



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 2, 2020

In reply refer to: Tariff Section
Files: TA149-97, TA110-118
TA154-37 and TA104-290
LO#: L2000369

Anna Merrill
Regulatory Affairs Manager
Utility Services of Alaska
P. O. Box 80370
Fairbanks, AK 99708-0370

Dear Ms. Merrill:

Golden Heart Utilities, Inc. (GHU) and College Utilities Corporation (CUC) filed tariff revisions for their water (TA110-118 and TA149-97, respectively) and wastewater utilities (TA104-290 and TA154-37, respectively) on August 31, 2020, seeking to update their Plant Replacement and Improvement Surcharge Mechanism surcharge. On October 1, 2020, the Regulatory Commission of Alaska approved the following tariff sheets:

- Tariff Sheet Nos. 30 and 99, filed August 31, 2020, with TA149-97 and TA110-118, by CUC and GHU, respectively; and,
- Tariff Sheet Nos. 26 and 95, filed August 31, 2020, with TA154-37 and TA104-290, by CUC and GHU, respectively.

The effective date of the tariff sheets is October 15, 2020. Enclosed are validated copies of the approved tariff sheets.

BY DIRECTION OF THE COMMISSION

Sincerely,

REGULATORY COMMISSION OF ALASKA

Becki Alvey

Becki Alvey
Tariff Section Manager

Enclosures

CANCELING

RECEIVED

AUG 31 2020

STATE OF ALASKA
REGULATORY COMMISSION OF ALASKA

COLLEGE UTILITIES CORPORATION

PLANT REPLACEMENT IMPROVEMENT SURCHARGE MECHANISM

d. Computation: (continued)

Formula: The formula for calculating the plant replacement surcharge percentage is as follows:

$$\text{PRISM} = \frac{((\text{EP} \times \text{WACC}) + \text{Dep} + \text{Taxes} + e)/2}{\text{PSAR}}$$

Where:

EP = the original cost of PRISM eligible plant net of accumulated depreciation. To the extent bonus depreciation is applicable to eligible plant, the Utility will make an adjustment to subtract related ADIT.

WACC = the weighted average cost of capital approved in the utility's most recent general rate case.

Dep = the depreciation expense related to PRISM eligible plant.

Taxes = the state and federal statutory tax rates applied to the equity return, and local property taxes applicable to the PRISM eligible plant.

e = the amount calculated under the annual reconciliation or any correction or adjustment of actual entries used in the calculation of the surcharge rate.

PSAR = the projected semi-annual revenues to be collected from customers.

PRISM WATER SURCHARGE RATE: The PRISM percentage is 1.12%

I

PURSUANT TO:

TARIFF ADVICE NO: 149-97

EFFECTIVE: October 15, 2020

ISSUED BY: COLLEGE UTILITIES CORPORATION

BY: Oran Paul

Oran Paul

Title: President

CANCELING

9th REVISION

SHEET NO. 99

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REGULATORY COMMISSION OF ALASKA

GOLDEN HEART UTILITIES, INC.

PLANT REPLACEMENT IMPROVEMENT SURCHARGE MECHANISM

d. Computation: (continued)

Formula: The formula for calculating the plant replacement surcharge percentage is as follows:

$$\text{PRISM} = \frac{((\text{EP} \times \text{WACC}) + \text{Dep} + \text{Taxes} + e)/2}{\text{PSAR}}$$

Where:

EP = the original cost of PRISM eligible plant net of accumulated depreciation. To the extent bonus depreciation is applicable to eligible plant, the Utility will make an adjustment to subtract related ADIT.

WACC = the weighted average cost of capital approved in the utility's most recent general rate case.

Dep = the depreciation expense related to PRISM eligible plant.

Taxes = the state and federal statutory tax rates applied to the equity return, and local property taxes applicable to the PRISM eligible plant.

e = the amount calculated under the annual reconciliation or any correction or adjustment of actual entries used in the calculation of the surcharge rate.

PSAR = the projected semi-annual revenues to be collected from customers.

PRISM WATER SURCHARGE RATE: The PRISM percentage is 1.12%

I

PURSUANT TO:

TARIFF ADVICE NO: 110-118

EFFECTIVE: October 15, 2020

ISSUED BY: GOLDEN HEART UTILITIES, INCBY: Oran Paul

Oran Paul

Title: President

CANCELING

9th REVISION

SHEET NO. 26

RECEIVED**AUG 31 2020**STATE OF ALASKA
REGULATORY COMMISSION OF ALASKA

COLLEGE UTILITIES CORPORATION

PLANT REPLACEMENT IMPROVEMENT SURCHARGE MECHANISM

d. Computation: (continued)

Formula: The formula for calculating the plant replacement surcharge percentage is as follows:

$$\text{PRISM} = \frac{((\text{EP} \times \text{WACC}) + \text{Dep} + \text{Taxes} + e)/2}{\text{PSAR}}$$

Where:

EP = the original cost of PRISM eligible plant net of accumulated depreciation. To the extent bonus depreciation is applicable to eligible plant, the Utility will make an adjustment to subtract related ADIT.

WACC = the weighted average cost of capital approved in the utility's most recent general rate case.

Dep = the depreciation expense related to PRISM eligible plant.

Taxes = the state and federal statutory tax rates applied to the equity return, and local property taxes applicable to the PRISM eligible plant.

e = the amount calculated under the annual reconciliation or any correction or adjustment of actual entries used in the calculation of the surcharge rate.

PSAR = the projected semi-annual revenues to be collected from customers.

PRISM WASTEWATER SURCHARGE RATE: The PRISM percentage is 1.21%

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PURSUANT TO:

TARIFF ADVICE NO: 154-37

EFFECTIVE: October 15, 2020

ISSUED BY: COLLEGE UTILITIES CORPORATION

BY:

O. A. Paul

Title: President

Oran Paul

