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STATE OF ALASKA

THE REGULATORY COMMISSION OF ALASKA

Before Commissioners:

Stephen McAlpine, Chairman
Paul F. Lisankie
Robert M. Pickett
Antony Scott
Janis W. Wilson

In the Matter of the Investigation into the Impact of)
the Tax Cuts and Jobs Act of 2017 on the Revenue)
Requirement and Rates of ALASKA ELECTRIC)
LIGHT & POWER COMPANY)
_____)

U-18-039

**STIPULATION FOR RATE REDUCTIONS AND REFUNDS,
AND REQUEST TO VACATE SHOW CAUSE HEARING**

This stipulation (“Stipulation”) is by and between Alaska Electric Light and Power Company (“AELP”) and the Office of the Attorney General, Regulatory Affairs & Public Advocacy Section (“RAPA”). AELP and RAPA (together the “Parties”) are the only parties to this docket. This Stipulation is submitted for acceptance by the Regulatory Commission of Alaska (“Commission”) pursuant to AS 42.05.191, 3 AAC 48.090(d)(2), and 3 AAC 48.166.

By this Stipulation, the Parties propose to resolve all issues in this docket between the Parties. If accepted, the Stipulation will result in (1) a reduction to AELP’s current firm service base rates of approximately \$2.4 million per year, or 6.73 percent, effective for bills rendered on or after August 1, 2018, for income tax expense reductions associated with the Tax Cuts and Jobs Act of 2017 (“2017 Tax Act”)¹; and (2) partial refunds of base rates charged from January 1, 2018.

¹ Pub. L. No. 115-97, 131 Stat. 2054.

1 The Parties request that the Commission issue its decision regarding this
2 Stipulation within 30 days² (by July 15, 2018). To allow the Parties to avoid the potentially
3 unnecessary cost and burden of preparing for and participating in a hearing regarding interim and
4 refundable rates while the Commission’s decision regarding this Stipulation is pending, the
5 Parties request that the Commission vacate the show cause hearing that is currently scheduled to
6 convene on June 19, 2018.

7
8 **I. BACKGROUND.**

9 AELP’s current base rates went into effect on a permanent basis seven months
10 ago on November 15, 2017, in its most recent general rate case (Docket U-16-086).³ Those
11 permanent rates resulted from a 3.86 percent across-the-board increase to AELP’s previous
12 permanent firm service base rates.

13 On December 22, 2017, approximately one month after AELP’s current base rates
14 went into effect, the 2017 Tax Act was signed into law. The 2017 Tax Act includes provisions
15 reducing the effective federal corporate income tax rate from a maximum of 35 percent to a flat
16 rate of 21 percent effective January 1, 2018.⁴ On February 12, 2018, RAPA filed a petition to
17 open an investigation into the impact of the 2017 Tax Act on utility and pipeline carrier revenue
18 requirements.

19 On March 23, 2018, the Commission issued letters informing AELP (and other
20 investor owned utilities) that the Commission had opened Docket I-18-002 to develop
21

22 ² See 3 AAC 48.166 (stating in part, “The commission will rule on a stipulation within 30 days
23 after it is filed with the commission, unless that time is extended for good cause.”).

24 ³ See Order No. U-16-086(6) (Nov. 15, 2017).

25 ⁴ See Order No. U-18-039(1) (Jun. 5, 2018) at 1.

1 information regarding the impacts of the 2017 Tax Act and requesting information about the
2 estimated impacts of that act on AELP. On April 6, 2018, AELP filed its response to the
3 Commission in Docket I-18-002. AELP informed the Commission of the estimated impacts of
4 the 2017 Tax Act on AELP's revenue requirement, AELP's plans to voluntarily ensure that the
5 benefits of the tax cut would be reflected in customers' rates, and the accounting actions AELP
6 had taken beginning in January 2018 to record estimated cost reductions resulting from the tax
7 rate change.

8
9 On May 4, 2018, the Commission issued Letter Order No. L1800195. In that
10 letter order, the Commission stated its appreciation for AELP voluntarily capturing the estimated
11 reduction in federal income tax in a deferral account since January 2018 and required AELP to
12 file a confirmation that it will continue to defer those amounts and state the deferred amounts.
13 On May 22, 2018, AELP responded to Letter Order No. L1800195, stating the amount of the
14 deferral as of April 30, 2018, and the formula used to calculate the deferral.

