



STATE OF ALASKA
DEPARTMENT OF
COMMERCE
COMMUNITY AND
ECONOMIC DEVELOPMENT

Mike Dunleavy, Governor
Julie Anderson, Commissioner
Robert M. Pickett, Chairman

Regulatory Commission of Alaska

October 16, 2020

In reply refer to: Finance Section
File: PC04-0917F
LO#: L2000377

Joseph Kimball
Mayor
Nikolai Light & Power Utility
P.O. Box 9147
Nikolai, AK 99691

Dear Mr. Kimball:

On October 15, 2020, the Commission approved updated **Permanent** Power Cost Equalization (PCE) amount(s) in cents per kilowatt-hour (ϕ /kWh) for Nikolai Light & Power Utility (NIKOLAI), for the listed classes of customers as follows:

All	47.21 ϕ
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The revised PCE amount(s) result from the review of NIKOLAI's Fuel Report filed on September 28, 2020. The PCE amount(s) are effective for bills rendered on or after October 16, 2020. A copy of the Commission Staff's recommendations and schedules are attached as an Appendix.

NIKOLAI is reminded of its obligation under the PCE legislation to provide its customers with the notice specified in AS 42.45.120 or similar notice approved by the Alaska Energy Authority.

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

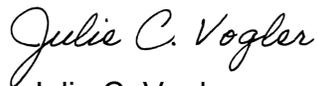
If NIKOLAI believes that the calculation used to establish the PCE amount set out above is incorrect, it should seek reconsideration setting forth why it believes the calculation is in error. Any reconsideration request must be submitted within 15 days of the date of this Letter Order.

If you have any questions regarding the calculation of PCE amount(s), please contact Utility Financial Analyst Brenda Cox at (907) 263-2131.

BY DIRECTION OF THE COMMISSION

Sincerely,

REGULATORY COMMISSION OF ALASKA



Julie C. Vogler
Finance Section Manager

cc: Jeffery Williams, Alaska Energy Authority

STATE OF ALASKA

**DEPARTMENT OF COMMERCE,
COMMUNITY & ECONOMIC DEVELOPMENT**
REGULATORY COMMISSION OF ALASKA

MIKE DUNLEAVY, 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: October 16, 2020

INVOICE#: 04-0917F

DATE DUE: November 15, 2020

Joseph Kimball
Mayor
Nikolai Light & Power Utility
P.O. Box 9147
Nikolai, AK 99691

Fee for Commission Staff analysis and recommendations Re:

FILE #: PC04-0917F
LO #: L2000377

Fuel Report under the Power Cost Equalization Program

Amount Due : \$ 39

TOTAL AMOUNT DUE: \$ 39

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.

Nikolai Light & Power Utility

FILE #: PC04-0917F

Amount Due: \$ 39

LO #: L2000377

Check Number _____

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

Power Cost Memorandum Fuel Cost Update

Date: October 15, 2020

Utility Name (416) City of Nikolai d/b/a Nikolai Light & Power	Utility File No. PC04-0917F	Date Filed : September 28, 2020
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PCE AMOUNT SUMMARY	Previously Approved PC04-0917E	Staff Recommended Amount and Effective Date PC04-0917F
Class Rate	Date Approved: July 1, 2020	October 16, 2020
ALL	\$0.5023	\$0.4721
<input type="checkbox"/> Interim <input checked="" type="checkbox"/> Permanent		<input type="checkbox"/> Interim <input checked="" type="checkbox"/> Permanent

Prior Fuel Purchase Price: <u>\$ 4.9238</u>	New Fuel Purchase Price: <u>\$ 4.6324</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>0.4</u> Updated <u>0.4</u>

Weighted Average Fuel Price/Gal. Calculation					Weighted Average
	Gallons		Price		
On-hand before deliv.	-	X	-	=	-
Delivered	64,002	X	4.6324	=	296,482.86
	<u>64,002</u>				<u>\$ 296,482.86</u>
					<u>\$ 4.6324</u>

Signed: *Brenda Cox*
Brenda Cox

Utility Financial Analyst

Commission decision re. this recommendation :

	Date (if different from 10/15/20)	I CONCUR	I DO NOT CONCUR	I WILL WRITE A DISSENTING STATEMENT *
Pickett		<i>RMP</i>		
McAlpine		<i>SM</i>		
Scott		<i>AGS</i>		
Sullivan		<i>AI</i>		
Wilson		<i>JW</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.

City of Nikolai d/b/a Nikolai Light & Power

Appendix 1

POWER COST EQUALIZATION CALCULATION
FOR TEST PERIOD ENDING JUNE 30, 2017
Fuel Cost Update

	PC04-0917E	PC04-0917F	
	Prior Commission Approval	Utility Request	Staff Recommended
A. Total kWh Generated	414,567	414,567	414,567
B. Total kWh Sold (Appendix 2)	361,227	361,227	361,227
C. Total Non-Fuel Costs (Appendix 2)	71,416	71,416	71,416
D. Non-Fuel Cost/kWh (C / B)	\$0.1977	\$0.1977	\$0.1977
E. Total Fuel Costs (Appendix 2)	194,086	182,600	182,600
F. Fuel Costs/kWh (E / B)	\$0.5373	\$0.5055	\$0.5055
G. Eligible Costs/kWh (D + F)	\$0.7350	\$0.7032	\$0.7032
H. Eligible Cost/kWh (G) Less 20.63 cents/kWh	\$0.5287	\$0.4969	\$0.4969
I. Lesser of (H) or 79.37 cents/kWh	\$0.5287	\$0.4969	\$0.4969
J. Average Class Rates (Appendix 3) ALL	\$0.6937	\$0.6937	\$0.6937
Class Power Cost Equalization Per kWh Payable			
K. Lesser of: (I) x 95% or (J) ALL	\$0.5023	\$0.4721	\$0.4721
L. Funding Level in Effect	100%	100%	100%
ALL	\$0.5023	\$0.4721	\$0.4721

