



STATE OF ALASKA
DEPARTMENT OF
COMMERCE
COMMUNITY AND
ECONOMIC DEVELOPMENT

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

Regulatory Commission of Alaska

April 20, 2018

In reply refer to: Finance Section
File: PC15-0417L
Letter Order No.: L1800168

Emma Merritt
Manager of Finance & Administration
Cordova Electric Cooperative, Inc.
P.O. Box 20
Cordova, AK 99574-0020

Dear Ms. Merritt:

On April 19, 2018, the Commission approved updated **Permanent** Power Cost Equalization (PCE) levels in cents per kilowatt-hour (¢/kWh) for Cordova Electric Cooperative, Inc. (CECI), for the listed classes of customers as follows:

Residential	9.22¢
Community Facilities	
Boat Harbor	9.22¢
General Service 0 to 500 kWh	9.22¢
General Service over 500 kWh	9.22¢
Large Power 0 to 5,000 kWh	9.22¢
Large Power 5,001 to 20,000 kWh	9.22¢
Large Power Over 20,000 kWh	9.22¢
Street Lights	9.22¢

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

CECI 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.

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

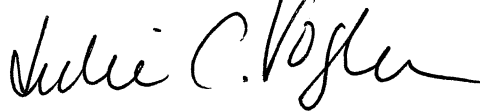
If CECI believes that the calculation used to establish the PCE level set out above is incorrect, it should seek reconsideration setting forth why it believes the calculation is in error. Any reconsideration request must be submitted within 15 days of the date of this Letter Order.

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", is written over the printed name.

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#: 15-0417L

DATE DUE: May 20, 2018

Emma Merritt
Manager of Finance & Administration
Cordova Electric Cooperative, Inc.
P.O. Box 20
Cordova, AK 99574-0020

Fee for Commission Staff analysis and recommendations Re:

FILE #: PC15-0417L

LO #: L1800168

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.

Cordova Electric Cooperative, Inc.

FILE #: PC15-0417L

Amount Due: \$ 39

LO #: L1800168

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.) CORDOVA ELECTRIC COOPERATIVE, INC. (160)	Utility File No. PC15-0417L	Date Filed: April 6, 2018
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PCE LEVEL SUMMARY	Previously Calculated PC15-0417K	Staff Recommended Level(s) and Effective Date PC15-0417L
Class Rate	<u>Date Approved:</u> April 6, 2018	April 20, 2018
Residential	\$0.0937	\$0.0922
Community Facilities:		
Boat Harbor	\$0.0937	\$0.0922
General Service 0 to 500 kWh	\$0.0937	\$0.0922
General Service over 500 kWh	\$0.0937	\$0.0922
Large Power 0 to 5,000 kWh	\$0.0937	\$0.0922
Large Power 5,001 to 20,000 kWh	\$0.0937	\$0.0922
Large Power Over 20,000 kWh	\$0.0937	\$0.0922
Street Lights	\$0.0937	\$0.0922
<input type="checkbox"/> Interim <input checked="" type="checkbox"/> Permanent <input type="checkbox"/> Interim <input checked="" type="checkbox"/> Permanent		


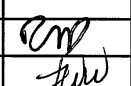
Prior Fuel Purchase Price: <u>\$2.6379</u>	New Fuel Purchase Price: <u>\$2.5587</u>
<input type="checkbox"/> Actual <input checked="" type="checkbox"/> Weighted	<input type="checkbox"/> Actual <input checked="" type="checkbox"/> Weighted
Delivery Charge: _____	Surcharge Change: Previous <u>0.05737</u> Updated <u>0.10370</u>

Signed: 
Brenda Cox

Utility Financial Analyst

Commission decision re. this recommendation :

McAlpine
Lisankie
Pauli
Pickett
Wilson

Date (if different from 4/19/18)	I CONCUR	I DO NOT CONCUR	I WILL WRITE A DISSENTING STATEMENT *
			
			

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.

CORDOVA ELECTRIC COOPERATIVE, INC.