15 On June 5, 2018, the Commission issued Order No. U-18-039(1). In that order,
16 the Commission initiated an investigation of "the impacts of the 2017 Tax Act on AELP's
17 revenue requirement and rates" and scheduling a hearing "where AEL&P is invited to show
18 cause why a portion of its revenue in an amount equal to the estimated impact on AEL&P of the
19 2017 Tax Act should not be declared interim and refundable."⁵ On June 6, 2018, RAPA filed its
20 election to participate as a party in this docket.
21

22
23
24 ⁵ Order No. U-18-039(1) at 3.

1 **II. RESOLUTION OF ISSUES.**

2 The Parties agree as follows:

3 **A. Rate Reduction.**

4 Effective for bills rendered on or after August 1, 2018, AELP's firm service base
5 rates (customer, demand, and energy charges) shall be reduced on a permanent basis by
6 6.73 percent and applied as an across-the-board rate decrease. As shown on Exhibit 1,⁶ that rate
7 decrease reflects a reduction of \$2,401,044⁷ to the annual revenue requirement from AELP's last
8 general rate case (Docket U-16-086), which was the basis for AELP's current base rates that
9 went into effect on November 15, 2017. Exhibit 2 shows Schedule 8 (Federal and State Income
10 Tax Provision) of AELP's most recent revenue requirement study, as revised to calculate the
11 provision for income taxes under the 21 percent federal income tax rate set forth in the 2017 Tax
12 Act. Exhibit 3 shows AELP's current base rates, the proposed base rates resulting from this
13 Stipulation, and the difference between those rates.⁸ Exhibit 4 provides proposed tariff sheets
14 reflecting the stipulated rate reductions.
15
16

17 _____
18 ⁶ The 2017 Tax Law adjustments shown on Exhibit 1 do not include any adjustments for cash
19 working capital because AELP's revenue requirement in Docket U-16-086, and thus AELP's
20 current base rates, did not include any cash working capital allowance for the provision for
21 income taxes.

22 ⁷ This amount is less than the \$3.9 million potential revenue requirement reduction referenced in
23 Order No. U-18-039(1), which was based on a simple annualizing of the \$1.3 million of tax
24 expense that AELP deferred in January through April 2018. That annualization overstated the
25 revenue requirement reduction primarily due to the fact that AELP is a winter-peaking electric
26 system and has seasonal rates that are greater during winter months (i.e. demand and energy
charges and consumption are higher in the winter.).

⁸ Some of the percentage change values calculated on Exhibit 3 vary slightly from -6.73 percent
due to rounding of the proposed rates.

1 As was the case in ENSTAR Natural Gas Company's ("ENSTAR's") 2017 Tax
2 Act rate reduction,⁹ which was approved in Letter Order No. L1800240,¹⁰ any impacts on
3 AELP's deferred income taxes will be addressed in AELP's next rate case, which will be filed by
4 August 30, 2021.¹¹

5 **B. Refunds.**

6 AELP shall issue refunds to firm service customers for bills rendered from
7 January 1, 2018, through July 31, 2018 ("Refund Period"), as follows:

8 1. AELP shall calculate the amount each customer would have been billed
9 for base rates had the rates shown in Exhibit 3 been in effect during the Refund Period. The total
10 refund amount due to each firm service customer shall be the sum of (1) the difference between
11 the base rates actually billed during the Refund Period and what would have been billed under
12 the Exhibit 3 rates; and for customers that are not exempt from sales tax (2) the City and
13 Borough of Juneau sales tax rate during the Refund Period multiplied by the amount calculated
14 in (1). No interest shall be paid on the refunds.

15 2. The total refund amount due shall be calculated for each firm service
16 customer account. For active customer accounts, the total refund amount shall be credited to
17 their accounts. For inactive customer accounts, the refund shall be applied first to any
18 outstanding account balance that is due to AELP. Any credit balances remaining shall be
19

20
21 _____
22 ⁹ See ENSTAR TA303-4 (Apr. 26, 2018) at 2 n.2 ("As noted in ENSTAR's letter to the
Commission in Docket I-18-002 dated April 6, 2018, ENSTAR will address any impact on its
deferred taxes in its next rate case.").

23 ¹⁰ Letter Order No. L1800240 (May 29, 2018).

24 ¹¹ Order No. U-16-086(6) Appendix at 5.

1 refunded by check mailed to the customer's last known address in AELP's records. If a check is
2 unclaimed, the funds shall be considered abandoned in accordance with AS 34.45.190. In such
3 event, AELP shall comply with AS 34.45.280—.340 regarding the reporting and disposition of
4 personal property to the State of Alaska.

5 3. All refunds shall be completed by August 30, 2018. AELP shall file a
6 notice with the Commission upon completion of disbursement of the refunds.

