



STATE OF ALASKA
DEPARTMENT OF
COMMERCE
COMMUNITY AND
ECONOMIC DEVELOPMENT

Bill Walker, Governor
Mike Navarre, Commissioner
Stephen McAlpine, Chairman

Regulatory Commission of Alaska

June 8, 2018

In reply refer to: Finance Section
File: PC12-0514J
Letter Order No.: L1800250

Carl Andrew
General Manager
Tuntutuliak Community Service Assn.
P.O. BOX 8127
Tuntutuliak, AK 99680

Dear Mr. Andrew:

On June 7, 2018, the Commission approved updated **Permanent** Power Cost Equalization (PCE) levels in cents per kilowatt-hour (¢/kWh) for Tuntutuliak Community Service Assn. (TCSA), for the listed classes of customers as follows:

Residential and Washerteria	28.96¢
All Others Community Facilities	28.96¢

The revised PCE levels result from the review of TCSA's Fuel Report filed on May 31, 2018. The PCE levels are effective for bills rendered on or after June 8, 2018. A copy of the Commission Staff's recommendations and schedules are attached as an Appendix.

TCSA is reminded of its obligation under PCE legislation to provide its customers with the notice specified in AS 42.45.120 or a similar notice approved by the Alaska Energy Authority.

TCSA is also reminded of its obligation under 3 AAC 52.620 and 3 AAC 52.640 to notify the Commission of any change in its rates, surcharges, fuel costs, and/or efficiency of operation, and advises TCSA that a failure to comply with those reporting requirements could jeopardize continued participation in the program.

If TCSA believes that the calculation used to establish the PCE level set out above is incorrect, it should seek reconsideration setting forth why it believes the calculation is in error. Any reconsideration request must be submitted within 15 days of the date of this Letter Order.

If you have any questions regarding the calculation of PCE levels, please contact Utility Financial Analyst Brenda Cox at (907) 263-2131.

BY DIRECTION OF THE COMMISSION (Commissioners McAlpine and Pickett not participating).

Sincerely,

REGULATORY COMMISSION OF ALASKA



Julie C. Vogler
Finance Section Supervisor

cc: Jeffery Williams, Alaska Energy Authority

STATE OF ALASKA

DEPARTMENT OF COMMERCE,
COMMUNITY & ECONOMIC DEVELOPMENT
REGULATORY COMMISSION OF ALASKA

BILL WALKER, GOVERNOR

701 WEST EIGHTH AVENUE, SUITE 300
ANCHORAGE, ALASKA 99501-3469
PHONE: (907) 276-6222
FAX: (907) 276-0160
TTY/Alaska Relay: 7-1-1 or (800) 770-8973
WEBSITE: <http://rca.alaska.gov>

DATE: June 8, 2018

INVOICE#: 12-0514J

DATE DUE: July 8, 2018

Carl Andrew
General Manager
Tuntutuliak Community Service Assn.
P.O. BOX 8127
Tuntutuliak, AK 99680

Fee for Commission Staff analysis and recommendations Re:

FILE #: PC12-0514J

LO #: L1800250

Fuel Report under the Power Cost Equalization Program

Amount Due : \$ 39

TOTAL AMOUNT DUE: \$ 39

MAKE CHECK PAYABLE TO: **STATE OF ALASKA**

PLEASE REMIT CHECK AND COPY OF THIS INVOICE TO:

REGULATORY COMMISSION OF ALASKA
701 W. 8TH AVE., SUITE 300
ANCHORAGE, AK 99501-3469

If you have any questions, please contact Valerie Fletcher-Mitchell at (907) 263-2132 or valerie.fletcher-mitchell@alaska.gov.

Tuntutuliak Community Service Assn.

FILE #: PC12-0514J

Amount Due: \$ 39

LO #: L1800250

Check Number _____

Please tear along dotted line and submit payment with bottom portion. Thank you.

