

## ELECTRONICALLY FILED WITH RCA

May 1, 2025

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

# Subject: Tariff Advice No. 572-8; Chugach Electric Association, Inc. Rule Modifications to Address Electric Load Curtailments

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 48.442 of the Alaska Administrative Code. The purpose of this filing is to revise Chugach Electric Association, Inc.'s (Chugach) Operating Tariff to update the rules governing Chugach's authority to interrupt electric service in the event of an energy shortage, including natural gas shortages.

TARIFF SHEET NUMBER		CANCELS SI	HEET NUMBER	SCHEDULE OR
ORIGINAL	REVISED	ORIGINAL	REVISED	RULE NUMBER
12	3 <sup>rd</sup> Revision	12	2 <sup>nd</sup> Revision	Rule 2
12.1	1 <sup>st</sup> Revision	34	Original	Nature of
12.2	Original	12	a.	Service Offered
34	5 <sup>th</sup> Revision	34	4 <sup>th</sup> Revision	Rule 6.9 Disconnection

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

The Regulatory Commission of Alaska (Commission) has been investigating utility curtailment practices and associated tariff provisions through a series of public meeting presentations, which have now been consolidated into Docket I-25-001. Chugach presented its curtailment practices and relevant tariff provisions to the Commission on March 27, 2024, and again on February 12, 2025. Therein, Chugach provided industry-standard tariff language related to service interruptions and shared a survey of curtailment programs under consideration across the utility sector. Based on its most recent analysis, Chugach determined that certain modifications to its Operating Tariff

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related to service interruptions are necessary and appropriate. Chugach emphasizes, however, that its primary objective remains the prevention of gas supply shortage curtailments through the development and implementation of a robust gas supply strategy and diversified alternative resource portfolio.

#### Findings

Chugach's current tariff provisions under Rules 2.2 and 6.9(b) of its Rules and Regulations apply to all retail service members and grant Chugach broad authority to curtail electric service. However, these provisions do not explicitly address curtailments resulting from natural gas supply constraints. As these rules have remained largely unchanged for more than 30 years, an update is warranted to align the tariff with current operational realities and evolving supply challenges.

Increased challenges associated with natural gas supply in the Railbelt underscore the need for clear, transparent provisions addressing service curtailment during supply shortages. Accordingly, Chugach proposes to modernize its tariff to reflect current conditions and to provide members with clear guidance on potential curtailments stemming from natural gas supply constraints.

#### **Proposed Modifications**

Chugach is proposing to revise Operating Tariff Rules 2.2 and 6.9(b) to clearly define circumstances under which Chugach shall have the right to interrupt the delivery of electric service without prior notice or liability to its members. Specifically, Chugach has identified the following conditions where such interruption rights would apply:

- 1. Safety of a member, a Chugach employee, or the public.
- 2. Breach of code or regulation on either Chugach-owned or member-owned facilities.
- 3. Prevention of meter tampering or fraud.
- 4. Emergency conditions affecting or likely to affect Chugach's electric system or any other interconnected electric utility systems.
- 5. Maintenance, repairs, improvements, modifications, or expansions to Chugach's electric system. Chugach shall make good faith efforts to complete such work in a reasonably expeditious manner at times that will minimize inconvenience to members while not causing additional cost to Chugach.

Additionally, the proposed tariff revisions reserve Chugach's right to interrupt electric service without prior notice in the event of an energy supply shortage, including but not limited to shortages resulting from the availability of natural gas. During those times, Chugach will allocate available resources in a fair and reasonable manner consistent with established curtailment procedures. These procedures will include a schedule of rotating outages, consistent with Chugach's current approach to managing large-scale load shedding events.

## **Explanation of Tariff Sheet Changes**

*Tariff Sheet No. 12:* Chugach has modified and added tariff language in Rule 2.2 to expand on the ability to interrupt service due to supply availability.

*Tariff Sheet No. 12.1:* Language has been added in continuation of Rule 2.2. Rules 2.3 and 2.4 have been moved from tariff sheet 12.

*Tariff Sheet No. 12.2:* This sheet was created to allow for Rule 2.5 to be moved from tariff sheet 12.1.

*Tariff Sheet No. 34:* Chugach modified language on rule 6.9(b) to refer back to Rule 2.2 and removed the redundant language that is now presented in Rule 2.2.

Please contact David Caye, Manager, Regulatory Affairs at (907) 762-4842 or David\_Caye@chugachelectric.com if additional information is needed.

Sincerely,

CHUGACH ELECTRIC ASSOCIATION, INC.

Arthur W. Milles

Arthur W. Miller Chief Executive Officer P.O. Box 196300 Anchorage, Alaska 99519-6300 Telephone: 907-762-4758 Arthur miller@chugachelectric.com

Attachments

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

RCA No8	3 <sup>rd</sup> Revision	Sheet No.	12	
CHUGACH POWERING ALASKA'S FUTURE	Canceling 2 <sup>nd</sup> Revision	Sheet No.	12	
Chugach Electric Association, Inc.				

