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By the Regulatory Commission of Alaska on Jul 01, 2025

July 1, 2025

Regulatory Commission of Alaska
701 West 8th Avenue, Suite 300
Anchorage, Alaska 99501-3469

Re: Tariff Advice No. 1-8001 (Railbelt Transmission Organization)
Submission of Nondiscriminatory Open Access Transmission Tariff, including Revenue Mechanism and an Illustrative Calculation of Cost of Service

Commissioners:

The Railbelt Transmission Organization (RTO) provides this tariff filing in compliance with AS 44.83.700-720, the applicable portions of the Alaska Public Utilities Commission Act (AS 42.05), and consistent with certain portions of 3 AAC 48.200 – 3 AAC 48.430.[1]

This filing contains the RTO's terms and conditions for its initial nondiscriminatory open access transmission tariff (OATT) and the RTO requests approval of those terms and conditions. The RTO requests that, rather than at the end of this docket, the approved terms and conditions of the OATT go into effect at the same time the Regulatory Commission of Alaska (RCA) approves or accepts the RTO's (future) initial cost of service filing.[2] As of now the RTO does not currently have any customers and is not asking for any cost of service to go into effect as part of this filing. Delaying the effective date of the OATT will not change or impact current transmission costs.

The attached OATT includes a table of contents, maps and a list of lines that comprise the Railbelt's Backbone Transmission System (BTS),[3] sets forth common service provisions, establishes terms and conditions for Network Integration Transmission Service (NITS), as well as a revenue mechanism that includes an annual transmission revenue requirement (ATRR) template that is consistent with Federal Energy Regulatory Commission (FERC) standards and can be used by all Transmission Owners (TO(s)),[4] whether the TO is a cooperative, a municipality, or a for-profit entity. The ATRR template includes supporting

[1] Exhibit 1 to this TA letter addresses which provisions of the RCA's statutes and regulations related to tariff filings the RTO understands apply to this filing since the RTO is not a public utility. See Order U-24-42(1) at 5 ("The RTO is not authorized under AS 44.83.700 – 44.83.720 to own, operate, manage, or control any plant pipeline or system for furnishing electrical service to the public and thus it is not a public utility.").
[2] Although the RTO cannot specify a date certain (in terms of a month, day, and year), it has stated its requested effective date and is asking for the RCA's approval of that future date. Given the text of the relevant RCA statutes and regulations, the RTO does not believe an exemption or a waiver is necessary for this filing. Please see Exhibit 1. If, however, the RCA disagrees, the RTO requests exemption/waiver in the section of this letter addressing possible motions.
[3] Unlike in the lower 48, BTS does not stand for "bulk transmission system." In Alaska, the BTS is the Railbelt transmission assets "that facilitate the transmission of electrical power under the standards established by" FERC. AS 44.83.720(1).
[4] Capitalized terms not defined in this TA letter may be found in the OATT.

documents to provide transparency and uses a consistent method for all users to promote non-discriminatory ratemaking. In addition, the OATT accounts for ancillary services, congestion, disruptions resulting in the isolation of a geographical area of the BTS, and the costs to own and operate the BTS.[5] The OATT also includes other provisions and multiple schedules and attachments related to these and other requisite subjects. Because this filing contains the RTO's entire initial tariff, a full list of its tariff sheets, schedules and attachments is provided in Exhibit 2 and the OATT itself is attached as Exhibit 3. Although this TA letter and the OATT do not contain any revisions as it is the initial filing,[6] an introduction and discussion of key provisions of the OATT, including its revenue mechanism, are below.

INTRODUCTION

On May 15, 2024, the 33rd session of the Alaska State Legislature passed 2024 House Bill 307 (HB307), which, among other things, provided for the creation of a transmission organization for the Alaska Railbelt. HB307 was signed into law by Governor Dunleavy on July 31, 2024. One of the tasks for the transmission organization is to establish an OATT that (1) "provides for recovery of transmission" and related ancillary service costs, and (2) replaces unit-based wholesale charges assessed by each Railbelt electric utility "with a new mechanism that fairly recovers and equitably allocates the costs of operating the" Railbelt's BTS.[7]

As directed by the Legislature, the five Railbelt utilities[8] and the Alaska Energy Authority (AEA) formed the RTO on December 16, 2024.[9] On December 20, 2024, the RTO complied with the Legislature's and the Commission's directives to submit an application to the RCA for a certificate.[10] That certificate was granted on May 6, 2025, when the RCA issued Order No. U-24-042(7), authorizing the RTO to provide the services required by AS 44.83.700 – AS 44.83.720.