7 **III. EVIDENTIARY SUPPORT FOR STIPULATION.**

8 Evidentiary support for this Stipulation is provided by AELP's filed responses in
9 Docket I-18-002, this Stipulation, and its supporting exhibits.

10 **IV. THE PUBLIC INTEREST.**

11 Under AS 42.05.191, "the commission may, without a hearing, issue an order
12 approving any settlement supported by all the parties of record in a proceeding, including a
13 compromise settlement." Under 3 AAC 48.166, parties "may stipulate among themselves to the
14 disposition of a proceeding or to the disposition of outstanding issues in a proceeding" and "the
15 parties are bound by the terms of the stipulation if the commission accepts it." Under
16 3 AAC 48.090(d)(2), a "proceeding may be terminated by filing a stipulation agreed to by all
17 parties of record provided the commission does not find that the public interest requires the
18 proceeding to continue."
19

20 In light of these standards, the Parties agree that the public interest does not
21 require this proceeding to continue and that acceptance of this Stipulation is in the public
22 interest. Specifically, the Parties agree:
23

1 A. Acceptance of this Stipulation will facilitate a prompt 6.73 percent base rate
2 reduction for AELP's firm service customers.

3 B. Acceptance of this Stipulation will facilitate AELP's voluntary refund of a portion
4 of the rates charged from January 1, 2018, through July 31, 2018, to expand the customer
5 benefits of the 6.73 percent base rate reduction retroactively to January 1, 2018.

6 C. Acceptance of this Stipulation will conserve valuable resources of the Parties,
7 including the expenditure of time and funds that would otherwise be required for prefiled
8 testimony, discovery, and an evidentiary hearing in this docket.

9 D. Acceptance of this Stipulation will allow the Parties to avoid the uncertainty of
10 litigation.

11 E. Acceptance of this Stipulation will conserve Commission resources by allowing it
12 to avoid conducting hearings in this docket; adjudicating any disputed facts, policy, or law; and
13 stating and supporting its findings and conclusions in a written order.

14 F. Acceptance of this Stipulation is consistent with the Commission's prior
15 determinations that settlements should be encouraged, and litigation should be avoided when
16 possible.¹²

17
18 **V. GENERAL CONDITIONS.**

19 A. The stipulated provisions set forth in Section II represent compromises among the
20 Parties regarding substantive disputes at issue in this proceeding for the sole purpose of resolving
21

22 ¹² See Order No. P-11-014(1) (ENSTAR Complaint v. KNPL) (Aug. 19, 2011) at 3;
23 Order No. P-09-014(2) (KKPL Rate Case) (Feb. 5, 2010) at 4-5; Order No. U-06-134(15)
24 (Chugach Rate Case) (Aug. 9, 2007) at 5; Order No. P-03-012(21) (KKPL Rate Case)
(May 25, 2005) at 7; Order No. U-05-020(7) (Agrimium Complaint v. CIGGS) (Jun. 24, 2005) at 3;
Order No. P-91-002(26) (KPL Rate Case) (Jun. 3, 1994) at 2.

1 those issues. Except as otherwise expressly provided herein, this Stipulation is binding on the
2 Parties for the purposes of this docket only; it shall have no precedential effect; and it shall not
3 be cited, offered, or admitted in any other proceeding as substantive evidence.

4 B. The validity and enforceability of the agreements contained in this Stipulation are
5 conditioned on the Commission's acceptance of this Stipulation in its entirety and without the
6 imposition of additional conditions. If the Commission does not accept this Stipulation in its
7 entirety or imposes additional conditions, any Party may withdraw from this Stipulation.
8

9 C. If any Party withdraws from this Stipulation pursuant to Subsection V.B above,
10 the Parties reserve the right to present evidence to support all of their positions at a public
11 hearing as if this Stipulation had not been entered into. If this occurs, this Stipulation may not be
12 entered into evidence, and no Party may use this Stipulation or any part of it in this or any other
13 proceeding.

14 D. Nothing in this Stipulation is intended to, or shall, limit the Commission's powers
15 as conferred by statute or bind the Commission in future proceedings to any position it accepts in
16 this Stipulation.

17 **VI. CONCLUSION.**

18 The Parties request that the Commission accept this Stipulation in its entirety. As
19 provided for in 3 AAC 48.166, the Parties request that the Commission issue its decision
20 regarding this Stipulation within 30 days. To allow the Parties to avoid the potentially
21 unnecessary cost and burden of preparing for and participating in a hearing regarding interim and
22 refundable rates while the Commission's decision regarding this Stipulation is pending, the
23

1 Parties request that the Commission vacate the show cause hearing that is currently scheduled to
2 convene on June 19, 2018.

