

LAW OFFICES OF
KEMPEL, HUFFMAN AND ELLIS
A PROFESSIONAL CORPORATION

ROGER R. KEMPEL
RICHARD R. HUFFMAN (1943 - 2005)
DONALD C. ELLIS
JOHN ANDREW LEMAN
DEAN D. THOMPSON
PAUL J. JONES
S. LYNN ERWIN, OF COUNSEL

255 E. FIREWEED LANE, SUITE 200
ANCHORAGE, ALASKA 99503-2025
TELEPHONE: (907) 277-1604
FACSIMILE: (907) 276-2493
WEBSITE: WWW.KHE.COM
WRITER'S E-MAIL ADDRESS:

ddt@khe.com

R.C.A.
RECEIVED
16 SEP 16 PM 4:52

September 16, 2016

Regulatory Commission of Alaska
701 West Eighth Avenue, Suite 300
Anchorage, Alaska 99501

Subject: Alaska Electric Light and Power Company
Tariff Advice Letter No. 453-1
Request for Permanent and Interim Rate Increase

Dear Commissioners:

On behalf of Alaska Electric Light and Power Company ("AELP"), the tariff filing described below is transmitted to you for filing in compliance with the Alaska Public Utilities Regulatory Act (AS 42.05) and 3 AAC 48.200 — 3 AAC 48.430.

Interim Rates

Tariff Sheet Number		Cancels Sheet Number		Schedule or Rule Number
Original	Revised	Original	Revised	
104	13th	104	12th	10
105	11th	105	10th	10
113	12th	113	11th	20
114	12th	114	11th	20
119	11th	119	10th	24
132	11th	132	10th	46
135	13th	135	12th	91
136	13th	136	12th	92
168	12th	168	11th	98
171	4th	171	3rd	98

Permanent Rates

Tariff Sheet Number		Cancels Sheet Number		Schedule or Rule Number
Original	Revised	Original	Revised	
104	14th	104	13th	10
105	12th	105	11th	10
113	13th	113	12th	20
114	13th	114	12th	20

119	12th	119	11th	24
132	12th	132	11th	46
135	14th	135	13th	91
136	14th	136	13th	92

I. Introduction.

By this filing, AELP requests approval of permanent and interim increases to AELP's base rates for firm electric service. As is explained later, if approved, the permanent rate change will increase firm service base rate revenues by 8.1 percent. If the Commission suspends AELP's request for permanent rate relief, AELP requests an interim and refundable rate increase of 3.86 percent to firm service base rates. As will be explained later, AELP also requests that the Commission approve, effective November 1, 2016, revisions to its cost of power adjustment ("COPA") tariff sheets to increase the amount of projected interruptible sales revenue to be used to offset the firm service base rate increase. Approval of the COPA tariff sheets concurrently with implementation of interim and refundable rates is necessary because the amount of AELP's requested interim and refundable base rate increase assumes the higher level of retained interruptible sales revenues.

As the Commission knows, AELP does not increase base rates very often. AELP's last general rate increase request was filed over six years ago on May 3, 2010, using a 2009 test year. TA381-1. Prior to that, AELP's last general rate increase request was filed on June 29, 2000, using a 1999 test year. TA292-1. There are two primary reasons for AELP requesting a general rate increase now. First, AELP's overall cost of providing electric service has increased in the past six years. Second, AELP is incurring new capital costs associated with the addition of a 25-megawatt ("MW") backup diesel-fired generation plant ("New Backup Unit").

II. The New Backup Unit.

As is explained in the prefiled direct testimony of Christy M. Yearous and Timothy D. McLeod, the New Backup Unit will provide significant reliability benefits to AELP's current and future customers and is necessary to help ensure that AELP can serve its peak firm loads in the event that hydroelectric resources are not available due to supply or transmission disruptions. Most of AELP's current hydroelectric power supply (as well as power from potential new hydroelectric facilities) is vulnerable to transmission line outages caused by avalanches, landslides, and other events. Avalanches in 2008 and 2009 damaged the Snettisham Hydroelectric Project ("Snettisham") transmission line and required AELP to rely on its diesel-fired standby generation to serve Juneau loads. A very recent reminder of the vulnerability of the transmission facilities that carry hydroelectric power to Juneau was a September 9, 2016, landslide that occurred very close to the Snettisham transmission line. *See* aerial photograph at Exhibit 1.

The New Backup Unit is needed for three primary reasons: First, AELP's peak firm load currently exceeds the capacity of AELP's existing standby generation system with its largest standby unit out of service. Second, apart from hydroelectric supply or transmission disruptions, system disturbances in Juneau could preclude AELP's existing standby generation plants from being capable of serving local peak loads. Third, over the last 10 years, AELP has experienced increasing numbers of age-related failures of components within its most important existing standby units, which are approaching 50 years old. The New Backup Unit will enhance the reliability, emissions compliance, and useful life of AELP's standby generation system.

III. AELP's Revenue Deficiency.

To determine AELP's overall cost of providing electric utility service (referred to as AELP's revenue requirement), AELP prepared a revenue requirement study in accordance with Commission regulation (3 AAC 48.275(a)). The revenue requirement study is enclosed. As shown in that study, AELP's total annual revenue requirement is approximately \$47.4 million. AELP's proforma operating revenues proforma revenues (including retained revenues from interruptible energy sales to the Hecla Greens Creek Mining Company ("HGCMC")) are \$41.7 million, which results in an initial annual revenue deficiency of \$5.7 million. That revenue deficiency amounts to 16.6% of proforma test year firm service revenues. However, as is explained in the prefiled testimony of Constance S. Hulbert, AELP proposes to recover most of its revenue deficiency from additional revenues (beyond test year levels) from interruptible energy sales to HGCMC.¹

IV. Requested Rate Increase.

Based on the results of its revenue requirement study, and assuming approval of increased retained HGCMC revenues, AELP requests approval of an 8.1 percent across-the-board increase to firm service base rates. If the Commission suspends AELP's request for permanent rate relief, and assuming approval of increased retained HGCMC revenues, AELP requests approval, on an interim and refundable basis, of a 3.86 percent across-the-board increase to firm service base rates. The requested interim rate increase is approximately 48 percent of the requested permanent rate increase request. AELP requests that the interim increase become effective November 1, 2016, immediately following the expiration of the 45-day statutory notice period, for bills rendered on or after that date.

