

**Notice of Utility Tariff Filings**

The REGULATORY COMMISSION OF ALASKA (Commission) gives notice that Chugach Electric Association, Inc. (Chugach) filed TA422-121 and TA544-8, a revenue requirement study, cost-of-service study, and rate design, based on a 2022 test year. In Order No. U-18-102(44)/U-19-20(39)/U-19-021(39) (Order No. U-18-102(44) et al.), the Commission approved Chugach’s acquisition of most of the assets of the Municipality of Anchorage d/b/a Municipal Light and Power (ML&P). That order also required Chugach to file a revenue requirement study, cost-of-service study, and rate design by December 31, 2023, proposing unified rates for its combined Certificate of Public Convenience and Necessity (CPCN) No. 121 (North District) and CPCN No. 8 (South District) service areas based on a 2022 test year. In Order No. U-21-059(15), the Commission modified the due date of the revenue requirement filing to August 15, 2023.

With TA422-121 and TA544-8, Chugach proposes an across-the-board interim and refundable rate increase of 5.54 percent for its retail rates and 10.55 percent for its wholesale rates to the currently effective energy and demand charges, effective September 1, 2023. Chugach proposes a permanent rate increase based on the outcome of the proposed revenue requirement study, cost-of-service study, and rate design. In addition, Chugach proposes permanent rate changes to its transmission and ancillary service rates and AWWU replacement energy services. A selection of the proposed North District interim and permanent rates is provided below.

<b>North District Rate Schedule</b>	<b>Current Rate</b>	<b>Proposed Interim Rate</b>	<b>Proposed Permanent Rate</b>
Residential Customer Charge	\$13.62	\$13.62	\$13.68
Residential Energy Charge	\$0.15274/kWh	\$0.16120/kWh	\$0.14631/kWh
General Service (GS) Small Customer Charge	\$30.46	\$30.46	\$20.85
GS Small Energy Charge	\$0.11878/kWh	\$0.12536/kWh	\$0.14077/kWh
GS Large (Secondary) Customer Charge	\$92.61	\$92.61	\$34.21
GS Large (Secondary) Energy Charge	\$0.00498/kWh	\$0.00526/kWh	\$0.06227/kWh
GS Large (Secondary) Demand Charge	\$44.53/kW	\$47.00/kW	\$22.89/kW
GS Large (Primary) Customer Charge	\$619.42	\$619.42	\$21.37
GS Large (Primary) Energy Charge	\$0.00488/kWh	\$0.00515/kWh	\$0.05039/kWh
GS Large (Primary) Demand Charge	\$43.10/kW	\$45.49/kW	\$28.00/kW
Interruptible Service – Fort Richardson Energy Charge	\$0.07245/kWh	\$0.07646/kWh	\$0.07847/kWh
Interruptible Service – Elmendorf Energy Charge	\$0.08428/kWh	\$0.08895/kWh	\$0.07847/kWh
Limited All Requirements Service (Primary) Customer Charge	\$668.42	\$668.42	\$21.37
Limited All Requirements Service (Primary) Energy Charge	\$0.00488/kWh	\$0.00515/kWh	\$0.07847/kWh
Limited All Requirements Service (Primary) Demand Charge	\$45.43/kW	\$47.95/kW	\$33.75/kW
Limited Partial Requirements Service (Primary) Customer Charge	\$668.42	\$668.42	\$21.37
Limited Partial Requirements Service (Primary) Energy Charge	\$0.00488/kWh	\$0.00515/kWh	\$0.02042/kWh
Limited Partial Requirements Service (Primary) Demand Charge	\$39.66/kW	\$41.86/kW	\$33.75/kW
AWWU Replacement Energy Service	\$0.02561/kWh		\$0.02114/kWh

A selection of the proposed South District interim and permanent rates is provided below.