3 RESPECTFULLY SUBMITTED this 15th day of June, 2018.

4 KEMPPPEL, HUFFMAN AND ELLIS, P.C.
5 Attorneys for Alaska Electric Light and Power Company

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CERTIFICATE OF SERVICE

I hereby certify that on June 15, 2018, a copy of the foregoing document was served on the following persons by electronic means authorized by the Regulatory Commission of Alaska.

KEMPPPEL, HUFFFMAN AND ELLIS, P.C.
By: /s/ Tina M. Torrey
Tina M. Torrey, Legal Assistant

RAPA:

Jeffrey J. Waller
jeff.waller@alaska.gov

Exhibit 1

Stipulation U-18-039
Alaska Electric Light and Power Company
Revenue Requirement Study
Test Year Ending December 31, 2015
REVENUE REQUIREMENT SUMMARY AS ADJUSTED FOR 2017 TAX ACT

U-16-086

Line No.	Description	U-16-086 As approved	2017 Tax Law Adjustments	Adjusted for 2017 Tax Law
1	Operating Revenues:			
2	Electric Power Sales-Firm	\$34,351,132		\$34,351,132
3	Electric Power Sales-Interruptible & Hatchery	9,732,265		9,732,265
4	Cost of Power Adjustment	0		0
5	Other	497,554		497,554
6	Total Operating Revenues	<u>\$44,580,951</u>	<u>\$0</u>	<u>\$44,580,951</u>
7				
8	Operation Expenses:			
16	Total Operation Expenses	<u>\$18,508,911</u>	<u>\$0</u>	<u>\$18,508,911</u>
17				
18	Maintenance Expenses:			
24	Total Maintenance Expenses	<u>\$3,259,361</u>	<u>\$0</u>	<u>\$3,259,361</u>
25				
26	Depreciation Expenses	\$5,477,784		\$5,477,784
27				
28	Taxes - General	\$1,061,396		\$1,061,396
29				
30	Total Operating Expenses	<u>\$28,307,452</u>		<u>\$28,307,452</u>
31				
32	State Income Taxes	\$1,338,283	(\$224,953)	\$1,113,330
33	Federal Income Taxes	4,451,944	(2,176,092)	2,275,853
34	Total State and Federal Income Taxes	<u>\$5,790,227</u>	<u>(\$2,401,044)</u>	<u>\$3,389,183</u>
35				
36	RATEBASE:			
37	Electric Utility Plant in Service	\$225,959,246		\$225,959,246
38	Less Accum. Depreciation	(93,427,651)		(93,427,651)
39	Unamortized Overhauls & Other Deferrals	2,366,009		2,366,009
40	Working Capital	5,313,701		5,313,701
41	Less Customer Deposits	(179,456)		(179,456)
42	Less Deferred Taxes	(17,002,740)		(17,002,740)
43	Net Rate Base (Average)	<u>\$123,029,110</u>	<u>\$0</u>	<u>\$123,029,110</u>
44				
45	Rate of Return	8.91%		8.91%
46				
47	Return Allowance	<u>\$10,956,362</u>		<u>\$10,956,362</u>
48				
49	Total Revenue Requirement	<u>\$45,054,042</u>	<u>(\$2,401,044)</u>	<u>\$42,652,997</u>
50				
51	Less Proforma Test Year Firm Revenues	(\$34,351,132)		(\$34,351,132)
52	Less Greens Creek revenue	(8,715,173)		(8,715,173)
53	Less Other revenues	(497,554)		(497,554)
54	Less Contract Hatchery Revenues	(72,851)		(72,851)
55	Less Dual Fuel Margins Retained	(89,742)		(89,742)
56	Revenue Deficiency	<u>\$1,327,590</u>	<u>(\$2,401,044)</u>	<u>(\$1,073,455)</u>
57				
58	Revenue Subject to Rate Increase	\$34,351,132		34,351,132
59				
60	Rate Increase Indicated	3.86%		-3.12%
61				
62	Firm Revenues, U-16-086 filing			\$34,351,132
63	Revenues from approved U-16-086 increase (U-16-086(6))			1,327,590
64	Firm Revenues after U-16-086 3.86% increase			<u>\$35,678,722</u>
65				
66	Reduction in Income tax expenses			(\$2,401,044)
67				
68	Rate reduction to apply to existing firm rates			-6.73%

