



STATE OF ALASKA  
DEPARTMENT OF  
**COMMERCE**  
COMMUNITY AND  
ECONOMIC DEVELOPMENT

Regulatory Commission of Alaska

*Bill Walker, Governor*  
*Mike Navarre, Commissioner*  
*Stephen McAlpine, Chairman*

June 8, 2018

In reply refer to: Finance Section  
File: PC104-0116K  
Letter Order No.: L1800249

Lloyd G. Black  
General Manager  
Napakiak Ircinraq Power Co.  
P. O. Box 34030  
Napakiak, AK 99634

Dear Mr. Black:

On June 7, 2018, the Commission approved updated **Permanent** Power Cost Equalization (PCE) levels in cents per kilowatt-hour (¢/kWh) for Napakiak Ircinraq Power Co. (NIPC), for the listed classes of customers as follows:

Residential	33.60¢
Community Facilities < 3000 kWh	33.60¢
Community Facilities > 3000 kWh	27.42¢

The revised PCE levels result from the review of NIPC's Fuel Report filed on May 31, 2018. The PCE levels are effective for bills rendered on or after June 8, 2018. A copy of the Commission Staff's recommendations and schedules are attached as an Appendix.

NIPC 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.

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

If NIPC 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 (Commissioners McAlpine and Pickett not participating).

Sincerely,

REGULATORY COMMISSION OF ALASKA



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: 7-1-1 or (800) 770-8973  
WEBSITE: <http://rca.alaska.gov>

DATE: June 8, 2018

INVOICE#: 104-0116K

DATE DUE: July 8, 2018

Lloyd Black  
General Manager  
Napakiak Ircinraq Power Co.  
P. O. Box 34030  
Napakiak, AK 99634

Fee for Commission Staff analysis and recommendations Re:

**FILE #: PC104-0116K**  
**LO #: L1800249**

**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. 8<sup>TH</sup> 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](mailto:valerie.fletcher-mitchell@alaska.gov).

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**Napakiak Ircinraq Power Co.**

**FILE #: PC104-0116K**

**Amount Due: \$ 39**

**LO #: L1800249**

**Check Number** \_\_\_\_\_

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

# Napakiak Ircinraq Power Co. Purchased Power Update

Date: June 7, 2018

Utility Name (Cert. No.) <b>Napakiak Ircinraq Power Company (319)</b>	Utility File No. <b>PC104-0116K</b>	Date Filed: <b>May 31, 2018</b>
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PCE LEVEL SUMMARY	Previously Approved PC104-0116J	Staff Recommended Level(s) and Effective Date PC104-0116K
Class Rate	<u>Date Approved:</u> June 16, 2018	June 8, 2018
Residential	\$0.3122	\$0.3360
Community Facilities < 3000 kWh	\$0.3122	\$0.3360
Community Facilities > 3000 kWh	\$0.2742	\$0.2742
<input type="checkbox"/> Interim <input checked="" type="checkbox"/> Permanent		<input type="checkbox"/> Interim <input checked="" type="checkbox"/> Permanent

Prior Power Purchase Price: <u>\$0.2750</u>	New Power Purchase Price: <u>\$0.2986</u>
<input type="checkbox"/> Actual <input checked="" type="checkbox"/> Weighted	<input type="checkbox"/> Actual <input checked="" type="checkbox"/> Weighted
Delivery Charge: _____	Surcharge Change: Previous _____ Updated _____

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Signed: *Brenda Cox*  
Brenda Cox

Utility Financial Analyst

Commission decision re. this recommendation :

	Date (if different from 6/7/18)	I CONCUR	I DO NOT CONCUR	I WILL WRITE A DISSENTING STATEMENT *
McAlpine				
Lisankie		<i>PLC</i>		
Pickett				
Scott		<i>AGS</i>		
Wilson		<i>TWW</i>		

\*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.

# Napakiak Ircinraq Power Co.

APPENDIX 1

POWER COST EQUALIZATION CALCULATION  
FOR THE PERIOD ENDING October 31, 2015  
Purchased Power Update

	PC104-0116J	PC104-0116K	PC104-0116K
	Prior Commission Approval	Utility Request	Staff Recommended
A. Total kWh Purchased	602,367	602,367	602,367
B. Total kWh Sold (Appendix 2)	566,337	566,337	566,337
C. Total Non-Fuel Costs (Appendix 2)	120,006	120,006	120,006
<b>D. Non-Fuel Cost/kWh (C / B)</b>	<b>\$0.2119</b>	<b>\$0.2119</b>	<b>\$0.2119</b>
E. Total Fuel/Power Costs (Appendix 2)	165,651	179,867	179,867
<b>F. Fuel/ Power Costs/kWh (E / B)</b>	<b>\$0.2925</b>	<b>\$0.3176</b>	<b>\$0.3176</b>
G. Eligible Costs/kWh (D + F)	\$0.5044	\$0.5295	\$0.5295
H. Eligible Cost/kWh (G) less base rate in effect	\$0.3286	\$0.3537	\$0.3537
I. Lesser of (H) or 82.42 cents/kWh	\$0.3286	\$0.3537	\$0.3537
J. Average Class Rates (Appendix 3)			
Residential	\$0.4882	\$0.4882	\$0.4882
Community Facilities < 3000 kWh	\$0.4882	\$0.4882	\$0.4882
Community Facilities > 3000 kWh	\$0.2742	\$0.2742	\$0.2742
Class Power Cost Equalization Per kWh Payable			
K. Lesser of: (I) x 95% or (J)			
Residential	\$0.3122	\$0.3360	\$0.3360
Community Facilities < 3000 kWh	\$0.3122	\$0.3360	\$0.3360
Community Facilities > 3000 kWh	\$0.2742	\$0.2742	\$0.2742
<b>L. Funding Level in Effect</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>Residential</b>	<b>\$0.3122</b>	<b>\$0.3360</b>	<b>\$0.3360</b>
<b>Community Facilities &lt; 3000 kWh</b>	<b>\$0.3122</b>	<b>\$0.3360</b>	<b>\$0.3360</b>
<b>Community Facilities &gt; 3000 kWh</b>	<b>\$0.2742</b>	<b>\$0.2742</b>	<b>\$0.2742</b>