[5] See AS 44.83.710(c)(2).
[6] Order U-24-042(1), *Order Granting Motion for Exemptions and Waivers, Inviting Participation by the Attorney General and Intervention, Addressing Timeline for Decision, Scheduling Prehearing Conference, Designating Commission Panel, and Appointing Administrative Law Judge*, dated January 24, 2025, at 14 ("we waive the requirement under APUC Form PU 101, Part II.E that the RTO include a proposed tariff as part of its Application.")
[7] AS 44.83.700(a).
[8] The five Railbelt utilities as defined by AS 44.83.720(4) are Alaska Electric & Energy Cooperative, Inc. (AEEC) (the wholly-owned generation and transmission subsidiary of Homer Electric Association, Inc.), Chugach Electric Association, Inc. (Chugach), Golden Valley Electric Association, Inc. (GVEA), Matanuska Electric Association, Inc. (MEA), and the City of Seward d/b/a Seward Electric System (SES).
[9] HB307, Section 26. Per statute, the RTO's governance structure includes one representative from each Railbelt electric utility, one from AEA, and an ex-officio nonvoting member from the Railbelt Reliability Council (RRC). AS 44.83.700(c).
[10] See Sec. 26 of HB307, AS 44.83.700(d), and Order U-24-026(6), *Order Requiring Filing, Establishing Filing Deadline, and Closing Docket*, dated October 7, 2024.

The RTO committed to submitting an OATT for the Railbelt's BTS by July 1, 2025, based on the FERC's Pro Forma OATT. This filing fulfills the RTO's commitment and is the first step in the RTO's effort to replace wholesale transmission charges in the Railbelt with a new mechanism that fairly recovers and equitably allocates BTS costs. As required by AS 44.83.710(b), the OATT is consistent with FERC standards to remove impediments to competition in the wholesale bulk power marketplace, tailored to reflect the unique circumstances of the Railbelt.

As with all tariffs, the RTO anticipates the BTS and the OATT will evolve over time to accommodate future Network Upgrades and the establishment of additional rules and regulations by the RRC. In addition, given the very tight timeline to accomplish the formation of the RTO, to obtain a certificate from the RCA, and to file its initial tariff, the RTO acknowledges that there will need to be additional procedures and studies developed and approved by the RTO Governance Committee and others before this OATT and its resulting cost of service can go into effect.[11] The additional procedures and studies will ensure that implementation is done in a technically sound manner that realizes system-wide benefits.

The RTO is not, in this filing, proposing an inception cost of service. The intent of this filing is to secure RCA approval of the OATT's terms, including its formulaic ATRR template and method for calculating each Network Customer's portion of the BTS's cost of service. The RTO is proposing a formulaic ATRR calculated individually by each TO using a standardized Excel model populated with that TO's certified financial information. The ATRRs are then aggregated to determine the BTS's ATRR.[12] The RTO also proposes a formula be used to calculate each Network Customer's portion of the BTS's ATRR, which is that Network Customer's Cost of Service for NITS. The RTO's goal in proposing the template and formulas is to avoid incurring administrative costs related to challenges to a TO's data that was submitted and certified to the RTO but that does not belong to the RTO.[13]

Another reason that the RTO is not requesting an inception cost of service in this filing is its recognition that other steps will have to occur before the RTO offers service and/or takes additional steps to replace wholesale transmission charges. Once the OATT is reviewed and approved by the RCA (and thus its terms and procedures are known to the Railbelt

[11] This is one of the reasons why the RTO is requesting that the OATT's effective date be deferred until the time the RTO's initial cost of service goes into effect.

[12] The RTO's proposed ATRR utilizes a FERC-accepted approach for establishing the revenue requirements of transmission owners subject to FERC jurisdiction.

[13] A proposed process to address such concerns, which is comparable to the RCA's current process related to tariff filings, but ensures the RTO is not required to participate in those proceedings (although the RCA can direct the RTO to implement its order), can be found in Attachment M to the OATT. Any concerns that arise related to whether the RTO properly applied the formulas in its OATT could be addressed in the TA docket.

utilities), to avoid double charging the Railbelt utility's ratepayers for the BTS assets, the five Railbelt utilities will need to make certain filings to set up the process for removing or offsetting from their individual tariffed rates the costs that will (in the future) be included in the RTO's OATT and to ensure compliance with AS 44.83.710(d).[14] Once the utilities' methods have been approved, then the RTO and the Railbelt utilities will need to coordinate to ensure that all ratemaking impacts (the RTO's and each Railbelt utility's) are simultaneously implemented initially and whenever updated.

Although the RTO is not requesting a cost of service value be approved for recovery in this filing, the RTO is providing an illustrative example of the RTO's BTS ATRR calculation. See discussion below and Exhibit 4.

THE RAILBELT'S BACKBONE TRANSMISSION SYSTEM

The Alaska Legislature defined the BTS as "the transmission assets[15] in the Railbelt that facilitate the transmission of electrical power under the standards established by" FERC.[16] Those standards are (1) the 7-Factor Test, which is used to determine if an asset should be categorized as distribution (rather than transmission) and therefore excluded from the BTS and (2) the Mansfield Test, which is used to determine whether a transmission asset shows "any degree of integration" with the transmission system. Using those tests as described in its BTS Policy, the RTO determined that the transmission lines identified in Attachment N to the OATT are part of the BTS but other transmission lines (because they were excluded through the 7-Factor or the Mansfield Test) were not. The OATT contains maps showing the lines that make up the BTS.

THE NONDISCRIMINATORY OATT

The RTO was directed to file its OATT "consistent with" FERC "standards to remove impediments to competition in the wholesale bulk power marketplace[.]" The RTO therefore based its OATT on FERC's Pro Forma OATT for regional transmission organizations in the Lower 48, which FERC adopted for similar reasons. FERC issued its original order on OATTs (Order 888) on April 24, 1996. As the Lower 48 wholesale bulk power markets have evolved and removed impediments to competition over the years,

[14] That section requires each Railbelt utility to "pass the commission-approved transmission costs directly and transparently to the utility's customers."

