

Notice of Utility Tariff Filing

The REGULATORY COMMISSION OF ALASKA (Commission) gives notice that Chugach Electric Association, Inc. (Chugach) filed tariff revision TA420-8 to add the new Small Facility Power Purchase Rate (SFPPR) to its tariff in compliance with a recently-enacted Commission regulation (3 AAC 50.790(d)). The SFPPR will replace the existing Non-Firm Power Purchase Rate (NFPPR).

3 AAC 50.790(d) states that by April 1, 2016, a regulated electric utility must submit a proposed tariff filing that includes a standard rate for purchase of energy from qualifying facilities (QF) with a design capacity of 100 kW or less. 3 AAC 50.770(i) states that the SFPPR must be expressed in cents-per-kilowatt-hour unless otherwise ordered by the Commission. The rate must be determined from the sum of fuel costs and variable operations and maintenance expenses and the energy portion of purchased power expense, using the same period employed to project costs and sales in the utility's adjustment clause (in this case a Fuel and Purchased Power Cost Adjustment (FPPCA)) methodology, divided by the number of kilowatt-hours sold for the same time period.

With TA420-8, Chugach proposes to determine separate SFPPRs for the avoided cost at retail primary voltage and retail secondary voltage. The base avoided cost, the avoided cost at generation and transmission (G&T), is calculated by dividing the sum of fuel and purchased power expense (excluding Bradley Lake and Fire Island Wind) predicted for the next quarter in the determination of fuel and purchased power rates, non-fuel variable operations and maintenance expense, and the balance of the avoided cost balancing account by the kWh sales at generation and transmission as predicted for the next quarter. To determine the avoided cost at retail primary voltage, Chugach proposes multiplying the avoided cost at G&T by the quotient of retail primary kWh sales at G&T divided by retail primary kWh sales at delivery. To determine the avoided cost at retail secondary voltage, Chugach proposes multiplying the avoided cost at G&T by the quotient of retail secondary kWh sales at G&T divided by retail secondary kWh sales at delivery.

Chugach's initial proposed SFPPR at retail primary voltage is \$0.04537/kWh, a decrease from the existing NFPPR at retail primary voltage of \$0.04518/kWh, filed with TA416-8. Chugach's initial proposed SFPPR at retail secondary voltage is \$0.04572/kWh, an increase from the existing NFPPR at retail secondary voltage of \$0.04552/kWh, filed with TA416-8. TA416-8, a quarterly FPPCA and NFPPR adjustment, was filed with the Commission on March 1, 2016. This filing is currently pending approval, but the rates were implemented on April 1, 2016, subject to later revision by the Commission.

This notice does not contain every pertinent revision or request associated with TA420-8. The Commission may approve rates or classifications that vary from those proposed. You may obtain more information about this filing by contacting Lee Thibert, Senior Vice President of Strategic Development and Regulatory Affairs for Chugach, at P. O. Box 196300, Anchorage, AK 99519-6300; phone: (907) 563-7494. 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 "TA420-8" in the *Find a Matter* search box.

To comment on this filing, please file your comments by 5:00 p.m. on May 9, 2016, at the Commission address given above or via our website at:

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

Please reference TA420-8 and include a statement that you have filed a copy of the comments with Chugach, at their address above or at info@chugachelectric.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 May 2, 2016.

DATED at Anchorage, Alaska, this 8th day of April, 2016.

REGULATORY COMMISSION OF ALASKA

A handwritten signature in black ink, appearing to read "Julie C. Vogler". The signature is fluid and cursive, with the first name "Julie" and last name "Vogler" clearly distinguishable.

Julie C. Vogler
Finance Section Manager