



**ELECTRONICALLY FILED WITH RCA**

March 29, 2024

Regulatory Commission of Alaska  
701 W. 8<sup>th</sup> Avenue, Suite 300  
Anchorage, Alaska 99501

**Subject: *Tariff Advice No. 432-121; Chugach Electric Association, Inc.’s North District Cost of Power Rate Adjustment Factors Effective Second Quarter, 2024***

Commissioners:

The tariff filing described below is transmitted to you for filing in compliance with the Alaska Public Utilities Regulatory Act and Sections 3 AAC 48.200 - 3 AAC 48.430 of the Alaska Administrative Code. The purpose of this filing is to adjust Chugach Electric Association, Inc.’s (Chugach) cost of power adjustment (COPA) factors, and non-firm purchased power rates for qualified cogeneration and small power production facilities for rates effective April 1, 2024. Also included in this filing is the proposed adjustment for the Beluga River Unit (BRU) Contributed Capital surcharge for South District members, and the BRU Contributed Capital rebate for North District members for rates effective April 1, 2024.<sup>1</sup>

| <u>TARIFF SHEET NUMBER</u> |                | <u>CANCELS SHEET NUMBER</u> |                | <u>SCHEDULE OR</u>     |
|----------------------------|----------------|-----------------------------|----------------|------------------------|
| <u>ORIGINAL</u>            | <u>REVISED</u> | <u>ORIGINAL</u>             | <u>REVISED</u> | <u>RULE NUMBER</u>     |
| 66                         | 16th Revision  | 66                          | 15th Revision  | Cost of Power          |
| 67                         | 14th Revision  | 67                          | 13th Revision  | Adjustment             |
| 68                         | 14th Revision  | 68                          | 13th Revision  | Factors at G&T,        |
| 69                         | 14th Revision  | 69                          | 13th Revision  | Retail Primary,        |
| 70                         | 14th Revision  | 70                          | 13th Revision  | and Secondary          |
| 72                         | 14th Revision  | 72                          | 13th Revision  | Contributed Capital    |
| 73                         | 14th Revision  | 73                          | 13th Revision  | Adjustment Factors     |
| 74                         | 5th Revision   | 74                          | 4th Revision   | Historical             |
| 75                         | 5th Revision   | 75                          | 4th Revision   | Cost of Power          |
| 76                         | 5th Revision   | 76                          | 4th Revision   | Adjustment Factors     |
| 103                        | 14th Revision  | 103                         | 13th Revision  | Purchases & Sales Q.F. |

This filing is not for a new service, will not result in the termination of an existing service, conflict with

<sup>1</sup> The service area under Certificate of Public Convenience and Necessity (CPCN) No. 8 is designated as the South District and the service area under CPCN No. 121 is designated as the North District. The tariff sheets for South District members are being submitted to the Regulatory Commission of Alaska (Commission) in Tariff Advice No. 554-8. The proposed COPA factors for the North and South District are identical in both filings.

any other schedule or rate contained in Chugach’s operating tariff, or in any other way adversely impact customers or the public. Chugach provides electric service to approximately 93,000 retail members with 113,000 retail metered locations and wholesale customer Seward Electric System (Seward). Chugach is projecting annual revenues of approximately \$357.1 million for the calendar year 2024.

**Summary of Results**

With the implementation of the rate changes proposed in this filing, the monthly bill for residential members using 525 kWh in the South District will increase by approximately 1.8 percent, or from \$119.36 to \$121.49, and the total monthly bill for residential members in the North District will increase approximately 1.4 percent, or from \$117.26 to \$118.96.

The total bill increases are primarily attributed to the Beluga River Unit (BRU) Contributed Capital surcharge and rebate rate factor adjustments. The North District BRU Contributed Capital rebate has been adjusted from (\$0.01822) to (\$0.01499) per kWh. This reduction is primarily attributed to the application of approximately \$1.0 million balance to be collected from North District members from the Restricted Rate Reduction (RRR) account at December 31, 2023. The South District BRU Contributed Capital surcharge is increasing from \$0.01512 to \$0.01918 per kWh, which is largely due to an under-recovery in the balancing account. Additionally, the BRU Gas Transfer price increased from \$5.49 per Mcf to \$6.45 per Mcf effective April 1, 2024. The system fuel and purchased power balancing account is an over-recovery of \$1.5 million at year-end 2023.

The proposed retail and wholesale second quarter 2024 COPA factors, and BRU Contributed Capital surcharge and rebate, are summarized in Table 1 below.

| Table 1: North and South District Rate Factors, Second Quarter 2024 (\$/kWh) |           |                         |           |
|--|-----------|-------------------------|-----------|
| District / Service   | COPA Rate | BRU Contributed Capital | Total     |
| South District   |           |                         |           |
| Secondary Service  | \$0.05237 | \$0.01918               | \$0.07155 |
| Primary Service  | \$0.05199 | \$0.01918               | \$0.07117 |
| Seward (G&T)   | \$0.05132 | \$0.01918               | \$0.07050 |
| North District   |           |                         |           |
| Secondary Service  | \$0.05237 | (\$0.01499)             | \$0.03738 |
| Primary Service  | \$0.05199 | (\$0.01499)             | \$0.03700 |

Chugach’s proposed rate for non-firm purchases from qualified facilities that have a nameplate capacity of 200 kW or less is \$0.05928 per kWh at transmission voltage, \$0.06030 per kWh at distribution primary voltage, and \$0.06075 per kWh at distribution secondary voltage.