[15] Because the legislature did not define "transmission assets," and the FERC standards use the term "facilities," the Governance Committee adopted a definition of "transmission facility" in its BTS Policy. RTO Policy 25-01 "Backbone Transmission System," dated May 16, 2025, and found at https://www.akenergyauthority.org/Portals/0/RailBeltEnergy/RTO/Governing%20Documents/25-01%20Backbone%20Transmission%20System%20Policy.pdf?ver=P7MRUfydnNyT8XXTF0CSEQ%3d%3d.

[16] AS 44.83.720(1).

FERC has updated its Pro Forma OATT. The latest version, which the RTO used as its template, is dated December 16, 2021.

It is important to recognize that, although they share an acronym,[17] the RTO is different from regional transmission organizations in the contiguous United States. Most significantly, the duties of the RTO are restricted to those listed in AS 44.83.700 – AS 44.83.720,[18] and its OATT reflects those limitations. Obligations, such as planning, that regional transmission organizations are responsible for in the lower 48, were not granted to the RTO and instead remain with the TOs or have been granted to the RRC.[19] Another difference is that the RTO does not operate any plant.

Deletions, Modifications, and Additions to the FERC's Forma OATT

In recognition of these, and other, differences, the RTO considered whether all the provisions of the FERC Pro Forma OATT would be appropriate for use in the Alaska Railbelt. It determined that several terms were unnecessary or would not be applicable in Alaska. These include (inclusive of certain attachments to the Pro Forma OATT):

1. Point-to-Point Service
2. Native Load
3. Studies, Transmission Analysis and Planning Requirements
4. Operational Requirements and
5. Regulatory Filing Provisions (which are covered under other sections when needed)

For instance, instead of Point-to-Point Service and Native Load Service, the RTO's OATT introduces NITS to Alaska. In the Lower 48, Point-to-Point Service is used to deliver service between OATT service areas. With the formation of the RTO, and its associated OATT, encompassing the entire Railbelt, there are no neighboring wholesale electricity markets to move energy between and thus Point-to-Point service is unnecessary. Thus, current Railbelt practices between certificated service areas such as contract path or Point-to-Point Service are not applicable and, in any event, would be burdensome to implement and execute on a continuing basis.

Similarly, Native Load Service was intended to govern the original TOs' load. Rather than draw this distinction, all Network Customers will have access to the full BTS (provided capacity is available), because all native load will be served using NITS. NITS allows the Network Customer to integrate, economically dispatch, and regulate its current and planned Network Resources to serve its Network Load utilizing the BTS. With this new reality of all Railbelt load being served by the BTS, NITS is a logical progression in service

[17] See also note 3.
[18] "The RTO is a creation of State statute with limited authorization." Order U-24-42(1) at 7.
[19] See AS 42.05.780 (addressing Integrated Resource Planning).

offerings. NITS also may be used by the Network Customer to deliver economy energy purchases to its Network Load through Secondary Service from non-designated resources on an as-available basis without additional charge.

The RTO has also made certain modifications to the Pro Forma OATT as necessary to better match the unique circumstances of the Alaskan RTO. One example is the replacement of the term "Transmission Provider" with "Transmission Service Administrator" (TSA). This was done in recognition of the fact that, in the Lower 48, the regional transmission organization (or "Transmission Provider") typically controls or operates the transmission facilities. Because that is not the case for Alaska, the RTO created the term TSA to differentiate it from Lower 48 "Transmission Providers" and to better reflect the scope of its authority under statutes, its certificate, and the OATT. Finally, the RTO proposes additions to the Pro Forma OATT, such as the Preamble, to orient the reader to the unique circumstances in the Alaska Railbelt. In its prefiled testimony to be filed in this docket, the RTO will describe the major deletions, changes, and additions it made to the Pro Forma OATT.

Other OATT Provisions

In AS 44.83.710, the Legislature set out additional requirements for the non-discriminatory OATT for the BTS. Specifically, the OATT "must (1) pool backbone transmission system costs and allocate those costs through certificated load-serving entities on a coincident peak or load ratio share basis, or a combination of both; and (2) account for:

> (A) required backbone transmission system ancillary services;
> (B) backbone transmission system congestion;
> (C) disruptions to the backbone transmission system that result in the isolation of one geographical area of the backbone transmission system from another for more than 24 hours; and
> (D) costs to own and operate the backbone transmission system, as established by the commission or by contract, including transmission costs associated with the Bradley Lake hydroelectric project."[20]

Ancillary services are defined in OATT Section 2.2 and addressed in Section 4 of the OATT. Congestion is addressed in Section 16 of the OATT. Disruptions are addressed in Section 7.4 of the OATT. The RTO's accounting for BTS costs are addressed in Sections 8 and 17, Schedule 1-A, and Attachments A, D, I, and K of the OATT and also briefly below.

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[20] AS 44.83.710(c).

