

## Notice of Utility Tariff Filings

The REGULATORY COMMISSION OF ALASKA (Commission) gives notice that Chugach Electric Association, Inc. (Chugach) filed TA392-121 and TA514-8, seeking approval of a rate decoupling adjustment process in response to Order No. U-21-059(7).

In Order No. U-21-059(7), the Commission granted in part and denied in part an unopposed petition filed by Chugach to defer recognition of certain expenses as necessary to correct a projected margin shortfall for 2021. Specifically, the Commission authorized Chugach to defer the previously scheduled 2021 amortization of Secondary Regulatory Asset costs to the extent necessary for Chugach to report an achieved Margins over Interest over Interest (MFI/I) of 1.20 for calendar year 2021. In addition, if Chugach was unable to report an achieved MFI/I of 1.20 for 2021 after full deferral of the scheduled 2021 Secondary Regulatory Asset amortization, the Commission authorized Chugach to defer expensing Eklutna Power Purchase Agreement payments made in 2021 to the extent necessary to report an achieved MFI/I of 1.20 for calendar year 2021. Order No. U-21-059(7) also required Chugach to file proposed measures to address any potential margin shortfall for calendar years 2022 and 2023. To the extent that the proposed measures would require modification of Chugach's currently effective tariff, Chugach was to file tariff filings no later than December 9, 2021.

With these filings Chugach requests adoption of a rate decoupling process for retail and wholesale customers, effective February 1, 2022, initially, and thereafter on October 1 and April 1 of each year until Chugach files a general rate case under 3 AAC 48.275(a). Chugach proposes that the decoupling process be the same as the proforma revenue calculation used in the Simplified Rate Filing process, where all retail customer class demand and energy rates are adjusted upwards or downwards by the same percentage, regardless of individual class revenue requirement or class proforma revenue levels. Chugach asserts that a decoupling adjustment addresses its current declining load situation and would provide a temporary mechanism for semi-annual rate changes, mitigating risks resulting from the uncertainties of the COVID-19 pandemic and the reduction in electric sales.

Chugach also requests approval to increase retail demand and energy rates by 4.1 percent to all North and South District customers for its initial decoupling adjustment, in light of the economic hardships attributed to the COVID-19 pandemic. The proposed partial decoupling adjustment for North and South District customers is based on changes in retail sales during the period of the COVID-19 pandemic, defined as the difference in sales between the 12-months ending December 31, 2019, and the 12-months ending October 31, 2021. Chugach proposes no changes to Seward Electric System's rates at this time-the proposed partial decoupling adjustment is based on changes in sales from the 12-month period ending March 31, 2020, and the 12-month period ending October 31, 2021. A comparison of the current and proposed rates are shown in the table below.

Rate Schedule	Current Rate	Proposed Rate
<b>North District</b>		
Residential	\$0.15274/kWh	\$0.15906/kWh
Small General Service	\$0.11878/kWh	\$0.12370/kWh
Large General Service (Secondary Voltage) Demand	\$44.53/kW	\$46.37/kW
Large General Service (Secondary Voltage) Energy	\$0.498/kWh	\$0.519/kWh
Large General Service (Primary Voltage) Demand	\$43.10/kW	\$44.88/kW
Large General Service (Primary Voltage) Energy	\$0.488/kWh	\$0.508/kWh
AWWU Replacement Energy Service	\$0.02561/kWh	\$0.02667/kWh
Fort Richardson Interruptible Service	\$0.07245/kWh	\$0.07545/kWh
Elmendorf Interruptible Service	\$0.08428/kWh	\$0.08777/kWh

<b>South District</b>		
Residential	\$0.13508/kWh	\$0.14067/kWh
Small General Service	\$0.09670/kWh	\$0.10071/kWh
Large General Service (Secondary Voltage) Demand	\$21.98/kW	\$22.89/kW
Large General Service (Secondary Voltage) Energy	\$0.04775/kWh	\$0.04973/kWh
Large General Service (Primary Voltage) Demand	\$22.73/kW	\$23.67/kW
Large General Service (Primary Voltage) Energy	\$0.04964/kWh	\$0.05169/kWh
Large General Service (Combined Metering) Demand	\$22.73/kW	\$23.67/kW
Large General Service (Combined Metering) Energy	\$0.04964/kWh	\$0.05169/kWh

Chugach requests a waiver from the requirements of 3 AAC 48.275(a) and 3 AAC 48.540, the supporting information requirements for rate changes and cost-of-service methods, respectively. Chugach proposes to make no changes to its revenue requirements or cost-of-service studies approved in the last general rate cases for the North District and the South District. Chugach asserts that the supporting information required by 3 AAC 48.275 relates to proposed revenue requirement changes and is therefore not relevant to Chugach's decoupling request.

Chugach requests that the Commission either approve or deny Chugach's decoupling request within the 45-day notice period without suspension and investigation. Chugach states that if the filings are suspended and later denied, it will not have time to request, establish, and begin collecting interim rates under a streamlined general rate case filing sufficient to protect its financial position in 2022.

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 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 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 "TA392-121" or "TA514-8" in the *Find a Matter* search box.

To comment on these filings, please file your comments by 5:00 p.m. on January 7, 2022, at the Commission address given above or via our website at:

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

Please reference the TA392-121 and/or TA514-8 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](mailto:rca.mail@alaska.gov) by January 3, 2022.

DATED at Anchorage, Alaska, this 13th day of December, 2021.

REGULATORY COMMISSION OF ALASKA

  
Julie C. Vogler (Dec 13, 2021 11:52 AKST)

Julie C. Vogler  
Finance Section Manager