



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: PC90-01116G
Letter Order No.: L1800174

Alison Fowler
Administrator
Tanalian Electric Cooperative, Inc.
P.O. Box 1
Port Alsworth, AK 99653

Dear Ms. Fowler:

On April 19, 2018, the Commission approved updated **Permanent** Power Cost Equalization (PCE) levels in cents per kilowatt-hour (¢/kWh) for Tanalian Electric Cooperative, Inc. (TECI), for the listed classes of customers as follows:

Residential	33.59¢
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The revised PCE levels result from the review of TECI'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.

TECI 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.

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

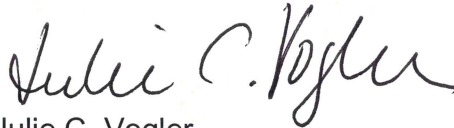
If TECI believes that the calculation used to establish the PCE level set out above is incorrect, it should seek reconsideration setting forth why it believes the calculation is in error. Any reconsideration request must be submitted within 15 days of the date of this Letter Order.

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". The signature is fluid and cursive, with the first name "Julie" being more prominent.

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#: 90-01116G

DATE DUE: May 20, 2018

Alison Fowler
Administrator
Tanalian Electric Cooperative, Inc.
P.O. Box 1
Port Alsworth, AK 99653

Fee for Commission Staff analysis and recommendations Re:

FILE #: PC90-01116G

LO #: L1800174

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.

Tanalian Electric Cooperative, Inc.

FILE #: PC90-01116G

Amount Due: \$ 39

LO #: L1800174

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.) Tanalian Electric Cooperative (447)	Utility File No. PC90-1116G	Date Filed: April 6, 2018
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PCE LEVEL SUMMARY	Previously Approved PC90-1116F	Staff Recommended Level(s) and Effective Date PC90-1116G
Class Rate	<u>Date Approved:</u> April 6, 2018	April 20, 2018
Residential	\$0.3275	\$0.3359
<input type="checkbox"/> Interim <input checked="" type="checkbox"/> Permanent <input type="checkbox"/> Interim <input checked="" type="checkbox"/> Permanent		

Prior Fuel Purchase Price: <u>\$ 3.6400</u>	New Fuel Purchase Price: <u>\$ 3.7387</u>
<input type="checkbox"/> Actual <input checked="" type="checkbox"/> Weighted	<input type="checkbox"/> Actual <input checked="" type="checkbox"/> Weighted
Delivery Charge: <u>0.16</u>	Surcharge Change: Previous <u>0.1690</u> Updated <u>0.2106</u>

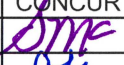
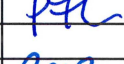

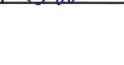
Weighted Average Fuel Price/Gal. Calculation					
	Gallons		Price		
On-hand before deliv.	5,598	X	3.6400	=	20,376.44
Delivered	18,300	X	3.7688	=	68,970.23
	<u>23,898</u>				<u>\$ 89,346.67</u>
					Weighted Average
					<u>\$ 3.7387</u>

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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.

Tanalian Electric Cooperative

APPENDIX 1

POWER COST EQUALIZATION CALCULATION
BASED ON TEST PERIOD ENDING June 30, 2016
Fuel Cost Update

		PC90-1116F		PC90-1116G
		Prior Commission Approval	Utility Request	Staff Recommended
A.	Total kWh Generated	866,025	866,025	866,025
B.	Total kWh Sold (Appendix 2)	793,477	793,477	793,477
C.	Total Non-Fuel Costs (Appendix 2)	153,951	153,951	153,951
D.	Non-Fuel Cost/kWh (C / B)	\$0.1940	\$0.1940	\$0.1940
E.	Total Fuel Costs (Appendix 2)	259,095	266,121	266,121
F.	Fuel Costs/kWh (E / B)	\$0.3265	\$0.3354	\$0.3354
G.	Eligible Costs/kWh (D + F)	\$0.5206	\$0.5294	\$0.5294
H.	Eligible Cost/kWh (G) Less 17.58 cents/kWh	\$0.3448	\$0.3536	\$0.3536
I.	Lesser of (H) or 82.42 cents/kWh	\$0.3448	\$0.3536	\$0.3536
J.	Average Class Rates (Appendix 3) Residential	\$0.4214	\$0.4214	\$0.4214
Class Power Cost Equalization Per kWh Payable				
K.	Lesser of: (I) x 95% or (J) Residential	\$0.3275	\$0.3359	\$0.3359
L.	Funding Level in Effect	100%	100%	100%
	Residential	\$0.3275	\$0.3359	\$0.3359