The ATRR Template

As part of its task to pool BTS costs prior to allocation, the RTO wanted to use a nondiscriminatory methodology that could be applied uniformly (to similarly situated entities[21]) and used whether the TO is a cooperative, a municipality, or a for-profit entity. It also wanted to ensure that any ATRR methodology would be consistent with FERC standards, transparent,[22] and result in each TO's costs being used in the same manner. The RTO adopted a template that is based on one used by the Midcontinent Independent System Operator (MISO) with modifications needed for the RTO. The selected template also includes workpapers to provide transparency.

One goal of the template is to ensure uniform treatment of costs and cost allocation. It is based on FERC's Uniform System of Accounts (USOA) and is intended to be updated once a year. The RTO requires the TOs to certify that the costs included in the ATRR template are true, accurate (*e.g.,* reflecting the most recent audited financial statements)[23] and complete. While the RTO will implement certain "checks" for accuracy, it will be the responsibility of the relevant TO to justify those numbers.[24]

Once an entity enters its costs, the BTS ATRR template will calculate the TO's BTS ATRR by removing costs that are not eligible for recovery and applying various allocations factors to arrive at each TO's BTS cost of service to be included for recovery through the RTO. Non-BTS assets, such as those that were excluded through the 7-Factor or Mansfield Tests, are excluded using a weighted average dollar/mile value informed by individual line's average capacity, length, and detailed utility records.[25] In addition, the template also removes disallowed expenses, such as lobbying and employee appreciation.

<u>Treatment of TIER/Rate of Return in the ATRR Template</u>

The ATRR template contemplates the use of an equitable uniform TIER to eliminate discrimination between TOs. When the RTO makes its filing seeking RCA approval of its initial cost of service, the RTO will retain an expert and complete a full cost of capital study that will identify the proposed uniform TIER to be used in its BTS ATRR. For the illustrative example in Exhibit 4, the RTO has not had the opportunity to obtain such a study and instead has used an agreed upon placeholder TIER of 1.35,[26] based on Moody's

[21] AEA's BTS costs, for example, are set by contract, not by the RCA.

[22] Transparency is provided in part because most of the inputs to the template are taken from publicly available, audited financial statements, the majority of which are already being filed with the RCA annually.

[23] The most recent audited data can be used to determine cost of service, regardless of whether the underlying data uses a fiscal or calendar year.

[24] See Attachment M.

[25] The ATRR template also excludes other Transmission assets that are not includable in the ATRR, such as generator interconnections and generator step-up transformers, using detailed utility records.

[26] The RTO acknowledges that the actual TIER submitted in the future may be higher or lower; the RTO reserves its right to use the same or an alternate TIER in future filings.

A-rated G&T data, which as of June 20, 2025, indicates TIER ranges from 1.2-1.4. Although the ATRR template uses a TIER, the template also accommodates for-profit entities who utilize an equivalent rate of return in determining their margins such that ultimately, costs uplifted to the RTO are treated uniformly for each entity.

Treatment of Legacy Agreements

The RTO, as part of its role to replace wheeling "with a new mechanism that fairly recovers and equitably allocates" BTS costs, has to "account for … [the] costs to own and operate" the BTS, "as established by the commission or by contract, including transmission costs associated with the Bradley Lake hydroelectric project."[27] In considering the pre-existing agreements that provided transmission service in the Alaska Railbelt prior to the creation of the OATT, the RTO, like many regional transmission organizations in the Lower 48 when they were first established, opted to grandfather pre-existing agreements.[28] Under the ATRR template, this means the costs and revenues stemming from the grandfathered agreements are included in the calculation of the BTS ATRR and offset the appropriate cost of service for the assets that remain a part of the BTS. This treatment ensures there is no double recovery of a TO's cost by other Network Customers.

Although the RTO is not a party to any of the grandfathered agreements, many of the TOs are, and they acknowledge the need to examine those agreements as the OATT is implemented. While the RTO understands that grandfathering these agreements does not immediately result in the elimination of all wheeling in the Railbelt, the RTO recognizes that it took many years for the lower 48 markets to address legacy agreements – and to date less than a year has passed since the Governor signed HB307. These grandfathered agreements are extensive and complex; in addition, some involve third party rights, such as debt covenants and bondholder obligations. Moreover, allocating the costs of the grandfathered agreements to all Network Customers, would result in some of those costs being borne in part by entities that are not parties to a particular agreement and thus did not cause those costs to be incurred.

Allocation of BTS Costs

Although the BTS is an integrated system, it is known that, as it exists today, the BTS is physically constrained. There is only one transmission line between the MEA and GVEA service areas and only a single line between the CEA and HEA service areas. In addition, the existing BTS capacity on the ties is virtually fully subscribed to Railbelt utilities so they can serve their native load, leaving little new long-term firm capacity available until new transmission is constructed. Regional transmission organizations in the Lower 48 that were starting up often roughly assigned costs based on the perceived benefits received, and

[27] AS 44.83.710(c)(2)(D).

