



***ELECTRONICALLY FILED WITH RCA***

April 9, 2025

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

***Subject: Tariff Advice No. 571-8: Mutual Aid/Emergency Service Memorandum of Agreement between Chugach Electric Association, Inc. and Homer Electric Association, Inc.***

Commissioners:

This tariff filing is transmitted to you in compliance with the Alaska Public Utilities Regulatory Act and Sections 3 AAC 48.200 – 3 AAC 48.390 and 3 AAC 52.470(d) of the Alaska Administrative Code. Chugach Electric Association, Inc. (Chugach) hereby requests approval from the Regulatory Commission of Alaska (Commission) of a Mutual Aid/Emergency Service Memorandum of Agreement (Agreement) between Chugach and Homer Electric Association, Inc. (HEA). The Agreement is attached to this filing as Attachment A. Chugach requests approval of the following tariff sheet:

<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>
73	21 <sup>st</sup> Revision	73	20 <sup>th</sup> Revision	Special Contracts

This filing is not for a new service, will not result in the termination of an existing service, does not conflict with 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 91,000 retail members with 113,000 retail metered locations and one wholesale customer, the City of Seward d/b/a Seward Electric System (Seward). Chugach is projecting annual revenues of approximately \$392.2 million for calendar year 2025.

**Background**

On February 13, 2025, the Commission issued Letter Order L2500042 approving (1) HEA’s Letter Agreement extending the terms of the Special Contract (HEA Letter Agreement) between ENSTAR Natural Gas Company, LLC (ENSTAR) and Alaska Electric Energy Cooperative, Inc. and HEA (collectively, HEA); and (2) the First Amendment to the Special Contract between ENSTAR and HEA. Therein, the Commission expressed concerns regarding the interruptible nature of the HEA Letter Agreement and required HEA to “initiate negotiations for alternative suppliers, gas or power, and file updates of this effort by April 1, 2025.” The Commission further clarified that all such agreements “must be filed with the Commission for approval.”

To that end, Chugach and HEA have entered into the Agreement, which is included in this filing for approval by the Commission. The Agreement is a cooperative mutual aid arrangement that can be utilized to facilitate deliveries of emergency gas or power on relatively short notice as required to meet the native retail load requirements of the utility requesting services in the event of an emergency interruption of gas

supply. The Agreement encapsulates the utilities' intent to work together in good faith to avoid unnecessary power interruptions to Chugach's and HEA's members. Under the Agreement, Chugach or HEA may request from each other electric energy or natural gas on an emergency basis to meet our respective native load requirements. HEA submitted the Agreement to the Commission under Tariff Advice No. TA479-32 on April 3, 2025, requesting similar approvals of the Agreement as it relates to HEA's system.

### **Approvals Requested**

Alaska Statutes require that "[a] wholesale power agreement between public utilities is subject to advance approval of the commission."<sup>1</sup> The Commission's regulations implementing this legislation have different filing obligations for energy selling utilities and energy purchasing utilities. Energy selling utilities must file the agreement with the Commission for approval as a special contract pursuant to 3 AAC 48.390. Conversely, energy purchasing utilities must file the agreement with the Commission for approval if the agreement's term exceeds 12 months pursuant to 3 AAC 52.470(d). As both an energy purchasing and selling utility under the Agreement, which has a term that exceeds 12 months, Chugach requests Commission approval pursuant to AS 42.05.431(b), 3 AAC 48.390, and 3 AAC 52.470(d).

### **Summary of Agreement**

**Term and Termination:** This Agreement is effective upon approval by the Commission and remains in effect until December 31, 2030. Either party may terminate the Agreement by providing 30 days' written notice.

**Emergency Service Requests:** Either Chugach or HEA may request services, in the form of Electric Power or natural gas fuel, on an emergency basis to meet their respective native load requirements in the event of an interruption of gas supply. Emergency service requests can be made at any time and the responding utility decides whether and what services it can provide.

**Transaction Confirmation:** Transactions are formalized through a signed Transaction Confirmation which identifies the dates of service, delivery points, prices, and terms and conditions. No obligation exists without a signed Transaction Confirmation and executed Transaction Confirmations must be filed with the Commission within 14 days.

**Pricing/Reimbursement:** The requesting utility is required to reimburse the providing utility for all incremental costs incurred in providing the requested service. Natural gas used shall be reimbursed through either in-kind or equivalent electricity based on generation unit incremental heat rate. No margins are included in the transaction price.

**Liability and Indemnification:** No party is liable for indirect or consequential damages. Each party indemnifies the other party for breaches of the Agreement, negligence or misconduct, injuries or property damage, and legal non-compliance.

**Force Majeure:** Excuses delays or failures due to events beyond the control of the utility, such as natural disasters, equipment failures, and labor disputes.

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<sup>1</sup> AS 42.05.431(b).

