



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 4, 2016

In reply refer to: Tariff Section  
File: TA394-32  
LO #: L1600530

Brad Janorschke  
General Manager  
Homer Electric Association, Inc.  
3977 Lake Street  
Homer, AK 99603-7680

Dear Mr. Janorschke:

Homer Electric Association, Inc. (HEA) filed TA394-32 on September 30, 2016, seeking to update its Cost of Power Adjustment and Small Facility Power Purchase Rate. On November 3, 2016, the Regulatory Commission of Alaska approved Tariff Sheet Nos. 86 and 87.1, filed September 30, 2016, by HEA with TA394-32. The effective date of the tariff sheets is October 1, 2016.

Enclosed are validated copies of the tariff sheets. Please note that the margin notations have been updated in accordance with 3 AAC 48.360(i).

BY DIRECTION OF THE COMMISSION

Sincerely,

REGULATORY COMMISSION OF ALASKA

Julie C. Vogler  
Finance Section Manager

Enclosures

cc: J.D. Draves  
Manager Rates and Regulatory Affairs  
Homer Electric Association, Inc.  
3977 Lake Street  
Homer, AK 99603-7680



RCA No. 32      Seventh Revision

Sheet No.      87.1

Canceling:      Sixth Revision

Sheet No.      87.1

**RECEIVED**

**SEP 30 2016**

**STATE OF ALASKA  
REGULATORY COMMISSION OF ALASKA**

HOMER ELECTRIC ASSOCIATION, INC.

SCHEDULE NUMBER 9  
SMALL FACILITY POWER PURCHASE RATE (SFPPR)  
(continued)

SFPPR CALCULATION

Normal Operating Conditions

A. Fuel and expense associated with power purchased from AEEC:	\$ 7,666,837	(I)
B. Purchased power expense from Inter-Utility Purchases:	\$ 99,303	
C. Total of all kWh generated by AEEC & Inter-Utility Purchases:	118,193,677 kWh	(I)
D. Variable expense associated with AEEC:	0.0068 \$/kWh	(I)
E. % of time in Normal Operating Condition during reporting period:	100.0%	(I)
F. Normal Condition portion of SFPPR = (((A + B) / C) + D) x E:	0.0725 \$/kWh	(I)

Islanded Operation Conditions

G. 5-Year Average Bradley Lake Cost of Power:	0.04526 \$/kWh	
H. % of time in Islanded Operating Conditions during reporting period:	0.0%	(R)
I. Islanded Condition portion of SFPPR = (G x H):	- \$/kWh	(R)

Consolidated SFPPR

J. Total power purchased and generated:	122,746,077 kWh	(R)
K. Total power sold:	101,176,606 kWh	(R)
L. SFPPR = (F + I) / (K / J):	8.801 ¢/kWh	(I)

DEFINITIONS

1. Fuel and expense: Fuel, fuel withdrawn from storage, and relevant variable transportation costs related to AEEC
2. Variable Expense: Allocation of operation and maintenance expenses that vary based upon the amount of power produced by AEEC.
3. Normal Condition: The typical operating status of the Association in which AEEC or Inter-Utility purchases are used to follow customer load.
4. Islanded Condition: An atypical operating status in which the Association is not interconnected with other
5. 5-Year Average Bradley Lake Cost of Power: The 5-year average is used to stabilize the SFPPR, as HEA pays a fixed cost for Bradley expenses each month, while the quantity or power delivered varies.

Tariff Advice No:    TA 394-32

Effective:            October 1, 2016

Issued By:

HOMER ELECTRIC ASSOCIATION, INC.

3977 Lake Street, Homer, Alaska 99603

By:

  
Bradley P. Janorschke

Title: General Manager