

January 3, 2017

TARIFF ADVICE LETTER NO. 432-8

Regulatory Commission of Alaska
701 West Eighth Avenue, Suite 300
Anchorage, Alaska 99501-3469

Commissioners:

This filing requests approval by the Regulatory Commission of Alaska (Commission) of an amendment extending the term of the Isolated Operating Agreement For Government-Owned Disaster Preparedness Generation Facilities (Agreement) between Chugach Electric Association, Inc. and the Anchorage School District (Parties) for an additional one (1) year period.

The Commission previously approved this Special Contract Agreement in Letter Order L0600565 arising out of Tariff Advice No. 275-8. Over the years, the Parties have not experienced any difficulties with the Agreement, and the Agreement continues to confer the intended mutual benefits. Section 8, paragraph 28 of the Agreement allows the Parties to extend the Agreement for an additional 10-year term. At this time, however, the Parties desire to extend the Agreement for a 1-year period to provide the opportunity to work together to update the Agreement which was originally approved by the Commission in 2006. The amendment to the Agreement is included as Attachment A.

In compliance with the Alaska Public Utilities Regulatory Act and 3 AAC 48.200 – 3 AAC 48.430, Chugach hereby submits the following tariff sheet to reflect an additional 1-year term to the Agreement.

<u>TARIFF</u>	<u>SHEET</u>	<u>NUMBER</u>	<u>CANCELS</u>	<u>SHEET</u>	<u>NUMBER</u>	<u>SCHEDULE OR</u>
<u>ORIGINAL</u>	<u>REVISED</u>		<u>ORIGINAL</u>	<u>REVISED</u>		<u>RULE NUMBER</u>
	73	12th Revision		73	11th Revision	Special Contracts

This filing is not for a new service and will not result in the termination of an existing service or conflict with any other schedule or rate contained in Chugach’s operating tariff. This filing has no impact on Chugach’s revenues, and Chugach does not believe that any customer is directly impacted by this filing. Rather, Chugach believes the interconnected electric power system is benefitted by the limited power supply redundancy permitted by this agreement.

Contract Summary

As explained in Commission Staff memorandum dated August 15, 2006 (Tariff Advice 275-8), the Agreement allows:

...ASD to use a very limited section of Chugach's distribution system (within the Service High School Complex) in emergency situations. According to Chugach, it normally prohibits third parties from using its distribution system under any circumstances. Under the contract, emergency situation is narrowly defined as 1) a disaster, or urgent or critical situation of a temporary nature under which ASD is responsible to retain students for their safety within the Service High School Complex and 2) Chugach is not able to provide electrical service from its distribution system. Chugach explains that it recognizes the public benefit of allowing a deviation under this unique situation.

The Commission recently approved a similar special contract between Municipal Light and Power (ML&P) and ASD for limited use of ML&P's distribution systems at Bartlett and West High Schools.² ASD is installing generation facilities at twenty one schools located throughout the Municipality of Anchorage as part of a district wide disaster preparedness effort. It was possible to serve many of the schools with standby generation from a single point on the school campus. However those that have widely separated points of delivery must be connected to an isolated portion of the utility distribution line. The line is then isolated from the grid to allow distribution within the school complexes when the utility experiences a power outage.

The Parties have professionally and effectively cooperated to their mutual benefit so that the Agreement has operated as anticipated and confers the benefits desired by the Anchorage School District while operating successfully with Chugach's system. It is in the interest of the Parties and the public to continue under this Agreement for an additional 1-year period to allow the Parties to work together to update the agreement, now 10 years old.

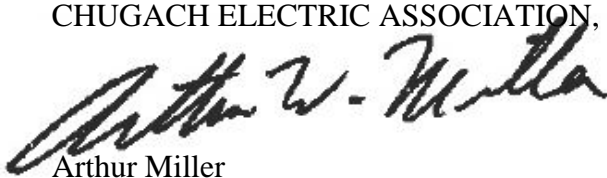
Description of Tariff Sheet Change

Tariff Sheet No. 73: Updated to reflect the extension of the Isolated Operating for Government-Owned Emergency Generation Facilities between Chugach Electric Association, Inc. and the Anchorage School District to December 31, 2017.

Please contact me at (907) 762-4758 or at Arthur_miller@chugachelectric.com if additional information is needed for this review.

Sincerely,

CHUGACH ELECTRIC ASSOCIATION, INC.



Arthur Miller

Executive Manager, Regulatory and External Affairs

P.O. Box 196300
Anchorage, Alaska 99519-6300
Telephone: 907-762-4758
Arthur_miller@chugachelectric.com

Attachments

cc: John Foutz (City of Seward)

RCA No.: 8 12th Revision

Sheet No. 73

Canceling

11th Revision

Sheet No. 73

Chugach Electric Association, Inc.

SCHEDULE OF SPECIAL CONTRACTS

The following is a listing pursuant to 3 AAC 48.370(26) of all special contracts to which Chugach is a party:

1. Agreement for the Sale and Purchase of Electric Power and Energy between Chugach Electric Association, Inc., and the City of Seward, effective May 31, 2006 through December 31, 2011; extended through December 31, 2021, with amendments one and two.
2. Isolated Operating Agreement for Government-Owned Emergency Generation Facilities between Chugach Electric Association, Inc., and the Anchorage School District, effective September 1, 2006 through December 31, 2017.
3. Gas Dispatch Agreement between Chugach Electric Association, Inc. and Matanuska Electric Association Inc. effective April 1, 2016 through March 31, 2018 (with option to extend until March 31, 2019 if the parties mutually agree).

Tariff Advice No.: 432-8

Effective: February 16, 2017

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

By: 
Lee D. Thibert

Title: Chief Executive Officer

**AMENDMENT TO ISOLATED OPERATING AGREEMENT FOR GOVERNMENT-OWNED DISASTER PREPAREDNESS GENERATION FACILITIES BETWEEN
CHUGACH ELECTRIC ASSOCIATION, INC.
AND THE ANCHORAGE SCHOOL DISTRICT**

RECITALS

- A. Chugach Electric Association, Inc. and the Anchorage School District (Parties) previously entered into an Isolated Operating Agreement for Government-Owned Disaster Preparedness Generation Facilities (Agreement);
- B. The Regulatory Commission of Alaska (Commission) approved of this Agreement in Letter Order L0600565 arising out of TA275-8; and
- C. The Agreement continues to confer the intended mutual benefits.

THEREFORE, THE PARTIES AGREE AS FOLLOWS:

AGREEMENT


- 1. The Parties agree to extend the Agreement for a 1 year period effective immediately as of the last signature date below or as may be determined by the Commission after review of this Amendment.

IN WITNESS WHEREOF, the Parties have executed this Amendment to the Isolated Operating Agreement For Government-Owned Disaster Preparedness Generation Facilities.

ANCHORAGE SCHOOL DISTRICT

**CHUGACH ELECTRIC ASSOCIATION,
INC.**

Signature:

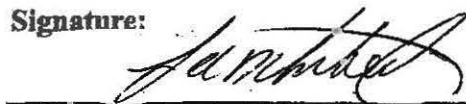


Name: Thomas J. Roth

Title: Chief Operating Officer

Date: 30 DEC 2016

Signature:



Name: Lee D. Thibert

Title: Chief Executive Officer

Date: January 3, 2017