During fourth quarter 2023, gas from Chugach’s ownership interest in the BRU was not used for economy sales or offered for purchase, and Chugach does not expect such sales will be made in first or second quarter 2024. In compliance with Letter Order No. L2100172, Chugach confirms that the volumes of natural gas used for economy energy sales during fourth quarter 2023, were determined by the average hourly heat rate of the least efficient power plant operating at the time to generate energy used in the transaction.

### **Restricted Rate Reduction Account Ending Balance Disposition**

On May 28, 2020, the Regulatory Commission of Alaska (Commission) issued Order No. U-18-102(44)/U-19-020(39)/U-19-021(39), approving Chugach’s acquisition of the Municipality of Anchorage d/b/a Anchorage Municipal Light & Power. As part of the acquisition, Chugach was required to return \$36 million to North District customers served under Certificate of Public Convenience and Necessity No. 121 through the RRR account over a 36-month period beginning January 1, 2021.

As of December 31, 2023, the RRR account rebate period has been concluded. Over the 36-month period the RRR account earned approximately \$508,435 for interest earnings (net of account fees), resulting in the balance to be credited to North District members totaling \$36,508,435. The total amount distributed to North District members over the 36-month period was \$37,525,928, resulting in an over-credited balance of \$1,017,523. The over-credited balance has been applied to the North District BRU Contributed Capital balancing account, as shown on Exhibit 13. Chugach performed a reconciliation of actual dollars returned to members and concluded that approximately \$1 million dollars was over-credited to North District members. This balance adjustment has been included in the contributed capital rebate calculation on Exhibit 13. The RRR Account balances are shown in Table 2, below.

| Table 2: Restricted Rate Reduction Account Ending Balance<br>As of December 31, 2023 |               |
|--|---------------|
| Description  | Total         |
| Initial Account Balance  | \$36,000,000  |
| Interest Earned Net of Fees  | \$508,435     |
| Total Rebate to Distribute   | \$36,508,435  |
| Total Rebate Distributed to Members  | \$37,525,958  |
| (Over-Credited)/Under-Credited   | (\$1,017,523) |

### **Natural Gas Supply**

Table 3 below summarizes Chugach’s first and second quarter 2024 natural gas purchase prices (firm requirements), for the, from Hilcorp Alaska, LLC and from Chugach’s ownership interest in the BRU. The BRU Gas Transfer Price (GTP) for these periods is based on Chugach’s GTP as filed in Tariff Advice Nos. 545-8/423-121<sup>2</sup> and TA 550-8/428-121<sup>3</sup>.

<sup>2</sup> Tariff Advice Nos. 545-8/423-121 were approved by the commission under Letter Order No. L2300326 effective October 1, 2023.

<sup>3</sup> Tariff Advice Nos. 550-8/428-121 were submitted to the commission on February 15, 2024, with an effective date of April 1, 2024.

| Gas Supplier                               | Contract | Q1 2024 | Q2 2024 |
|--|----------|---------|---------|
| Hilcorp Alaska, LLC (1/1/2015 – 3/31/2028) | Firm     | \$7.69  | \$7.78  |
| Chugach Electric Association, Inc. – BRU   | Owned    | \$5.49  | \$6.45  |

### **Natural Gas Storage**

Chugach’s gas storage activity is provided on Exhibit 16, which presents the volumetric (Mcf) activity for the 18-month period ending December 31, 2023. As of December 31, 2023, the volume of gas in storage totaled 1,241,959 Mcf at a value of \$10,046,729 for an average weighted price of \$8.09 per Mcf.

### **Explanation of Tariff Sheets**

The following tariff sheets reflect the proposed rate changes contained in this filing.

**Tariff Sheet Nos. 66, 67, and 68:** These tariff sheets present itemized fuel and purchased power costs and projected MWh sales to arrive at the cost per kWh sold at the generation and transmission level.

**Tariff Sheet Nos. 69 and 70:** These tariff sheets establish the Chugach retail fuel and purchased power recovery rates by adjusting the retail generation and transmission rate (calculated on Sheet Nos. 66, 67, and 68) to reflect recovery levels from primary and secondary voltage deliveries at the distribution level.

**Tariff Sheet No. 71:** This tariff sheet provides a summary of the fuel, purchased power, Fire Island Wind renewable energy factor, and BRU Contributed Capital surcharge and rebate rates for the South and North Districts at primary and secondary delivery.

**Tariff Sheet No. 73:** This tariff sheet contains the BRU Contributed Capital surcharge for South District members and the BRU Contributed Capital rebate for North District members.

**Tariff Sheet Nos. 74, 75, and 76:** These tariff sheets provide the post-acquisition historical COPA factors at transmission delivery, primary voltage levels, and secondary voltage levels, and new lines have been added to include the rates effective April 1, 2024.

