

**ELECTRONICALLY FILED WITH RCA**

March 24, 2017

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

**Subject: Tariff Advice No. 438-8; Extension of Term – Gas Sale and Purchase Agreement between Cook Inlet Energy, LLC and Chugach Electric Association, Inc.**

Commissioners:

The Regulatory Commission of Alaska (Commission) approved the Gas Sale and Purchase Agreement between Cook Inlet Energy, LLC and Chugach Electric Association, Inc. (Agreement) on November 25, 2013 in Letter Order L1300531.<sup>1</sup> The term of the Agreement extends through March 31, 2018. Section 4.2 of the Agreement provides that the term may be extended by mutual agreement for an additional 5 year period. Chugach Electric Association, Inc. (Chugach) is pleased to notify the Commission that the parties have agreed to extend the Agreement for an additional 5-year term, or through March 31, 2023. Attached is a letter signed by Cook Inlet Energy, LLC and Chugach agreeing to this extension.

In compliance with the Alaska Public Utilities Regulatory Act and 3 AAC 48.200 – 3 AAC 48.430 of the Alaska Administrative Code, Chugach submits updated Tariff Sheet No. 73.5 to reflect the five year extension of the contract, or from March 31, 2018 to March 31, 2023. Tariff Sheet No. 73.5 is Chugach’s Schedule of Natural Gas Confirmations.

<u>Tariff Sheet Number</u>		<u>Cancels Sheet Number</u>		<u>Schedule or Rule Number</u>
<u>Original</u>	<u>Revised</u>	<u>Original</u>	<u>Revised</u>	
73.5	5th Revision	73.5	4th Revision	Gas Confirmations

This filing is not for a new electric service nor will it result in the termination of an existing service or conflict with any other schedule or rate contained in Chugach’s operating tariff. Approximately 68,200 retail members (80,950 meters) and the wholesale class of Seward Electric System are impacted by this filing.

**Description of Tariff Sheet Changes**

**Tariff Sheet No. 73.5:** This tariff sheet has been modified to reflect the extension of the “Gas Sale and Purchase Agreement between Chugach and Cook Inlet Energy, LLC” to March 31, 2023. Chugach has added the contract extension and the previously agreed-upon gas price for each contract year.

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<sup>1</sup> The agreement was submitted to the Commission on September 30, 2013 under Tariff Advice No. 381-8.

Please contact me at (907) 762-4758 or [Arthur\\_miller@chugachelectric.com](mailto:Arthur_miller@chugachelectric.com) if any additional information is needed for this review.

Sincerely,



Arthur W. Miller  
Executive Manager, Regulatory and External Affairs  
P.O. Box 196300  
Anchorage, Alaska 99519-6300  
Telephone: 907-762-4758  
Facsimile: 907-762-4514  
[arthur\\_miller@chugachelectric.com](mailto:arthur_miller@chugachelectric.com)

Attachments

cc: John Foutz, City of Seward  
Phillip Elliot, Cook Inlet Energy

Canceling

Chugach Electric Association, Inc.

**SCHEDULE OF NATURAL GAS TRANSACTION CONFIRMATIONS**

**Gas Sale and Purchase Agreement between Chugach and Cook Inlet Energy, LLC**

- 1) Non-Firm Gas Transaction Confirmations: Provides for interruptible gas purchases of up to 10,000 Mcf per day for the April 1, 2014 through March 31, 2023 period at the following contractual prices: T  
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Contract Period	Price
4/1/2014 – 12/31/2014	\$6.12
1/1/2015 – 12/31/2015	\$6.24
1/1/2016 – 12/31/2016	\$6.37
1/1/2017 – 12/31/2017	\$6.49
1/1/2018 – 12/31/2018	\$6.62
1/1/2019 – 12/31/2019	\$6.76
1/1/2020 – 12/31/2020	\$6.89
1/1/2021 – 12/31/2021	\$7.03
1/1/2022 – 12/31/2022	\$7.17
1/1/2023 – 03/31/2023	\$7.31

N  
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N

**Gas Sale and Purchase Agreement between Chugach and AIX Energy, LLC**

- 1) Agreement between Chugach and AIX Energy, LLC allows for natural gas purchases by Chugach from AIX Energy from March 1, 2015 through February 29, 2016 at a price to be determined at the time of the sale.

Contract Period	Price
6/25/2015 – 9/30/2015	\$5.60
8/29/2015 – 12/31/2015	\$6.00

**Gas Sale And Purchase Agreement between Aurora Gas, LLC and Chugach**

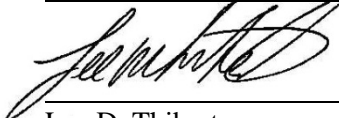
- 1) Agreement allows for gas purchases by Chugach from Aurora for natural gas purchases of up to 300,000 Mcf at a price not to exceed \$6.24 per Mcf between October 1, 2015 and September 30, 2016.

Contract Period	Price
10/01/2015 – 12/31/2015	\$6.00

Tariff Advice No.: 438-8

Effective: \_\_\_\_\_

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

By:   
\_\_\_\_\_  
Lee D. Thibert

Title: Chief Executive Officer



February 17, 2017

Mr. Carl Giesler  
Chief Executive Officer  
Cook Inlet Energy, LLC  
4601 Washington Ave., Suite 220  
Houston, TX 77007

**RE: Extension Term under Gas Sale and Purchase Agreement between Chugach and Cook Inlet Energy, dated September 30, 2013**

Dear Mr. Giesler:

I am writing in regard to the Gas Sale and Purchase Agreement between Glacier Oil and Gas, DBA Cook Inlet Energy, LLC and Chugach Electric Association, Inc. dated September 30, 2013 ("Agreement"). The Agreement currently ends March 31, 2018, but provides for an extension if mutually agreed to before March 31, 2018. Specifically, I am writing to in regards to our December 15, 2016 email exchange, to confirm that, pursuant to Section 4.2 of the Agreement, we hereby mutually agree to extend the Term of the Agreement for the Extension Term. For the avoidance of doubt, subject to the other applicable provisions of the Agreement, the Term of the Agreement shall begin on the Effective Date and continue until March 31, 2023.

If you agree with the foregoing, please indicate your acceptance of this extension letter agreement by signing where indicated below and returning such executed copy to me at your earliest convenience.

Sincerely,

Lee D. Thibert  
Chief Executive Officer

**ACKNOWLEDGED AND SO AGREED:**

COOK INLET ENERGY, LLC

By: Phillip G. Elliott

Name: Phillip G. Elliott

Title: SVP + CFO

Date: 2-21-17