¹ The rates that HGCMC pays for interruptible energy are determined under the provisions of a Commission-approved special contract. See TA334-1 (Jul. 13, 2005). Under the contract, those rates increased effective September 1, 2016, over the rates that were in effect during the test year.

V. AELP's Residential Rates Will Still Be Among the Lowest in Alaska.

Exhibit 2 shows the average residential rates in various Alaska communities, including the Railbelt. As is shown, with the requested 8.1 percent permanent rate increase, AELP's annual average residential rate will continue to be significantly less than the average rate in Anchorage, Fairbanks, and Wasilla.

In addition, on an annualized basis, the proposed 8.1 percent permanent rate increase is less than the rate of general inflation since AELP's most recent 2009 test year. AELP's proposed 8.1 percent increase reflects a compounded annual rate increase of 1.3 percent from 2009 through 2015. By comparison, during that period the consumer price index (all urban consumers, Anchorage) increased by 13.1 percent.

VI. Justification for Interim and Refundable Rates.

The Commission evaluates requests for interim rate relief against the legal standard established in *Alaska Public Utilities Commission v. Greater Anchorage Area Borough* ("GAAB"), 534 P.2d 549 (Alaska 1975). The "GAAB standard" provides for interim and refundable rate relief when a utility demonstrates that:

1. Its existing rates are confiscatorily low;
2. Those confiscatorily low rates will remain in effect for an unreasonably long period of time;
3. The utility will suffer irreparable harm in the event that interim relief is not granted;
4. If interim relief is granted, the rate payer can be adequately protected; and
5. The utility has raised "serious" and "substantial" questions going to the merits of the case (i.e. not frivolous and without merit).

Addressing the points in order:

1. The existing rates are confiscatorily low. As shown in Schedule 5 and Alternate Schedule 5 of AELP's revenue requirement study, AELP has an annual revenue deficiency of \$5.7 million (\$4.6 million assuming the last approved rate of return on equity). Even if the Commission approves AELP's request to increase the amount of retained revenues from interruptible energy sales to HGCMC, AELP will still have an annual revenue deficiency of \$2.8 million (\$1.7 million assuming the last approved rate of return on equity). Accordingly, the first GAAB criterion is satisfied.

2. The confiscatorily low rates will remain in effect for an unreasonably long period of time. Because a decision on permanent rates cannot be expected immediately or even after a very short interval, the second GAAB criterion is satisfied.

3. AELP will suffer irreparable harm in the event that interim relief is not granted. Because Alaska utilities are prohibited from retroactive rate relief, AELP will forever forego any revenues not allowed by an interim rate increase, causing irreparable harm.

4. If interim relief is granted, AELP rate payers can be adequately protected. The interim and refundable increase request is only 48 percent of the permanent increase request. That fact, coupled with the ability of AELP to account for all interim revenues received in the event that the permanent rate increase is less than the interim increase and refunds are required, adequately protects ratepayers during the interim period.

5. AELP's rate increase request filing is not frivolous or obviously without merit. AELP respectfully submits that its rate filing, studies, and prefiled direct testimony demonstrate a substantial revenue deficiency. The magnitude of the increase is supported and verifiable. Therefore, AELP's rate increase request is not frivolous or obviously without merit.

The Commission's past practice is to use the utility's currently approved rate of return on equity for purposes of determining interim and refundable rate relief. *See, e.g.*, Order No. U-02-77(6), Appendix at 7. Accordingly, the last schedules contained in AELP's revenue requirement study are Alternate Schedules 5, 8, and 12, which show the results of calculating AELP's revenue requirement using AELP's last approved rate of return of equity. As can be seen on Alternate Schedule 5, AELP's requested interim rate increase (3.86 percent) is less than the percent increase that would be required to fully recover AELP's revenue deficiency calculated the last approved rate of return on equity (4.82 percent).

VII. Documents Filed in Support of AELP's Permanent and Interim Rate Requests.

AELP's rate increase requests are supported by this tariff advice letter and the following documents:

1. Proposed revisions to tariff sheets that reflect AELP's proposed interim and permanent rate increases.

2. Revenue requirement study based on the test year ended December 31, 2015.

3. Cost of service study, filed in compliance with 3 AAC 48.540(a). As is explained in the prefiled testimony of David A. Gray, AELP is not proposing to implement the results of the cost of service study for purposes of interim or permanent rates due to the fact that

AELP's current and proposed rates generally provide interclass cost allocations that are very close to the allocations resulting from the cost of service study. The small differences that do exist are within the range of imprecision that is inherent in any cost of service study and do not justify redesigning rates to implement the cost of service study at this time.

4. Prefiled direct testimony of:

Timothy D. McLeod, AELP's President and General Manager

Constance S. Hulbert, AELP's Vice-President and Treasurer

Christy M. Yearous, AELP's Vice President and Generation Engineer

Adrien M McKenzie, Vice President, Financial Concepts and Applications, Inc.

David A. Gray, Boswell & Associates

VIII. Cost of Power Adjustment.

In addition to its request for approval of an interim and refundable increase to firm service base rates, AELP requests that the Commission also approve, effective November 1, 2016, revisions to its COPA to increase the amount of projected HGCMC revenue to be used to offset the firm service base rate increase. Approval of that change to the amount of retained HGCMC revenue concurrently with interim and refundable rates going into effect is necessary because the amount of AELP's requested interim and refundable base rate increase assumes the requested higher level of retained HGCMC revenue (\$9,569,673). If that higher amount of retained HGCMC revenue is not approved, AELP's firm service base rate revenue deficiency will be greater by \$2,915,913, and AELP's interim and refundable rate increase would need to be increased accordingly.