POWER COST EQUALIZATION CALCULATION
 BASED ON TEST PERIOD ENDING DECEMBER 31, 2016
Fuel Cost Update and Surcharge Change

	PC15-0417K	PC15-0417L
	Prior Commission Approval	Utility Request Staff Recommended
A. Total kWh Generated	25,143,424	25,143,424
B. Total kWh Sold (Appendix 2)	23,444,126	23,444,126
C. Total Non-Fuel Costs (Appendix 2)	\$5,257,401	\$5,257,401
D. Non-Fuel Cost/kWh (C / B)	\$0.2243	\$0.2243
E. Total Fuel Costs (Appendix 2)	\$1,175,580	\$1,140,285
F. Fuel Costs/kWh (E / B)	\$0.0501	\$0.0486
G. Eligible Costs/kWh (D + F)	\$0.2744	\$0.2729
H. Eligible Cost/kWh (G) less base rate in effect	\$0.0986	\$0.0971
I. Lesser of (H) or 83.33 cents/kWh	\$0.0986	\$0.0971
J. Average Class Rates (Appendix 3)		
Residential	\$0.2338	\$0.2801
Community Facilities:		
Boat Harbor	\$0.2345	\$0.2808
General Service 0 to 500 kWh	\$0.1879	\$0.2342
General Service over 500 kWh	\$0.1503	\$0.1966
Large Power 0 to 5,000 kWh	\$0.2062	\$0.2525
Large Power 5,001 to 20,000 kWh	\$0.1832	\$0.2295
Large Power Over 20,000 kWh	\$0.1600	\$0.2063
Street Lights	\$0.1681	\$0.2144
Class Power Cost Equalization Per kWh Payable		
K. Lesser of: (I) x 95% or (J)		
Residential	\$0.0937	\$0.0922
Community Facilities:		
Boat Harbor	\$0.0937	\$0.0922
General Service 0 to 500 kWh	\$0.0937	\$0.0922
General Service over 500 kWh	\$0.0937	\$0.0922
Large Power 0 to 5,000 kWh	\$0.0937	\$0.0922
Large Power 5,001 to 20,000 kWh	\$0.0937	\$0.0922
Large Power Over 20,000 kWh	\$0.0937	\$0.0922
Street Lights	\$0.0937	\$0.0922
L. Funding Level in Effect	100%	100%
Residential	\$0.0937	\$0.0922
Community Facilities:		
Boat Harbor	\$0.0937	\$0.0922
General Service 0 to 500 kWh	\$0.0937	\$0.0922
General Service over 500 kWh	\$0.0937	\$0.0922
Large Power 0 to 5,000 kWh	\$0.0937	\$0.0922
Large Power 5,001 to 20,000 kWh	\$0.0937	\$0.0922
Large Power Over 20,000 kWh	\$0.0937	\$0.0922
Street Lights	\$0.0937	\$0.0922

CORDOVA ELECTRIC COOPERATIVE, INC.

SCHEDULE OF ELIGIBLE POWER COSTS, SALES, AND EFFICIENCY

BASED ON TEST PERIOD ENDING DECEMBER 31, 2016

Fuel Cost Update and Surcharge Change

		PC15-0417K	PC15-0417L	
		Prior Commission Approval	Per Utility	Per Staff
Non-Fuel Costs:				
A. Hydraulic Power Generation		734,419	734,419	734,419
B. Other Power Generation		798,864	798,864	798,864
C. Distribution Expenses		695,937	695,937	695,937
D. Consumer Expenses		305,814	305,814	305,814
E. Administrative & General		1,164,204	1,164,204	1,164,204
F. Allowable Fixed Costs		1,531,670	1,531,670	1,531,670
G. Fuel Cartage, Lube Oil & Boiler Fuel		28,024	28,024	28,024
Revenues not related to Operating Exp.				
H.1 Interest Income		0	0	0
H.2 Non-operating Income		(132,843)	(132,843)	(132,843)
Non-operating Expense		131,312	131,312	131,312
Total Non-Fuel Costs		\$5,257,401	\$5,257,401	\$5,257,401
Fuel Costs:				
I. Gallons Consumed for Electric Generation		445,650	445,650	445,650
J. Price of Fuel		2.6379	2.5587	2.5587
K. Total Cost of Fuel		\$1,175,580	\$1,140,285	\$1,140,285
L. Total Sales		23,444,126	23,444,126	23,444,126
M.1 kWh Generated Diesel		5,733,054	5,733,054	5,733,054
M.2 kWh Generated Hydro		19,410,370	19,410,370	19,410,370
M.3 Total kWh Generated		25,143,424	25,143,424	25,143,424
N. Station Service		272,540	272,540	272,540
O. Fuel Efficiency	Standard			
(M.1/I)	≥ 12.0	12.86	12.86	12.86
P. Line Loss	≤ 12%	5.67%	5.67%	5.67%

((kWh generated-(kWh sales+ Station Service))/kWh generated

PC15-0417L

Appendix 2

CORDOVA ELECTRIC COOPERATIVE, INC.

