



STATE OF ALASKA
DEPARTMENT OF
COMMERCE
COMMUNITY AND
ECONOMIC DEVELOPMENT

Sarah Palin, Governor
Emil Notti, Commissioner
Anthony A. Price, Chairman

Regulatory Commission of Alaska

May 7, 2008

In reply refer to: Tariff Section
File: TA361-1
LO#: L0800147

Constance Hulbert
Secretary-Treasurer
Alaska Electric Light and Power Company
5601 Tonsgard Court
Juneau, Alaska 99801-7201

Dear Ms. Hulbert:

The Commission approves Alaska Electric Light & Power Company's (AELP) request to change the effective date of the implementation of its Emergency Fuel Cost Rate Adjustment (EFCRA) from May 1, 2008 to May 16, 2008 as filed in TA361-1 on May 6, 2008.

On April 25, 2008, the Commission issued Letter Order LO800135 approving Tariff Sheet No. 172.1 which contained AEL&P's EFCRA filed in TA360-1. AEL&P filed TA360-1 in response to an April 16, 2008 avalanche that damaged the transmission lines that connected the Snettisham Hydroelectric Project and the City & Borough of Juneau. In TA360-1, the approved EFCRA rate of \$0.428854 per kWh became effective for billings from May 1, 2008 through May 31, 2008. In the instant filing, AEL&P has requested to delay the implementation of AEL&P's EFCRA by 15 days with no change to the rate. The rate filed in TA361-1 would be effective for billings through June 15, 2008.

Schedule No. 98 of AEL&P's current operating tariff provides for emergency adjustments to AEL&P's cost of power adjustment (COPA). Schedule No. 98 contains the following provision.

In the event of a failure of the Snettisham hydroelectric project or transmission lines extending for a period of ten days or longer, an emergency fuel adjustment may be included in the Cost of Power Adjustment rate, beginning 14 days after the emergency occurs and remaining in effect until energy is again available to the Juneau area from Snettisham and the monthly billing cycle has made a full revolution. The COPA rate shall be recalculated every 30 days until the balancing account has been reduced to less than \$50,000 and greater than (\$50,000).

The EFCRA tariff provision and EFCRA rate calculation were approved in a past Commission Docket U-97-245¹.

AEL&P states that by the changing the effective date of the EFCRA cost causer-cost payer and rate equity issues would be addressed. AEL&P customer billing cycles are staggered. Staggered billing cycles mean that some customers are billed at varying times throughout the month some at the beginning for usage since the beginning of the previous month and some are billed at the middle of the month for usage since the middle of the month. An effective date of May 1, 2008, would result in those customers billed at the beginning of the month being charged the higher rate of the EFCRA for usage that occurred prior to the avalanches and prior to AEL&P's reliance on diesel fuel.

The Commission agrees with AEL&P that by delaying the implementation of the EFCRA the rate disparity from staggered billing cycles would be avoided. Additionally, the latter date provides all customers the opportunity for a full month of conservation efforts. Therefore, the Commission approves TA361-1.

Enclosed is a validated copy of Tariff Sheet No. 172.1, filed on May 6, 2008, by AELP, with TA361-1. The effective date of the sheet is May 16, 2008.

BY DIRECTION OF THE COMMISSION

Sincerely,

REGULATORY COMMISSION OF ALASKA



ba Anthony A. Price
Chair

cc: Dean D. Thompson
Kempel, Huffman and Ellis, P.C.
Attorney for Alaska Electric Light and Power Company
255 E. Fireweed Lane, Suite 200
Anchorage, Alaska 99503-2025

¹ In the Matter of the Power Sales Agreement Between ALASKA ELECTRIC LIGHT AND POWER COMPANY, ALASKA INDUSTRIAL DEVELOPMENT & EXPORT AUTHORITY, and ALASKA DEPARTMENT OF FISH & GAME for the Sale and Purchase of the Electric Capability of the Snettisham Hydro Electric Project.

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Schedule No. 98 (Continued)
Calculation of Emergency Fuel Cost Rate Adjustment

a.) Balance of COPA Account of March 31st	\$ 0.00
b.) Plus: Estimated Cost of Diesel fuel (April 16 – May 30)	8,997,598.44

c.) Total Cost through May 30	\$ 8,997,598.44
d.) Projected kwh sales, May 1 – May 30	20,980,553
e.) Cost of Power Adjustment, per kwh (line c. divided by line d.)	\$0.428854

This rate shall supersede that set forth on tariff sheet 170 and will be effective for billings through June 15, 2008. Costs will be updated, and a new rate will be effective for billings beginning June 16, 2008.

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Effective May 16, 2008

Tariff Advice No. 361

Issued by Alaska Electric Light and Power Company

By *[Signature]* *for Constance Hulbert* Title Secretary-Treasurer