



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: PC77-1115G
Letter Order No.: L1800248

Allysa Apalayak
Manager
Manokotak Power Company
P.O. Box 149
Manokotak, AK 99628

Dear Ms. Apalayak:

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

All	24.18¢
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The revised PCE levels result from the review of MPC's Fuel Report filed on March 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.

MPC 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.

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

If MPC 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#: 77-1115G

DATE DUE: July 8, 2018

Allysa Apalayak
Manager
Manokotak Power Company
P.O. Box 149
Manokotak, AK 99628

Fee for Commission Staff analysis and recommendations Re:

FILE #: PC77-1115G

LO #: L1800248

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.

Manokotak Power Company

FILE #: PC77-1115G

Amount Due: \$ 39

LO #: L1800248

Check Number _____

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

Power Cost Memorandum Fuel Cost Update

Date: June 7, 2018

Utility Name (Cert. No.) (321) MANOKOTAK POWER COMPANY	Utility File No. PC77-1115G	Date Filed: May 31, 2018
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PCE LEVEL SUMMARY	Previously Approved PC77-1115F	Staff Recommended Level(s) and Effective Date PC77-1115G
Class Rate	<u>Date Approved:</u> January 19, 2018	June 8, 2018
All	\$0.2504	\$0.2418
<input type="checkbox"/> Interim <input checked="" type="checkbox"/> Permanent <input type="checkbox"/> Interim <input checked="" type="checkbox"/> Permanent		

Prior Fuel Purchase Price: \$ <u>2.8746</u>	New Fuel Purchase Price: \$ <u>2.7766</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 _____

Weighted Average Fuel Price/Gal. Calculation					
	Gallons		Price		
On-hand before deliv.	0	X	2.8746	=	-
Delivered	54,852	X	2.7766	=	152,302.06
	<u>54,852</u>				<u>\$ 152,302.06</u>
					Weighted Average
					<u>\$ 2.7766</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>PLK</i>		
Pickett				
Scott		<i>AGS</i>		
Wilson		<i>JWW</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.

MANOKOTAK POWER COMPANY

POWER COST EQUALIZATION CALCULATION
FOR TEST PERIOD ENDING JUNE 30, 2015
Fuel Cost Update

APPENDIX 1

	PC77-1115F		PC77-1115G
	Prior Staff Calculated	Utility Request	Staff Recommended
A. Total kWh Generated	1,458,228	1,458,228	1,458,228
B. Total kWh Sold (Appendix 2)	1,265,794	1,265,794	1,265,794
C. Total Non-Fuel Costs (Appendix 2)	220,724	220,724	220,724
D. Non-Fuel Cost/kWh (C / B)	\$0.1744	\$0.1744	\$0.1744
E. Total Fuel Costs (Appendix 2)	335,476	324,040	324,040
F. Fuel Costs/kWh (E / B)	\$0.2650	\$0.2560	\$0.2560
G. Eligible Costs/kWh (D + F)	\$0.4394	\$0.4304	\$0.4304
H. Eligible Cost/kWh (G) less base rate in effect	\$0.2636	\$0.2546	\$0.2546
I. Lesser of (H) or 82.42 cents/kWh	\$0.2636	\$0.2546	\$0.2546
J. Average Class Rates (Appendix 3) ALL	\$0.3742	\$0.3742	\$0.3742
Class Power Cost Equalization Per kWh Payable			
K. Lesser of: (I) x 95% or (J) ALL	\$0.2504	\$0.2418	\$0.2418
L. Funding Level in Effect	100%	100%	100%
ALL	\$0.2504	\$0.2418	\$0.2418