[28] See Attachment J of the OATT, listing the 11 legacy agreements that the RTO grandfathered. The bulk of these agreements relate to the Bradley Lake Hydroelectric Project, both of which are exempt from RCA regulation pursuant to AS 42.05.431(c) and AS 44.83.090(b). It may also be argued that the IMC agreement retains its exemption from RCA regulation pursuant to AS 44.83.090(b), even after HB307.

the RTO recognized it could make sense to consider these circumstances in allocating the ATRR. With the short amount of time available to compose its OATT, the RTO did not have the time to conduct the in-depth studies needed to determine an appropriate value for a regional/local benefit allocator for the Railbelt. Because of that, the RTO anticipates studying the benefits that will be received from the BTS and determining what a reasonable regional/local allocator (and its components) may be.[29] For purposes of this filing, however, the RTO will use a "TBD" placeholder and approximate what the results would be using illustrative examples of a 90% regional allocator, a 50% regional allocator, and 10% regional allocator, with the understanding that, when the RTO makes its filing seeking RCA approval of its initial cost of service, it will provide a regional/local allocator value and the study supporting that allocator to the extent a regional/local allocator indeed makes sense for the Railbelt. It should be emphasized that the RTO is not seeking Commission approval of any one of these examples through this filing.

Once the BTS ATRRs of the individual TOs are determined, they will be allocated to "certificated load-serving entities" per AS 44.83.710(c)(1). The RTO was given the discretion to determine whether this should be done on a "coincident peak or load ratio share basis, or a combination of both." The RTO's Governance Committee reviewed options and selected a coincident peak basis, specifically a 12CP method. Among other things, this method recognizes that the BTS is used not only to meet system peak requirements, such as during the winter months, but also to transmit energy throughout the year. As seen in Attachment I to the OATT, the TSA will implement this directive by billing its Network Customers on a rolling 12 CP basis, delayed for 30 days to allow for reporting of Network Loads to be received and verified for accuracy.

The RTO's administrative costs will be based on the budget approved by the RTO Governance Committee and 100 percent of those costs will be allocated to the Network Customers on a 12CP basis.[30]

ILLUSTRATIVE EXAMPLE USING 2022 DATA, THE ATRR TEMPLATE, AND OATT ATTACHMENT D

To demonstrate how the revenue mechanism, including the ATRR template, functions, for illustrative purposes the RTO has prepared Exhibit 4, which utilizes the audited 2022[31] financial statement data from four of the Railbelt utilities and draft values submitted by the City of Seward.[32] In addition to including 4 sample ATRR templates, Attachment D

[29] See Attachment A to the OATT.

[30] Schedule 1-A.

[31] 2022 had more power transfers than have been seen in subsequent years, but again, these numbers are only for illustrative purposes.

[32] SES currently does not use FERC's or the RCA's USOA. It has agreed to implement FERC's USOA for its transmission assets so that its costs are treated uniformly in the model. For purposes of the illustrative example, SES's BTS ATRR is shown with the other utilities on Exhibit 4's Attachment D. AEA's

calculates each Network Customer's portion of the BTS's cost of service with three sample regional/local benefit allocators. When the RTO makes its (future) TA filing for its inception cost of service it will use the TO's most recent audited financial statements available at that time. Because these numbers are only illustrative, there is no impact from using 2022 data for this filing on any Network Customer nor on the ratepayer of any Railbelt utility.

POTENTIAL MOTION(S) RELATED TO THIS FILING (IF NEEDED)

As requested by the Commission, Exhibit 1 contains a listing of the RCA's statutes and regulations related to tariff filings and the RTO's explanation why certain provisions do not apply to the RTO (e.g., because it is not a public utility). In the case of tariff filing regulations, the RTO also identifies those which, although they do not apply, the RTO has voluntarily complied with (or followed in a manner modified to be appropriate for the RTO).

As noted above and explained in Exhibit 1, the RTO does not believe that an exemption from any RCA statute or waiver of any RCA regulation is needed for this filing. In the event the RCA disagrees, the RTO respectfully requests that this filing be deemed a motion for exemption[33] and/or a motion for waiver[34] as appropriate. The RTO believes, for the reasons set forth in this letter (including Exhibit 1), that any exemption necessary to allow the RTO to file its OATT would be in the public interest and that good cause also exists to support any waiver necessary. As set forth in Exhibit 1, the RTO does not oppose the RCA giving the public 30 days' notice of this TA filing nor allowing public comment on this filing within that period.

In the event this TA letter is suspended for investigation, the RTO intends to file a motion for a prehearing conference after any public notice and comment period and after the deadline for intervention, to set a procedural schedule for submitting direct, responsive and prefiled testimony, setting reasonable periods for discovery, etc.

transmission costs and revenues, which stem from grandfathered agreements, are offsetting and thus are shown as zero.

[33] The RCA has previously found that "[t]he RTO is not authorized under AS 44.83.700 – 44.83.720 to own, operate, manage, or control any plant pipeline or system for furnishing electrical service to the public and thus it is not a public utility. Because the RTO will be providing public utility services, even though it is not a public utility, we find that we are authorized under AS 42.05.711(d) to exempt the RTO from portions of AS 42.05 where such exemptions are in the public interest." Order U-24-42(1) at 6.

[34] For waivers of regulations, 3 AAC 48.805(a) provides that: (a) Except for those that are also required under AS 42.05, any requirement in 3 AAC 48 may be modified or waived, in whole or in part, by order of the commission upon application and a showing of good cause or on the commission's own motion.