**Tariff Sheet No. 103:** This tariff sheet reflects updated non-firm power rates for cogenerators and small power producers. The fuel and purchased power expense on line 1 is the sum of total fuel and purchased power expense, less economy fuel costs, as reflected on Sheet Nos. 66, 67 and 68.

### **Supporting Exhibits and Attachments**

The following exhibits and attachments support the development of the fuel, purchased power, and avoided cost rates contained in this filing:

**Exhibit 1** presents projected energy sales, generation and purchase power requirements to meet the sales forecast for second quarter 2024. These projections are based on recent cost and line loss results.

***Exhibit 2*** presents energy sales by District and rate class for the past four quarters. The average retail line loss factor is also calculated on this exhibit.

***Exhibit 3*** presents MWh generation for each of Chugach's generation units and energy purchases for the past four quarters. Station service and economy energy sales have been deducted to arrive at net generation and purchases.

***Exhibit 4*** presents quantities of gas used at each of Chugach's generation plants for the past four quarters.

***Exhibit 5*** summarizes actual fourth quarter 2023 economy energy sales, wheeling transactions, power pool transactions, and other cost of power credits.

***Exhibit 6*** summarizes actual fourth quarter 2023 fuel and purchased power cost transactions.

***Exhibit 7*** summarizes actual fourth quarter 2023 and projected balancing accounts through first quarter 2024, on a customer class basis.

***Exhibits 8 through 10*** summarize the allocation of monthly fuel and purchased power costs and the cost of power adjustment balancing account impacts to each customer class. These amounts are also shown on Exhibit 7.

***Exhibit 11*** summarizes the quarterly balancing account impacts from fuel and purchased power costs and credits for the retail and wholesale classes on an actual basis.

***Exhibit 12*** summarizes natural gas used at each power plant by fuel contract on both an actual and projected basis.

***Exhibit 13*** presents the BRU Contributed Capital surcharge for South District members and the BRU Contributed Capital rebate for North District members.

***Exhibit 14*** presents the MWh delivered, curtailed, and deemed from Fire Island Wind, LLC, for the 12-month period ending December 31, 2023.

***Exhibit 15*** presents the summarized monthly gas volumes in storage, gas transactions for firm and interruptible storage service, gas exchanges, and the weighted average cost of gas in storage for the 18-month period ending December 31, 2023.

***Attachment A*** contains supporting invoices for economy energy sales, wheeling transactions, water sales invoices, power pool invoices and exchange transactions for the past quarter. Ammonia invoices, used in the calculation of cogeneration buyback rates, are also included in this attachment.

***Attachments B through D*** contain supporting invoices for each month of the quarter for natural gas, gas transportation, and purchased power costs.

*Attachment E* contains the detailed calculations of the avoided costs on an hourly basis and summarizes the difference between the average quarterly rates charged to customers under Tariff Sheet No. 103 against the calculated hourly avoided costs. Any variance will be captured in the next quarterly filing.

Please contact Jean Kornmuller, Sr. Manager of Regulatory Affairs at 907-762-4184 or [jean\\_kornmuller@chugachelectric.com](mailto:jean_kornmuller@chugachelectric.com) if additional information is needed.

Sincerely,

CHUGACH ELECTRIC ASSOCIATION, INC.



Arthur Miller  
Chief Executive Officer  
P.O. Box 196300  
Anchorage, Alaska 99519-6300  
Telephone: (907) 762-4758  
[arthur\\_miller@chugachelectric.com](mailto:arthur_miller@chugachelectric.com)

Attachments

cc: Kat Sorenson, Seward City Manager, City of Seward (electronically)

RCA NO.: 121                      16<sup>th</sup> Revision                      Sheet No. 66



Canceling

15<sup>th</sup> Revision                      Sheet No. 66

Chugach Electric Association, Inc.

**COST OF POWER ADJUSTMENT FACTORS AT G&T POST ACQUISITION**

e.1. Fuel Adjustment Factor: Predicted Costs for the quarter beginning April 1, 2024