Power Cost Memorandum Fuel Cost and Purchase Power Update

Date: June 7, 2018

Utility Name (Cert. No.) (344) Tuntutuliak Community Service Assn., Inc.	Utility File No. PC12-0514J	Date Filed: May 31, 2018
--	---------------------------------------	------------------------------------

PCE LEVEL SUMMARY	Previously Approved PC12-0514I	Staff Recommended Level(s) and Effective Date PC12-0514J
Class Rate	<u>Date Approved:</u> December 8, 2017	June 8, 2018
Residential and Washeteria	\$0.2500	\$0.2896
All Other Community Facilities	\$0.2500	\$0.2896
<input checked="" type="checkbox"/> Permanent <input type="checkbox"/> Interim <input checked="" type="checkbox"/> Permanent <input type="checkbox"/> Interim		
Prior Fuel Purchase Price: \$ <u>2.7462</u>		New Fuel Purchase Price: \$ 3.3123
<input type="checkbox"/> Actual <input checked="" type="checkbox"/> Weighted		<input type="checkbox"/> Actual <input checked="" type="checkbox"/> Weighted
Delivery Charge: _____	Surcharge Change: Previous _____	Updated _____

Weighted Average Fuel Price/Gal. Calculation					
	<u>Gallons</u>		<u>Price</u>		
On-hand before deliv.	2,500	X	2.7462	=	6,865.58
Delivered	50,158	X	3.3405	=	167,552.80
	<u>52,658</u>				<u>\$ 174,418.38</u>
					Weighted Average \$ 3.3123

Signed: Brenda Cox
Brenda Cox

Utility Financial Analyst

Commission decision regarding this recommendation :

	Date (if different from 6/7/18)	I CONCUR	I DO NOT CONCUR	I WILL WRITE A DISSENTING STATEMENT *
McAlpine				
Lisankie		DL		
Pickett				
Scott		AES		
Wilson		JWW		

Special Instructions to Staff:

* If this column is initialed, Staff will contact the Commissioner for the statement, otherwise, dissent will simply be noted at the close of the By Direction Letter or Order.

TUNTUTULIAK COMMUNITY SERVICES ASSOCIATION

Appendix 1

SCHEDULE OF ELIGIBLE POWER COSTS, SALES, AND EFFICIENCY
BASED ON TEST PERIOD ENDING DECEMBER 31, 2013

Fuel Cost and Purchased Power Update

	PC12-0514I Prior Commission Approval	Utility Requested	PC12-0514J Staff Recommended
A. Total kWh Generated	1,204,398	1,204,398	1,204,398
B. Total kWh Sold (Appendix 2)	1,025,172	1,025,172	1,025,172
C. Total Non-Fuel Costs (Appendix 2)	214,737	214,737	214,737
D. Non-Fuel Cost/kWh (C / B)	\$0.2095	\$0.2095	\$0.2095
E. Total Fuel Costs and Purchased Power (Appendix 2)	235,221	277,978	277,978
F. Fuel and Purchased Power Costs /kWh (E / B)	0.2294	0.2712	0.2712
G. Eligible Costs/kWh (D + F)	0.4389	0.4806	0.4806
H. Eligible Cost/kWh (G) Less 17.58 cents/kWh	\$0.2631	\$0.3048	\$0.3048
I. Lesser of (H) or 82.42 cents/kWh	\$0.2631	\$0.3048	\$0.3048
J. Average Class Rates (Appendix 3) Residential and Washeteria All Other Community Facilities	\$0.4742 \$0.4742	\$0.4742 \$0.4742	\$0.4742 \$0.4742
Class Power Cost Equalization Per kWh Payable			
K. Lesser of: (I) x 95% or (J) Residential and Washeteria All Other Community Facilities	\$0.2500 \$0.2500	\$0.2896 \$0.2896	\$0.2896 \$0.2896
L. Funding Level in Effect	100%	100%	100%
Residential and Washeteria Community Facilities	\$0.2500 \$0.2500	\$0.2896 \$0.2896	\$0.2896 \$0.2896