Exhibit 2

FEDERAL AND STATE INCOME TAX PROVISION -- Federal Income Tax at 21%

Line No.	Description	Amount
1	NET INCOME AFTER TAXES:	\$8,553,611
2	(RATE BASE X WEIGHTED EQUITY)	
3	13-MONTH RATE BASE: (Sch. 9)	\$123,029,110
4	WEIGHTED EQUITY: (Sch. 12)	6.95%
5		
6	COMPUTATION OF TAXES:	
7	INCOME BEFORE TAX:	11,950,724
8	STATE INCOME TAX	
9	\$10,830 + 9.4% X (INCOME BEFORE TAX - \$222,000)	1,113,330
10	FEDERAL INCOME TAX	
11	(INCOME BEFORE TAX - STATE TAX)	2,275,853
12	at 21% to reflect 2017 Tax Cuts and Jobs Act	
13	TOTAL INCOME TAX PROVISION	3,389,183

FEDERAL AND STATE INCOME TAX PROVISION -- Federal Income Tax at 35%

Description	Amount	
19	NET INCOME AFTER TAXES:	\$8,553,611
20	(RATE BASE X WEIGHTED EQUITY)	
21	13-MONTH RATE BASE: (Sch. 9)	\$123,029,110
22	WEIGHTED EQUITY: (Sch. 12)	6.95%
23		
24	COMPUTATION OF TAXES:	
25	INCOME BEFORE TAX:	14,343,838
26	STATE INCOME TAX	
27	\$10,830 + 9.4% X (INCOME BEFORE TAX - \$222,000)	1,338,283
28	FEDERAL INCOME TAX	
29	(INCOME BEFORE TAX - STATE TAX)	4,451,944
30	at 34% for first \$10,000,000 and 35% for amount > \$10,000,000	
31	TOTAL INCOME TAX PROVISION	5,790,227

Tax Provision Difference **2,401,044**

Exhibit 3

Stipulation U-18-039

Alaska Electric Light and Power Company
Revenue Requirement Study

Test Year Ending December 31, 2015

SUMMARY OF EXISTING RATES (U-16-086(6)) COMPARED WITH PROPOSED RATES (U-18-039)

RATE	DESCRIPTON	EXISTING RATES		PROPOSED RATES		ABSOLUTE \$ CHANGE		PERCENTAGE CHANGE	
		WINTER	SUMMER	WINTER	SUMMER	WINTER	SUMMER	WINTER	SUMMER
10	Residential								
	Customer charge, \$ per month	9.22	9.22	8.60	8.60	(0.62)	(0.62)	-6.72%	-6.72%
	Energy charge, cents per KWH	12.40	10.20	11.57	9.51	(0.83)	(0.69)	-6.69%	-6.76%
10D	Residential with demand								
	Customer charge, \$ per month	11.93	11.93	11.13	11.13	(0.80)	(0.80)	-6.71%	-6.71%
	Energy charge, cents per KWH	6.02	5.26	5.61	4.91	(0.41)	(0.35)	-6.81%	-6.65%
	Demand charge, \$ per KW	11.54	6.98	10.76	6.51	(0.78)	(0.47)	-6.76%	-6.73%
20	Small Commercial								
	Customer charge, \$ per month	19.53	19.53	18.22	18.22	(1.31)	(1.31)	-6.71%	-6.71%
	Energy charge, cents per KWH	12.02	9.56	11.21	8.92	(0.81)	(0.64)	-6.74%	-6.69%
20D	Small Commercial with demand								
	Customer charge, \$ per month	28.21	28.21	26.31	26.31	(1.90)	(1.90)	-6.74%	-6.74%
	Energy charge, cents per KWH	6.91	6.12	6.44	5.71	(0.47)	(0.41)	-6.80%	-6.70%
	Demand charge, \$ per KW	13.22	8.85	12.33	8.25	(0.89)	(0.60)	-6.73%	-6.78%
24	Large Commercial								
	Customer charge, \$ per month	103.07	103.07	96.13	96.13	(6.94)	(6.94)	-6.73%	-6.73%
	Energy charge, cents per KWH	6.35	5.95	5.92	5.55	(0.43)	(0.40)	-6.77%	-6.72%
	Demand charge, \$ per KW	14.85	9.46	13.85	8.82	(1.00)	(0.64)	-6.73%	-6.77%
91	Off-Peak Service								
	Resid. Customer charge, \$ per month	8.13	8.13	7.58	7.58	(0.55)	(0.55)	-6.77%	-6.77%
	Sm. Comm. Customer charge, \$ per month	15.19	15.19	14.17	14.17	(1.02)	(1.02)	-6.71%	-6.71%
	Lg. Comm. Customer charge, \$ per month	27.13	27.13	25.30	25.30	(1.83)	(1.83)	-6.75%	-6.75%
	Energy charge, cents per KWH	7.90	7.90	7.37	7.37	(0.53)	(0.53)	-6.71%	-6.71%
92	Residential Heat Pump Service								
	Customer charge, \$ per month	11.39	11.39	10.62	10.62	(0.77)	(0.77)	-6.76%	-6.76%
	Energy charge, cents per KWH	5.32	4.82	4.96	4.50	(0.36)	(0.32)	-6.77%	-6.64%
	Demand charge, \$ per KW	10.29	6.28	9.60	5.86	(0.69)	(0.42)	-6.71%	-6.69%
93	Electric Vehicle Rate - Residential								
	Energy charge, cents per KWH	6.02	5.26	5.61	4.91	(0.41)	(0.35)	-6.81%	-6.65%
93	Electric Vehicle Rate - Commercial								
	Energy charge, cents per KWH	6.91	6.12	6.44	5.71	(0.47)	(0.41)	-6.80%	-6.70%
94	Electric Vehicle Equipment Rental								
	Monthly Unit Charge, \$ per Month	10.86	10.86	10.13	10.13	(0.73)	(0.73)	-6.72%	-6.72%