|  | Total            | Retail           | Seward           |
|--|------------------|------------------|------------------|
| <b>Natural Gas Fuel Expense by Contract</b>      |                  |                  |                  |
| AIX Energy, LLC (4/2016-3/2024)                  | \$0              | \$0              | \$0              |
| BRU  | \$14,869,065     | \$14,387,452     | \$481,613        |
| Cook Inlet Energy (2014-3/2023)                  | \$0              | \$0              | \$0              |
| Furie (11/2021-3/2023)                           | \$0              | \$0              | \$0              |
| Hilcorp Alaska, LLC-Firm (1/2015-3/2028)         | \$5,238,198      | \$5,068,532      | \$169,667        |
| Hilcorp Alaska, LLC-Non-Firm (2/2021-8/2021)     | \$0              | \$0              | \$0              |
| <b>Other Fuel Expenses</b>                       |                  |                  |                  |
| Emergency Generator and Other Misc. Fuel         | \$0              | \$0              | \$0              |
| CINGSA - FSS, ISS and Fees                       | \$1,038,598      | \$1,004,957      | \$33,640         |
| CINGSA - Gas Withdrawn                           | \$0              | \$0              | \$0              |
| Gas Transportation and Compression               | \$1,564,834      | \$1,514,149      | \$50,685         |
|  | \$22,710,695     | \$21,975,090     | \$735,605        |
| <b>Less Credits</b>                              |                  |                  |                  |
| Economy Sales: Fuel and Margins                  | (\$889,133)      | (\$860,334)      | (\$28,799)       |
| Wheeling Revenue                                 | (\$588,275)      | (\$569,220)      | (\$19,054)       |
| AWWU Water Sales                                 | (\$210,194)      | (\$203,386)      | (\$6,808)        |
| Pooling Agreement - MEA                          | (\$555,542)      | (\$537,548)      | (\$17,994)       |
| Gas Exchange Revenue                             | (\$138,000)      | (\$133,530)      | (\$4,470)        |
| Subtotal   | (\$2,381,143)    | (\$2,304,017)    | (\$77,126)       |
| Net Fuel Expense                                 | \$20,329,551     | \$19,671,072     | \$658,479        |
| Generation & Purchases (MWh)                     | 473,019          | 458,076          | 14,943           |
| Cost per MWh at Generation                       | \$42.98          | \$42.94          | \$44.06          |
| Projected Balances as of March 30, 2024          | (\$5,128,796)    | (\$4,982,922)    | (\$145,874)      |
| Fuel Expense to be Recovered at G&T              | \$15,200,755     | \$14,688,150     | \$512,605        |
| Predicted Sales at G&T (MWh)                     | 465,039          | 450,348          | 14,691           |
| <b>Fuel Adjustment Factor per kWh at G&amp;T</b> | <b>\$0.03269</b> | <b>\$0.03262</b> | <b>\$0.03489</b> |

I, I, I

Tariff Advice No. 432-121

Issued by:

Effective: April 1, 2024

Chugach Electric Association, Inc

P.O. Box 196300 Anchorage, Alaska 99519-6300

RCA NO.: 121      14<sup>th</sup> Revision      Sheet No. 67



Canceling

13<sup>th</sup> Revision      Sheet No. 67

Chugach Electric Association, Inc.

**COST OF POWER ADJUSTMENT FACTORS AT G&T  
POST ACQUISITION (CONTINUED)**

e.2. Purchased Power Adj. Factor: Predicted costs for the quarter beginning April 1, 2024

| Description   | Total       | Retail      | Seward            |
|---|-------------|-------------|-------------------|
| Purchased Power Expense                             |             |             |                   |
| Bradley Lake Purchases                              | \$3,625,446 | \$3,508,017 | \$117,429         |
| Base FIW Renewable Resource Cost                    | \$1,131,408 | \$1,131,408 | \$0               |
| Non-Utility Generation                              | \$0         | \$0         | \$0               |
| Pooling Agreement - MEA                             | \$627,226   | \$606,910   | \$20,316          |
| Other Purchases                                     | \$117,929   | \$114,110   | \$3,820           |
| Subtotal  | \$5,502,009 | \$5,360,444 | \$141,565         |
| Less Purchased Power Credits                        |             |             |                   |
| Renewable Energy Certificates                       | \$0         | \$0         | \$0               |
| Wheeling and Economy Revenue                        | (\$357,924) | (\$346,331) | (\$11,593)        |
| Subtotal  | (\$357,924) | (\$346,331) | (\$11,593)        |
| Net Purchased Power Expense                         | \$5,144,085 | \$5,014,113 | \$129,972         |
| Generation & Purchases (MWh)                        | 473,019     | 458,076     | 14,943            |
| Cost per MWh at Generation                          | \$10.88     | \$10.95     | \$8.70            |
| Projected Balances as of March 30, 2024             | \$2,984,176 | \$2,872,860 | \$111,317         |
| Purchased Power Expense to be Recovered             | \$8,128,261 | \$7,886,973 | \$241,288         |
| Predicted Sales at G&T (MWh)                        | 465,039     | 450,348     | 14,691            |
| Purchased Power Adjustment Factor<br>per kWh at G&T | \$0.01748   | \$0.01751   | \$0.01642 R, R, R |

Tariff Advice No. 432-121

Issued by:

Effective: April 1, 2024

Chugach Electric Association, Inc  
P.O. Box 196300 Anchorage, Alaska 99519-6300



RCA NO.: 121      14<sup>th</sup> Revision      Sheet No. 68



Canceling

13<sup>th</sup> Revision      Sheet No. 68

Chugach Electric Association, Inc.