Other Contract Provisions: The Agreement includes provisions on notices, termination, payment, force majeure, governing law, dispute resolution, and routine contract matters. Parties are not liable for indirect or consequential damages and indemnify each other for breaches, negligence, misconduct, injuries, property damage, and legal non-compliance.

**Compliance with 3 AAC 48.390 and 3 AAC 52.470(d)**

In compliance with 3 AAC 48.390(b), Section 10.9 of the Agreement provides that the agreement does not take effect without the prior acceptance or approval of the Commission and is at all times subject to revision by the Commission.

Pursuant to 3 AAC 52.470(d), “upon entering into a contract with a nonregulated vendor . . . for the purchase of energy, including electrical energy or capacity, natural or manufactured gas, diesel, oil or gasoline, or any other fuel source, for a term exceeding 12 months, a utility shall file with the commission the following information:”

- (1) A copy of the contract – ***Attachment A*** is the executed contract between Chugach and HEA.
- (2) Chugach requests a waiver of the requirement to provide load forecasting data as the primary purpose of the Agreement is for Chugach to serve HEA in emergency situations.
- (3) Chugach requests a waiver of the requirement to provide feasibility documentation as the primary purpose of the Agreement is for Chugach to serve HEA in emergency situations.

**Tariff Sheet Changes**

***Tariff Sheet No. 73:*** Item 4 of this tariff sheet has been added to reflect the following language: “Mutual Aid/Emergency Service Memorandum Agreement between Chugach Electric Association, Inc. and Homer Electric Association, Inc., dated March 20, 2025.”

Chugach respectfully requests Commission approval of the Agreement as filed to be effective upon the completion of the 45-day statutory notice period, which is May 24, 2025.

Please contact Matthew Clarkson, Chief Legal Officer, at (907) 762-4516 or [matthew\\_clarkson@chugachelectric.com](mailto:matthew_clarkson@chugachelectric.com) if additional information is needed.

Sincerely,

CHUGACH ELECTRIC ASSOCIATION, INC.



Arthur W. 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)

Attachment

cc: Brad Janorschke, HEA (electronically)  
Jessica Spuhler (electronically)

RCA No. 8 21<sup>st</sup> Sheet No. 73



Canceling

20<sup>th</sup>

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.

2022 Wholesale Power Contract between Chugach Electric Association, Inc. and the City of Seward d/b/a Seward Electric System, effective January 1, 2022.

Letter Agreement extending on a month-to-month basis the Wholesale Power Contract between Chugach Electric Association, Inc. and the City of Seward d/b/a Seward Electric System, effective January 1, 2022.

2. Second Amendment to the Isolated Operating Agreement for Government-Owned Emergency Generation Facilities between Chugach Electric Association, Inc., and the Anchorage School District, effective January 1, 2018 through December 31, 2027.
3. Second Amended and Restated Operations Agreement for Power Pooling and Joint Dispatch by and between Chugach Electric Association, Inc. and Matanuska Electric Association, Inc., dated December 30, 2024.
4. Mutual Aid/Emergency Service Memorandum of Agreement between Chugach Electric Association, Inc. and Homer Electric Association, Inc., dated March 20, 2025.

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# **ATTACHMENT A**

## **MUTUAL AID/EMERGENCY SERVICE**

### **MEMORANDUM OF AGREEMENT**

This Mutual Aid/Emergency Service Memorandum of Agreement (MOA), dated as of March 20, 2025, is made and entered into between Chugach Electric Association, Inc. (CEA), and Homer Electric Association, Inc. (HEA) (together, the Utilities, and each a Utility).

#### **Section 1. Nature of Emergency Electric and/or Natural Gas Service**

The primary purpose of this MOA is to facilitate the delivery of emergency electric energy or capacity or both (Electric Power) and/or natural gas fuel (together, Services) between the Utilities on relatively short notice when such Services are required to meet the native retail load requirements of the Utility requesting Services in the event of an interruption of gas supply.

#### **Section 2. Term and Termination**

Per Letter Order No. 2500042, this MOA shall become effective upon approval by the Regulatory Commission of Alaska (Commission). This MOA shall continue in effect through December 31, 2030, unless and until terminated by either Utility providing 30 days advance written notice to the other Utility.

#### **Section 3. Request for Emergency Service**

At any time during the Term, either Utility may notify the other of its desire to purchase Services under this MOA. The other Utility shall promptly respond to the request indicating what Services, if any, it will make available. If the Utilities agree to a transaction, they shall memorialize the agreement through an executed Transaction Confirmation as provided in Section 4.