Exhibit 4

(The attached tariff sheets are not numbered.)

Canceling

Alaska Electric Light and Power Company

**Regulatory Commission
of Alaska**

Schedule No. 10

General Residential

Applicable to:

Residential service in individual private dwellings, farms, apartments and common area facilities of duplexes, triplexes and fourplexes subject to the established rules of the Company. This rate shall not apply to commercial establishments, schools, churches, governmental agencies, institutions, rooming houses, office or studio space, or like uses. Prior approval is to be obtained before installation of any motor rated 3 horsepower or more.

Character of Service:

Continuous - alternating current 60 cycle 120/240 or 120/208 volts single phase. Characteristics depend upon available circuits.

Rate: Per Month

	Peak Season (November through May)	Off-Peak Season (June through October)	
Customer Charge	\$ 8.60	\$ 8.60	R
Energy Charge, per kilowatt-hour	11.57¢	9.51¢	R

Demand Metering:

Any customer qualifying for this rate schedule may request a demand meter and be billed according to the alternate schedule which follows. In the event a customer consumes more than 5,000 KWH per month for three consecutive months or a recorded peak demand of 20 KW for three consecutive months, the Company may install a demand meter and bill indefinitely according to the following schedule:

Pursuant to Order No. U-18-039()

Tariff Advice No. _____

Effective August 1, 2018

Issued by Alaska Electric Light and Power Company

By /s/ Connie Hulbert

Title General Manager

Canceling

Alaska Electric Light and Power Company

**Regulatory Commission
of Alaska**

Schedule No. 10 (Continued)

General Residential

Demand Metering (Continued):

Rate:	Per Month	Peak Season (November through May)	Off-Peak Season (June through October)	
	Customer Charge	\$11.13	\$11.13	R
	Demand Charge, per kilowatt	\$10.76	\$ 6.51	R
	Energy Charge, per kilowatt-hour	5.61¢	4.91¢	R

Special Provisions:

- a. Commercial Use
When a customer operates a commercial establishment (incidental to his residence) in the same building or on the same premises as his residence and takes his entire service through one meter, this rate schedule will apply for the entire service only if less than 25% of the energy, demand, or square footage of the premise is used for commercial purposes. If the reverse is true, the appropriate commercial service rate schedule will apply to the entire service. However, the customer may elect to take service under both the residential and commercial service rates, in which case there will be a separate meter for the residential portion and a separate meter for the commercial portion.

- b. Customer Charge
The customer charge shall be billed per billing period or any fraction thereof.

Pursuant to Order No. U-18-039()

Tariff Advice No. _____ **Effective** August 1, 2018

Issued by Alaska Electric Light and Power Company

By /s/ Connie Hulbert Title General Manager

Canceling

Alaska Electric Light and Power Company

**Regulatory Commission
of Alaska**

Schedule No. 20

Small Commercial

Applicable to:

Small commercial not exceeding 49.9 kilowatts of electrical demand subject to the established rules of the Company. This rate shall apply to commercial establishments, schools, churches, governmental agencies, institutions, rooming houses, office or studio space, common area facilities of rental units exclusive of duplexes, triplexes and fourplexes or like uses. Prior approval is to be obtained before installation of any motor rated 3 horsepower or more.