**COST OF POWER ADJUSTMENT FACTORS AT G&T  
POST ACQUISITION (CONTINUED)**

e.3. Incremental Fire Island Wind Adjustment Factor:

Predicted costs for the quarter beginning April 1, 2024

| Description                                     | Total              | Retail             | Seward |             |
|---|--------------------|--------------------|--------|-------------|
| Predicted FIW Purchases (MWh)                   | 11,664             | 11,664             | ----   |             |
| Purchased Power Rate                            | \$97.00            | \$97.00            | ----   |             |
| <b>Total FIW Purchased Power Cost</b>           | <b>\$1,131,408</b> | <b>\$1,131,408</b> | ----   |             |
| Chugach Avoided Energy Cost at G&T (MWh)        | \$59.28            | \$59.28            | ----   |             |
| Estimated Cost Avoided Due to FIW Purchases     | \$691,475          | \$691,475          | ----   |             |
| Fire Island Wind Cost Differential              | \$439,933          | \$439,933          | ----   |             |
| Chugach Retail Generation & Purchases (MWh)     | 458,076            | 458,076            | ----   |             |
| Cost per MWh at Generation                      | \$0.96             | \$0.96             | ----   |             |
| Predicted Sales at G&T (MWh)                    | 450,348            | 450,348            | ----   |             |
| <b>FIW Adjustment Factor per kWh at G&amp;T</b> | <b>\$0.00098</b>   | <b>\$0.00098</b>   | ----   | <b>R, R</b> |

e.4. Summary of fuel and purchased power cost adjustment factors at G&T  
for rates effective April 1, 2024

|   |                  |                  |                  |                |
|---|------------------|------------------|------------------|----------------|
| Fuel & Purch. Pwr Costs to be Recovered | \$25,913,569     | \$25,125,119     | \$788,451        |                |
| Generation & Purchases (MWh)            | 473,019          | 458,076          | 14,943           |                |
| <b>Cost per MWh at Generation</b>       | <b>\$54.78</b>   | <b>\$54.85</b>   | <b>\$52.76</b>   |                |
| Projected Balances as of March 30, 2024 | (\$2,144,620)    | (\$2,110,063)    | (\$34,557)       |                |
| Total Costs Recovered at G&T            | \$23,768,949     | \$23,015,056     | \$753,893        |                |
| Predicted Sales at G&T (MWh)            | 465,039          | 450,348          | 14,691           |                |
| Fuel and Purchased Power Adjustment     |                  |                  |                  |                |
| <b>Factor per kWh at G&amp;T</b>        | <b>\$0.05111</b> | <b>\$0.05111</b> | <b>\$0.05132</b> | <b>I, I, I</b> |

Tariff Advice No. 432-121

Issued by:

Effective: April 1, 2024

Chugach Electric Association, Inc.  
P.O. Box 196300 Anchorage, Alaska 99519-6300

RCA NO.: 121      14<sup>th</sup> Revision      Sheet No. 69



Canceling

13<sup>th</sup> Revision      Sheet No. 69

|                                    |
|------------------------------------|
| Chugach Electric Association, Inc. |
|------------------------------------|

**COST OF POWER ADJUSTMENT FACTORS  
POST ACQUISITION AT RETAIL DELIVERY: PRIMARY SERVICE**

e.5. Chugach retail cost of power adjustment factors for rates effective April 1, 2024

|  |   |                  |   |
|--|---|------------------|---|
| 1.   | Total Chugach Retail Fuel and Purchased Power Cost Recovery | \$23,015,056     |   |
| 2.   | Retail Fuel Adjustment Factor per kWh at G&T                | \$0.03262        |   |
| 3.   | Retail Purchased Power Adjustment Factor per kWh at G&T     | \$0.01751        |   |
| 4.   | Fire Island Wind Adjustment Factor per kWh at G&T           | \$0.00098        |   |
|  |   |                  |   |
| 5.   | Chugach Retail Service at Primary Voltage                   |                  |   |
|  |   |                  |   |
| A. Fuel Adjustment Factor                              |   |                  |   |
| a)   | Primary kWh Sales at G&T                                    | 63,278,559       |   |
| b)   | Fuel Cost Recovery - Primary Voltage                        | \$2,064,147      |   |
| c)   | Primary kWh Sales at Delivery                               | 62,208,923       |   |
| d)   | Fuel Adjustment Factor per kWh at Primary                   | <u>\$0.03318</u> | I |
|  | (Percent Primary Distribution Losses at G&T: 1.69%)         |                  |   |
|  |   |                  |   |
| B. Purchased Power Adjustment Factor                   |   |                  |   |
| a)   | Primary kWh Sales at G&T                                    | 63,278,559       |   |
| b)   | Purchased Power Cost Recovery - Primary Voltage             | \$1,108,008      |   |
| c)   | Primary kWh Sales at Delivery                               | 62,208,923       |   |
| d)   | Purchased Power Adj. Factor per kWh at Primary              | <u>\$0.01781</u> | R |
|  |   |                  |   |
| C. Fire Island Wind Renewable Energy Adjustment Factor |   |                  |   |
| a)   | Primary kWh Sales at G&T                                    | 63,278,559       |   |
| b)   | FIW Cost Differential - Primary Voltage                     | \$62,013         |   |
| c)   | Primary kWh Sales at Delivery                               | 62,208,923       |   |
| d)   | FIW Renewable Energy Adj. Factor per kWh at Primary         | <u>\$0.00100</u> | R |
|  |   |                  |   |
| D.   | Total Retail Service at Primary Voltage Delivery            | \$0.05199        | I |



Canceling

Chugach Electric Association, Inc.

