



STATE OF ALASKA
DEPARTMENT OF
COMMERCE
COMMUNITY AND
ECONOMIC DEVELOPMENT

Bill Walker, Governor
Chris Hladick, Commissioner
Robert M. Pickett, Chairman

Regulatory Commission of Alaska

November 9, 2016

In reply refer to: Tariff Section
File: TA354-121
LO #: L1600534

Mark A. Johnston
General Manager
Municipal Light & Power
1200 East First Avenue
Anchorage, AK 99501-1685

Dear Mr. Johnston:

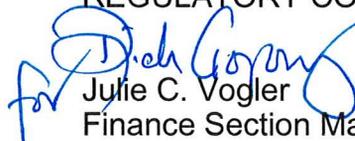
The Municipality of Anchorage d/b/a Municipal Light & Power (ML&P) filed TA354-121 on September 30, 2016, seeking to add a new cost element for interruptible supplemental natural gas purchases from Cook Inlet Energy, LLC and AIX Energy, LLC to its Cost of Power Adjustment (COPA). In addition, ML&P requested a waiver to the strict adherence of 3 AAC 52.502(a)(1).¹ On November 7, 2016, the Regulatory Commission of Alaska (Commission) approved Tariff Sheet Nos. 101.2 and 101.3, filed September 30, 2016, by ML&P with TA354-121. Enclosed are validated copies of the tariff sheets. The effective date of the tariff sheets is November 15, 2016.

In addition to approving the tariff sheets, the Commission denied ML&P's request for a waiver of 3 AAC 52.502(a)(1), as it was unnecessary. Finally, the Commission requires ML&P to file Transaction Confirmations for purchase of gas as supporting documents with its quarterly COPA filings.

BY DIRECTION OF THE COMMISSION

Sincerely,

REGULATORY COMMISSION OF ALASKA


for Julie C. Vogler
Finance Section Manager

Enclosures

cc: Paul J. Jones
Attorney for Municipality of Anchorage
Kempel, Huffman, and Ellis
255 E. Fireweed Ln. Ste 200
Anchorage, AK 99503

¹ 3 AAC 52.502(a)(1) provides that cost elements included in adjustment clause must be subject to change at a rate that would cause financial harm to the utility if the costs were recovered exclusively in base rates.

MUNICIPAL LIGHT & POWER

F. Determination of Cost of Power Adjustment:

(1) Estimated Costs of Fuel and Purchased Power for the Quarter Beginning October 1, 2016:

Sources	Est. Quantities (A)	Avg Cost/Mcf (B)	Total = (A*B) (C)	
a) Natural Gas:				
Stored Gas	15,000 Mcf	\$5.95350/Mcf	\$89,303	
Hilcorp	0 Mcf	\$0.00/Mcf	\$0.00	
CEA	0 Mcf	\$0.00/Mcf	\$0.00	
ConocoPhillips	920,000 Mcf	\$7.42000/Mcf	\$6,826,400	(T)
Cook Inlet Energy	0 Mcf	\$0.00/Mcf	\$0.00	(N)
AIX Energy	0 Mcf	\$0.00/Mcf	\$0.00	(N)
ML&P	1,077,573 Mcf	\$4.57457/Mcf	\$4,929,433	
Total Natural Gas	2,012,573 Mcf	\$5.88557/Mcf	\$11,845,136	
Gas Storage Reservation	30,000 Mcfd	\$7.90050/Mcfd	\$237,015	
Gas Storage Capacity	1,500,000 Mcf	\$0.10260/Mcf	\$153,900	
Transportation (Variable)	2,012,573 Mcf	\$0.37957/Mcf	\$763,911	
b) Purchased Power:				
Bradley Lake	27,000 MWh		\$1,464,324	
Bradley Wheeling	27,000 MWh	\$6.70000/MWh	\$180,900	
Bradley Capacity	0 MWh	\$0.00/MWh	\$0.00	
Spinning Reserve ¹	0 MWh	\$0.00/MWh	\$0.00	
c) Fuel Oil:	6,082 GAL	\$1.726/GAL	\$10,500	
d) Intertie Expense:			\$54,339	(L)
e) Economy Energy Purchases	0 MWh	\$0.00/MWh	\$0.00	(L)
f) Cogen/Small Power Purch	0 MWh	\$0.00/MWh	\$0.00	(L)
Total Cost of Fuel and Purchased Power [Total of a) through f), above]			\$ 14,710,025	
(2) Profits From Economy Energy Sales:			(\$500,000)	
(3) Cost of Power Clearing Account Balance:				
Actual Balance as of <u>06/30/2016</u>			\$(652,759)	
Estimated Balance as of <u>9/30/2016</u> Under (Over) Recovery			<u>\$(1,515,722)</u>	
(4) Total (1), (2), (3), above			\$12,694,303	
(5) Estimated Retail Sales (kWh)			<u>261,198,000/kWh</u>	
(6) Average Cost of Power [(4) / (5)]			<u>\$0.04860/kWh</u>	
(7) Base Cost of Power			\$0.00/kWh	
(8) Cost of Power Adj [(6) - (7)]			<u>\$0.04860/kWh</u>	

¹ 2011 Intertie Agreement

(D)
(D)

Tariff Advice No. TA 354-121

Effective: November 15, 2016

Issued by: Municipality of Anchorage d/b/a Municipal Light & Power

By: Anna Henderson

Title: Regulatory Affairs Division Manager