



STATE OF ALASKA
DEPARTMENT OF
COMMERCE
COMMUNITY AND
ECONOMIC DEVELOPMENT

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

Regulatory Commission of Alaska

June 12, 2018

In reply refer to: Tariff Section
File: TA304-4
LO#: L1800255

Daniel M. Dieckgraeff
Director of Rates and Regulatory Affairs
ENSTAR Natural Gas Company
P.O. Box 190288
Anchorage, AK 99519-0288

Dear Mr. Dieckgraeff:

ENSTAR Natural Gas Company (ENSTAR) filed TA304-4 on April 30, 2018, seeking to update its Service Line Installation Fees, Meter Installation Charge, Standard Construction Costs, Average Customer Load, Standard Load Allowance, and Standard Meter Allowance for the 2019 building season. In addition, ENSTAR proposed to revise its methodology for calculating the Standard Construction Costs, Service Line Installation Fees, and Meter Installation Charge. On June 7, 2018, the Regulatory Commission of Alaska approved Tariff Sheet Nos. 59, 61, and 231, filed April 30, 2018, Tariff Sheet No. 236, filed May 15, 2018, and Tariff Sheet No. 238, filed May 24, 2018, by ENSTAR in TA304-4. The effective date of the tariff sheets of June 14, 2018.

Enclosed are validated copies of the approved tariff sheets. Please note that the effective date has been added to the bottom right corner of each tariff sheet. In addition, a margin notation has been removed from Tariff Sheet No. 61 in accordance with 3 AAC 48.360(g) and a reference to TA304-4 was added to the bottom left corner of Tariff Sheet No. 238.

BY DIRECTION OF THE COMMISSION (Commissioners Stephen McAlpine and Robert M. Pickett not participating)

Sincerely,

REGULATORY COMMISSION OF ALASKA

Julie C. Vogler
Finance Section Manager

Enclosures



ENSTAR Natural Gas Company

§602 Extension of Mains

§602a General

The Utility will construct the facilities necessary to extend a Gas Distribution Main (a "Main Extension") to any location within its certificated area if the Main Extension is economically feasible and does not cause an unreasonable added cost burden to be borne by existing Customers. With the exception of Feeder Mains described in Section 602f(4) below, each Main Extension must be considered individually for economic feasibility. A Main Extension may involve one or more Participants.

§602b Costs to Construct

The Utility will calculate the costs to construct each Main Extension. These costs are based on the facilities necessary to provide service and include Mains, underground service pipes, meters, regulators, etc., as well as the engineering and supervision necessary to design and construct the facilities to meet all legal and safety requirements (including applicable overhead costs).

§602b(1) Standard Construction Costs

In calculating the costs to construct a Main Extension, the Utility will use the Standard Construction Costs (Sheet 236) applicable for the year of construction.

On or before May 1 of each year, the Utility will, by tariff advice letter, file the Standard Construction Costs applicable for the next calendar year. The Standard Construction Costs filed will be calculated by using the actual average cost per foot of the construction of two-inch Main Extensions for the previous five years subject to a 10% increase limitation over the previous approved cost per foot. For example, if the approved Standard Construction Cost for a given year (Year 1) is \$20.00 per foot, and the calculated five year average for the next year (Year 2) is \$23.00, the 10% increase limitation would apply and the new revised Standard Construction Cost for the next year (Year 2) would be \$22.00. Further, when computing the Standard Construction Cost for Year 3, the increase limitation will be based upon the revised Standard Construction Cost for Year 2 of \$22.00.



ENSTAR Natural Gas Company

§602b(5) Calculation

For Main Extensions utilizing Standard Construction Costs, the costs to construct a Main Extension will be the total of the footage for a two-inch Main necessary to provide service multiplied by the applicable Standard Construction Cost plus any Charges in Excess of Standard Costs. For Main Extensions requiring pipe in excess of two inches, the costs to construct the Main Extension will be calculated in accordance with Section 602b(3) above.

§602c Free Main Allowance

In determining if a Main Extension is economically feasible, the Utility will calculate a Free Main Allowance. This allowance is an estimate of the amount of Main expenditure that can be incurred for an "average" Customer of each class without significant adverse effect to the existing Customer base.