## 2. NATURE OF SERVICES OFFERED

#### 2.1 <u>Electric Service</u>

Chugach provides 60 cycle, alternating current, either single or three phase, at available standard voltages. Voltage, frequency, and wave form are regulated to conform to the standard practices of the industry.

Chugach shall construct, operate, and maintain the facilities necessary to deliver electrical energy to the point of receipt by the member, but Chugach will not be responsible for loss or damage caused by interruptions of service unless caused by Chugach's negligence.

#### 2.2 Interruption of Delivery and Shortage of Supply

Chugach shall exercise reasonable diligence and care in furnishing and delivering a continuous D,N and adequate supply of electric energy to its members but does not guarantee continuity or sufficiency of supply. Chugach shall not be liable for any interruption, insufficiency, or shortage of supply, or for any resulting loss or damage of any nature related thereto, when caused by unavoidable accident, act of God, fire, labor disputes, civil disturbances, war, or any other cause beyond its reasonable control, except where such interruption or insufficiency is directly attributable to Chugach's failure to exercise reasonable diligence.

Chugach reserves the right to interrupt the delivery of electric service without notice or  $L^1$ , N liability to its members when, in Chugach's sole discretion, such interruption is necessary for reasons including, but not limited to, the following:

- 1. Safety of a member, a Chugach employee, or the public.
- 2. Breach of code or regulation on either Chugach-owned or member-owned facilities.
- 3. Prevention of meter tampering or fraud.
- 4. Emergency conditions affecting or likely to affect Chugach's electric system or any other interconnected electric utility systems.
- 5. Maintenance, repairs, improvements, modifications, or expansions to Chugach's electric system. Chugach shall make good faith efforts to complete such work in a reasonably expeditious manner at times that will minimize inconvenience to members while not causing additional cost to Chugach.

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RCA No. 8	1 <sup>st</sup> Revision	Sheet No.	12.1			
CHUCACH POWERING ALASKA'S FUTURE	Canceling Original	Sheet No.	12.1			
Chugach Electric Association, Inc.						

# 2.2 Interruption of Delivery and Shortage of Supply (Cont.)

Chugach also reserves the right to interrupt the delivery of electric service without prior notice or liability to its members in cases of shortage of supply of electric energy for any reason including, but not limited to, shortage of natural gas supply. During supply shortages, Chugach will apportion its available supply of electric energy among its members consistent with its curtailment procedures in a manner Chugach deems fair, reasonable, and appropriate for the efficient operation of its electric system. These procedures may include a schedule of rotating outages consistent with Chugach's approach to managing large-scale load shedding events. Chugach shall make reasonable efforts to communicate its curtailment procedures to its members during such supply shortage situations but remains not liable for interruptions if prior notice is not provided.

# 2.3 <u>Member's Equipment</u>

The member's electrical equipment and facilities shall conform and be installed in compliance with this tariff and with applicable federal, state, borough and city statutes, ordinances, and regulations. Chugach does not give an expressed or implied warranty as to the adequacy, safety or other characteristics of a structure, equipment, wire, conduit, appliance or device owned, installed or maintained by the member or leased by the member from third parties, by virtue of its inspection or non-rejection of the facilities or equipment. When inconsistencies exist between the installation standards established by the above referenced codes, the most stringent standards shall be applied.

## 2.4 <u>Consequential Damages</u>

Chugach disclaims liability for any injury, casualty, or damage resulting from the supply or use of electricity or from the presence or operation of Chugach structures, equipment, wires conduit, appliances, or devices on the member's premises, except injuries or damages resulting directly from the negligence of Chugach, its officers, or employees.

 $L^1$  – Moved from Tariff Sheet No. 12

 $L^2$  – Moved to Tariff Sheet No. 12.2

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RCA No8	Original	Sheet No.	 1
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CHUGACH POWERING ALASKA'S FUTURE		Sheet No.	
Chu	gach Electric Asso	ciation, Inc.	

# 2. NATURE OF SERVICES OFFERED (Cont.)

#### 2.5 $L^1$ Voltage The standard practices of the industry regarding voltage, frequency and wave form referred to in Section 2.1 are as follows: Where available: (a) 7,200 volts single phase 14,400 volts single phase 7,200/12,470 volts three phase 4-wire wye 14,400/24,900 volts three phase 4-wire wye (b) 120/208 volts three phase 4-wire wye 277/480 volts three phase 4-wire wye 120/240 volts single phase volts single phase 240/480 For existing services on overhead system only: (c) 120/240 volts three phase 4-wire delta volts three phase 4-wire delta $L^1$ 240/480

L<sup>1</sup> – Moved from Tariff Sheet No. 12.1

RCA No8	5 <sup>th</sup> Revision	Sheet No.	34	Ĩ
CHUCACH POWERING ALASKA'S FUTURE	Canceling 4 <sup>th</sup> Revision	Sheet No.	34	
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# 6.9 Disconnection of Service

# (a) <u>By Request</u>

If a member contacts Chugach, in person, in writing, or by another contact method, to request that service be disconnected, Chugach may hold that member responsible for all services, up to the latter of the date of the disconnection, or three working days after the date of the member request.

# (b) <u>Without Notice</u>

Chugach may disconnect a member's service without advance written notice under the conditions provided in Section 2.2.

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