Under the rate treatment approved by the Commission in AELP's last rate case (Order No. U-10-029(15)), a portion of AELP's then-existing firm service revenue deficiency was to be met by revenues from interruptible sales to HGCMC and a portion was to be met by a rate increase to firm service base rates. The annual amount projected to be met from HGCMC sales was \$6,653,760, or \$554,480 per month. AELP's currently approved COPA Rate Schedule No. 98, Section c.7 (Tariff Sheet No. 168) provides that any monthly amount received from energy sales to HGCMC which exceeds \$554,480 will be flowed through to firm service customers through a credit to the COPA balancing account. If monthly energy revenues from HGCMC are less than \$554,480, that amount is debited to the COPA balancing account.

Thus, \$6,653,760 per year, or \$554,480 per month, is the approved amount of HGCMC energy revenues that AELP can retain to help offset its revenue requirement, and that is

the amount that AELP retained during the test year. As is explained in Ms. Hulbert's prefiled direct testimony, effective November 1, 2016, AELP requests that the amount of energy and customer charge revenue to be retained from interruptible energy sales to HGCMC be increased to \$9,569,673 per year (an increase of \$2,915,913 over test year retained HGCMC revenues), or \$797,473 per month, which is the projected annual customer and energy charges revenues from interruptible sales to HGCMC yield under contract rates that went into effect September 1, 2016.

AELP's request to adjust the retained HGCMC revenue will reduce the required firm service base rate increase and is consistent with the rate treatment approved in Order No. U-10-029(15). Under that treatment, any variation between (a) the actual annual energy and customer charge revenues received from HGCMC, and (b) the specified annual portion of the revenue requirement to be met by HGCMC, namely \$9,569,673, will be incorporated into the calculation of AELP's COPA. On a monthly basis, any monthly energy and customer charge revenues from the mine in excess of \$797,473 (1/12th of the annual projected revenue) will be flowed through to firm service customers through a credit to the COPA balancing account. If in any month those revenues are less than \$797,473, then the shortfall will be debited to the COPA balancing account. Such treatment of mine revenues will ensure that any "windfall" revenues from the mine will promptly benefit customers while at the same time protecting AELP from shortfalls in the projected HGCMC revenues used to determine base rates.

Enclosed are tariff sheets reflecting the changes necessary to revise the amount of retained HGCMC revenues. Specifically, Tariff Sheet No. 168, item 7, is revised to increase the retained HGCMC revenue amount to \$797,473. In addition, AELP proposes textual changes to use the abbreviation "HGCMC" and to simplify the language of the section. Similarly, Tariff Sheet No. 171, item (7) is revised to add "Hecla" to "Hecla Greens Creek Mining Company, Inc."

IX. Customers Affected and Revenue Impacts (3 AAC 48.270(a)).

The number of customers affected by the proposed interim and permanent rate increases, and the annual customer class revenue impacts of those increases, are shown on Exhibit 3. This filing is not for a new service, will not result in the termination of an existing service, will not conflict with any other schedule or rate, and other than the increase in rates, will not adversely affect customers or the public.

Please direct any questions or communications regarding this filing to Connie Hulbert, AELP's Treasurer, at (907) 463-6313 or connie.hulbert@aelp.com and to Dean Thompson, attorney for AELP, at 277-1604 or ddt@khe.com.

Regulatory Commission of Alaska
Tariff Advice Letter No. 453-1
September 16, 2016

Sincerely yours,

KEMPEL, HUFFMAN AND ELLIS, P.C.
Counsel for Alaska Electric Light and Power
Company

A handwritten signature in black ink, appearing to read 'DDT', followed by a long horizontal line extending to the right.

Dean D. Thompson
255 E. Fireweed Lane, Suite 200
Anchorage, Alaska 99503
Tel: (907) 277-1604 / Fax: (907) 276-2493
E-mail: ddt@khe.com

:tmt
Enclosures

AEL&P TA453-1

Interim Rates

Tariff Sheets 104, 105, 113, 114, 119, 132, 135, 136, 168, 171

Effective November 1, 2016

Canceling

Alaska Electric Light and Power Company

Regulatory Commission
of AlaskaSchedule No. 10

General Residential

Applicable to:

Residential service in individual private dwellings, farms, apartments and common area facilities of duplexes, triplexes and fourplexes subject to the established rules of the Company. This rate shall not apply to commercial establishments, schools, churches, governmental agencies, institutions, rooming houses, office or studio space, or like uses. Prior approval is to be obtained before installation of any motor rated 3 horsepower or more.

Character of Service:

Continuous - alternating current 60 cycle 120/240 or 120/208 volts single phase. Characteristics depend upon available circuits.

Rate: Per Month

	Peak Season (November through May)	Off-Peak Season (June through October)	
Customer Charge	\$ 9.22	\$ 9.22	I
Energy Charge, per kilowatt-hour	12.40¢	10.20¢	I

Demand Metering:

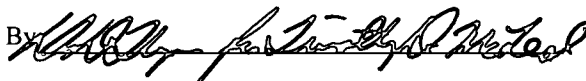
Any customer qualifying for this rate schedule may request a demand meter and be billed according to the alternate schedule which follows. In the event a customer consumes more than 5,000 KWH per month for three consecutive months or a recorded peak demand of 20 KW for three consecutive months, the Company may install a demand meter and bill indefinitely according to the following schedule:

Effective November 1, 2016Tariff Advice No. 453-1

Issued by

Alaska Electric Light and Power Company

By

Title General Manager

Canceling

Alaska Electric Light and Power Company

Regulatory Commission
of AlaskaSchedule No. 10 (Continued)

General Residential

Demand Metering (Continued):

Rate:	Per Month	Peak Season (November through May)	Off-Peak Season (June through October)
Customer Charge		\$11.93	\$11.93
Demand Charge, per kilowatt		\$11.54	\$ 6.98
Energy Charge, per kilowatt-hour		6.02¢	5.26¢

Special Provisions:

a. Commercial Use

When a customer operates a commercial establishment (incidental to his residence) in the same building or on the same premises as his residence and takes his entire service through one meter, this rate schedule will apply for the entire service only if less than 25% of the energy, demand, or square footage of the premise is used for commercial purposes. If the reverse is true, the appropriate commercial service rate schedule will apply to the entire service. However, the customer may elect to take service under both the residential and commercial service rates, in which case there will be a separate meter for the residential portion and a separate meter for the commercial portion.

b. Customer Charge

The customer charge shall be billed per billing period or any fraction thereof.

