



STATE OF ALASKA
DEPARTMENT OF
COMMERCE
COMMUNITY AND
ECONOMIC DEVELOPMENT

Regulatory Commission of Alaska

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

April 20, 2018

In reply refer to: Finance Section
File: PC21-0316F
Letter Order No.: L1800173

Grace Oomittuk
Consultant
St. George Municipal Electric Utility
P.O. Box 929
St. George, AK 99591

Dear Ms. Oomittuk:

On April 19, 2018, the Commission approved updated **Permanent** Power Cost Equalization (PCE) levels in cents per kilowatt-hour (¢/kWh) for St. George Municipal Electric Utility (ST. GEORGE), for the listed classes of customers as follows:

| | |
|----------------------|--------|
| Residential | 77.67¢ |
| Community Facilities | 77.67¢ |

The revised PCE levels result from the review of ST. GEORGE's Fuel Report filed on April 6, 2018. The PCE levels are effective for bills rendered on or after April 20, 2018. A copy of the Commission Staff's recommendations and schedules are attached as an Appendix.

ST. GEORGE 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.

ST. GEORGE 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 ST. GEORGE that a failure to comply with those reporting requirements could jeopardize continued participation in the program.

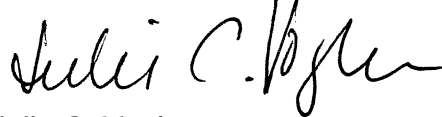
If ST. GEORGE believes that the calculation used to establish the PCE level set out above is incorrect, it should seek reconsideration setting forth why it believes the calculation is in error. Any reconsideration request must be submitted within 15 days of the date of this Letter Order.

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 (Commissioner Rebecca Pauli not participating)

Sincerely,

REGULATORY COMMISSION OF ALASKA

A handwritten signature in black ink, appearing to read "Julie C. Vogler", is written over the printed name.

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: (800) 770-8973
WEBSITE: <http://rca.alaska.gov>

DATE: April 20, 2018

INVOICE#: 21-0316F

DATE DUE: May 20, 2018

Grace Oomittuk
Consultant
St. George Municipal Electric Utility
P.O. Box 929
St. George, AK 99591

Fee for Commission Staff analysis and recommendations Re:

FILE #: PC21-0316F

LO #: L1800173

Fuel Report under the Power Cost Equalization Program

| | |
|--------------|--------------|
| Amount Due : | <u>\$ 39</u> |
|--------------|--------------|

| | |
|-------------------|--------------|
| TOTAL AMOUNT DUE: | <u>\$ 39</u> |
|-------------------|--------------|

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.

St. George Municipal Electric Utility

FILE #: PC21-0316F

Amount Due: \$ 39

LO #: L1800173

Check Number _____

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

Power Cost Memorandum Fuel Cost Update

Date: April 19, 2016

| | | |
|--|---------------------------------------|-------------------------------------|
| Utility Name (Cert. No.) St. George Municipal Electric Utility (410) | Utility File No. PC21-0316F | Date Filed: April 6, 2018 |
|--|---------------------------------------|-------------------------------------|

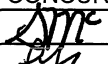
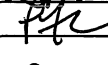
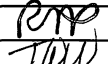
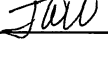
| PCE LEVEL SUMMARY | Previously Approved PC21-0316E | Staff Recommended Level(s) and Effective Date PC21-0316F |
|--|--|--|
| Class Rate | <u>Date Approved:</u> February 16, 2018 | April 20, 2016 |
| Residential | \$0.7261 | \$0.7767 |
| Community Facilities | \$0.7261 | \$0.7767 |
| <input type="checkbox"/> Interim <input checked="" type="checkbox"/> Permanent <input type="checkbox"/> Interim <input checked="" type="checkbox"/> Permanent | | |

| | |
|--|--|
| Prior Fuel Purchase Price: \$ <u>6.5105</u> | New Fuel Purchase Price: \$ <u>7.0495</u> |
| <input checked="" type="checkbox"/> Actual <input type="checkbox"/> Weighted | <input checked="" type="checkbox"/> Actual <input type="checkbox"/> Weighted |
| Delivery Charge: <u>n/a</u> | Surcharge Change: Previous <u>n/a</u> Updated <u>n/a</u> |

Signed: 
Brenda Cox

Utility Financial Analyst

Commission decision re. this recommendation :

| | Date (if different from 4/19/18) | I CONCUR | I DO NOT CONCUR | I WILL WRITE A DISSENTING STATEMENT * |
|----------|-------------------------------------|---|--------------------|---|
| McAlpine | |  | | |
| Lisankie | |  | | |
| Pauli | | | | |
| Pickett | |  | | |
| Wilson | |  | | |

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.