Surcharge 0.10370
Fuel Price \$2.55870

Calculation of Average Class Rate per kWh

Rate Schedule: 100 Residential

Customer Charge (CC): \$28

(1) kWh by	(2) Rate	(3) Surcharge If Applicable	(4) Total (\$/kWh)	(5) Total \$	(6) Avg. (\$/kWh)	(7) Avg. Rate (\$/kWh) -
Block	(\$/kWh)	(\$/kWh)	(2+3)	(1x4)+ CC	(5)/(1)	\$0.1758 kWh
500	0.2962	0.10370	0.3999	227.95	0.4559	0.2801

500 227.95 0.4559 0.2801
TOTAL (A) (E)

Rate Schedule: Boat Harbor

Customer Charge (CC) : \$28

(1) kWh by	(2) Rate	(3) Surcharge If Applicable	(4) Total (\$/kWh)	(5) Total \$	(6) Avg. (\$/kWh)	(7) Avg. Rate (\$/kWh) -
Block	(\$/kWh)	(\$/kWh)	(2+3)	(1x4)+ CC	(5)/(1)	\$0.1758 kWh
500	0.296900	0.10370	0.4006	228.30	0.4566	0.2808

TOTAL (A) (E)

Rate Schedule:

(1) kWh by	(2) Rate	(3) Surcharge If Applicable	(4) Total (\$/kWh)	(5) Total \$	(6) Avg. (\$/kWh)	(7) Avg. Rate (\$/kWh) -
Block	(\$/kWh)	(\$/kWh)	(2+3)	(1x4)	(5)/(1)	\$0.1758 kWh

TOTAL (A) (E)

CORDOVA ELECTRIC COOPERATIVE, INC.

Computation of Community Facilities Average Rate

Rate Schedule: 200 General Service Consumer Charge: \$23.50

	(A) Rate (\$/kWh)	(B) Surcharge If Applicable (\$/kWh)	(C) Total Rate (\$/kWh) (A+B)+ (CC/500)	(7) Avg. Rate (\$/kWh) - \$0.1758 kWh
0 to 500	0.2593	0.10370	0.4100	0.2342
501 to 9,999,999	0.2217	0.10370	0.3724	0.1966

Rate Schedule: 800 Large Power Consumer Charge: \$60.00

	(A) Rate (\$/kWh)	(B) Surcharge If Applicable (\$/kWh)	(C) Total Rate (\$/kWh) (A+B) + (CC/500)	(7) Avg. Rate (\$/kWh) - \$0.1758 kWh
0 to 5000	0.2046	0.10370	0.4283	0.2525
5,001 to 25,000	0.1816	0.10370	0.4053	0.2295
Over 25,000	0.1584	0.10370	0.3821	0.2063

Rate Schedule: 900 Street Lights

	(A) Rate (\$/kWh)	(B) Surcharge If Applicable (\$/kWh)	(C) Total Rate (\$/kWh) (A+B)	(7) Avg. Rate (\$/kWh) - \$0.1758 kWh
0 to ∞	0.2865	0.10370	0.3902	0.2144

Surcharge Calculation:

Fuel Price= \$2.55870
Surcharge= \$0.10370

CORDOVA ELECTRIC COOPERATIVE, INC.

Fuel Purchases

ORCA:

Date	Invoice No.	Gallons	Price	Cartage	Cost	Weighted Average Cost
Balance		22,353.0	\$2.6000		\$58,118.38	\$2.6000
03/02/18	117750	5,951.0	\$2.5491		\$15,169.69	
03/05/18	117823	10,502.0	\$2.5491		\$26,770.65	
03/08/18	118006	11,472.0	\$2.5491		\$29,243.27	
03/09/18	118066	4,074.0	\$2.5491		\$10,385.03	
03/12/18	118079	10,338.0	\$2.5491		\$26,352.60	
03/14/18	118183	5,992.0	\$2.5491		\$15,274.21	
03/16/18	118332	4,810.0	\$2.5491		\$12,261.17	
03/19/18	118423	7,808.0	\$2.5491		\$19,903.37	
03/22/18	118561	9,056.0	\$2.5491		\$23,084.65	
03/23/18	118739	3,824.0	\$2.5491		\$9,747.75	
03/27/18	18833	11,499.0	\$2.5491		\$29,312.10	
03/30/18	118955	10,393.0	\$2.5491		\$26,492.79	

SubTotal	<u>118,072</u>	<u>\$302,115.66</u>	\$2.5587
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300kW

Starting Bal-300 kW	0	\$0.0000	\$0.00
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SubTotal	<u>0</u>	<u>\$0.00</u>	\$0.0000
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Avg Cost of Fuel Avail

<u>118,072</u>	<u>\$302,115.66</u>
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**Total Weighted Average
\$2.5587**

Surcharge Calculation:

Fuel Price=	\$2.5587
Surcharge=	\$0.10370