Tariff Advice No. TA453-1Effective November 1, 2016

Issued by

Alaska Electric Light and Power Company

By



Title

General Manager

Canceling

Alaska Electric Light and Power Company

Regulatory Commission
of AlaskaSchedule No. 20

Small Commercial

Applicable to:

Small commercial not exceeding 49.9 kilowatts of electrical demand subject to the established rules of the Company. This rate shall apply to commercial establishments, schools, churches, governmental agencies, institutions, rooming houses, office or studio space, common area facilities of rental units exclusive of duplexes, triplexes and fourplexes or like uses. Prior approval is to be obtained before installation of any motor rated 3 horsepower or more.

Character of Service:

Continuous - alternating current 60 cycle 120/240, 120/208, 240, 480 volts, single or three phase. Characteristics depend upon available circuits.

Rate: Per Month

Peak Season (November through May) Off-Peak Season (June through October)

Customer Charge	\$19.53	\$19.53	I
Energy Charge, per kilowatt-hour	12.02¢	9.56¢	I

Demand Metering:

Customers requesting new service whereby electricity is used as the primary heat source, and with valid building permits issued on or after July 13, 1985, must have a demand meter installed and will be billed in accordance with the demand rate schedule.

Any customer qualifying for this rate schedule may request a demand meter and be billed according to the alternate schedule which follows. In the event a customer consumes more than 5,000 KWH per month for three consecutive months or a recorded peak demand of 20 KW for three consecutive months, the Company may install a demand meter and bill indefinitely according to the following schedule:

Tariff Advice No. 453-1

Effective _____

Issued by

Alaska Electric Light and Power Company

By [Signature] Title General Manager

Canceling

Alaska Electric Light and Power Company

Regulatory Commission
of Alaska

Schedule No. 20 (Continued)

Small Commercial

Demand Metering:

Rate:	Per Month	Peak Season (November through May)	Off-Peak Season (June through October)	
	Customer Charge	\$28.21	\$28.21	I
	Demand Charge, per kilowatt	\$13.22	\$ 8.85	I
	Energy Charge, per kilowatt-hour	6.91¢	6.12¢	I

Minimum Charge:

\$1.26 per month per KVA of connected load but not less than the monthly customer charge per meter unless a higher minimum charge applies in accordance with the General rules and Regulations.

Special Provisions:

a. Standby Service

Whenever service is supplied for standby, the charge shall be \$1.26 per KVA of connected load. Electric energy sold under this provision shall be billed at the applicable rate in addition to the standby charge. The term under this provision shall not be less than one year.

b. Metered Lighting

This schedule shall also apply to public street and highway signal lighting and outside or area lighting not meeting the requirements of Dusk to Dawn Lighting.

c. Customer Charge

The customer charge shall be billed per billing period or any fraction thereof.


Tariff Advice No. 453-1

Effective November 1, 2016

Issued by

Alaska Electric Light and Power Company

By



Title General Manager

Canceling

Alaska Electric Light and Power Company

Regulatory Commission
of Alaska

Schedule No. 46

Dusk to Dawn Lighting

Applicable to:

Outside street and yard lighting for governmental agencies, municipalities, private residences, farms and businesses for dusk to dawn lighting with lights mounted on existing poles with bracket attachments and connected to existing overhead secondary circuits.

Rate: Per Year

100	Watt, per light	\$124.33
150	Watt, per light	\$186.42
175	Watt, per light	\$217.52
200	Watt, per light	\$248.50
250	Watt, per light	\$290.49
400	Watt, per light	\$383.63
1000	Watt, per light	\$763.18

Presently connected filament lights will be billed at 1.44¢ per connected watt per month.

Minimum Charge:

The minimum charge shall be the same as the rate per year.

Special Provisions:

- a. Monthly Billing
Charges for annual use will be billed monthly in 12 equal installments.
- b. Less than 1 year use - Lamps disconnected within 12 months after installation will be billed for the remaining unused months upon disconnection.
- c. Lamp replacements - Lamp replacements will be made by the Company without additional charge. Outages shall be promptly reported to the Company.

Effective November 1, 2016

Tariff Advice No. 453-1

Issued by

Alaska Electric Light and Power Company

By  Title General Manager

Canceling**Alaska Electric Light and Power Company****Regulatory Commission
of Alaska**Schedule No. 91

Off-Peak Service

Rate: Per Month

Customer Charge:

Rate 10 - \$ 8.13

Rate 20 - \$15.19

Rate 24 - \$27.13

Energy Charge, per kilowatt-hour 7.90 cents

Special Provisions:

- a. The customer is responsible for any special wiring required which may differ as specified by the Company. The Company will furnish a meter and/or time switch as required.
- b. The customer charge shall be billed per billing period or any fraction thereof.

Cost of Power Adjustment:

A surcharge or credit as shown in Schedule No. 98 may be applied to each billing for service rendered under this schedule.

Tariff Advice No. 453-1Effective November 1, 2016Issued by Alaska Electric Light and Power CompanyBy  Title General Manager

Canceling

Alaska Electric Light and Power Company

Regulatory Commission
of Alaska

Schedule No. 92

Residential Heat Pump Service

Applicable to:

Residential service in individual private dwellings, farms, apartments, and common area facilities of duplexes, tri-plexes, and four-plexes where the exclusive use of electricity for space heating is for a heat pump. The design and installation of electrical equipment shall comply with requirements established by the Company, subject to the established rules of the Company. This rate shall not apply to commercial establishments, schools, churches, governmental agencies, institutions, rooming houses, office or studio space, or like uses. Prior approval is to be obtained before installation of any motor rated 3 horsepower or more.