ST. GEORGE MUNICIPAL ELECTRIC UTILITY

POWER COST EQUALIZATION CALCULATION
FOR TEST PERIOD ENDING DECEMBER 31, 2015
Fuel Cost Update

| | | PC21-0316E | PC21-0316F | |
|--|---|---------------------------------|--------------------|----------------------|
| | | Prior Commission Approval | Utility Request | Staff Recommended |
| A. | Total kWh Generated | 606,929 | 606,929 | 606,929 |
| B. | Total kWh Sold (Appendix 2) | 503,868 | 503,868 | 503,868 |
| C. | Total Non-Fuel Costs (Appendix 2) | 149,847 | 149,847 | 149,847 |
| D. | Non-Fuel Cost/kWh (C / B) | \$0.2974 | \$0.2974 | \$0.2974 |
| E. | Total Fuel Costs (Appendix 2) | 323,852 | 350,663 | 350,663 |
| F. | Fuel Costs/kWh (E / B) | \$0.6427 | \$0.6959 | \$0.6959 |
| G. | Eligible Costs/kWh (D + F) | \$0.9401 | \$0.9933 | \$0.9933 |
| H. | Eligible Cost/kWh (G) less base rate in effect | \$0.7643 | \$0.8175 | \$0.8175 |
| I. | Lesser of (H) or 83.33 cents/kWh | \$0.7643 | \$0.8175 | \$0.8175 |
| J. | Average Class Rates (Appendix 3) | | | |
| | Residential | \$0.8242 | \$0.8242 | \$0.8242 |
| | All Others | \$0.9742 | \$0.9742 | \$0.9742 |
| Class Power Cost Equalization Per kwh Payable | | | | |
| K. | Lesser of: (I) x 95% or (J) | | | |
| | Residential | \$0.7261 | \$0.7767 | \$0.7767 |
| | Community Facilities | \$0.7261 | \$0.7767 | \$0.7767 |
| L. | Funding Level in Effect | 100% | 100% | 100% |
| | Residential | \$0.7261 | \$0.7767 | \$0.7767 |
| | Community Facilities | \$0.7261 | \$0.7767 | \$0.7767 |

ST. GEORGE MUNICIPAL ELECTRIC UTILITY

SCHEDULE OF ELIGIBLE POWER COSTS, SALES, AND EFFICIENCY
FOR TEST PERIOD ENDING DECEMBER 31, 2015

Fuel Cost Update

| | | | | PC21-0316E | PC21-0316F | |
|---|---|----------|----------------------|---------------------------------|------------------|----------------------|
| | | | | Prior Commission Approval | Per Utility | Staff Recommended |
| Non-Fuel Costs: | | | | | | |
| A. | Personnel Costs | | | 96,821 | 96,821 | 96,821 |
| B. | Operating Expense | | | 7,734 | 7,734 | 7,734 |
| C. | General & Administrative | | | 34,890 | 34,890 | 34,890 |
| D. | Depreciation & Amortization | | | 10,402 | 10,402 | 10,402 |
| E. | Interest Expense | | | 0 | 0 | 0 |
| F. | Other (Describe) | | | 0 | 0 | 0 |
| G. | Total Non-Fuel Costs | | | \$149,847 | \$149,847 | \$149,847 |
| Fuel Costs: | | | | | | |
| H. | Gallons Consumed for Electric Generation | | | 49,743 | 49,743 | 49,743 |
| I. | Most Recent Price | \$7.0495 | | \$6.5105 | \$7.0495 | \$7.0495 |
| J. | Date Purchased | 3/28/18 | | | | |
| K. | (H x I) | | | \$323,852 | \$350,663 | \$350,663 |
| L. | kWh Sales | | | 503,868 | 503,868 | 503,868 |
| M. | kWh Station Service | | | 30,230 | 30,230 | 30,230 |
| N. | Efficiency | ≥ | <u>Standard</u> 11.5 | 12.20 | 12.20 | 12.20 |
| O. | kWh Generated/Gallons consumed | | | | | |
| O. | Line Loss | ≤ | 12% | 12.00% | 12.00% | 12.00% |
| (kWh Generated -(kWh Sold+ Station Service))/ kWh Generated | | | | | | |

ST GEORGE ELECTRIC MUNICIPAL UTILITY

Calculation of Average Class Rate per kWh

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 /kWh |
|---------------------------|-------------------------|---|-----------------------------------|-----------------------------|------------------------------------|--|
| 500 | 1.0000 | 0.0000 | 1.0000 | 500.00 | 1.0000 | 0.8242 |
| | | | | | | |
| | | | | | | |
| 500 | | | | 500.00 | 1.0000 | 0.8242 |
| 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 /kWh |
|---------------------------|-------------------------|---|-----------------------------------|-----------------------------|------------------------------------|--|
| 500 | | 0.0000 | 0.0000 | 0.00 | 0.0000 | |
| | | | | | | |
| | | | | | | |
| 500 | | | | 0.00 | 0.0000 | |
| TOTAL (A) | | | | | | (E) |

Computation of Community Facilities Average Rate

Rate Schedule: Community Facilities

| | (A) Rate (\$/kWh) | (B) Surcharge If Applicable (\$/kWh) | (C) Total Rate (\$/kWh) (A+B) | (7) Avg. Rate (\$/kWh) - 0.1758 /kWh |
|---------|-------------------------|---|--|--|
| 0 to ∞ | 1.1500 | 0.0000 | 1.1500 | 0.9742 |
| Next to | | | | |
| Next to | | | | |
| Next to | | | | |
| Next to | | | | |