

Notice of Utility Tariff Filing

The REGULATORY COMMISSION OF ALASKA (Commission) gives notice that Homer Electric Association, Inc. (HEA) filed TA406-32, proposing to reorganize and revise its line extension policy, and its tariffed rules and fees regarding line extensions. To support the new line extension policy, HEA has developed several new terms and modified several existing terms to comport with the new policy.

HEA has developed a new standard cost methodology for all primary and secondary service extensions. The standard cost structure proposed for All Service Extensions is: 1) the Project Retainer – the Project Retainer is collected from an applicant upon initial application to underwrite the costs that HEA will incur in preparing a Firm Quote for the requested Service Extension; 2) the Construction Fee – the Construction Fee contains the fixed costs incurred for every construction project; 3) the Route Charge – the Route Charge represents the incremental costs incurred as the length of service increases; 4) Transformer Costs, if applicable; 5) Metering Equipment Costs, if applicable; 6) Cost Sharing, if applicable; and 7) Non-standard Construction Costs, if applicable.

A sample of the current and new fees are shown below:

Current New Service Extension Costs	
Single-Phase Service	
Secondary Service Fee	\$6,100.00
Primary Service Charge	Firm Quote
Three-Phase Service	
Secondary Service Fee	Firm Quote
Primary Service Charge	Firm Quote

Proposed New Service Extension Costs	
Project Retainer	\$900.00
Single-Phase Service – North of Kachemak Bay	
Construction Fee	\$2,400.00
Route Charge Rate	\$26.00/ft
Single-Phase Service – South of Kachemak Bay	
Construction Fee	\$3,600.00
Route Charge Rate	\$46.00/ft
Three-Phase Service – North of Kachemak Bay Less Than 1,000 kW Demand	
Construction Fee	\$7,500.00
Route Charge Rate	\$73.00/ft
Three-Phase Service – South of Kachemak Bay	Actual Cost
Three-Phase Service – North of Kachemak Bay 1,000 kW Demand or Greater	Actual Cost

At a reduced overall cost, HEA will construct a line extension required to energize a service under the Standard Offering provision. To be eligible for the Standard Offering, the new service location must have one of the following criteria: have a permanent foundation, have a building permit for a municipal water and sewer connection, have a septic system approved by the Department of Environmental Conservation, have an improved gravel driveway connected to a local roadway, have a well or water supply storage system, or have at least a 20' by 20' gravel pad.

Under the proposed Service Extension Standard Offering, applicants would pay the Project Retainer, any cost sharing, and any non-standard construction costs. HEA would waive the Construction Fee, Route Charge, any transformer costs, and any required clearing and grubbing. HEA would also pay for the meter stub/pole, meter base, and any other metering equipment required. HEA proposes that in exchange, HEA will install the meter stub/pole at a location of HEA's choosing that will minimize total project costs. The applicant will then be responsible for extending the 120/240V from the meter base to their building /facility.

As part of the Service Extension Standard Offering, HEA will construct a Primary Extension at a reduced cost, waiving the Construction Fee listed in the "All Service Extensions" provision.

For a service not meeting the Standard Offering criteria, applicants choosing not to accept HEA's determined location for the Meter Stub/Pole, and all other service types and sizes, the applicant will not qualify for the Standard Offering and will follow standard cost methodology for All Service Extensions.

HEA also proposes to eliminate the option in its tariff of obtaining construction power. In addition HEA proposes revising its provisions for "Member Constructs Line Extensions" to state that the applicants will pay the project retainer. HEA also revised its provisions for meter installation for member constructed line extensions.

This notice does not contain all requested revisions and the Commission may approve a rate or classification that varies from those proposed. You may obtain more information about this filing by contacting J.D. Draves, Regulatory Affairs and Rates Manager, at HEA at 3977 Lake Street, Homer, AK 99603; phone: (907) 235-3325. The complete filing is also available for inspection at the Commission's office at 701 West Eighth Avenue, Suite 300, Anchorage, AK 99501; phone: (907) 276-6222, or may be viewed on the Commission's website at <http://rca.alaska.gov> by typing "TA406-32" in the *Find a Matter* search box.

To comment on this filing, please file your comments by 5:00 p.m., April 9, 2018, at either the Commission address given above or at its website:


<https://rca.alaska.gov/RCAWeb/WhatsNew/PublicNoticesComments.aspx>

Please reference TA406-32 and include a statement that you have filed a copy of the

comments with HEA at its address given above. Individuals or groups of people with disabilities, who require special accommodations, auxiliary aids or service, or alternative communication formats, please contact Valerie Fletcher-Mitchell at (907) 276-6222, toll-free at 1-800-390-2782, or TTY/Alaska Relay: 7-1-1 or 1 (800) 770-3973, or send a request via electronic mail to rca.mail@alaska.gov by April 2, 2018.

DATED at Anchorage, Alaska, this 9th day of March, 2018.

REGULATORY COMMISSION OF ALASKA


For Keven K Kleweno, P.E.
Engineering Section Manager