Heat pumps qualifying for this rate must have a Coefficient of Performance (COP) rating of 3.5 or greater on the heating cycle and shall not include supplemental electric resistant heat as part of the heat pump system.

Character of Service:

Continuous-alternating current 60 cycle 120/240 or 120/208 volts single phase. Characteristics depend on available circuits.

Rate:	Per Month	Peak Season (November through May)	Off-Peak Season (June through October)	
	Customer Charge	\$11.39	\$11.39	I
	Demand Charge, per kilowatt	\$10.29	\$ 6.28	I
	Energy Charge, per kilowatt-hour	5.32¢	4.82¢	I

Special Provisions:

- a. The customer is responsible for any special wiring required which may differ as specified by the Company. The Company will furnish a demand meter as required.

Effective November 1, 2016

Tariff Advice No. 453-1

Issued by

Alaska Electric Light and Power Company

By



Title

General Manager

Canceling

Alaska Electric Light and Power Company

Regulatory
Commission of AlaskaSchedule No. 98 (Continued)
Cost of Power Adjustment Clause

1. A debit entry equal to the total cost of diesel fuel used to generate energy during the month.
2. A credit entry equal to the total number of KWH's of energy sold during the month under all rates (except Schedules 25, 95, Juneau Ready Mix special contract, Alaska Department of Fish & Game special contract, Princess Cruise Lines, Ltd. special contract, Kennecott Greens Creek Mining Company special contract and miscellaneous adjustments), multiplied by the cost of power adjustment amount in effect during that month.
3. A credit entry equal to gross margins greater than the allowed gross operating margin collected under rate Schedules 25 and 95. The allowed gross operating margin shall be equal to .5 cents per KWH sold to residential and small commercial customers, and 1.5 cents per KWH sold to large commercial customers.
4. A debit or credit entry to make any necessary correction to adjust the cost or volume of fuel.
5. A credit entry for any insurance proceeds received from Snettisham debt service insurance policies.
6. A credit entry equal to the total number of KWHs of energy sold during the month under interruptible contract to Princess Cruise Lines, Ltd., multiplied by the energy rate per the contract.
7. A credit entry equal to the amount by which revenues from the customer charge and energy charge for interruptible hydroelectric energy sold during the month under interruptible contract to Hecla Greens Creek Mining Company (HGCMC) exceeds \$797,473; or a debit entry equal to the amount by which revenues from the customer charge and energy charge for interruptible hydroelectric energy sold during the month under interruptible contract to HGCMC are less than \$797,473. T
T
T
I
T
I
8. A credit entry equal to the total number of KWHs of interruptible diesel energy sold during the month under interruptible contract to HGCMC, multiplied by the energy charge for that service. T
T

Tariff Advice No. 453-1

Effective November 1, 2016

Issued by

Alaska Electric Light and Power Company

By



Title

General Manager

RCA No. 1

Fourth

Sheet No. 171

Canceling

Third

Sheet No. 171

Alaska Electric Light and Power Company

**Regulatory
Commission of Alaska**

Schedule No. 98

- (2) Invoices supporting fuel purchases;
- (3) KWH sold by month;
- (4) Documentation for all adjustments to prices or volumes;
- (5) The resulting monthly balances in the Cost of Power Balance Account as of the end of the calendar month Preceding the filing;
- (6) A schedule itemizing interruptible KWH sold and corresponding revenues under special contract with Princess Cruise Lines, Ltd. for the previous calendar quarter; and
- (7) A schedule itemizing interruptible KWH sold and corresponding revenues under special contract with Hecla Greens Creek Mining Company, Inc., for the previous calendar quarter. **T**

Tariff Advice No. 453-1

Effective November 1, 2016

Issued by Alaska Electric Light and Power Company

By  Title General Manager

AEL&P TA453-1

Permanent Rates

Tariff Sheets 104, 105, 113, 114, 119, 132, 135, 136

Canceling

Alaska Electric Light and Power Company

Regulatory Commission
of AlaskaSchedule No. 10

General Residential

Applicable to:

Residential service in individual private dwellings, farms, apartments and common area facilities of duplexes, triplexes and fourplexes subject to the established rules of the Company. This rate shall not apply to commercial establishments, schools, churches, governmental agencies, institutions, rooming houses, office or studio space, or like uses. Prior approval is to be obtained before installation of any motor rated 3 horsepower or more.

Character of Service:

Continuous - alternating current 60 cycle 120/240 or 120/208 volts single phase. Characteristics depend upon available circuits.

Rate: Per Month

Peak Season
(November through
May)

Off-Peak Season
(June through
October)

Customer Charge

\$ 9.60

\$ 9.60

I

Energy Charge,

per kilowatt-hour 12.91¢

10.62¢

I

Demand Metering:

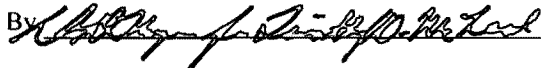
Any customer qualifying for this rate schedule may request a demand meter and be billed according to the alternate schedule which follows. In the event a customer consumes more than 5,000 KWH per month for three consecutive months or a recorded peak demand of 20 KW for three consecutive months, the Company may install a demand meter and bill indefinitely according to the following schedule:

Effective _____

Tariff Advice No. 453-1

Issued by

Alaska Electric Light and Power Company

By Title General Manager

Canceling

Alaska Electric Light and Power Company

Regulatory Commission
of AlaskaSchedule No. 10 (Continued)

General Residential

Demand Metering (Continued):

Rate:	Per Month	Peak Season (November through May)	Off-Peak Season (June through October)	
	Customer Charge	\$12.42	\$12.42	I
	Demand Charge, per kilowatt	\$12.01	\$ 7.26	I
	Energy Charge, per kilowatt-hour	6.27¢	5.47¢	I

Special Provisions:

a. Commercial Use

When a customer operates a commercial establishment (incidental to his residence) in the same building or on the same premises as his residence and takes his entire service through one meter, this rate schedule will apply for the entire service only if less than 25% of the energy, demand, or square footage of the premise is used for commercial purposes. If the reverse is true, the appropriate commercial service rate schedule will apply to the entire service. However, the customer may elect to take service under both the residential and commercial service rates, in which case there will be a separate meter for the residential portion and a separate meter for the commercial portion.

b. Customer Charge

The customer charge shall be billed per billing period or any fraction thereof.