PC12-0514J
Appendix 1

TUNTUTULIAK COMMUNITY SERVICES ASSOCIATION

Appendix 2

SCHEDULE OF ELIGIBLE POWER COSTS, SALES, AND EFFICIENCY
BASED ON TEST PERIOD ENDING DECEMBER 31, 2013

Fuel Cost and Purchased Power Update

		PC12-0514I		PC12-0514J
		Prior Commission Approval	Per Utility	Staff Recommended
Non-Fuel Costs:				
A. Personnel Expenses		127,391	127,391	127,391
B. Operating Expenses		23,572	23,572	23,572
C. General & Administrative		54,849	54,849	54,849
D. Depreciation & Amortization		16,252	16,252	16,252
E. Interest Expense/Other		(7,327)	(7,327)	(7,327)
F. Total Non-Fuel Costs		214,737	214,737	214,737
Fuel Costs:				
G. Gallons Consumed for Electric Generation		75,535	75,535	75,535
H. Price of Fuel:(per gal) Weighted Average		2.7462	3.3123	3.3123
I. Total Fuel Costs		207,437	250,194	250,194
J. kWh Purchased in test year		89,628	89,628	89,628
K. Cost per kWh		0.31	0.31	0.31
L. Total Purchased Power		27,785	27,785	27,785
M. Total Cost of fuel and purchased power		235,221	277,978	277,978
N. kWh Generated Diesel		830,515	830,515	830,515
kWh Generated Wind		284,255	284,255	284,255
kWh Purchased		89,628	89,628	89,628
Total Generated and Purchased		1,204,398	1,204,398	1,204,398
O. kWh Sales		1,025,172	1,025,172	1,025,172
P. kWh Station Service		34,698	34,698	34,698
Q. Efficiency	≥ <u>Standard</u> 11.0	11.00	11.00	11.00
R. Line Loss	≤ 12%	12.00%	12.00%	12.00%

(kWh Generated - (kWh Sold + Station Service))/kWh Generated

Weighted Average Fuel Cost:

On Hand	2,500	x	\$2.7462	=	\$6,866	
Delivered	50,158	x	\$3.3405	=	\$167,553	
Total	52,658				\$174,418	Weighted AVG \$3.3123

PC12-0514J
Appendix 2

TUNTUTULIAK COMMUNITY SERVICES ASSOCIATION

Rate Schedule: Residential

(1) kWh by Block	(2) Rate (\$/kWh)	(3) Surcharge If Applicable (\$/kWh)	(4) Total (\$/kWh) (2+3)	(5) Total \$ (1x4)	(6) Avg. (\$/kWh) (5)/(1)	(7) Avg. Rate (\$/kWh) - 0.1758
500	0.6500		0.6500	325.00	0.6500	0.4742
500				325.00	0.6500	0.4742
TOTAL (A)						(E)

Rate Schedule: Washeteria

(1) kWh by Block	(2) Rate (\$/kWh)	(3) Surcharge If Applicable (\$/kWh)	(4) Total (\$/kWh) (2+3)	(5) Total \$ (1x4)	(6) Avg. (\$/kWh) (5)/(1)	(7) Avg. Rate (\$/kWh) - 0.1758
500	0.6500		0.6500	325.00	0.6500	0.4742
500				325.00	0.6500	0.4742
TOTAL (A)						(E)

Rate Schedule: All Other Community Facilities

(1) kWh by Block	(2) Rate (\$/kWh)	(3) Surcharge If Applicable (\$/kWh)	(4) Total (\$/kWh) (2+3)	(5) Total \$ (1x4)	(6) Avg. (\$/kWh) (5)/(1)	(7) Avg. Rate (\$/kWh) - 0.1758
500	0.6500		0.6500	325.00	0.6500	0.4742
500				325.00	0.6500	0.4742
TOTAL (A)						(E)

Rate Schedule:

(1) kWh by Block	(2) Rate (\$/kWh)	(3) Surcharge If Applicable (\$/kWh)	(4) Total (\$/kWh) (2+3)	(5) Total \$ (1x4)	(6) Avg. (\$/kWh) (5)/(1)	(7) Avg. Rate (\$/kWh) - 0.1758
0						
TOTAL (A)						(E)

TUNTUTULIAK COMMUNITY SERVICES ASSOCIATION

	Date	Gallons	Cost per Gallon	Delivery /Mark-up per Gallon	Total Cost
Beginning Fuel Inventory		2,500			
Last Approved Fuel Cost/Gal.			\$ 2.7462		
Beginning Fuel Inventory in Gallons X Last Approved Fuel Cost/Gal. = Beginning Fuel Inventory C					\$ 6,865.58
Reporting Period Purchases	05/25/18	31,158	3.3405		104,083
	05/23/18	19,000	3.3405		63,470
					-
					-
					-
					-
					-
					-
					-
					-
					-
					-
					-
Totals for Reporting Period Purchases on this sheet:		50,158			167,553
Grand Totals (beginning inventory plus purchases)		<u>52,658</u>			<u>\$ 174,418</u>
Total Cost for Reporting Period divided by Total Gallons for Reporting Period =					<u>\$ 3.3405</u>
Grand Total Cost divided by Grand Total Gallons =					<u>\$ 3.3123</u>