

Notice of Utility Tariff Filing

The REGULATORY COMMISSION OF ALASKA (Commission) gives notice that Chugach Electric Association, Inc. (Chugach) filed TA437-8, seeking Commission approval of a new gas sale and purchase agreement (GSA) between Chugach and Furie Operating Alaska, LLC (Furie) executed on March 6, 2017. The proposed GSA includes an interruptible term followed by a firm term. Additionally, with TA437-8 Chugach is proposing to add a new cost element to its fuel cost adjustment mechanism to include the recovery of costs associated with natural gas purchases under the GSA. Key provisions in the GSA include the following:

- **Term** – The period of the GSA for interruptible purchases is scheduled to begin on the day the GSA is approved by the Commission and terminate on March 31, 2033. The period of the GSA for firm purchases is scheduled to begin on April 1, 2023 and terminate on March 31, 2033.
- **Gas Quantities** – For firm purchases, Chugach will purchase approximately 1.8 Bcf of gas per year. The GSA provides options for Chugach to purchase additional gas through a Minor Adjustment Notice and an Option Gas Notice.
- **Firm Price** – The Gas Price for firm purchases is as follows:
 - For the period April 1, 2023 – March 31, 2024: \$7.16 per Mcf.
 - For the period April 1, 2024 – March 31, 2025: \$7.29 per Mcf.
 - For the period April 1, 2025 – March 31, 2026: \$7.42 per Mcf.
 - For the period April 1, 2026 – March 31, 2027: \$7.55 per Mcf.
 - For the period April 1, 2027 – March 31, 2028: \$7.69 per Mcf.
 - For the period April 1, 2028 – March 31, 2029: \$7.73 per Mcf.
 - For the period April 1, 2029 – March 31, 2030: \$7.77 per Mcf.
 - For the period April 1, 2030 – March 31, 2031: \$7.85 per Mcf.
 - For the period April 1, 2031 – March 31, 2032: \$7.93 per Mcf.
 - For the period April 1, 2032 – March 31, 2033: \$7.98 per Mcf.
- **Interruptible Price** – The minimum floor price for interruptible purchases is as follows:
 - For the period January 1, 2017 – March 31, 2019: \$5.75 per Mcf.
 - For the period April 1, 2019 – March 31, 2026: \$6.00 per Mcf.
 - For the period April 1, 2026 – March 31, 2033: \$6.25 per Mcf.
- **Transaction Confirmation** – The parties will memorialize the interruptible sale and purchase of natural gas through transaction confirmations.

- Transportation and Receipt Points – At Furie's election, Furie will deliver gas to the Kenai Beluga Pipe Line or Cook Inlet Natural Gas Storage Alaska, LLC. Chugach is responsible for all transportation costs and tariffs beyond the receipt point.

This notice does not contain all requested revisions and the Commission may approve a rate or classification which varies from that proposed. You may obtain more information about this filing by contacting Arthur Miller, Executive Manager Regulatory Affairs at Chugach, at 5601 Electron Drive, P. O. Box 196300, Anchorage, AK 99519-6300; phone: (907) 762-4709. 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 "TA437-8" in the *Find a Matter* search box.

To comment on this filing, please file your comments by 5:00 p.m., April 20, 2017, at the Commission's address given above or via our website at:

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

Please reference TA437-8 and include a statement that you have filed a copy of the comments with Chugach at its address given above or by email 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, TTY (907) 276-4533 or send a request via electronic mail to rca.mail@alaska.gov by April 13, 2017.

DATED at Anchorage, Alaska, this 21st day of March, 2017.

REGULATORY COMMISSION OF ALASKA



Julie C. Vogler
Finance Section Manager