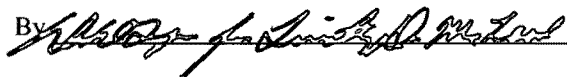
Tariff Advice No. TA453-1

Effective _____

Issued by

Alaska Electric Light and Power Company

By

Title General Manager

Canceling

Alaska Electric Light and Power Company

Regulatory Commission
of AlaskaSchedule No. 20

Small Commercial

Applicable to:

Small commercial not exceeding 49.9 kilowatts of electrical demand subject to the established rules of the Company. This rate shall apply to commercial establishments, schools, churches, governmental agencies, institutions, rooming houses, office or studio space, common area facilities of rental units exclusive of duplexes, triplexes and fourplexes or like uses. Prior approval is to be obtained before installation of any motor rated 3 horsepower or more.

Character of Service:

Continuous - alternating current 60 cycle 120/240, 120/208, 240, 480 volts, single or three phase. Characteristics depend upon available circuits.

Rate: Per Month

	Peak Season (November through May)	Off-Peak Season (June through October)	
Customer Charge	\$20.32	\$20.32	I
Energy Charge, per kilowatt-hour	12.51¢	9.95¢	I

Demand Metering:

Customers requesting new service whereby electricity is used as the primary heat source, and with valid building permits issued on or after July 13, 1985, must have a demand meter installed and will be billed in accordance with the demand rate schedule.

Any customer qualifying for this rate schedule may request a demand meter and be billed according to the alternate schedule which follows. In the event a customer consumes more than 5,000 KWH per month for three consecutive months or a recorded peak demand of 20 KW for three consecutive months, the Company may install a demand meter and bill indefinitely according to the following schedule:

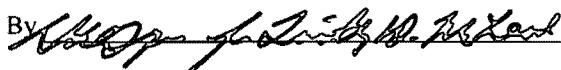
Tariff Advice No. 453-1

Effective _____

Issued by

Alaska Electric Light and Power Company

By



Title General Manager

Canceling

Alaska Electric Light and Power Company

Regulatory Commission
of AlaskaSchedule No. 20 (Continued)

Small Commercial

Demand Metering:

Rate:	Per Month	Peak Season (November through May)	Off-Peak Season (June through October)	
	Customer Charge	\$29.36	\$29.36	I
	Demand Charge, per kilowatt	\$13.76	\$ 9.21	I
	Energy Charge, per kilowatt-hour	7.19¢	6.37¢	I

Minimum Charge:

\$1.26 per month per KVA of connected load but not less than the monthly customer charge per meter unless a higher minimum charge applies in accordance with the General rules and Regulations.

Special Provisions:

a. Standby Service

Whenever service is supplied for standby, the charge shall be \$1.26 per KVA of connected load. Electric energy sold under this provision shall be billed at the applicable rate in addition to the standby charge. The term under this provision shall not be less than one year.

b. Metered Lighting

This schedule shall also apply to public street and highway signal lighting and outside or area lighting not meeting the requirements of Dusk to Dawn Lighting.

c. Customer Charge

The customer charge shall be billed per billing period or any fraction thereof.

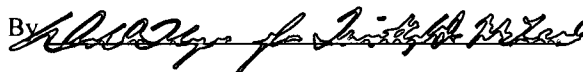
Tariff Advice No. 453-1

Effective _____

Issued by

Alaska Electric Light and Power Company

By



Title

General Manager

Canceling

Alaska Electric Light and Power Company

Regulatory Commission
of AlaskaSchedule No. 24

Large Commercial, with Demand Metering

Applicable to:

Large commercial including lighting, heating and power; except for customers qualifying under Rate Schedule 22. Demand shall exceed 50 KW per month subject to the established rules of the Company. This rate shall apply to commercial establishments, schools, churches, governmental agencies, institutions, rooming houses, office or studio space, or like uses. Prior approval is to be obtained before installation of any motor rated 25 horsepower or more.

Character of Service:

Continuous - alternating current 60 cycle; 120/208, 120/240, 208, 240, 480, 2400, 4160, 7200, 12460 volts, single or three phase. Characteristics depend upon available circuits.

Rate: Per Month

	Peak Season (November through May)	Off-Peak Season (June through October)	
Customer Charge	\$107.28	\$107.28	I
Demand Charge, per kilowatt	\$15.46	\$ 9.85	I
Energy Charge, per kilowatt-hour	6.60¢	6.19¢	I

Minimum Charge:

The minimum monthly bill for service under this rate schedule shall be \$1.26 per month per KVA of installed transformer capacity or connected load, but not less than the customer charge of \$95.00 per month per meter unless a higher minimum applies in accordance with the General Rules and Regulations.

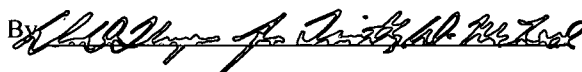
Tariff Advice No. 453-1

Effective _____

Issued by

Alaska Electric Light and Power Company

By



Title

General Manager

Canceling

Alaska Electric Light and Power Company

Regulatory Commission
of Alaska

Schedule No. 46

Dusk to Dawn Lighting

Applicable to:

Outside street and yard lighting for governmental agencies, municipalities, private residences, farms and businesses for dusk to dawn lighting with lights mounted on existing poles with bracket attachments and connected to existing overhead secondary circuits.