Character of Service:

Continuous - alternating current 60 cycle 120/240, 120/208, 240, 480 volts, single or three phase. Characteristics depend upon available circuits.

Rate: Per Month	Peak Season (November through May)	Off-Peak Season (June through October)	
Customer Charge	\$18.22	\$18.22	R
Energy Charge, per kilowatt-hour	11.21¢	8.92¢	R

Demand Metering:

Customers requesting new service whereby electricity is used as the primary heat source, and with valid building permits issued on or after July 13, 1985, must have a demand meter installed and will be billed in accordance with the demand rate schedule.

Any customer qualifying for this rate schedule may request a demand meter and be billed according to the alternate schedule which follows. In the event a customer consumes more than 5,000 KWH per month for three consecutive months or a recorded peak demand of 20 KW for three consecutive months, the Company may install a demand meter and bill indefinitely according to the following schedule:

Pursuant to Order No. U-18-039()

Tariff Advice No. _____

Effective August 1, 2018

Issued by Alaska Electric Light and Power Company

By /s/ Connie Hulbert

Title General Manager

Canceling

Alaska Electric Light and Power Company

**Regulatory Commission
of Alaska**

Schedule No. 20 (Continued)

Small Commercial

Demand Metering:

Rate:	Per Month	Peak Season (November through May)	Off-Peak Season (June through October)	
	Customer Charge	<u>\$26.31</u>	<u>\$26.31</u>	R
	Demand Charge, per kilowatt	\$12.33	\$ 8.25	R
	Energy Charge, per kilowatt-hour	6.44¢	5.71¢	R

Minimum Charge:

\$1.26 per month per KVA of connected load but not less than the monthly customer charge per meter unless a higher minimum charge applies in accordance with the General rules and Regulations.

Special Provisions:

- a. Standby Service
Whenever service is supplied for standby, the charge shall be \$1.26 per KVA of connected load. Electric energy sold under this provision shall be billed at the applicable rate in addition to the standby charge. The term under this provision shall not be less than one year.
- b. Metered Lighting
This schedule shall also apply to public street and highway signal lighting and outside or area lighting not meeting the requirements of Dusk to Dawn Lighting.
- c. Customer Charge
The customer charge shall be billed per billing period or any fraction thereof.

Pursuant to Order No. U-18-039()

Tariff Advice No. _____ **Effective** August 1, 2018

Issued by Alaska Electric Light and Power Company

By /s/ Connie Hulbert Title General Manager

Canceling

Alaska Electric Light and Power Company

**Regulatory Commission
of Alaska**

Schedule No. 24

Large Commercial, with Demand Metering

Applicable to:

Large commercial including lighting, heating and power; except for customers qualifying under Rate Schedule 22. Demand shall exceed 50 KW per month subject to the established rules of the Company. This rate shall apply to commercial establishments, schools, churches, governmental agencies, institutions, rooming houses, office or studio space, or like uses. Prior approval is to be obtained before installation of any motor rated 25 horsepower or more.

Character of Service:

Continuous - alternating current 60 cycle; 120/208, 120/240, 208, 240, 480, 2400, 4160, 7200, 12460 volts, single or three phase. Characteristics depend upon available circuits.

Rate: Per Month

	Peak Season (November through May)	Off-Peak Season (June through October)	
Customer Charge	\$96.13	\$96.13	R
Demand Charge, per kilowatt	\$13.85	\$ 8.82	R
Energy Charge, per kilowatt-hour	5.92¢	5.55¢	R

Minimum Charge:

The minimum monthly bill for service under this rate schedule shall be \$1.26 per month per KVA of installed transformer capacity or connected load, but not less than the customer charge of \$96.13 per month per meter unless a higher minimum applies in accordance with the General Rules and Regulations.

Pursuant to Order No. U-18-039()

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By /s/ Connie Hulbert Title General Manager

Canceling

Alaska Electric Light and Power Company

**Regulatory Commission
of Alaska**

Schedule No. 46

Dusk to Dawn Lighting

Applicable to:

Outside street and yard lighting for governmental agencies, municipalities, private residences, farms and businesses for dusk to dawn lighting with lights mounted on existing poles with bracket attachments and connected to existing overhead secondary circuits.

Rate: Per Year

100	Watt, per light	\$115.96
150	Watt, per light	\$173.87
175	Watt, per light	\$202.88
200	Watt, per light	\$231.78
250	Watt, per light	\$270.94
400	Watt, per light	\$357.81
1000	Watt, per light	\$711.82

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Presently connected filament lights will be billed at 1.44¢ per connected watt per month.

