

Notice of Utility Tariff Filing

The REGULATORY COMMISSION OF ALASKA (Commission) gives notice that Chugach Electric Association, Inc. (Chugach) filed TA494-8 proposing to establish a methodology for a unified gas transfer price (GTP) for its post-acquisition share of natural gas produced from the Beluga River Unit (BRU) after the acquisition of most of the assets of the Municipality of Anchorage d/b/a Anchorage Municipal Light and Power (ML&P). The GTP is the price that Chugach charges itself for gas from the BRU. The GTP is recovered through Chugach's cost of power adjustment surcharge. ML&P and Chugach's GTPs are currently under investigation in Docket Nos. U-19-085 and U-19-091, respectively, and approved on an interim and refundable basis.

With TA494-8, Chugach proposes to adopt its current cost methodology for the determination of the GTP associated with its working interest in the BRU post-acquisition. Chugach currently includes the Asset Retirement Obligation (ARO) as a component of its revenue requirement to calculate the GTP. Chugach proposes to calculate the ARO using its current methodology for its 10 percent share of the BRU. ML&P's ARO is currently calculated as a separate surcharge from the GTP and is then added to the fuel costs. Chugach proposes to use ML&P's ARO methodology to calculate the 56.67 percent share of the BRU that will be transferred to Chugach from ML&P as part of the acquisition. Chugach and ML&P's ARO agreements with the Department of Natural Resources (DNR) require the utilities to give DNR 30-day's notice before filing a request to change ARO funding methodologies. Chugach proposes that after the required 30-days' notice to DNR, it will request to use the ML&P ARO surcharge approach for all BRU gas. Chugach states that it will update this filing after the 30-day notice to DNR. Chugach also states that it will adopt the biannual GTP filing schedule, consistent with that used by ML&P.

Finally, Chugach proposes to continue to include the projected reserves and retirement obligations identified in the reports prepared by Petrotechnical Resources of Alaska (PRA) and Conam Construction Company for PRA, respectively. Chugach adopted the Ryder Scott study; however, Chugach states that it is not using the results of that study for the determination of the post-acquisition GTP. Chugach is not requesting approval of rates with this filing, only Commission approval of the proposed methodology.

This notice does not contain all requested revisions and the Commission may approve a rate or classification that varies from those proposed. You may obtain more information about this filing by contacting Arthur Miller, Executive Vice President of Regulatory and External Affairs at Chugach, at P. O. Box 196300, Anchorage, AK 99519-6300; phone: (907) 762-4758. 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 "TA494-8" in the *Find a Matter* search box.

To comment on this filing, please file your comments by 5:00 p.m. on September 22, 2020, at the Commission address given above or via our website at:

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

Please reference TA494-8 and include a statement that you have filed a copy of the comments with Chugach at its address above. Individuals or groups of people with disabilities, who require special accommodations, auxiliary aids or service, or alternative communication formats, please contact Valerie Fletcher-Mitchell at (907) 276-6222, toll-free at 1-800-390-2782, or TTY/Alaska Relay: 7-1-1 or 1 (800) 770-3973 or send a request via electronic mail to rca.mail@alaska.gov by September 15, 2020.

DATED at Anchorage, Alaska, this 1st day of September, 2020.

REGULATORY COMMISSION OF ALASKA

A handwritten signature in cursive script that reads "Becki Alvey".

Becki Alvey
Tariff Section Manager