PC104-0116K  
Appendix 1

# Napakiak Ircinraq Power Co.

APPENDIX 2

## SCHEDULE OF ELIGIBLE POWER COSTS, SALES, AND EFFICIENCY FOR THE PERIOD ENDING October 31, 2015 Purchased Power Update

	PC104-0116J		PC104-0116K
	Prior Commission Approval	Utility Request	Per Staff
<b>Non-Fuel Costs:</b>			
A. Personnel Expenses	68,208	68,208	68,208
B. Operating Expenses	-	-	-
C. General & Administrative	48,548	48,548	48,548
D. Depreciation Expense	3,250	3,250	3,250
E. Interest Expense	-	-	-
<b>F. Total Non-Fuel Costs</b>	<b>\$120,006</b>	<b>120,006</b>	<b>120,006</b>
<b>Fuel Costs:</b>			
G. kWh purchased from AVEC During Test Year	602,367	602,367	602,367
H. AVEC power cost Weighted average cost per kWh	\$0.2750	\$0.2986	\$0.2986
<b>Total Cost of Fuel/Power</b>	<b>\$165,651</b>	<b>\$179,867</b>	<b>\$179,867</b>
I. kWh Sales	566,337	566,337	566,337
J. kWh Station Service	2,060	2,060	2,060
K. Line Loss ≤ 12%	5.64%	5.64%	5.64%
(purchased power- (kWh sold + Station Service))/purchased power			

### Weighted Average Cost of Purchased Power:

Purchased Power Cost:	180,154.94
Divided by kWh Purchased:	<u>603,233</u>
Avg Cost per kWh:	0.2986

PC104-0116K  
Appendix 2



# Napakiak Ircinraq Power Company

Alternate Form

Appendix 3

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## Calculation of Average Class Rate per kWh

Rate Schedule: ALL

(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
500	0.6640	0.0000	0.6640	332.00	0.6640	0.4882
500				332.00	0.6640	0.4882
TOTAL (A)						(E)

## Computation of Community Facilities Average Rate

Rate Schedule: ALL

	(A) Rate (\$/kWh)	(B) Surcharge If Applicable (\$/kWh)	(C) Total Rate (\$/kWh) (A+B)	(7) Avg. Rate (\$/kWh) - 0.1758 kWh
0 to 3000	0.6640	0.0000	0.6640	0.4882
> 3000	0.4500		0.4500	0.2742
Next to				
Next to				
Next to				

PC104-0116K

Appendix 3

# Napakiak Ircinraq Power Company

Power Purchases From  
Alaska Village Electric Cooperative  
4631 Eagle St.  
Anchorage, AK 99503-7431

Napakiak Ircinraq Power Company

	kWh				Customer			
Month	Purchased	Elec Serv Chg	Demand Chg	Fuel Cost Chg	Serv Chg	Other	Total	Late Fee
5/17	43,881	87.76	2,832.27	6,972.69	33.42	595.57	10,521.71	
6/17	40,794	81.59	2,832.27	6,482.17	33.42	565.77	9,995.22	
7/17	43,124	86.25	2,832.27	6,852.40	33.42	588.26	10,392.60	
8/17	39,899	79.80	2,832.27	7,465.10	33.42	624.64	11,035.23	
9/17	41,397	82.79	3,090.75	7,745.38	33.42	657.14	11,609.48	
10/17	50,578	101.16	2,832.27	9,463.14	33.42	745.80	13,175.79	
11/17	47,030	94.06	3,137.48	11,362.45	33.42	877.64	15,505.05	
12/17	54,827	109.65	3,834.88	13,246.20	33.42	1,033.45	18,257.60	
01/18	54,177	108.35	3,884.31	13,289.62	33.42	1,038.94	18,354.64	
2/18	49,237	98.47	3,573.15	12,077.84	33.42	946.97	16,729.85	
3/18	69,647	139.29	3,902.40	17,084.41	33.42	1,269.57	22,429.09	
4/18	68,642	137.28	3,707.93	17,016.35	33.42	1,253.70	22,148.68	
	603,233	1,206.45	39,292.25	129,057.75	401.04	10,197.45	180,154.94	

Purchased Power Cost: \$180,154.94

Divided by kWh Purchased: 603,233

Avg Cost/kWh \$0.2986