

## Notice of Utility Tariff Filing

The REGULATORY COMMISSION OF ALASKA (Commission) gives notice that the Municipality of Anchorage d/b/a Municipal Light and Power (ML&P), filed TA357-121, a revenue requirement study, cost of service study, and rate redesign, based on a 2015 test year. With TA357-121, ML&P is proposing an increase to currently effective base rate demand and energy charges for Schedules 11, 21, 22, 23, 25, 27, 31, 32, 33, 34, 35, 36, 41, 42, 43, 44, 45, 60, 61, 62, 63, 64, 700, 750, 760, 770, and 780. The proposed rate increase will not affect the Customer Charge element of a customer's bill.

### **RATE STABILIZATION PLAN**

ML&P proposes a Rate Stabilization Plan (RSP) to mitigate the impact of the proposed rate increase. If the RSP is approved, ML&P proposes to defer recover of approximately \$12.9 million of the current annual revenue deficiency to future years. ML&P has requested that the Commission approve the RSP on an interim and refundable basis. With TA357-121, ML&P filed two sets of tariff sheets. The first set assumes the Commission *has* approved the proposed RSP and the second set assumes the Commission *has not* approved the proposed RSP.

### **RATES ASSUMING APPROVAL OF RSP**

If the RSP is approved, ML&P requests the Commission implement a 29.49 percent across-the-board interim and refundable rate increase to the currently effective energy and demand charges, effective for billings on or after February 14, 2017. ML&P proposes a permanent rate increase based on the outcome of the proposed revenue requirement study, cost of service study, and rate redesign. A selection of the proposed interim and permanent rates, assuming approval of the RSP, is provided below.

	Current Rate	Interim Rate	Permanent Rate
Schedule 11 – Residential Energy Charge per kWh	\$0.10734	\$0.13900	\$0.13940
Schedule 21 – General Service (GS) Small Energy Charge per kWh	\$0.10314	\$0.13356	\$0.12680
Schedule 22 – GS Large at Secondary Voltage Energy Charge per kWh Demand Charge per kW of billing demand	\$0.04829 \$16.96	\$0.06253 \$21.96	\$0.05610 \$23.63
Schedule 23 – GS Large at Primary Voltage Energy Charge per kWh Demand Charge per kW of billing demand	\$0.04548 \$19.07	\$0.05889 \$24.69	\$0.05570 \$22.03
Schedule 27 – Interruptible Power at Secondary Voltage Energy Charge per kWh	\$0.04829	\$0.06253	\$0.18200
Schedule 700 – Interruptible Service – Ft. Richardson at Primary Voltage Energy Charge per kWh	\$0.03910	\$0.05063	\$0.05981
Schedule 760 – Limited All Requirements Service at Primary Voltage Energy Charge per kWh Demand Charge per kW of billing demand	\$0.03517 \$12.64	\$0.04554 \$16.37	\$0.05380 \$26.67
Schedule 770 – Limited Partial Requirements Service at Primary Voltage Energy Charge per kWh Baseload Demand Charge per kW of billing demand Peaking Demand Charge per kW of billing demand	\$0.03517 \$6.87 \$15.60	\$0.04554 \$8.90 \$20.20	\$0.05380 \$14.50 \$32.91

## RATES ASSUMING NO APPROVAL OF RSP

If the RSP is not approved, ML&P requests the Commission implement a 42.92 percent across-the-board interim and refundable rate increase to the currently effective energy and demand charges, effective for billings on or after February 14, 2017. ML&P proposes a permanent rate increase based on the outcome of the proposed revenue requirement study, cost of service study, and rate redesign. A selection of the proposed interim and permanent rates, assuming the rate stabilization plan is not approved, is provided below.