Rate: Per Year

100 Watt, per light	\$129.41
150 Watt, per light	\$194.03
175 Watt, per light	\$226.40
200 Watt, per light	\$258.64
250 Watt, per light	\$302.34
400 Watt, per light	\$399.29
1000 Watt, per light	\$794.34

Presently connected filament lights will be billed at 1.44¢ per connected watt per month.

Minimum Charge:

The minimum charge shall be the same as the rate per year.

Special Provisions:

- a. Monthly Billing
Charges for annual use will be billed monthly in 12 equal installments.
- b. Less than 1 year use - Lamps disconnected within 12 months after installation will be billed for the remaining unused months upon disconnection.
- c. Lamp replacements - Lamp replacements will be made by the Company without additional charge. Outages shall be promptly reported to the Company.

Effective _____

Tariff Advice No. 453-1

Issued by

Alaska Electric Light and Power Company

By [Signature] Title General Manager

RCA No. 1

Fourteenth

Sheet No. 135

Canceling

Thirteenth

Sheet No. 135

Alaska Electric Light and Power Company

**Regulatory Commission
of Alaska**

Schedule No. 91

Off-Peak Service

Rate: Per Month

Customer Charge:

Rate 10 - \$ 8.46

Rate 20 - \$15.82

Rate 24 - \$28.24

Energy Charge, per kilowatt-hour 8.23 cents

Special Provisions:

- a. The customer is responsible for any special wiring required which may differ as specified by the Company. The Company will furnish a meter and/or time switch as required.
- b. The customer charge shall be billed per billing period or any fraction thereof.

Cost of Power Adjustment:

A surcharge or credit as shown in Schedule No. 98 may be applied to each billing for service rendered under this schedule.

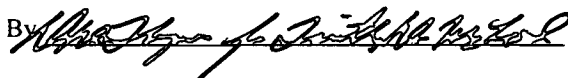
Tariff Advice No. 453-1

Effective _____

Issued by

Alaska Electric Light and Power Company

By



Title General Manager

Canceling

Alaska Electric Light and Power Company

Regulatory Commission
of AlaskaSchedule No. 92

Residential Heat Pump Service

Applicable to:

Residential service in individual private dwellings, farms, apartments, and common area facilities of duplexes, tri-plexes, and four-plexes where the exclusive use of electricity for space heating is for a heat pump. The design and installation of electrical equipment shall comply with requirements established by the Company, subject to the established rules of the Company. This rate shall not apply to commercial establishments, schools, churches, governmental agencies, institutions, rooming houses, office or studio space, or like uses. Prior approval is to be obtained before installation of any motor rated 3 horsepower or more.

Heat pumps qualifying for this rate must have a Coefficient of Performance (COP) rating of 3.5 or greater on the heating cycle and shall not include supplemental electric resistant heat as part of the heat pump system.

Character of Service:

Continuous-alternating current 60 cycle 120/240 or 120/208 volts single phase. Characteristics depend on available circuits.

Rate:	Per Month	Peak Season (November through May)	Off-Peak Season (June through October)	
	Customer Charge	\$11.86	\$11.86	I
	Demand Charge, per kilowatt	\$10.71	\$ 6.54	I
	Energy Charge, per kilowatt-hour	5.53¢	5.02¢	I

Special Provisions:

- a. The customer is responsible for any special wiring required which may differ as specified by the Company. The Company will furnish a demand meter as required.