PC04-0917F
Appendix 1

City of Nikolai d/b/a Nikolai Light & Power

Appendix 2

SCHEDULE OF ELIGIBLE POWER COSTS, SALES, AND EFFICIENCY
FOR TEST PERIOD ENDING JUNE 30, 2017
Fuel Cost Update

	PC04-0917E	PC04-0917F	
	Prior Commission Approval	Per Utility	Staff Recommended
Non-Fuel Costs:			
A. Personnel Costs	48,719	48,719	48,719
B. Operating Expenses	3,218	3,218	3,218
C. General & Administrative	4,373	4,373	4,373
D. Depreciation	15,106	15,106	15,106
E. Interest Expense	0	0	0
F. Other (Describe)	0	0	0
G. Total Non-Fuel Costs	\$71,416	\$71,416	\$71,416
Fuel Costs:			
H. Gallons Consumed for Electric Generation	39,418	39,418	39,418
I. Price of Fuel: Weighted Average	\$4.9238	\$4.6324	\$4.6324
J. Total Fuel Costs	\$194,086	\$182,600	\$182,600
K. kWh Sales	361,227	361,227	361,227
L. kWh Generated	414,567	414,567	414,567
M. kWh Station Service	11,716	11,716	11,716
N. Efficiency (L / H)	≥ 10.50	10.52	10.52
O. Line Loss	≤ 12%	10.04%	10.04%

Weighted Average Cost of Fuel

	Gallons		Price	Cost	Weighted Average
On-hand before deliv.	-	X	0.0000	\$0.00	
Delivered	<u>64,002</u>	X	4.6324	<u>\$296,482.86</u>	
	<u>64,002</u>			<u>\$296,482.86</u>	\$4.6324

PC04-0917F
Appendix 2

Calculation of Average Class Rate per kWh

Rate Schedule: All

(1) kWh by Block	(2) Rate (\$/kWh)	(3) Surcharge If Applicable (\$/kWh)	(4) Total (\$/kWh) (2+3)	(5) Total \$ (1x4)	(6) Avg. (\$/kWh) (5)/(1)	(7) Avg. Rate (\$/kWh) - \$0.2063 /kWh
500	0.5000	0.4000	0.9000	450.00	0.9000	0.6937
500				450.00	0.9000	0.6937
TOTAL (A)						(E)

Computation of Community Facilities Average Rate

Rate Schedule: Community Facility

	(A) Rate (\$/kWh)	(B) Surcharge If Applicable (\$/kWh)	(C) Total Rate (\$/kWh) (A+B)	(7) Avg. Rate (\$/kWh) - \$0.2063 /kWh
0 to ∞	0.5000	0.4000	0.9000	0.6937
Next to				

City of Nikolai d/b/a Nikolai Light & Power

	Date	Gallons	Cost Per Gallon	Delivery /Mark up per gallon	Total Cost
Beginning Fuel Inventory		-			
Last Approved Fuel Cost/Gal.			\$ 4.9238		
Beginning Fuel Inventory in Gallons	X Last Approved Fuel Cost/Gal. = Beginning Fuel Inventory Cost --->				\$ -
Reporting Period Purchases	10/18/19	3,200	4.9380		15,802
	10/28/19	3,201	4.9990		16,002
	10/28/19	3,200	4.9990		15,997
	11/20/19	3,201	4.8780		15,614
	12/16/19	3,200	5.0500		16,160
	12/16/19	3,200	5.0500		16,160
	12/16/19	3,200	5.0500		16,160
	01/31/20	3,200	5.1000		16,320
	02/10/20	3,200	4.7740		15,277
	02/24/20	3,200	4.7940		15,341
	02/26/20	3,200	4.9090		15,709
	03/19/20	3,200	4.4640		14,285
	03/31/20	3,200	4.2400		13,568
	04/11/20	3,200	3.9200		12,544
	04/21/20	3,200	3.8600		12,352
	05/20/20	3,200	4.0100		12,832
	06/16/20	3,200	4.3120		13,798
	07/23/20	3,200	4.4200		14,144
	08/11/20	3,200	4.4270		14,166
	08/24/20	3,200	4.4540		14,253
					-
Totals for Reporting Period Purchases on this sheet:		64,002			296,484

Grand Totals (beginning inventory plus purchases) 64,002 \$ 296,484

Total Cost for Reporting Period divided by Total Gallons for Reporting Period = \$ 4.6324

Grand Total Cost divided by Grand Total Gallons = \$ 4.6324

Signature: 
 Email: bob.pickett@alaska.gov

Signature: 
Stephen McAlpine (Oct 15, 2020 09:17 AKDT)
 Email: stephen.mcalpine@alaska.gov

Signature: 
 Email: antony.scott@alaska.gov

Signature: 
Dan Sullivan (Oct 15, 2020 15:52 AKDT)
 Email: daniel.sullivan@alaska.gov

Signature: 
 Email: janis.wilson@alaska.gov