

Notice of Utility Tariff Filing

The REGULATORY COMMISSION OF ALASKA (Commission) gives notice that Alaska Power Company (APC) filed TA860-2 to add the new Small Facility Power Purchase Rate (SFPPR) to its tariff in compliance with 3 AAC 50.790(d). APC was required to file the SFPPR by April 1, 2016. The SFPPR will replace the existing Non-Firm Power Purchase Rate (NFPPR). APC currently has no customers utilizing this rate.

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 Cost of Power Adjustment (COPA)) methodology, divided by the number of kilowatt-hours sold for the same time period.

APC proposes three separate SFPPRs, covering three rate groups: Skagway/Haines, South Prince of Wales Island, and Tok. For each rate group, APC proposes to purchase power from QFs with a nameplate capacity of 100 kW or less at a rate equal to the number of gallons of diesel consumed in the historical period used in the COPA calculation, multiplied by the current per gallon average cost of fuel in the utility's inventory, and divided by the number of kWh generated by diesel in the same historical period.

APC's initial proposed SFPPR's are as follows:

Rate Group	Proposed SFPPR	Current NFPPR
Skagway and Haines	\$ 0.2044	\$ 0.2085
South Prince of Wales Island	\$ 0.1607	\$ 0.1533
Tok	\$ 0.1450	\$ 0.1185

This notice may not contain all requested revisions and the Commission may approve a rate or classification which varies from that proposed. You may obtain information about this filing by contacting Mary Jo Quandt, Senior Director of Regulatory Affairs for APC, at P.O. Box 3222 Port Townsend, WA 98368; phone: (360) 385-1733. The complete filing is also available for inspection at the Commission's office at 701 West 8th Avenue, Suite 300, Anchorage, AK 99501; phone: (907) 276-6222, or may be viewed at the Commission's website at <http://rca.alaska.gov> by typing "TA860-2" in the *Find a Matter* search box.

To comment on this filing, please file your comments by 5:00 p.m., February 16, 2017, at the Commission's address given above or via our website at:

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

Please reference TA860-2 and include a statement that you've filed a copy of the comments with APC at its address given above.

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, TTY (907) 276-4533 or send a request via electronic mail to rca.mail@alaska.gov by February 9, 2017.

DATED at Anchorage, Alaska, this 17th day of January, 2017.

REGULATORY COMMISSION OF ALASKA

A handwritten signature in black ink, appearing to read "Julie C. Vogler". The signature is written in a cursive, flowing style.

Julie C. Vogler
Finance Section Manager