PC90-1116G
Appendix 1

Tanalian Electric Cooperative

APPENDIX 2

SCHEDULE OF ELIGIBLE POWER COSTS, SALES, AND EFFICIENCY
BASED ON TEST PERIOD ENDING June 30, 2016
Fuel Cost Update

				PC90-1116F		PC90-1116G
				Prior Commission Approval	Per Utility	Staff Recommended
Non-Fuel Costs:						
A.	Personnel Costs			50,953	50,953	50,953
B.	Operating Expense			5,801	5,801	5,801
C.	General & Administrative			67,985	67,985	67,985
D.	Depreciation			29,211	29,211	29,211
E.	Interest Expense			-	-	-
F.	Other (Interest Income)			-	-	-
G.	Total Non-Fuel Costs			153,951	153,951	153,951
Fuel Costs:						
H.	Gallons Consumed for Electric Generation			71,181	71,181	71,181
I.	Wtd. Avg. Price of Fuel			\$3.6400	\$3.7387	\$3.7387
J.	Total Cost of Fuel			\$259,095	\$266,121	\$266,121
K.	KWh Generated			866,025	866,025	866,025
L.	kWh Sales			793,477	793,477	793,477
M.	Station Service			17,979	17,979	17,979
N.	Efficiency	≥	<u>Standard</u> 11.5	12.17	12.17	12.17
O.	Line Loss	≤	12%	6.30%	6.30%	6.30%

Weighted Average Fuel Price/Gal. Calculation

	<u>Gallons</u>		<u>Price</u>			
On-hand	5,598	X	3.6400	=	20,376.44	
Delivered	18,300	X	3.7688	=	68,970.23	
	<u>23,898</u>				<u>\$ 89,346.67</u>	Weighted Average
						<u>\$ 3.7387</u>

PC90-1116G
Appendix 2

Tanalian Electric Cooperative

APPENDIX 3

Calculation of Average Class Rate per kWh

Rate Schedule: Residential

Customer Charge (CC): \$25.00

(1) kWh by Block	(2) Rate (\$/kWh)	(3) Surcharge If Applicable (\$/kWh)	(4) Total (\$/kWh) (2+3)	(5) Total \$ (1x4)+ CC	(6) Avg. (\$/kWh) (5)/(1)	(7) Avg. Rate (\$/kWh) - 0.1758 (\$/kWh)
500	0.3366	0.2106	0.5472	298.60	0.5972	0.4214

500 298.60 0.5972 0.4214
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)

TOTAL (A) (E)

Computation of Community Facilities Average Rate

Rate Schedule:

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

Tanalian Electric Coop., Inc.

	Invoice Number	Delivery Date	Gallons	Cost per Gallon	Delivery/ Mark-Up per Gallon	Total Cost
Beginning Fuel Inventory			5,598			
Last Approved Fuel Cost/Gal.				\$ 3.6400		
Beginning Fuel Inventory in Gallons X Last Approved Fuel Cost/Gal. = Beginning Fuel Inventory Cost --->						\$ 20,376
Reporting Period Purchases	78387	01/31/18	2,000	3.6545	0.2425	7,794
	78407	02/01/18	2,000.1	3.6245	0.2425	7,734
	78864	03/01/18	2,000	3.5745	0.2425	7,634
	78989	03/14/18	4,000	3.4745	0.2538	14,913
	78986	03/15/18	8,300	3.4945	0.2278	30,895
						-
						-
Totals for Reporting Period Purchases on this sheet:			18,300			68,970
Grand Totals (beginning inventory plus purchases) A			<u>23,898</u>			B \$ <u>89,347</u>

Grand Total Cost divided by Grand Total Gallons = 3.7387 Weighted Avg. Cost per gallon
Purchases: Total Cost divided by Grand Total Gallons = 3.7688 Avg. Cost per gallon