Effective _____

Tariff Advice No. 453-1

Issued by

Alaska Electric Light and Power Company


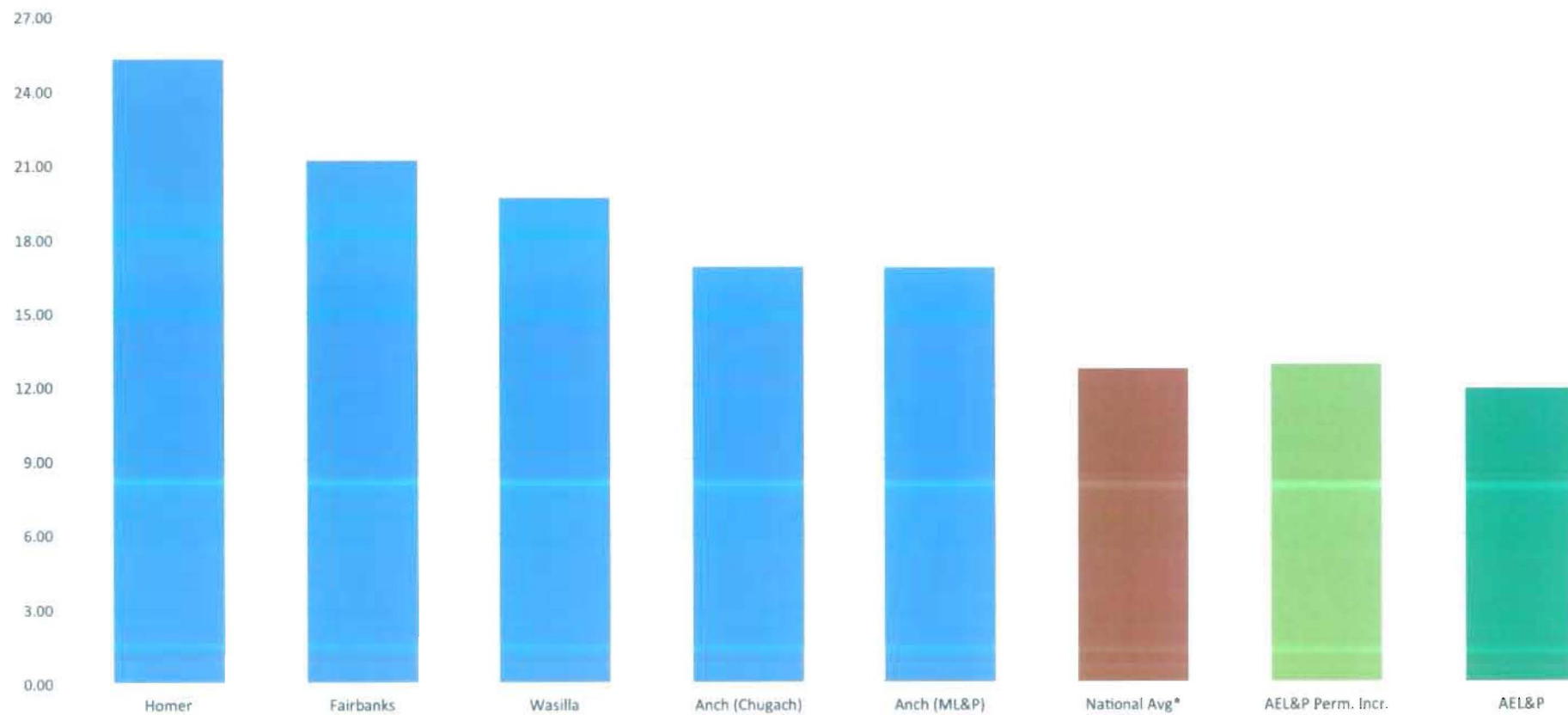
By Title General Manager



Exhibit 1
Page 1 of 1

2015 Residential Utility Cost in Cents per kWh for the Largest Regulated Utilities in Alaska

Based on 2015 data as reported to the Regulatory Commission of Alaska
(*National Average from Dept of Energy)



Tariff Advice No. 453-1
Alaska Electric Light and Power Company
Revenue Requirement Study
Test Year Ending December 31, 2015

3 AAC 48.270(a)

CUSTOMERS AFFECTED AND REVENUE IMPACTS
INTERIM RATE INCREASE REQUEST

<u>Class and Rate</u>	<u>Number of Customers</u>	<u>Rate Component</u>	<u>Revenues With Existing Rates</u>	<u>Revenues with Proposed Rates</u>	<u>Change in Revenue</u>	<u>Percent Increase</u>
Residential						
Rate 10	14,184	Customer	1,538,335	1,597,715	59,380	3.86%
		Energy	15,457,310	16,053,963	596,652	3.86%
		Demand	89,886	93,356	3,470	3.86%
Rate 91	51	Customer	(519)	(539)	(20)	3.86%
		Energy	24,665	25,617	952	3.86%
Rate 92	19	Customer	2,468	2,564	95	3.86%
		Energy	19,175	19,915	740	3.86%
		Demand	17,867	18,556	690	3.86%
Total	14,253	Customer	1,540,285	1,599,740	59,455	3.86%
		Energy	15,501,150	16,099,495	598,344	3.86%
		Demand	107,753	111,912	4,159	3.86%
		Total	17,149,188	17,811,146	661,959	3.86%
Small Commercial						
Total	1,978	Customer	485,177	503,905	18,728	3.86%
		Energy	4,511,301	4,685,437	174,136	3.86%
		Demand	1,132,577	1,176,294	43,717	3.86%
		Total	6,129,054	6,365,636	236,581	3.86%
Large Commercial						
Rate 24	176	Customer	210,091	218,201	8,110	3.86%
		Energy	6,768,719	7,029,991	261,273	3.86%
		Demand	3,814,633	3,961,878	147,245	3.86%
Rate 91	3	Customer	(978)	(1,015)	(38)	3.86%
		Energy	18,562	19,278	716	3.86%
Total	179	Customer	209,114	217,185	8,072	3.86%
		Energy	6,787,280	7,049,269	261,989	3.86%
		Demand	3,814,633	3,961,878	147,245	3.86%
		Total	10,811,027	11,228,332	417,306	3.86%
Lighting						
Rate 46	209		261,867	271,975	10,108	3.86%
Total	16,619		34,351,136	35,677,090	1,325,954	3.86%

Tariff Advice No. 453-1
Alaska Electric Light and Power Company
Revenue Requirement Study
Test Year Ending December 31, 2015

3 AAC 48.270(a)

CUSTOMERS AFFECTED AND REVENUE IMPACTS
PERMANENT RATE INCREASE REQUEST

			Revenues from Existing Rates	Revenues from Proposed Rates	Change in Revenue	Percent Increase
Class and Rate	Number of Customers	Rate Component				
Residential						
Rate 10	14,184	Customer	1,538,335	1,662,940	124,605	8.10%
		Energy	15,457,310	16,709,352	1,252,042	8.10%
		Demand	89,886	97,167	7,281	8.10%
Rate 91	51	Customer	(519)	(561)	(42)	8.10%
		Energy	24,665	26,662	1,998	8.10%
Rate 92	19	Customer	2,468	2,668	200	8.10%
		Energy	19,175	20,728	1,553	8.10%
		Demand	17,867	19,314	1,447	8.10%
Total	14,253	Customer	1,540,285	1,665,048	124,763	8.10%
		Energy	15,501,150	16,756,743	1,255,593	8.10%
		Demand	107,753	116,481	8,728	8.10%
		Total	17,149,188	18,538,272	1,389,084	8.10%
Small Commercial						
Rate 20	1,978	Customer	485,177	524,476	39,299	8.10%
		Energy	4,511,301	4,876,716	365,415	8.10%
		Demand	1,132,577	1,224,315	91,739	8.10%
		Total	6,129,054	6,625,508	496,453	8.10%
Large Commercial						
Rate 24	176	Customer	210,091	227,108	17,017	8.10%
		Energy	6,768,719	7,316,985	548,266	8.10%
		Demand	3,814,633	4,123,618	308,985	8.10%
Rate 91	3	Customer	(978)	(1,057)	(79)	8.10%
		Energy	18,562	20,065	1,504	8.10%
Total	179	Customer	209,114	226,052	16,938	8.10%
		Energy	6,787,280	7,337,050	549,770	8.10%
		Demand	3,814,633	4,123,618	308,985	8.10%
		Total	10,811,027	11,686,720	875,693	8.10%
Lighting						
Rate 46	209		261,867	283,078	21,211	8.10%
Total	16,619		34,351,136	37,133,578	2,782,442	8.10%