**COST OF POWER ADJUSTMENT FACTORS  
POST ACQUISITION AT RETAIL DELIVERY: SECONDARY SERVICE**

e.6. Chugach retail cost of power adjustment factors for rates effective April 1, 2024

6. Chugach Retail Service at Secondary Voltage

A. Fuel Adjustment Factor

|   |                  |   |
|---|------------------|---|
| a) Secondary kWh Sales at G&T                         | 387,069,234      |   |
| b) Fuel Cost Recovery - Secondary Voltage             | \$12,626,198     |   |
| c) Secondary kWh Sales at Delivery                    | 377,692,170      |   |
| d) Fuel Adjustment Factor per kWh at Secondary        | <u>\$0.03343</u> | I |
| (Percent Secondary Distribution Losses at G&T: 2.42%) |                  |   |

B. Purchased Power Adjustment Factor

|  |                  |   |
|--|------------------|---|
| a) Predicted Secondary kWh Sales at G&T              | 387,069,234      |   |
| b) Purchased Power Cost Recovery - Secondary Voltage | \$6,777,582      |   |
| c) Predicted Secondary kWh Sales at Delivery         | 377,692,170      |   |
| d) Purchased Power Adj. Factor per kWh at Secondary  | <u>\$0.01794</u> | R |

C. Fire Island Wind Renewable Energy Adjustment Factor

|  |                  |   |
|--|------------------|---|
| a) Predicted Secondary kWh Sales at G&T                  | 387,069,234      |   |
| b) FIW Cost Differential - Secondary Voltage             | \$379,328        |   |
| c) Predicted Secondary kWh Sales at Delivery             | 377,692,170      |   |
| d) FIW Renewable Energy Adj. Factor per kWh at Secondary | <u>\$0.00100</u> | R |

D. Total Retail Service at Secondary Voltage Delivery \$0.05237    I

RCA NO.: 121                      14<sup>th</sup> Revision      Sheet No.      72



Canceling

13<sup>th</sup> Revision                      Sheet No.      72

---

Chugach Electric Association, Inc.

---

**Beluga River Unit Contributed Capital Surcharge and Rebate**

The Beluga River Unit Contributed Capital (BRU Contributed Capital) adjustment process governs the collection of funds through a surcharge assessed to South District members and the disbursement of funds to North District members through a rebate over a targeted 120-month period, beginning January 1, 2021.<sup>1</sup> The BRU Contributed Capital adjustment mechanism reconciles historical contributions and future ratepayer benefit between members served in the South District and North District in the amount of \$176,612,912, or \$136,002,239 on a present value basis (10 years, 5% interest rate).

BRU Contributed Capital surcharge and rebate amounts are adjusted quarterly consistent with the timing of Chugach's cost of power adjustment filings. Because the surcharge and rebate amounts are amounts are determined by projected sales and incorporate balancing accounts, the actual life of the BRU Contributed Capital adjustment process may be shorter or longer than the 120-month period.

**A. Applicability**

The surcharge is applicable to all South District members and the rebate is applicable to all North District members.

**B. BRU Contributed Capital Balancing Accounts**

Chugach shall maintain a BRU Contributed Capital surcharge balancing account for South District members and a BRU Contributed Capital rebate balancing account for North District members. The South District balancing account starts with a debit balance of \$176,612,912 reflecting the amounts due from the South District members. The North District balancing account starts with a credit balance of \$176,612,912 reflecting the amount to be rebated. Each account will be reduced monthly by the amount of the surcharge collected and rebate returned to the members.

**C. Surcharge and Rebate Amounts**

Member billings will be adjusted on a quarterly basis to reflect changes in surcharge and rebate amounts.

|   |             |         |   |
|---|-------------|---------|---|
| South District BRU Contributed Capital Surcharge: | \$0.01918   | per kWh | I |
| North District BRU Contributed Capital Rebate:    | (\$0.01499) | per kWh | I |

---

<sup>1</sup> See Order No. U-18-102(44)/U-19-020(39)/U-19-021(39) issued by the Regulatory Commission of Alaska on May 28, 2020.

RCA NO.: 121

14<sup>th</sup> Revision

Sheet No. 73



Canceling

13<sup>th</sup> Revision

Sheet No. 73

Chugach Electric Association, Inc.

**COST OF POWER ADJUSTMENT FACTORS POST ACQUISITION  
WITH BRU CONTRIBUTED CAPITAL AND RRR REBATE ADJUSTMENTS**

|                         | <b>South District</b> |           | <b>North District</b> |             |            |
|-------------------------|-----------------------|-----------|-----------------------|-------------|------------|
|                         | Primary               | Secondary | Primary               | Secondary   |            |
| Fuel Rate               | \$0.03318             | \$0.03343 | \$0.03318             | \$0.03343   | I, I, I, I |
| Purchased Power Rate    | \$0.01781             | \$0.01794 | \$0.01781             | \$0.01794   | R, R, R, R |
| FIW Adj Factor          | \$0.00100             | \$0.00100 | \$0.00100             | \$0.00100   | R, R, R, R |
| Subtotal                | \$0.05199             | \$0.05237 | \$0.05199             | \$0.05237   | I, I, I, I |
| BRU Contributed Capital | \$0.01918             | \$0.01918 | (\$0.01499)           | (\$0.01499) | I, I, I, I |
| Total per kWh Rate      | \$0.07117             | \$0.07155 | \$0.03700             | \$0.03738   | I, I, I, I |

Tariff Advice No. 432-121

Issued by:

Effective: April 1, 2024

Chugach Electric Association, Inc.  
P.O. Box 196300 Anchorage, Alaska 99519-6300

RCA NO.: 121      5<sup>th</sup> Revision      Sheet No. 74



Canceling

4<sup>th</sup> Revision      Sheet No. 74

Chugach Electric Association, Inc.