NOTICES

Please add the following people to the service list for this proceeding:

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CONCLUSION

The RTO was given multiple tasks to accomplish in less than a year's time. It was a tremendous collaborative effort that resulted in the collective filing of this OATT, an initial and important step in restructuring the Railbelt's transmission system. While additional work and studies are needed, the RTO is optimistic that the Legislature's goals can be achieved in the coming years.

Sincerely,

RAILBELT TRANSMISSION ORGANIZATION

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EXHIBIT 1
RCA STATUTES & REGULATIONS
REGARDING TARIFF FILINGS

EXHIBIT 1
RCA STATUTES REGARDING TARIFF FILINGS

RCA statute or regulation	Language of Provision	RTO Remarks
AS 42.05.175 Timelines for issuance of final orders.	(b) Notwithstanding a suspension ordered under AS 42.05.421, the commission shall issue a final order not later than 270 days after a complete tariff filing is made for a tariff filing that does not change the utility's revenue requirement or rate design. (c) Notwithstanding a suspension ordered under AS 42.05.421, the commission shall issue a final order not later than 450 days after a complete tariff filing is made for a tariff filing that changes the utility's revenue requirement or rate design. (f) The commission may extend a timeline required under this section if all parties of record consent to the extension or if, for one time only, before the timeline expires, the (1) commission reasonably finds that good cause exists to extend the timeline; (2) commission issues a written order extending the timeline and setting out its findings regarding good cause; and (3) extension of time is 90 days or less. (i) In adjudicated docket matters that come before the commission under state law or federal law and are not subject to a timeline under federal law or (a) — (e) of this section, the commission shall issue a final order not later than 180 days after the filing of an initiating petition. If the matter is commenced on the commission's own motion, the commission shall issue a final order not later than 365 days after the issuance of an order opening the docket. This subsection does not apply to a complaint against a utility, a petition to revoke a certificate of public convenience and necessity, or a functionally equivalent filing.	Subsections (b) and (c) only apply to public utilities' tariff filings. It appears that the extension option in subsection (f) and the six-month statutory timeline in subsection (i) apply to the RTO's tariff filing.
AS 42.05.361 Tariffs, contracts, filing, and public inspection.	(a) Under regulations the commission shall adopt, every public utility shall file with the commission, within the time and in the form the commission designates, its complete tariff showing all rates, including joint rates, tolls, rentals, and charges collected and all classifications, rules, regulations, and terms and conditions under which it furnishes its services and facilities to the general public, or to a	Only applies to public utilities, but the RTO is filing its tariff per AS 44.83.710(b) and once approved (or at the latest, when it is in effect), the

RCA statute or regulation	Language of Provision	RTO Remarks
	regulated or municipally owned utility for resale to the public, together with a copy of every special contract with customers which in any way affects or relates to the serving utility's rates, tolls, charges, rentals, classifications, services, or facilities. The public utility shall clearly print, or type, its complete tariff and keep an up-to-date copy of it on file at its principal business office and at a designated place in each community served. The tariffs shall be made available to, and subject to inspection by, the general public on demand.	tariff will be available on the RCA and RTO websites, as well as at AEA's office during business hours, and thus available to the public on demand.
AS 42.05.361	(b) The tariffs of a public utility which are also subject to the jurisdiction of a federal regulatory body shall correspond, so far as practicable, to the form of those prescribed by the federal regulatory body.	NA (the RTO is not a public utility nor subject to the jurisdiction of a federal regulatory body).
AS 42.05.361	(c) The commission may reject the filing of all or part of a tariff that does not comply with the form or filing regulations of the commission. A tariff or provision so rejected is void. If the commission rejects a filing, it shall issue a statement of the reasons for the rejection. Unless the utility and the commission agree to an extension of time, the commission may not reject a filing under this subsection after 45 days have elapsed from the date of filing.	The last sentence of this subsection contemplates an agreement between a utility and the RCA permitting rejection of a utility tariff filing for a period beyond 45 days. Given that the RTO is not a utility, it appears the RTO is precluded from agreeing to an extension. However, the RTO does not believe this should be a concern.
AS 42.05.361	(d) The commission may require a telecommunications carrier to make tariff filings related to telecommunications services provided to inmates in the custody of the Department of Corrections. Notwithstanding (a) — (c) of this section, the commission may not require a telecommunications carrier to make other tariff	NA

RCA statute or regulation	Language of Provision	RTO Remarks
	filings.	
AS 42.05.411 New or revised tariffs. AS 42.05.411 (cont.)	(a) A public utility may not establish or place in effect any new or revised rates, charges, rules, regulations, conditions of service or practices except after 45 days' notice to the commission and 30 days' notice to the public.	Only applies to public utilities, but the RTO is filing its tariff per AS 44.83.710(b). By that filing and the RCA's subsequent posting, the RTO is providing notice to the commission and the public for the periods of time set forth in the statute.
AS 42.05.411(a) (cont.)	Notice shall be given to the commission by filing with the commission and keeping open for public inspection the revised tariff provisions which shall plainly indicate the changes to be made in the schedules then in force and the time when the changes will go into effect.	By filing its OATT with the RCA and with the RCA's subsequent posting, the RTO is providing notice to the RCA and keeping the proposed tariff open for public inspection consistent with this portion of the statute. The statute also provides that the filing "shall plainly indicate the changes to be made to the schedules **<u>then in force</u>** [emphasis added] and the time when