§602c(1) Standard Load Allowances

In calculating the Free Main Allowance for a Main Extension, the Utility will use the Standard Load Allowances (Sheet 236) applicable for the year of construction. On or before May 1 of each year, the Utility will, by tariff advice letter, file Standard Load Allowances and supporting documentation applicable for the next calendar year. The Standard Load Allowances will be the actual average embedded plant cost per Customer for each Customer class as of the end of the prior calendar year less that prior calendar year's cost per Customer (by class) for meter assemblies and Service Lines. These per Customer costs will be calculated using the methodology accepted by the Commission in the Utility's most recent cost of service study. For computing average loads the Utility will use the following:

		<u>2018</u>	<u>2019</u>		C
§602c(1)(a)	Average G1 load	146	146	Mcf per year	
§602c(1)(b)	Average G2 load	379	380	Mcf per year	I
§602c(1)(c)	Average G3 load	1,189	1,192	Mcf per year	I
§602c(1)(d)	Average G4 load	7,473	7,490	Mcf per year	I



ENSTAR Natural Gas Company

§2501 SCHEDULE OF FEES AND CHARGES

	<u>Rule</u>	<u>Service or Charge</u>	<u>Amount</u>		
			<u>2018</u>	<u>2019</u>	
§2501a	601b(1)	<u>Service Line Installation Fees</u>			
§2501a(1)	601b(1)(a)	Service piping sized less than 2"			
		Basic Service Line Installation Fee	\$ 670	\$ 688	I
		Excess Footage Charge (Per Foot)	\$ 2.00	\$ 2.00	
§2501a(2)	601b(1)(b)	Service piping sized 2" or greater	½ Cost*	½ Cost*	
§2501b	601c	<u>Meter Installation Charge</u>			
		Meter Size:			
		G1	\$ 281	\$ 276	R
		G2	\$ 462	\$ 462	
		G3 Low	\$1,210	\$1,201	R
		G3 Mid	\$2,366	\$2,360	R
		G3 High	\$4,633	\$4,397	R
		G4 Low	\$5,399	\$5,395	R
		G4 High	\$5,722	\$5,559	R
		Meter sized greater than 5000	Cost*	Cost*	
§2501c	601c(2)	Electronic Meter Reading Device (ERD) ERD's are included in all installations as a portion of the meter cost.	None	None	
§2501d	601c(2)	Remote metering equipment, data telemetry	Cost*	Cost*	
§2501e		*Cost includes the cost of materials, installation and overheads.			



ENSTAR Natural Gas Company

§2601 Standard Construction Costs and Standard Load Allowances To Be Used in Computing Main Extensions

§2601a	Standard Construction Costs	<u>2018</u>	<u>2019</u>	C
	Installed price of 2-inch plastic			
	Main Pursuant to Section 602 b(1)	\$20.53 Per Foot	\$21.38 Per Foot	I

§2601b Standard Load Allowances

2018

<u>Customer Class</u>	<u>Embedded Cost Per Customer</u>	<u>Average Load Per Customer (Mcf)</u>	<u>Standard Load Allowance Per Mcf of Estimated Load</u>	
G1	\$ 813	146	\$5.57	
G2	\$ 2,051	379	\$5.41	
G3	\$ 6,359	1,189	\$5.35	
G4	\$35,779	7,473	\$4.79	

2019

<u>Customer Class</u>	<u>Embedded Cost Per Customer</u>	<u>Average Load Per Customer (Mcf)</u>	<u>Standard Load Allowance Per Mcf of Estimated Load</u>	
G1	\$ 709	146	\$4.85	R
G2	\$ 1,808	380	\$4.76	R
G3	\$ 5,565	1,192	\$4.67	R
G4	\$33,474	7,490	\$4.47	R



ENSTAR Natural Gas Company

§2701 Standard Meter Allowances To Be Used in Computing Meter Set Installation Fees

2018

C

<u>Customer Class</u>	<u>Embedded Cost Per Customer</u>	<u>Average Load Per Customer (Mcf)</u>	<u>Standard Meter Allowance Per Mcf of Estimated Load</u>
G1	\$ 125	146	\$0.86
G2	\$ 313	379	\$0.83
G3	\$ 1,293	1,189	\$1.09
G4	\$ 4,386	7,473	\$0.59

2019

C

<u>Customer Class</u>	<u>Embedded Cost Per Customer</u>	<u>Average Load Per Customer (Mcf)</u>	<u>Standard Meter Allowance Per Mcf of Estimated Load</u>
G1	\$ 158	146	\$1.08
G2	\$ 244	380	\$0.64
G3	\$ 999	1,192	\$0.84
G4	\$ 2,687	7,490	\$0.36

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