

Notice of Utility Tariff Filing

The REGULATORY COMMISSION OF ALASKA (Commission) gives notice that Homer Electric Association, Inc. (HEA), on behalf of itself and its wholly owned subsidiary Alaska Electric and Energy Cooperative, Inc., filed tariff revision TA384-32, a revenue requirement, cost of service study, and rate design study based on a 2014 test year. With this filing, HEA proposes an interim and refundable across-the-board rate increase of 3.25 percent for its retail rates, effective January 1, 2016. HEA also requests permanent rates based on the rate design study included with the filing and contingent upon the final outcome of HEA's ongoing case before the Alaska Superior Court and related appeal to the Alaska Supreme Court—regarding transmission services. A comparison of selected current, proposed interim, and proposed permanent retail rates is shown below. The proposed permanent rates shown below are calculated on the assumption that the HEA is able to fully recover transmission service costs as allocated in the proposed rate design study for wheeling power produced by the Bradley Lake Hydroelectric Project to other utilities.

	Current Rates	Proposed Interim Rates	Proposed Permanent Rates
Schedule 1 - Residential			
Customer Charge	\$15.00	\$15.49	\$20.00
Energy Charge	\$0.14882/kWh	\$0.15366/kWh	\$0.14390/kWh
System Delivery Charge	\$22.32	\$22.89	\$21.59
Schedule 3 – General Service			
Customer Charge	\$15.00	\$15.49	\$20.00
Energy Charge	\$0.15009/kWh	\$0.15497/kWh	\$0.15020/kWh
System Delivery Charge	\$22.51	\$23.25	\$22.53
Schedule 4 – Large General Service			
Customer Charge	\$50.00	\$51.63	\$50.00
Energy Charge	\$0.10066/kWh	\$0.10394/kWh	\$0.09189/kWh
Demand Charge	\$16.69/kW	\$17.23/kW	\$20.00/kW
Minimum Demand Charge	\$333.72	\$344.60	\$400.00
Schedule 6 – Industrial Service			
Customer Charge	\$450.00	\$464.63	\$300.00
Energy Charge	\$0.02258/kWh	\$0.02331/kWh	\$0.01814/kWh
Demand Charge	\$25.20/kW	\$26.02/kW	\$29.00/kW
Minimum Demand Charge	\$25,196.40	\$26,020.00	\$29,000

Additionally, HEA proposes new permanent rates for its transmission schedules, based on the rate design study included with the filing. A comparison of the current and proposed permanent rates is shown below. HEA does not propose interim rates for the transmission schedules. As above, the proposed rates shown below are contingent upon the outcome of HEA's current case before the Alaska Superior Court and calculated on the assumption that HEA is able to fully recover transmission service costs allocated to Bradley Lake Hydroelectric Project power wheeled to other utilities.

	Current Rates	Proposed Permanent Rates
Schedule T-1 Scheduling, System Control, and Dispatch Service Rate	\$0.00005297/kWh	\$0.0001/hour of Reserved Capacity in KW, or \$0.0014/day of Reserved Capacity in KW, or \$0.0101/week of Reserved Capacity in KW, or \$0.0436/month of Reserved Capacity in KW, or \$0.5233/year of Reserved Capacity in KW
Schedule T-2 Reactive Supply and Voltage Control from Generation Sources Service	\$0.00016407/kWh	\$0.0011/hour of Reserved Capacity in KW, or \$0.0261/day of Reserved Capacity in KW, or \$0.1829/week of Reserved Capacity in KW, or \$0.7924/month of Reserved Capacity in KW, or \$9.5084/year of Reserved Capacity in KW
Schedule T-3 Regulation and Frequency Response Service	\$0.00004608/kWh	\$0.0005/hour of Reserved Capacity in KW, or \$0.0114/day of Reserved Capacity in KW, or \$0.0803/week of Reserved Capacity in KW, or \$0.3478/month of Reserved Capacity in KW, or \$4.1732/year of Reserved Capacity in KW

Schedule T-5 Operating Reserve – Spinning Reserve Service	\$0.0001203/kWh	\$0.0010/hour of Reserved Capacity in KW, or \$0.0240/day of Reserved Capacity in KW, or \$0.1686/week of Reserved Capacity in KW, or \$0.7306/month of Reserved Capacity in KW, or \$8.7670/year of Reserved Capacity in KW
Schedule T-6 Operating Reserve – Supplemental Reserve Service	\$0.00002862/kWh	\$0.0002/hour of Reserved Capacity in KW, or \$0.0049/day of Reserved Capacity in KW, or \$0.0346/week of Reserved Capacity in KW, or \$0.1498/month of Reserved Capacity in KW, or \$1.7981/year of Reserved Capacity in KW
Schedule T-7 Long-Term Firm and Short-Term Firm Point- to-Point Transmission Service	\$0.00085/kWh	\$0.0045/hour of Reserved Capacity in KW, or \$0.1076/day of Reserved Capacity in KW, or \$0.7555/week of Reserved Capacity in KW, or \$3.2739/month of Reserved Capacity in KW, or \$39.2871/year of Reserved Capacity in KW

Finally, in addition to the proposed changes to existing rates, HEA proposes introducing rates for Standby Service. The proposed Standby Service would be available to customers who are wholly served by their own generation resources during normal operations with a nameplate capacity rating of between 1,000 kW and 5,000 kW. HEA proposes that a potential Standby Service customer must elect whether it will receive standby service in the form of scheduled maintenance service or backup power service, or both. Such an election will be done through the execution of a standby capacity contract and will remain effective for a twelve month period.

HEA proposes that the type of Standby Service selected by the customer will affect the rate paid for the service. The proposed rates for Standby service are as follows: Customer Charge - \$300.00/Month; Energy Charge - \$0.01814/kWh; Reservation Demand Charge - \$14.50/kW of standby contract capacity; and Usage Demand Charge - \$14.50 per kW of billed demand. HEA proposes that, except for scheduled maintenance service, the billed demand shall be the greater of the actual maximum monthly demand recorded on a 15-minute basis provided by HEA, or 75 percent of the actual maximum demand provided by HEA that is recorded during the preceding 12 months. For scheduled maintenance service, HEA proposes that billed demand will be equal to the actual maximum monthly demand recorded on a 15 minute basis.

This notice does not contain every pertinent revision or request associated with TA384-32. The Commission may approve a rate or classification which varies from that proposed. You may obtain more information about this filing by contacting James Patras, Regulatory Affairs Coordinator, 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 "TA384-32" in the *Find a Matter* search box.

To comment on this filing, please file your comments by 5:00 p.m., December 4, 2015, at either the Commission address given above or at its website:

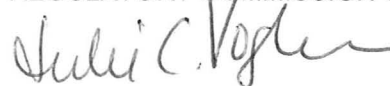
<https://rca.alaska.gov/RCAWeb/WhatsNew/PublicNoticesComments.aspx>

Please reference TA384-32 and include a statement that you have filed a copy of the comments with HEA at its address given above or by email at jpatras@homerelectric.com.

Individuals or groups of people with disabilities, who require special accommodations, auxiliary aids or service, or alternative communication formats, please contact Joyce McGowan at (907) 276-6222, toll-free at 1-800-390-2782, or TTY (907) 276-4533 or send a request via electronic mail to rca.mail@alaska.gov by November 27, 2015.

DATED at Anchorage, Alaska, this 10th day of November, 2015.

REGULATORY COMMISSION OF ALASKA



Julie C. Vogler
Acting Finance Section Manager