PC77-1115G
Appendix 1

MANOKOTAK POWER COMPANY

APPENDIX 2

SCHEDULE OF ELIGIBLE POWER COSTS, SALES, AND EFFICIENCY
FOR TEST PERIOD ENDING JUNE 30, 2015

Fuel Cost Update

	PC77-1115F	PC77-1115G
	Prior Commission Approval	Utility Request Staff Recommended
Non-Fuel Costs:		
A. Personnel Costs	55,206	55,206
B. Power Plant Parts & Supplies	46,968	46,968
C. Repairs & Maintenance	4,666	4,666
D. General & Administrative	34,198	34,198
E. Depreciation	79,687	79,687
F. Interest Expense	-	-
G. Other	-	-
H. Total Non-Fuel Costs	\$220,724	\$220,724
Fuel Costs:		
I. Gallons Consumed for Electric Generation	116,704	116,704
J. Price of Fuel:(per gal) Weighted Average	2.8746	2.7766
K. Total Cost of Fuel (I x J)	\$335,476	\$324,040
L. kWh Sales	1,265,794	1,265,794
M. kWh Station Service	22,866	22,866
N. Efficiency \geq <u>Standard</u> (kWh generated/gallons consumed)	12.50	12.50
O. Line Loss \leq 12% (kWh Generated -(kWh Sold + Station Service))/kWh Generated	11.63%	11.63%

Calculation of weighted average fuel cost per gallon:

On Hand	0	x	2.8746	=	-	
Delivery	54,852	x	2.7766	=	152,302	Weighted
	54,852				152,302	Average
						\$2.7766

PC77-1115G
Appendix 2

CALCULATION OF AVERAGE CLASS RATE PER kWh

Rate Schedule: **All**

(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	0.5500		0.5500	275.0000		
to						
to						
to						
Max 500			Total	275.0000	0.5500	0.3742

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			

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			

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			

MANOKOTAK POWER COMPANY

Fuel Purchases

	Delivery Date	Gallons	Cost per Gallon	Delivery/ Mark-Up per Gallon	Total Cost
Beginning Fuel Inventory					
Last Approved Fuel Cost/Gal.			\$ 2.8746		
Beginning Fuel Inventory in Gallons	X Last Approved Fuel Cost/Gal. = Beginning Fuel Inventory Cost ---->				\$ -
Reporting Period Purchases	12/04/17	453.0	2.7766		1,258
	12/11/17	2,439.8	2.7766		6,774
	12/18/17	2,516.7	2.7766		6,988
	12/19/17	252.0	2.7766		700
	12/26/17	2,488.7	2.7766		6,910
	01/02/18	2,372.5	2.7766		6,587
	01/08/18	2,018.0	2.7766		5,603
	01/15/18	2,403.2	2.7766		6,673
	01/16/18	438.0	2.7766		1,216
	01/22/18	2,266.0	2.7766		6,292
	01/29/18	2,227.5	2.7766		6,185
	02/05/18	2,232.0	2.7766		6,197
	02/05/18	4.0	2.7766		11
	02/12/18	2,174.5	2.7766		6,038
	02/19/18	2,141.7	2.7766		5,947
	02/26/18	2,172.0	2.7766		6,031
	03/02/18	411.0	2.7766		1,141
	03/05/18	1,739.2	2.7766		4,829
	03/12/18	2,107.1	2.7766		5,851
	03/19/18	1,936.6	2.7766		5,377
	03/26/18	2,128.9	2.7766		5,911
	04/02/18	2,009.7	2.7766		5,580
	04/09/18	2,028.0	2.7766		5,631
	04/12/18	2,028.0	2.7766		5,631
	04/16/18	2,000.0	2.7766		5,553
	04/23/18	2,020.0	2.7766		5,609
	04/30/18	2,010.0	2.7766		5,581
	05/07/18	1,935.0	2.7766		5,373
	05/08/18	2,053.3	2.7766		5,701
	05/21/18	1,845.6	2.7766		5,124
Totals for Reporting Period Purchases on this sheet:		54,852			152,302
Grand Totals (beginning inventory plus purchases) A		54,852		B \$	152,302

Grand Total Cost divided by Grand Total Gallons = $\frac{2.7766}{2.7766}$ Weighted Avg. Cost per gallon
Purchase Total Cost divided by Purchase Total Gallons = $\frac{2.7766}{2.7766}$ Cost Per Gallon