**COST OF POWER ADJUSTMENT FACTOR HISTORY  
(SERVICE AT TRANSMISSION DELIVERY, RETAIL)**

| For Rates Effective      | Chugach Retail (Rate per kWh) |           |                 |                       |
|--------------------------|-------------------------------|-----------|-----------------|-----------------------|
|                          | Total                         | Fuel      | Purchased Power | FIW Adjustment Factor |
| <b>Post Acquisition:</b> |                               |           |                 |                       |
| January 1, 2021          | \$0.04696                     | \$0.03936 | \$0.00587       | \$0.00173             |
| April 1, 2021            | \$0.04786                     | \$0.04214 | \$0.00488       | \$0.00084             |
| July 1, 2021             | \$0.04841                     | \$0.04284 | \$0.00488       | \$0.00069             |
| October 1, 2021          | \$0.04764                     | \$0.04192 | \$0.00474       | \$0.00098             |
| January 1, 2022          | \$0.03820                     | \$0.03229 | \$0.00448       | \$0.00143             |
| April 1, 2022            | \$0.04237                     | \$0.03639 | \$0.00502       | \$0.00096             |
| July 1, 2022             | \$0.04599                     | \$0.03800 | \$0.00692       | \$0.00107             |
| October 1, 2022          | \$0.04790                     | \$0.03968 | \$0.00692       | \$0.00130             |
| January 1, 2023          | \$0.04729                     | \$0.03785 | \$0.00829       | \$0.00115             |
| April 1, 2023            | \$0.05143                     | \$0.04102 | \$0.00938       | \$0.00103             |
| July 1, 2023             | \$0.05364                     | \$0.04201 | \$0.01048       | \$0.00115             |
| October 1, 2023          | \$0.05198                     | \$0.03862 | \$0.01231       | \$0.00105             |
| January 1, 2024          | \$0.05090                     | \$0.03129 | \$0.01839       | \$0.00122             |
| April 1, 2024            | \$0.05111                     | \$0.03262 | \$0.01751       | \$0.00098             |

N

Tariff Advice No. 432-121

Issued by:

Effective: April 1, 2024

Chugach Electric Association, Inc.  
P.O. Box 196300 Anchorage, Alaska 99519-6300

RCA NO.: 121      5<sup>th</sup> Revision      Sheet No. 75



Canceling

4<sup>th</sup> Revision      Sheet No. 75

Chugach Electric Association, Inc.

**COST OF POWER ADJUSTMENT FACTOR HISTORY  
(SERVICE AT CHUGACH RETAIL DELIVERY)**

| For Rates Effective      | Primary Voltage (Rate per kWh) |           |                 |                       |   |
|--------------------------|--------------------------------|-----------|-----------------|-----------------------|---|
|                          | Total                          | Fuel      | Purchased Power | FIW Adjustment Factor |   |
| <b>Post Acquisition:</b> |                                |           |                 |                       |   |
| January 1, 2021          | \$0.04729                      | \$0.03964 | \$0.00591       | \$0.00174             |   |
| April 1, 2021            | \$0.04944                      | \$0.04353 | \$0.00504       | \$0.00087             |   |
| July 1, 2021             | \$0.04952                      | \$0.04382 | \$0.00499       | \$0.00071             |   |
| October 1, 2021          | \$0.04963                      | \$0.04367 | \$0.00494       | \$0.00102             |   |
| January 1, 2022          | \$0.04317                      | \$0.03649 | \$0.00506       | \$0.00162             |   |
| April 1, 2022            | \$0.04325                      | \$0.03715 | \$0.00512       | \$0.00098             |   |
| July 1, 2022             | \$0.04600                      | \$0.03801 | \$0.00692       | \$0.00107             |   |
| October 1, 2022          | \$0.04823                      | \$0.03995 | \$0.00697       | \$0.00131             |   |
| January 1, 2023          | \$0.04964                      | \$0.03973 | \$0.00870       | \$0.00131             |   |
| April 1, 2023            | \$0.05342                      | \$0.04261 | \$0.00974       | \$0.00107             |   |
| July 1, 2023             | \$0.05680                      | \$0.04448 | \$0.01110       | \$0.00122             |   |
| October 1, 2023          | \$0.05320                      | \$0.03953 | \$0.01260       | \$0.00107             |   |
| January 1, 2024          | \$0.05198                      | \$0.03195 | \$0.01878       | \$0.00125             |   |
| April 1, 2024            | \$0.05199                      | \$0.03318 | \$0.01781       | \$0.00100             | N |

Tariff Advice No. 432-121

Issued by:

Effective: April 1, 2024

Chugach Electric Association, Inc.  
P.O. Box 196300 Anchorage, Alaska 99519-6300

RCA NO.: 121      5<sup>th</sup> Revision      Sheet No. 76



Canceling

4<sup>th</sup> Revision      Sheet No. 76

Chugach Electric Association, Inc.