	Current Rate	Interim Rate	Permanent Rate
Schedule 11 – Residential Energy Charge per kWh	\$0.10734	\$0.15341	\$0.15140
Schedule 21 – General Service (GS) Small Energy Charge per kWh	\$0.10314	\$0.14741	\$0.13960
Schedule 22 – GS Large at Secondary Voltage Energy Charge per kWh Demand Charge per kW of billing demand	\$0.04829 \$16.96	\$0.06902 \$24.24	\$0.06510 \$25.26
Schedule 23 – GS Large at Primary Voltage Energy Charge per kWh Demand Charge per kW of billing demand	\$0.04548 \$19.07	\$0.06500 \$27.25	\$0.06450 \$23.67
Schedule 27 – Interruptible Power at Secondary Voltage Energy Charge per kWh	\$0.04829	\$0.06902	\$0.19100
Schedule 700 – Interruptible Service – Ft. Richardson at Primary Voltage Energy Charge per kWh	\$0.03910	\$0.05588	\$0.06971
Schedule 760 – Limited All Requirements Service at Primary Voltage Energy Charge per kWh Demand Charge per kW of billing demand	\$0.03517 \$12.64	\$0.05026 \$18.07	\$0.06270 \$29.96
Schedule 770 – Limited Partial Requirements Service at Primary Voltage Energy Charge per kWh Baseload Demand Charge per kW of billing demand Peaking Demand Charge per kW of billing demand	\$0.03517 \$6.87 \$15.60	\$0.05026 \$9.83 \$22.30	\$0.06270 \$16.29 \$36.97

## COST OF POWER ADJUSTMENT METHODOLOGY CHANGE

In Order No. U-13-184(22)/U-15-096(1)/U-15-097(1), the Commission stated that ML&P may propose a Cost of Power Adjustment (COPA) formula that recognizes different line losses at different voltage levels with its next rate case. Therefore, with TA357-121, ML&P proposes a revision to its COPA methodology to separate the COPA by voltage class, to recognize the effects on losses resulting from service at different voltage levels. ML&P requests approval of primary and secondary voltage feeder loss rates of 2.48 percent for secondary customers and 0.28 percent for primary customers for a period not to exceed five years. ML&P requests that the proposed COPA methodology change be approved as part of the Commission's final order on permanent rates, not on an interim and refundable basis.

This notice does not contain every pertinent revision or request associated with TA357-121. The Commission may approve rates or classifications that vary from those proposed. You may obtain more information about this filing by contacting Anna Henderson, Regulatory Affairs Division Manager, at 1200 East First Avenue, Anchorage, AK 99501; phone: (907) 279-7671. The complete filing is also available for inspection at the Commission's office, at 701 West Eighth Avenue, Suite 300, Anchorage, AK 99501; phone: (907) 276-6222,

or may be viewed on the Commission's website at <http://rca.alaska.gov> by typing "TA357-121" in the *Find a Matter* search box.

To comment on this filing, please file your comments by 5:00 p.m. on February 3, 2017, at the Commission address given above or via our website at:

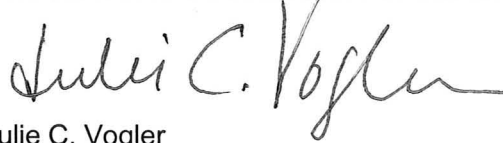
<https://rca.alaska.gov/RCAWeb/WhatsNew/PublicNoticesComments.aspx>

Please reference TA357-121 and include a statement that you have filed a copy of the comments with ML&P, at their address above.

Individuals or groups of people with disabilities, who require special accommodations, auxiliary aids or service, or alternative communication formats, please contact Joyce McGowan at (907) 276-6222, toll-free at 1-800-390-2782, or TTY (907) 276-4533 or send a request via electronic mail to [rca.mail@alaska.gov](mailto:rca.mail@alaska.gov) by January 27, 2017.

DATED at Anchorage, Alaska, this 4th day of January, 2017.

REGULATORY COMMISSION OF ALASKA

A handwritten signature in black ink that reads "Julie C. Vogler". The signature is written in a cursive style with a large, prominent initial 'J'.

Julie C. Vogler  
Finance Section Manager