RCA statute or regulation	Language of Provision	RTO Remarks
AS 42.05.411(a) (cont.)		the changes will go into effect." Although the OATT does not contain any "changes" to terms "then in force[,]" the RTO is requesting approval of the tariff terms and conditions, including the formulaic revenue mechanism, in this docket. The RTO has requested that those terms and conditions go into effect at the time its initial cost of service is approved or accepted by the RCA (which filing will be made by separate TA at some time in the future). Thus, although the RTO cannot specify a date certain for its tariff to be placed into effect, it has indicated its requested effective date, requested the RCA approve that date, and thus voluntarily has complied with this portion of the statute in its TA letter. The statute

RCA statute or regulation	Language of Provision	RTO Remarks
		does not expressly require the effective date be a month, day and year.
AS 42.05.411(a) (cont.)	The commission shall prescribe means by regulation whereby notice is given to the public before or no later than 15 days after the filing that is reasonably adequate to notify customers affected by the filing. The commission, for good cause shown, may allow changes to take effect on less than 45 days' notice to the commission or 30 days' notice to the public under conditions the commission prescribes.	The commission has not yet prescribed by regulation the means whereby notice should be given for an entity other than a public utility/pipeline carrier, but the RTO does not oppose the RCA giving the public 30 days' notice of this TA filing nor allowing public comment on this filing within that period.
AS 42.05.411	(b) New and revised tariffs shall be filed in the manner provided in AS 42.05.361(a).	See remark regarding AS 42.05.361(a) above.
AS 42.05.411	(c) Upon the filing of a new or revised tariff, the commission upon complaint or upon its own motion, without notice, may initiate an investigation of the reasonableness and lawfulness of the change.	
AS 42.05.421 Suspension of tariff filing.	(a) When a tariff filing is made containing a new or revised rate, classification, rule, regulation, practice, or condition of service the commission may, either upon written complaint or upon its own motion, after reasonable notice, conduct a hearing to determine the reasonableness and propriety of the filing. Pending the hearing the commission may, by order stating the reasons for its action, suspend the operation of the tariff filing.	
AS 42.05.421(a) (cont.)	For a tariff filing that does not change the utility's revenue requirement or rate design, the suspension may last for a period not longer than six months beyond the effective date established in the tariff	Only applies to public utilities, and the RTO is not requesting an

RCA statute or regulation	Language of Provision	RTO Remarks
AS 42.05.421(a) (cont.)	filing unless the commission extends the period for good cause. For a tariff filing that changes the utility's revenue requirement or rate design, the suspension may last, unless the commission extends the period for good cause, for a period not longer than (1) six months before an interim rate equal to the requested rate goes into effect and not longer than 12 months before a permanent rate goes into effect if the annual gross revenues of the utility making the filing are more than $3,000,000; and (2) 150 days before an interim rate equal to the requested new rate goes into effect and not longer than one year before a permanent rate goes into effect if the annual gross revenues of the utility making the filing are $3,000,000 or less.	interim or permanent rate in its filing.
AS 42.05.421	(b) An order suspending a tariff filing may be vacated if, after investigation, the commission finds that it is in all respects proper. Otherwise the commission shall hold a hearing on the suspended filing and issue its order, before the end of the suspension period, granting, denying or modifying the suspended tariff in whole or in part.	
AS 42.05.421	(c) In the case of a proposed increased rate, the commission may by order require the interested public utility or utilities to place in escrow in a financial institution approved by the commission and keep accurate account of all amounts received by reason of the increase, specifying by whom and in whose behalf the amounts are paid. Upon completion of the hearing and decision the commission may by order require the public utility to refund to the persons in whose behalf the amounts were paid, that portion of the increased rates which was found to be unreasonable or unlawful. Funds may not be released from escrow without the commission's prior written consent and the escrow agent shall be so instructed by the utility, in writing, with a copy to the commission. The utility may, at its expense, substitute a bond in lieu of the escrow requirement.	Only applies to public utilities, but the RTO is not requesting an interim or permanent rate in its filing.

RCA statute or regulation	Language of Provision	RTO Remarks
AS 42.05.421	(d) One who initiates a change in existing tariffs shall bear the burden to prove the reasonableness of the change.	
AS 42.05.451 System of accounts and reports.	(a) The commission may classify the public utilities under its jurisdiction and prescribe a uniform system of accounts for each class and the manner in which the accounts and supporting records shall be kept. (b) A public utility shall maintain its accounts on a calendar year basis unless specifically authorized by the commission to maintain its accounts on a fiscal year basis. Within 90 days after the close of its authorized annual accounting period, or additional time granted upon a showing of good cause, a public utility shall file with the commission a verified annual report of its operations during the period reported, on forms prescribed by the commission.	Only applies to public utilities. In any event, the RTO's ATRR template contemplates the Transmission Owner's use of FERC's USOA, as amended.

