



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: PC51-0116Y
Letter Order No.: L1800172

John M. Baalke
Village Administrator
Pedro Bay Village Electric Utility
P.O. Box 47020
Pedro Bay, AK 99647-0020

Dear Mr. Baalke:

On April 19, 2018, the Commission approved updated **Permanent** Power Cost Equalization (PCE) levels in cents per kilowatt-hour (¢/kWh) for Pedro Bay Village Electric Utility (PEDRO BAY), for the listed classes of customers as follows:

All	38.70¢
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The revised PCE levels result from the review of PEDRO BAY'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.

PEDRO BAY 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.

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

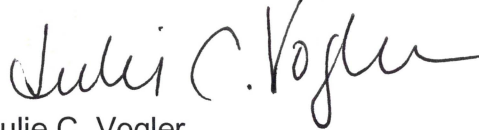
If PEDRO BAY believes that the calculation used to establish the PCE level set out above is incorrect, it should seek reconsideration setting forth why it believes the calculation is in error. Any reconsideration request must be submitted within 15 days of the date of this Letter Order.

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 typed 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#: 51-0116Y

DATE DUE: May 20, 2018

John Baalke
Village Administrator
Pedro Bay Village Electric Utility
P.O. Box 47020
Pedro Bay, AK 99647-0020

Fee for Commission Staff analysis and recommendations Re:

FILE #: PC51-0116Y

LO #: L1800172

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.

Pedro Bay Village Electric Utility

FILE #: PC51-0116Y

Amount Due: \$ 39

LO #: L1800172

Check Number _____

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

Power Cost Memorandum Fuel Cost Update

Date: April 19, 2018

Utility Name (Cert. No.) Pedro Bay Village Council (662)	Utility File No. PC51-0116Y	Date Filed: April 6, 2018
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PCE LEVEL SUMMARY	Previously Approved PC51-0116X	Staff Recommended Level(s) and Effective Date PC51-0116Y
Class Rate	<u>Date Approved:</u> April 6, 2018	April 20, 2018
ALL	\$0.3753	\$0.3870
<input checked="" type="checkbox"/> Permanent <input type="checkbox"/> Interim <input checked="" type="checkbox"/> Permanent <input type="checkbox"/> Interim		

Prior Fuel Purchase Price: \$ 3.8829	New Fuel Purchase Price: \$ 4.0012
<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					
	Gallons		Price		
On-hand before deliv.	100	X	3.8829	=	388.29
Delivered	1,539	X	4.0089	=	6,169.62
	<u>1,639</u>				<u>\$ 6,557.91</u>
					Weighted Average \$ 4.0012

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Signed: Brenda Cox
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		<i>DMC</i>		
Lisankie		<i>PL</i>		
Pauli				
Pickett		<i>RM</i>		
Wilson		<i>JW</i>		

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.

Pedro Bay Village Council

APPENDIX 1

POWER COST EQUALIZATION CALCULATION

FOR PERIOD ENDING September 30, 2015

Fuel Cost Update

	PC51-0116X	PC51-0116Y
	Prior Staff Calculated	Utility Request Staff Recommended
A. Total kWh Generated	193,781	193,781
B. Total kWh Sold (Appendix 2)	176,587	176,587
C. Total Non-Fuel Costs (Appendix 2)	29,107	29,107
D. Non-Fuel Cost/kWh (C / B)	\$0.1648	\$0.1648
E. Total Fuel Costs (Appendix 2)	71,695	73,878
F. Fuel Costs/kWh (E / B)	\$0.4060	\$0.4184
G. Eligible Costs/kWh (D + F)	\$0.5708	\$0.5832
H. Eligible Cost/kWh (G) less base rate in effect	\$0.3950	\$0.4074
I. Lesser of (H) or 82.42 cents/kWh	\$0.3950	\$0.4074
J. Average Class Rates (Appendix 3) ALL	\$0.6342	\$0.6342
Class Power Cost Equalization Per kWh Payable		
K. Lesser of: (I) x 95% or (J) ALL	\$0.3753	\$0.3870
L. Funding Level in Effect	100%	100%
ALL	\$0.3753	\$0.3870

PC51-0116Y

Appendix 1

Pedro Bay Village Council

APPENDIX 2

SCHEDULE OF ELIGIBLE POWER COSTS, SALES, AND EFFICIENCY
FOR PERIOD ENDING September 30, 2015

Fuel Cost Update

Non-Fuel Costs:

- A. Personnel Costs
- B. Operating Expense
- C. General & Administrative
- D. Depreciation
- E. Interest Expense
- F. Other (Describe)
- G. Total Non-Fuel Costs**

Fuel Costs:

- H. Gallons Consumed for Electric Generation
- I. Price of Fuel:(per gal)
Weighted Average
- J. Total Cost of Fuel**
- K. kWh Generated
- L. kWh Sales
- M. kWh Station Service
- N. Efficiency (K/H) \geq Standard 10.50
- O. Line Loss \leq 12%
(kWh Generated -(kWh Sold + Station Service)/kWh Generated)

PC51-0116X		PC51-0116Y	
Prior Approved	Per Utility	Staff Recommended	
15,611	15,611	15,611	
8,174	8,174	8,174	
4,413	4,413	4,413	
909	909	909	
0	0	0	
0	0	0	
\$29,107	\$29,107	\$29,107	
18,464	18,464	18,464	
\$3.8829	\$4.0012	\$4.0012	
\$71,695	\$73,878	\$73,878	
193,781	193,781	193,781	
176,587	176,587	176,587	
13,392	13,392	13,392	
10.50	10.50	10.50	
1.96%	1.96%	1.96%	

Weighted Average Fuel Price/Gal. Calculation

	Gallons		Price			
On-hand before deliv.	100	X	3.8829	=	388.29	
Delivered	1,539	X	4.0089	=	6,169.62	Weighted
	<u>1,639</u>				<u>\$ 6,557.91</u>	Average
						\$ 4.0012

PC51-0116Y
Appendix 2

CALCULATION OF AVERAGE CLASS RATE PER kWh

Rate Schedule: **All**

(1) Block (by kWh)	(2) Rate (\$/kWh)	(3) Surcharge (\$/kWh)	(4) Total (\$/kWh) (2+3)	(5) Total \$ (1x4)	(6) Avg. (\$/kWh) (5)/(1)	(7) Avg. Rate (\$/kWh) - \$ 0.1758
0 to 500	0.8100		0.8100	405.00		
to						
to						
to						
Max 500			Total	405.00	0.8100	0.6342

Rate Schedule:

(1) Block (by kWh)	(2) Rate (\$/kWh)	(3) Surcharge (\$/kWh)	(4) Total (\$/kWh) (2+3)	(5) Total \$ (1x4)	(6) Avg. (\$/kWh) (5)/(1)	(7) Avg. Rate (\$/kWh) - \$ 0.1758
0 to						
to						
to						
to						
Max 500			Total			

Rate Schedule:

(1) Block (by kWh)	(2) Rate (\$/kWh)	(3) Surcharge (\$/kWh)	(4) Total (\$/kWh) (2+3)	(5) Total \$ (1x4)	(6) Avg. (\$/kWh) (5)/(1)	(7) Avg. Rate (\$/kWh) - \$ 0.1758
0 to						
to						
to						
to						
Max 500			Total			

Rate Schedule:

(1) Block (by kWh)	(2) Rate (\$/kWh)	(3) Surcharge (\$/kWh)	(4) Total (\$/kWh) (2+3)	(5) Total \$ (1x4)	(6) Avg. (\$/kWh) (5)/(1)	(7) Avg. Rate (\$/kWh) - \$ 0.1758
0 to						
to						
to						
to						
Max 500			Total			

PEDRO BAY VILLAGE COUNCIL

	Invoice Number	Delivery Date	Gallons	Cost per Gallon	Delivery/ Mark-Up per Gallon	Total Cost
Beginning Fuel Inventory			100			
Last Approved Fuel Cost/Gal.				3.8829		
Beginning Fuel Inventory in Gallons	X	Last Approved Fuel Cost/Gal. = Beginning Fuel Inventory Cost --->				\$ 388.29
Reporting Period Purchases	78272	01/23/18	884.90	3.6145	0.3901	3,544
	78408	02/01/18	654.10	3.6245	0.3901	2,626
						-
						-
						-
						-
						-
						-
						-
						-
						-
						-
						-
Totals for Reporting Period Purchases on this sheet:			1,539			\$ 6,169.62
Grand Totals (beginning inventory plus purchases)	A		1,639		B	\$ 6,557.91

Grand Total Cost divided by Grand Total Gallons = 4.0012 Weighted Avg. Cost per gallon
Purchases: Total Cost divided by Grand Total Gallons = 4.0089 Weighted Avg. Cost per gallon

Staff notes Pedro Bay included the state tax of \$0.08 in the per gallon cost of fuel. Staff removed the sales tax from the amount reported to calculate the per gallon cost of fuel above.

Pedro Bay's mark up Schedule shows a mark-up of \$0.8390, made up of \$0.3901 expenditures per gallon and \$0.4489 for restocking fuel and R&R account. Staff did not include the \$0.4489 per gallon because the restocking fuel and R&R accounts are not costs to the utility at this time.