Minimum Charge:

The minimum charge shall be the same as the rate per year.

Special Provisions:

- a. Monthly Billing
Charges for annual use will be billed monthly in 12 equal installments.
- b. Less than 1 year use - Lamps disconnected within 12 months after installation will be billed for the remaining unused months upon disconnection.
- c. Lamp replacements - Lamp replacements will be made by the Company without additional charge. Outages shall be promptly reported to the Company.

Pursuant to Order No. U-18-039()

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Issued by Alaska Electric Light and Power Company

By /s/ Connie Hulbert Title General Manager

Canceling

Alaska Electric Light and Power Company

**Regulatory Commission
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Schedule No. 91

Off-Peak Service

Rate: Per Month

Customer Charge:

Rate 10 - \$ 7.58

Rate 20 - \$14.17

Rate 24 - \$25.30

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Energy Charge, per kilowatt-hour 7.37 cents

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Special Provisions:

- a. The customer is responsible for any special wiring required which may differ as specified by the Company. The Company will furnish a meter and/or time switch as required.
- b. The customer charge shall be billed per billing period or any fraction thereof.

Cost of Power Adjustment:

A surcharge or credit as shown in Schedule No. 98 may be applied to each billing for service rendered under this schedule.

Pursuant to Order No. U-18-039()

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By /s/ Connie Hulbert

Title General Manager

Canceling

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**Regulatory Commission
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Schedule No. 92

Residential Heat Pump Service

Applicable to:

Residential service in individual private dwellings, farms, apartments, and common area facilities of duplexes, tri-plexes, and four-plexes where the exclusive use of electricity for space heating is for a heat pump. The design and installation of electrical equipment shall comply with requirements established by the Company, subject to the established rules of the Company. This rate shall not apply to commercial establishments, schools, churches, governmental agencies, institutions, rooming houses, office or studio space, or like uses. Prior approval is to be obtained before installation of any motor rated 3 horsepower or more.

Heat pumps qualifying for this rate must have a Coefficient of Performance (COP) rating of 3.5 or greater on the heating cycle and shall not include supplemental electric resistant heat as part of the heat pump system.

Character of Service:

Continuous-alternating current 60 cycle 120/240 or 120/208 volts single phase. Characteristics depend on available circuits.

Rate:	Per Month	Peak Season (November through May)	Off-Peak Season (June through October)	
Customer Charge		\$10.62	\$10.62	R
Demand Charge, per kilowatt		\$ 9.60	\$ 5.86	R
Energy Charge, per kilowatt-hour		4.96¢	4.50¢	R

Special Provisions:

- a. The customer is responsible for any special wiring required which may differ as specified by the Company. The Company will furnish a demand meter as required.

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By /s/ Connie Hulbert Title General Manager

Canceling

Alaska Electric Light and Power Company

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Schedule No. 94

Electric Vehicle Supply Equipment

Applicable to:

This schedule is available to residential and small commercial customers who own a battery electric automobile or extended range electric automobile (collectively "electric vehicle") which uses one or more electric motors as the sole mechanism for delivering power to the vehicle drivetrain. Vehicles classified as motorcycles are not eligible. To be eligible, the electric vehicle must be licensed to operate on the public road system and must have an initial battery capacity of at least 16 kilowatt-hours. Service under this schedule applies to electric vehicle supply equipment ("EVSE").

Character of Service:

Continuous-alternating current 60 cycle, 240 or 208 volts, single phase. Characteristics depend on available circuits.

Rate: Per month

EVSE \$10.13

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Special Provisions:

- a. The EVSE provided under this rate shall consist of either: 1) an assembly consisting a Level II charging station pre-wired to a meter base, or 2) a Level II charging station with an integrated meter.
- b. The EVSE shall be energized via a NEMA 14-50 plug and shall deliver charge to the electric vehicle via a SAE J1772 connector.
- c. The Company shall provide, install, own, and maintain the meter for the electric vehicle circuit. All energy delivered by the EVSE shall be billed according to Rate 93 on Sheet No. 138.
- d. Customer shall provide, install, own, and maintain a supply circuit with NEMA 14-50R receptacle. Customer's circuit and receptacle must comply with all applicable federal, state, and local codes and requirements, as well as meet Company installation requirements. Customer is responsible for all customer-owned equipment upon termination of service.
- e. Customer shall provide mounting hardware for EVSE per Company installation requirements.

Pursuant to Order No. U-18-039(__)

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By /s/Connie Hulbert Title General Manager