**COST OF POWER ADJUSTMENT FACTOR HISTORY  
(SERVICE AT CHUGACH RETAIL SECONDARY VOLTAGE DELIVERY)**

| For Rates Effective      | Total     | Secondary Voltage (Rate per kWh) |                 |                       |
|--------------------------|-----------|----------------------------------|-----------------|-----------------------|
|                          |           | Fuel                             | Purchased Power | FIW Adjustment Factor |
| <b>Post Acquisition:</b> |           |                                  |                 |                       |
| January 1, 2021          | \$0.04766 | \$0.03994                        | \$0.00596       | \$0.00176             |
| April 1, 2021            | \$0.04980 | \$0.04385                        | \$0.00508       | \$0.00087             |
| July 1, 2021             | \$0.04989 | \$0.04415                        | \$0.00503       | \$0.00071             |
| October 1, 2021          | \$0.05000 | \$0.04400                        | \$0.00497       | \$0.00103             |
| January 1, 2022          | \$0.04349 | \$0.03676                        | \$0.00510       | \$0.00163             |
| April 1, 2022            | \$0.04358 | \$0.03743                        | \$0.00516       | \$0.00099             |
| July 1, 2022             | \$0.04634 | \$0.03829                        | \$0.00697       | \$0.00108             |
| October 1, 2022          | \$0.04859 | \$0.04025                        | \$0.00702       | \$0.00132             |
| January 1, 2023          | \$0.05001 | \$0.04002                        | \$0.00877       | \$0.00122             |
| April 1, 2023            | \$0.05383 | \$0.04293                        | \$0.00982       | \$0.00108             |
| July 1, 2023             | \$0.05722 | \$0.04481                        | \$0.01118       | \$0.00123             |
| October 1, 2023          | \$0.05359 | \$0.03982                        | \$0.01269       | \$0.00108             |
| January 1, 2024          | \$0.05236 | \$0.03219                        | \$0.01892       | \$0.00125             |
| April 1, 2024            | \$0.05237 | \$0.03343                        | \$0.01794       | \$0.00100             |

N



RCA NO.: 121      14<sup>th</sup> Revision      Sheet No. 103



Canceling

13<sup>th</sup> Revision      Sheet No. 103

Chugach Electric Association, Inc.

**POST ACQUISITION PURCHASE AND SALES RATES FOR QUALIFIED COGENERATION, SMALL POWER PRODUCTION, AND STANDBY/BUYBACK FACILITIES**

Available in all territory served by Chugach, or as required pursuant to contractual arrangements under wholesale power sales agreement. Applicable to qualified cogeneration, small power production and standby/buyback facilities of 200 kW or less. The type of service shall be single or three phase 60 hertz at Chugach's standard voltages.

Chugach reserves the right to limit the number of retail customers receiving service under the terms of this schedule to one per substation circuit. Chugach further reserves the right to reduce the buyback rates for costs associated with the integration of the energy produced by the qualifying facility into the Chugach system. Integration costs are project specific and determined through the completion of an integration study completed by Chugach.

Monthly Rates

Power sales supplied by Chugach to the customer to meet its electric requirements will be priced at the applicable rates. The rate paid by Chugach to the customer for kWh supplied by the customer to Chugach is the average avoided cost calculated as follows:

|  |              |   |
|--|--------------|---|
| 1. Fuel and purchased power expense, excluding Bradley Lake and Fire Island Wind, predicted for next quarter in the determination of fuel and purchased power rates. | \$20,716,782 |   |
| 2. Non-fuel O&M expense  | \$126,545    |   |
| 3. Balancing Account as of December 31, 2023   | (\$57,094)   |   |
| 4. Total Avoided Cost Included in Rate   | \$20,786,233 |   |
| 5. kWh Sales at G&T predicted for next quarter:  | 350,628,167  |   |
| 6. Avoided Cost per kWh at G&T (L4) / L5   | \$0.05928    | I |
| 7. Avoided Cost at Retail Primary Voltage  |              |   |
| a) Retail Primary kWh Sales at G&T<br>(Percent Primary Distribution Losses at G&T: 1.69%)  | 63,278,559   |   |
| b) Retail Primary kWh Sales at Delivery  | 62,208,923   |   |
| c) Avoided Costs per kWh at Retail Primary (L6 x L7a / L7b)  | \$0.06030    | I |
| 8. Avoided Cost at Retail Secondary Voltage  |              |   |
| a) Retail Secondary kWh Sales at G&T<br>(Percent Secondary Distribution Losses at G&T: 2.42%)  | 387,069,234  |   |
| b) Retail Secondary kWh Sales at Delivery  | 377,692,170  |   |
| c) Avoided Costs per kWh at Retail Secondary (L6 x L8a / L8b)  | \$0.06075    | I |

These rates will change concurrently with cost of power factor adjustments and general rate revisions.