#### **Section 4. Transaction Confirmation**

The Utilities will document each agreed upon transaction in the form(s) attached as Exhibit A, setting forth the commencement and termination date for all sales and purchases of Services, the delivery point(s), the sales price for the transaction period, and any other terms and conditions agreed to by the Utilities. Absent an executed Transaction Confirmation, this MOA does not create any obligation for either Utility to purchase or sell Services. The Utility receiving Services shall notify the Commission of any executed Transaction Confirmation as soon as reasonably possible after execution but in no event later than 14 days after execution.

#### **Section 5. Notices**

All notices and communications under this MOA will be made in writing by email at the email addresses set forth below (or such other email addresses as the Utilities may designate from time to time by written notice under this Section):



Chugach Electric Association

Attn: Arthur W. Miller  
Chief Executive Officer  
arthur\_miller@chugachelectric.com

Homer Electric Association

Attn: Bradley P. Janorschke  
Chief Executive Officer  
bjanorschke@homerelectric.com

#### **Section 6. Emergency Service Reimbursement**

The prices, terms, and conditions of any transaction shall be included in the executed Transaction Confirmation. The Utilities intend, however, that the Utility providing Services shall be held harmless as to costs incurred in providing Services pursuant to an executed Transaction Confirmation and that the following reimbursement principles will apply:

1. The Utility requesting Services will reimburse the Utility providing Services for all incremental expenses incurred under the terms of the Transaction Confirmation.
2. Any natural gas used to provide Services will be reimbursed either (a) in-kind through delivery of exact quantities of gas, or (b) through delivery of an amount of electric energy equivalent to the amount of natural gas used, calculated based on the incremental heat rate of the Utility providing Services when the Service was provided.
3. The Utilities will not add any margin in the pricing of Services under this MOA.

#### **Section 7. Limitation of Liability**

In no event shall either Utility or any of its representatives be liable under this MOA to the other Utility or any third party for consequential, indirect, incidental, special, exemplary, punitive or enhanced damages, lost profits or revenues, or diminution in value, arising out of, relating to, or in connection with the provision of Services under this MOA or any breach of this MOA, regardless of (a) whether such damages were foreseeable, (b) whether or not it was advised of the possibility of such damages and (c) the legal or equitable theory (contract, tort or otherwise) upon which the claim is based.

#### **Section 8. Indemnification**

Each Utility (as Indemnifying Party) shall indemnify, defend, and hold harmless the other Utility, and its managers, officers, directors, representatives, agents, employees, contractors, affiliates, and successors and assigns (collectively Indemnified Party) against any and all losses, damages, liabilities, deficiencies, claims, actions, judgments, settlements, interest, awards, penalties, fines, costs, or expenses of whatever kind, including professional fees and reasonable attorneys' fees,



that are incurred by Indemnified Party (collectively Losses), to the extent arising out of any third-party claims alleging:

1. Material breach by, or non-fulfillment of any provision of this MOA binding on, the Indemnifying Party;
2. Any negligent or more culpable act or omission of Indemnifying Party in connection with the performance of its obligations under this MOA;
3. Any bodily injury, death of any person, or damage to real or tangible property caused by the negligent or more culpable acts or omissions of Indemnifying Party; or
4. Any failure by Indemnifying Party to comply with any applicable federal, state, or local laws, regulations, or codes in performance of its obligations under this MOA.

#### **Section 9. Force Majeure**

No Utility shall be liable or responsible to the other Utility, nor be deemed to have defaulted under or breached this Agreement, for any failure or delay in fulfilling or performing any term of this Agreement (except for any obligations to make payments hereunder) or a Transaction Confirmation approved by the Commission, when and to the extent such Utility's (Impacted Utility) failure or delay is caused by or results from an Uncontrollable Force. The Impacted Utility shall give notice to the other Utility within three (3) days of the Uncontrollable Force event, stating the period of time the occurrence is expected to continue. The Impacted Utility shall use diligent efforts to end the failure or delay and ensure the effects of such Uncontrollable Force event are minimized. The Impacted Utility shall resume the performance of its obligations as soon as reasonably practicable after the removal of the cause. In the event that the Impacted Utility's failure or delay remains uncured for a period of thirty (30) consecutive days following written notice given by it under this Section 9, the other Utility may thereafter terminate this Agreement or an approved Transaction Confirmation upon ten (10) days' written notice. The Utility requesting Services shall be responsible for meeting its own needs when the other Utility is unable to supply Services as a result of an Uncontrollable Force.