<b>South District Rate Schedule</b>	<b>Current Rate</b>	<b>Proposed Interim Rate</b>	<b>Proposed Permanent Rate</b>
Residential Customer Charge	\$8.00	\$8.00	\$13.68
Residential Energy Charge	\$0.13508/kWh	\$0.14256/kWh	\$0.14631/kWh
GS Small Customer Charge	\$17.00	\$17.00	\$20.85
GS Small Energy Charge	\$0.09670/kWh	\$0.10206/kWh	\$0.10999/kWh
GS Large (Secondary) Customer Charge	\$55.00	\$55.00	\$34.21
GS Large (Secondary) Energy Charge	\$0.04775/kWh	\$0.05040/kWh	\$0.06227/kWh
GS Large (Secondary) Demand Charge	\$21.98/kW	\$23.20/kW	\$22.89/kW
GS Large (Primary) Customer Charge	\$55.00	\$55.00	\$21.37
GS Large (Primary) Energy Charge	\$0.04964/kWh	\$0.05239/kWh	\$0.05039/kWh
GS Large (Primary) Demand Charge	\$22.73/kW	\$23.99/kW	\$28.00/kW
GS Large – Combined Metering Customer Charge	\$150.00	\$150.00	\$150.00
GS Large – Combined Metering Energy Charge	\$0.04964/kWh	\$0.05239/kWh	\$0.05039/kWh
GS Large – Combined Metering Demand Charge	\$22.73/kW	\$23.99/kW	\$28.00/kW
Sale for Resale (Seward) Customer Charge	\$150.00	\$150.00	\$150.00
Sale for Resale (Seward) Energy Charge	\$0.01451/kWh	\$0.01604/kWh	\$0.01679/kWh
Sale for Resale (Seward) Demand Charge	\$14.56/kW	\$16.10/kW	\$16.84/kW
Non-Firm Point-to-Point Transmission (Hourly Delivery)	\$0.01116/kW per hour		\$0.01412/kW per hour

With TA422-121 and TA544-8, Chugach proposes two new rate schedules, Residential Time of Use Pricing Pilot and Shore Power Service. Chugach proposes the Residential Time of Use Pricing Pilot schedule to be available to 500 residential or small general service customers and provides for different energy charge pricing in two periods of the day. The proposed Shore Power Service schedule would allow cruise ships to purchase power from Chugach to avoid cruise ships using their diesel generators while in port.

Chugach also proposes to terminate three rate schedules that have no customers, Schedule 89.2, Economic Viability; Schedule 91, Primary Net Requirements; and Schedule 98, Primary Seasonal. In addition, Chugach proposes to consolidate North and South district lighting rate schedules.

Chugach's current Times Interest Earned Ratio (TIER) is 1.55, with a Generation and Transmission (G&T) TIER of 1.35 and a floating Distribution TIER of 2.59 to achieve the 1.55 blended overall system TIER. In the Stipulation accepted in Order No. U-15-081(18), Chugach agreed to address, in its next rate case, whether it should continue using a split TIER in setting rates. With TA422-121 and TA544-8, Chugach proposes to discontinue the use of the split TIER and determine its revenue requirement using a single blended target TIER of 1.75. Chugach filed a Cost of Capital Study to support the proposed TIER of 1.75

In Order No. U-18-102(44) et al., the Commission approved the creation of a Primary Regulatory Asset and required Chugach to show that the transaction costs associated with the acquisition of ML&P, to be included in rates, were prudently incurred. Furthermore, the Commission stated that it would be looking at the shortest amortization period possible without causing harm to Chugach's financial health. Chugach estimates deferred transaction costs to be approximately \$80.6 million and is proposing to amortize the costs over 18 years.

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 these filings by contacting Matt Clarkson, Chief Legal Officer at Chugach, at PO Box 196300, Anchorage, AK 99519-6300; phone: (907) 563-7494; or Dean Thompson, Attorney for Chugach, at 255 East Fireweed, Suite 200, Anchorage, AK 99503; phone: (907) 277-1604. The complete filings are 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 "TA422-121" or "TA544-8" in the *Find a Matter* search box.

To comment on these filings, please file your comments by 5:00 p.m. on August 4, 2023, at the Commission address given above or via our website at:

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

Please reference TA422-121 and/or TA544-8 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 Naomi Johnston at (907) 276-6222, toll-free at 1-800-390-2782, or TTY/Alaska Relay: 7- 1-1 or 1-800-770-8973, or send a request via electronic mail to [rca.mail@alaska.gov](mailto:rca.mail@alaska.gov) by July 28, 2023.

DATED at Anchorage, Alaska, this 7th day of July, 2023.

REGULATORY COMMISSION OF ALASKA

*Keith Kurber II*

[Keith Kurber II \(Jul 7, 2023 12:03 AKDT\)](#)

Keith Kurber II  
Chairman