renewable resources, lowered carbon emissions, and generated significant cost  
22 savings for its participants.

1 **Q. Are the actual benefits from participating in the WEIM included in the PCAM**  
2 **deferral?**

3 A. Yes. Participation in the WEIM provides significant benefits to customers in the form  
4 of reduced Actual NPC. The benefits are embedded in Actual NPC through lower fuel  
5 costs, lower purchased power costs, and higher wholesale sales revenue.

6 **Q. What are the actual WEIM benefits included in the PCAM deferral?**

7 A. CAISO's WEIM benefits report indicates that PacifiCorp has received \$200 million  
8 in benefits in 2022. Since inception of the WEIM, PacifiCorp has received  
9 \$591.4 million in total benefits.

#### 10 **PTC TRACKER**

11 **Q. What are PTCs?**

12 A. Renewable electricity PTCs are tax credits derived from the generation at certain  
13 eligible company-owned facilities. For each kilowatt-hour of energy generated, the  
14 Company receives a credit for a duration of 10 years beginning on the date which the  
15 facility became commercially operational. The credit is included as an offset to the  
16 Company's federal income taxes and is credited to customers for rate-making  
17 purposes.

18 **Q. What is the PTC Tracker?**

19 A. In the 2021 Rate Case, the settlement stipulation and order outlined that PTCs will be  
20 credited to customers in a manner that matches the cost in the PCAM without running  
21 through the mechanism. Instead, the differences between Base PTCs and Actual PTCs  
22 will receive separate accounting treatment and be trued-up on an annual basis. The

1 PTC Tracker will return or recover the variance in Base PTCs as compared to Actual  
2 PTCs on an annual basis consistent with the structure of the PCAM.

3 **Q. Please summarize the Company's calculation of the PTC Tracker for the**  
4 **Deferral Period.**

5 A. For the Deferral Period, the cumulative PTC differential was a \$1.4 million charge.  
6 Including interest, the total PTC recovery for the deferral period is \$1.6 million. In  
7 the Company's limited-issue rate case, docket UE-210532, Parties agreed that a one-  
8 time refund be issued to customers to update for the delayed in-service dates for these  
9 plants, but did not address the differential to the related PTCs at that time because the  
10 PTC Tracker existed and was intended to address these discrepancies. A summary of  
11 the PTC Tracker calculation is shown in Table 4.

12 **Q. Have you provided detailed support for the calculation of the PCAM balance**  
13 **with your testimony?**

14 A. Yes. Exhibit No. JP-3 includes a detailed calculation of the Company's 2022 PTC  
15 deferral on a monthly basis. Detailed confidential workpapers supporting Exhibit No.  
16 JP-3 are provided separately.

**Table 4**  
**Summary of PTC Tracker Deferral**

<b><u>Calendar Year 2022 PTC Tracker</u></b>	
Actual PTCs (\$/MWh)	\$ 4.47
Base PTCs (\$/MWh)	4.81
PTC Differential (\$/MWh)	(0.35)
Washington Sales (MWh)	4,181,079
Total PTC Differential*	\$ 1,437,075
Interest Accrued through December 31, 2022	2,495
Interest Accrued January 1, 2023 through March 31, 2023	22,829
Interest Accrued April 1, 2023 through June 30, 2023	27,592
Interest Accrued July 1, 2023 through December 31, 2023	60,756
<b>Requested PTC Recovery</b>	<b>\$ 1,550,746</b>
<i>* Calculated monthly</i>	

**CONCLUSION**

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**Q. Please summarize your testimony.**

A. The PCAM deferral of \$71.5 million, including interest for the calendar year 2022 Deferral Period was accurately calculated in compliance with the PCAM tariff and previous Commission orders. The increase is driven by extreme weather events, increased market purchases, and both higher market prices and natural gas fuel prices.

**Q. Does this conclude your direct testimony?**

A. Yes.