"Uncontrollable Force" means any cause beyond the control of a Utility hereto and which by the exercise of due diligence that Utility is unable to prevent or overcome, including but not limited to an act of God, fire, flood, volcano, epidemic, pandemic, earthquake, explosion, sabotage, an act of the Public Enemy, civil or military authority, including court orders, injunctions and orders of governmental agencies of competent jurisdiction, insurrection or riot, an act of the elements, failure of equipment, or the inability to obtain or ship equipment or materials because of the effect of similar causes on carriers or shippers. Strikes, lockouts, and other labor disturbances shall be considered Uncontrollable Forces, and nothing in this MOA shall require either Utility to settle a labor dispute against its best judgment; provided, that during any labor disputes all Utilities shall make all reasonable efforts under the circumstances, including, to the extent permitted by law, the use of replacement personnel and/or management personnel and/or other personnel under the

provisions of a mutual aid agreement, to ensure, if possible, the continued ability of the Utilities to produce, deliver, receive, and distribute the Services that are the subject matter of a Transaction Confirmation approved by the Commission.

#### **Section 10. Miscellaneous**

- 10.1 Governing Law. This MOA shall be governed and construed in accordance with the laws of the State of Alaska, without giving effect to any choice or conflict of law provision or rule.
- 10.2 No Third-Party Beneficiaries. This MOA is for the sole benefit of the Utilities and their respective successors and assigns and nothing herein, express or implied, is intended to or shall confer upon any other person or entity any legal or equitable right, benefit, or remedy of any nature whatsoever under or by reason of this MOA.
- 10.3 Amendment and Modification. This MOA may only be amended, modified, or supplemented by an agreement in writing signed by each party hereto.
- 10.4 Assignment. No Utility may assign any of its rights or delegate any of its obligations hereunder without the prior written consent of the other Utilities, which consent shall not be unreasonably withheld, conditioned, or delayed.
- 10.5 Relationship of the Parties. Nothing herein shall be construed to create a joint venture or partnership between the Utilities or an employer/employee or agency relationship. No Utility shall have any express or implied right or authority to assume or create any obligations on behalf of or in the name of any other Utility or to bind another Utility to any contract, agreement, or undertaking with any third party.
- 10.6 Dedication of Facilities. Any undertaking by one Utility to another Utility under any provision of this MOA shall not constitute the permanent dedication of the electric system or any portion thereof of the undertaking Utility to the other Utility or its members, and it is understood and agreed that any such undertaking under any provision of this MOA by a Utility shall cease upon the termination of such Utility's obligations under this MOA.
- 10.7 Counterparts. This MOA may be executed in counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one agreement.
- 10.8 Pre-existing Agreements. This MOA does not amend, modify, or alter any Utility's respective rights and obligations under any other agreement by which that Utility is currently bound.
- 10.9 Regulatory Approval. This MOA will not take effect without prior approval of the Commission, and will at all times after any such approval be subject to the Commission's continuing authority of wholesale power agreements.
- 10.10 Execution. Each party has read, agreed to and executed this MOA as of the date first written above.

**CHUGACH ELECTRIC ASSOC., INC.**

By: Arthur W. Miller  
Arthur W. Miller  
Chief Executive Officer

**HOMER ELECTRIC ASSOC., INC.**

By: Bradley P. Janorschke  
Bradley P. Janorschke  
Chief Executive Officer

**EXHIBIT A**  
**Transaction Confirmation**

This Transaction Confirmation is subject to the Memorandum of Agreement between the Utilities, dated _____.	
<b>REQUESTING UTILITY:</b>  _____  Attn: _____ Phone: _____ Email: _____	<b>UTILITY PROVIDING SERVICES:</b>  _____  Attn: _____ Phone: _____ Email: _____
<b>PERIOD:</b> Transaction Start Date: _____ Transaction End Date: _____	
<b>ELECTRIC POWER PRICE:</b>  Electric Power Price: _____ \$/kWh	
<b>ELECTRIC POWER QUANTITY:</b> Electric Power Quantity: Firm: _____ kW _____ kWh Interruptible: _____ kW _____ kWh	
<b>DELIVERY POINTS:</b>	
<b>SPECIAL CONDITIONS:</b>	
Homer Electric Association, Inc. By: _____ Title: _____ Date: _____	Chugach Electric Association, Inc. By: _____ Title: _____ Date: _____

## Transaction Confirmation

This Transaction Confirmation is subject to the Memorandum of Agreement between the Utilities, dated _____	
<b>REQUESTING UTILITY:</b> _____ Attn: _____ Phone: _____ Email: _____	<b>UTILITY PROVIDING SERVICES:</b> _____ Attn: _____ Phone: _____ Email: _____
<b>PERIOD:</b> Transaction Start Date: _____ Transaction End Date: _____	
<b>GAS PRICE:</b> Gas Price: _____ \$/Mcf	
<b>GAS QUANTITY:</b> Gas Quantity: Firm: _____ Mcf at a rate of _____ Mcfpd Interruptible: _____ Mcf at a rate of _____ Mcfpd	
<b>DELIVERY POINTS:</b>	
<b>SPECIAL CONDITIONS:</b>	
Homer Electric Association, Inc. By: _____ Title: _____ Date: _____	Chugach Electric Association, Inc. By: _____ Title: _____ Date: _____