



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: PC39-1014KK
Letter Order No.: L1800175

Christy Berikoff
Accounting Assistant II
Unalaska, City of
P.O. Box 610
Unalaska, AK 99685-0610

Dear Ms. Berikoff:

On April 19, 2018, the Commission approved updated **Permanent** Power Cost Equalization (PCE) levels in cents per kilowatt-hour (¢/kWh) for Unalaska, City of (UNALASKA), for the listed classes of customers as follows:

Residential	14.44¢
Small General	14.44¢
Large General	14.44¢
Industrial	14.44¢

The revised PCE levels result from the review of UNALASKA'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.

UNALASKA 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.

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

If UNALASKA 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#: 39-1014KK

DATE DUE: May 20, 2018

Christy Berikoff
Accounting Assistant II
Unalaska, City of
P.O. Box 610
Unalaska, AK 99685-0610

Fee for Commission Staff analysis and recommendations Re:

FILE #: PC39-1014KK

LO #: L1800175

Fuel Report under the Power Cost Equalization Program

Amount Due :	<u>\$ 39</u>
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TOTAL AMOUNT DUE:	<u>\$ 39</u>
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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.

Unalaska, City of

FILE #: PC39-1014KK

Amount Due: \$ 39

LO #: L1800175

Check Number _____

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

Power Cost Memorandum Fuel Cost Update and Surcharge Change

Date: April 19, 2018

Utility Name (Cert. No.) UNALASKA, CITY of (106)	Utility File No. PC39-1014KK	Date Filed: April 6, 2018
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PCE LEVEL SUMMARY	Previously Approved PC39-10JJ	Staff Recommended PC39-1014KK
Class Rate	<u>Date Approved:</u> April 6, 2018	<u>Effective Date</u> April 20, 2018
Residential	\$0.1387	\$0.1444
Small General	\$0.1387	\$0.1444
Large General	\$0.1387	\$0.1444
Industrial	\$0.1387	\$0.1444
<input type="checkbox"/> Interim <input checked="" type="checkbox"/> Permanent <input type="checkbox"/> Interim <input checked="" type="checkbox"/> Permanent		

Prior Fuel Purchase Price: \$ <u>2.3356</u>	New Fuel Purchase Price: \$ <u>2.4233</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>0.14850</u> Updated <u>0.16564</u>

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>SMC</i>		
Lisankie		<i>PLC</i>		
Pauli		<i>PPP</i>		
Pickett		<i>JWW</i>		
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.

CITY OF UNALASKA

POWER COST EQUALIZATION CALCULATION BASED ON TEST YEAR ENDING JUNE 30, 2014 Fuel Cost Update and Surcharge Change

	PC39-10JJ		PC39-1014KK
	Prior Commission Approval	Per Utility	Staff Recommended
A. Total kWh Generated	48,097,173	48,097,173	48,097,173
B. Total kWh Sold (Appendix 2)	45,197,810	45,197,810	45,197,810
C. Total Non-Fuel Costs (Appendix 2)	7,378,781	7,378,781	7,378,781
D. Non-Fuel Cost/KWH (C / B)	\$0.1633	\$0.1633	\$0.1633
E. Total Fuel and Purchased Power Costs	7,167,601	7,436,739	7,436,739
F. Fuel and Purchased Power Costs/KWH	\$0.1586	\$0.1645	\$0.1645
G. Eligible Costs/KWH (D + F)	\$0.3218	\$0.3278	\$0.3278
H. Eligible Cost/KWH (G) less base rate in effect	\$0.1460	\$0.1520	\$0.1520
I. Lesser of (H) or 82.42 cents/kWh	\$0.1460	\$0.1520	\$0.1520
J. Average Class Rates (Appendix 3)			
Residential	\$0.2227	\$0.2398	\$0.2398
Small General	\$0.1982	\$0.2153	\$0.2153
Large General	\$0.2467	\$0.2638	\$0.2638
Industrial	\$0.3166	\$0.3337	\$0.3337
Class Power Cost Equalization Per kWh Payable			
K. Lesser of: (I) x 95%, or (J)			
Residential	\$0.1387	\$0.1444	\$0.1444
Small General	\$0.1387	\$0.1444	\$0.1444
Large General	\$0.1387	\$0.1444	\$0.1444
Industrial	\$0.1387	\$0.1444	\$0.1444
L. Funding Level in Effect	100%	100%	100%
Residential	\$0.1387	\$0.1444	\$0.1444
Small General	\$0.1387	\$0.1444	\$0.1444
Large General	\$0.1387	\$0.1444	\$0.1444
Industrial	\$0.1387	\$0.1444	\$0.1444

CITY OF UNALASKA

SCHEDULE OF ELIGIBLE POWER COSTS, SALES AND EFFICIENCY BASED ON TEST YEAR ENDING JUNE 30, 2014 Fuel Cost Update and Surcharge Change

				PC39-10JJ	PC39-1014KK	
				Prior Commission Approval	Per Utility	Staff Recommended
Non-Fuel Costs:						
A.	Personnel Costs			2,568,375	2,568,375	2,568,375
B.	Operating Expenses			667,127	667,127	667,127
C.	General and Administrative			482,016	482,016	482,016
D.	Depreciation & Amortization			2,175,183	2,175,183	2,175,183
E.	Interest Expense			1,486,080	1,486,080	1,486,080
F.	Other (Describe)			0	0	0
G.	Total Non-Fuel Costs			7,378,781	7,378,781	7,378,781
Fuel Costs:						
H.	Gallons Consumed for Electric Generation			3,068,848	3,068,848	3,068,848
I.	Price of Fuel: (per gal.)	3/31/2018		\$2.33560	\$2.4233	\$2.4233
J.	Total Cost of Fuel			\$7,167,601	\$7,436,739	\$7,436,739
K.	Total Cost of Purchased Power			\$0	\$0	\$0
L.	TOTAL fuel cost & purchased power			\$7,167,601	\$7,436,739	\$7,436,739
M.	kWh Sold			45,197,810	45,197,810	45,197,810
N.	kWh Station Service			975,392	975,392	975,392
O.	Efficiency	≥	13.5	15.67	15.67	15.67
P.	Line Loss	≤	12%	4.00%	4.00%	4.00%
(kWh generated-(kWh sold + Station Service))/kWh generated						

CITY OF UNALASKA

Surcharge 0.165640

Calculation of Average Class Rate per kWh

Rate Schedule: Residential

Customer Charge (CC): \$8.00

(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	0.233950	0.165640	0.399590	207.80	0.41559	0.2398
500				207.80	0.41559	0.2398
TOTAL (A)						(E)

Rate Schedule: Small General

Customer Charge (CC): \$10.00

(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	0.205450	0.165640	0.371090	195.55	0.39109	0.2153
500				195.55	0.39109	0.2153
TOTAL (A)						(E)

Rate Schedule: Large General

Customer Charge (CC): \$50.00

(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	0.173950	0.165640	0.339590	219.80	0.43959	0.2638
500				219.80	0.43959	0.2638
TOTAL (A)						(E)

Rate Schedule: Industrial

Customer Charge (CC): \$100.00

(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	0.143850	0.165640	0.309490	254.75	0.50949	0.3337
500				254.75	0.50949	0.3337
TOTAL (A)						(E)