



STATE OF ALASKA
DEPARTMENT OF
COMMERCE
COMMUNITY AND
ECONOMIC DEVELOPMENT

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

Regulatory Commission of Alaska

June 8, 2018

In reply refer to: Finance Section
File: PC44-1014H
Letter Order No.: L1800245

Daisy Weinard
General Manager
Ipnatchiaq Electric Company
P.O. Box 36021
Deering, AK 99736-0021

Dear Ms. Weinard:

On June 7, 2018, the Commission approved updated **Permanent** Power Cost Equalization (PCE) levels in cents per kilowatt-hour (¢/kWh) for Ipnatchiaq Electric Company (IEC), for the listed classes of customers as follows:

All	26.00¢
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The revised PCE levels result from the review of IEC's Rate Change filed on March 30, 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.

IEC 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.

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

If IEC 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#: 44-1014H

DATE DUE: July 8, 2018

Daisy Weinard
General Manager
Ipnatchiaq Electric Company
P.O. Box 36021
Deering, AK 99736-0021

Fee for Commission Staff analysis and recommendations Re:

FILE #: PC44-1014H

LO #: L1800245

Rate Change 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.

Ipnatchiaq Electric Company

FILE #: PC44-1014H

Amount Due: \$ 39

LO #: L1800245

Check Number _____

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

Power Cost Memorandum Rate Change

Date: June 7, 2018

Utility Name (Cert. No.) Ipnotchia Electric Company (369)	Utility File No. PC44-1014H	Date Filed: May 30, 2018
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PCE LEVEL SUMMARY	Previously Approved PC44-1014G	Staff Recommended Level(s) and Effective Date PC44-1014H
Class Rate	<u>Date Approved:</u> September 8, 2017	June 8, 2018
All	\$0.2600	\$ 0.2600
	<input type="checkbox"/> Interim <input checked="" type="checkbox"/> Permanent	<input type="checkbox"/> Interim <input checked="" type="checkbox"/> Permanent

Prior Fuel Purchase Price: <u>\$2.6438</u>	New Fuel Purchase Price: \$ 2.6438
Delivery Charge: <input type="checkbox"/> Actual <input checked="" type="checkbox"/> Weighted	<input type="checkbox"/> Actual <input checked="" type="checkbox"/> Weighted
Surcharge Change: Previous _____	Updated _____

Weighted Average Fuel Price/Gal. Calculation					
	Gallons		Price		
On-hand before deliv.	11,000	X	2.6438	=	29,082.23
Delivered	-	X	-	=	-
	<u>11,000</u>			\$	<u>29,082.23</u>
					Weighted Average
					<u>\$ 2.6438</u>

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>PL</i>		
Pickett				
Scott		<i>AS</i>		
Wilson		<i>JWN</i>		

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.

IPNATCHIAQ ELECTRIC COMPANYPOWER COST EQUALIZATION CALCULATION
FOR PERIOD ENDING JUNE 30, 2014**Rate Change**

	PC44-1014G	PC44-1014H
	Prior Commission Approval	Utility Request Staff Recommended
A. Total KWH Generated	719,099	719,099
B. Total KWH Sold (Appendix 2)	642,809	642,809
C. Total Non-Fuel Costs (Appendix 2)	143,346	143,346
D. Non-Fuel Cost/KWH (C / B)	\$0.2230	\$0.2230
E. Total Fuel Costs (Appendix 2)	145,607	145,607
F. Fuel Costs/KWH (E / B)	\$0.2265	\$0.2265
G. Eligible Costs/KWH (D + F)	\$0.4495	\$0.4495
H. Eligible Cost/KWH (G) Less 17.58 cents/kWh	\$0.2737	\$0.2737
I. Lesser of (H) or 82.42 cents/kWh	\$0.2737	\$0.2737
J. Average Class Rates (Appendix 3) All	\$0.5389	\$0.4789
Class Power Cost Equalization Per kWh Payable		
K. Lesser of: (I) x 95%, or (J) All	\$0.2600	\$0.2600
L. Funding level in effect All	100%	100%
	\$0.2600	\$0.2600

PC44-1014H
Appendix 1

IPNATCHIAQ ELECTRIC COMPANY

SCHEDULE OF ELIGIBLE POWER COSTS, SALES AND EFFICIENCY
FOR PERIOD ENDING JUNE 30, 2014

Rate Change

		PC44-1014G	PC44-1014H	
		Prior Commission Approval	Utility Request	Per Staff
Non-Fuel Costs:				
A. Personnel Costs		78,355	78,355	78,355
B. Power Plant Parts & Supplies		14,389	14,389	14,389
C. Repairs and Maintenance		12,459	12,459	12,459
D. General and Administrative		30,761	30,761	30,761
E. Depreciation & Amortization		7,383	7,383	7,383
F. Interest Expense		0	0	0
G. Other (Describe)		0	0	0
H. Total Non-Fuel Costs		143,346	143,346	143,346
Fuel Costs:				
I. Gallons Consumed for Electric Generation		55,074	55,074	55,074
J. Price of Fuel Weighted Average		\$2.6438	\$2.6438	\$2.6438
K. Total Cost of Fuel (I x J)		\$145,607	\$145,607	\$145,607
L. kWh Generated		719,099	719,099	719,099
M. kWhSales		642,809	642,809	642,809
N. Efficiency (L / I)	\geq <u>Standard</u> 11.50	13.06	13.06	13.06
O. Line Loss & Station Service (kWh generated - kWh sold)/kWh generated	\leq 12%	10.61%	10.61%	10.61%

PC44-1014H
Appendix 2

IPNATCHIAQ ELECTRIC COMPANY

CALCULATION OF AVERAGE CLASS RATE PER kWh

Rate Schedule: **Residential**

(1) Block (by kWh)	(2) Rate (\$/kWh)	(3) Surcharge (\$/kWh)	(4) Total (\$/kWh) (2+3)	(5) Total \$ (1x4)	(6) Avg. (\$/kWh) (5)/(1)	(7) Avg. Rate (\$/kWh) - \$ 0.1758
0 to 500	0.6547		0.6547	327.3500		
to						
to						
to						
Max 500			Total	327.3500	0.6547	0.4789

Rate Schedule:

(1) Block (by kWh)	(2) Rate (\$/kWh)	(3) Surcharge (\$/kWh)	(4) Total (\$/kWh) (2+3)	(5) Total \$ (1x4)	(6) Avg. (\$/kWh) (5)/(1)	(7) Avg. Rate (\$/kWh) - \$ 0.1758
0 to 500						
to						
to						
to						
Max 500			Total			

Rate Schedule:

(1) Block (by kWh)	(2) Rate (\$/kWh)	(3) Surcharge (\$/kWh)	(4) Total (\$/kWh) (2+3)	(5) Total \$ (1x4)	(6) Avg. (\$/kWh) (5)/(1)	(7) Avg. Rate (\$/kWh) - \$ 0.1758
0 to 500						
to						
to						
to						
Max 500			Total			

Rate Schedule:

(1) Block (by kWh)	(2) Rate (\$/kWh)	(3) Surcharge (\$/kWh)	(4) Total (\$/kWh) (2+3)	(5) Total \$ (1x4)	(6) Avg. (\$/kWh) (5)/(1)	(7) Avg. Rate (\$/kWh) - \$ 0.1758
0 to						
to						
to						
to						
Max 500			Total			