RCA REGULATIONS REGARDING TARIFF FILINGS

RCA statute or regulation	Language of Provision	RTO Remarks
3 AAC 48.200. Scope of regulations.	Except as provided in 3 AAC 48.450 - 3 AAC 48.490, the provisions of 3 AAC 48.200 - 3 AAC 48.442 cover the construction, preparation, content, filing, posting, and publication of utility and pipeline tariffs, including special contracts.	The RTO is not a public utility and therefore none of the tariff regulations in 3 AAC 48.200-442 apply to the RTO. (That comment applies to, but is not repeated, for each regulation listed below.) The RTO has, however, voluntarily followed many of the provisions of these regulations related to the structure and

RCA statute or regulation	Language of Provision	RTO Remarks
		contents of tariff advice letters and the tariff. See remarks below by regulation.
3 AAC 48.220. Tariff filing submission, calculation of statutory notice period, and effective date.	(a) Unless otherwise provided, the statutory notice period for a tariff filing does not begin until the filing utility or pipeline carrier has complied with this section. If a utility or pipeline carrier submits a tariff filing that does not meet all of the notice and form and filing requirements provided under statute and 3 AAC 48.200 - 3 AAC 48.430, and the commission does not waive those requirements under 3 AAC 48.805, the commission may reject the filing. The statutory notice period for a rejected tariff filing begins only after the filing is supplemented, within a period specified by the commission, to comply with all applicable requirements. If a utility or pipeline carrier fails to supplement a rejected tariff filing in order to comply with all applicable requirements within the period specified by the commission, the tariff filing will be closed and returned to the utility or pipeline carrier. If a tariff filing is refiled by the utility or pipeline carrier after having been rejected and returned as provided in this chapter, the tariff filing shall be renumbered with the next available tariff advice number and treated as a new tariff filing.	
3 AAC 48.220	(b) Unless otherwise specified by order or another applicable provision of this chapter, tariff filings may be submitted electronically, in accordance with 3 AAC 48.095. A utility or pipeline carrier filing on paper shall submit an original and five copies of each tariff filing, unless otherwise directed by the commission.	The RTO's electronic filing voluntarily complies with subsection (b) as if it were a public utility.
3 AAC 48.220	(c) Each tariff filing submitted to the commission must be transmitted by means of consecutively numbered tariff advice letters. Every tariff advice letter must contain the applicable information set out in 3 AAC 48.270(a), unless another provision of 3 AAC 47 - 3 AAC 53 (Regulatory Commission of Alaska) provides otherwise, and is subject to one of the following statutory notice periods as follows: (1) a utility tariff filing must be submitted to the	The RTO's filing voluntarily complies with subsection (c) as it is requesting its tariff go into effect at the same time as its (future) initial cost of service

RCA statute or regulation	Language of Provision	RTO Remarks
	commission not later than 45 days before it may take effect unless the commission, by order, authorizes the filing to take effect in less than 45 days after the date of filing, or unless another provision of 3 AAC 47 - 3 AAC 53 (Regulatory Commission of Alaska) provides for a different filing method or time period; (2) an initial pipeline tariff filing must be submitted to the commission not later than 90 days before it may take effect unless the commission, by order, authorizes the filing to take effect in less than 90 days after the date of filing, or unless another provision of 3 AAC 47 - 3 AAC 53 (Regulatory Commission of Alaska) provides for a different filing method or time period; (3) a pipeline tariff filing, other than an initial pipeline tariff filing, must be submitted to the commission not later than 30 days before it may take effect unless the commission, by order, authorizes the filing to take effect in less than 30 days after the date of filing, or unless another provision of 3 AAC 47 - 3 AAC 53 (Regulatory Commission of Alaska) provides for a different filing method or time period.	filing. See remarks above re AS 42.05.411(a). Moreover, the RTO is not a public utility and thus this regulation, by its terms, does not apply to the RTO.
3 AAC 48.220	(d) Whether submitted on paper or electronically, a tariff filing made before 5:00 p.m. on a regular business day will be considered filed with the commission for the purpose of determining the statutory notice period. The day after the filing is submitted with the commission will be counted as the first day of the period of notice to the commission and the public in accordance with AS 01.10.080. The statutory notice periods set out in (c) of this section shall be determined in the same manner prescribed under 3 AAC 48.090. If a notice period ends on a Saturday, Sunday, or state legal holiday, the notice period will be extended to the end of the commission's next regular business day. In computing the statutory notice period, consideration will not be given to notice by telephone, electronic mail, or facsimile transmission.	
3 AAC 48.220	(e) Except as otherwise provided in this chapter, the commission may reject a tariff filing submitted to the commission with insufficient time to accommodate the statutory notice period before a proposed effective date.	

RCA statute or regulation	Language of Provision	RTO Remarks
3 AAC 48.220	(f) A utility or pipeline carrier may propose an effective date before the end of the statutory notice period for a tariff filing as set out in 3 AAC 48.270(a). If a proposed effective date is not included in a tariff advice letter, the commission will treat the last day of the statutory period of notice to the commission as the proposed effective date, unless the tariff filing is suspended in accordance with 3 AAC 48.310(d). The commission may reject a tariff filing if a proposed effective date is more than 90 days after the date the tariff filing is submitted to the commission, except as specifically authorized by the commission on request of a utility or pipeline carrier, or except in the case of an initial pipeline tariff.	The RTO has indicated that its requested effective date is the date when its initial cost of service is approved or accepted by the RCA. Although this regulation gives the RCA the authority to reject a utility's tariff filing if its proposed effective date is more than 90 days after filing, the RTO is not a utility and thus the regulation does not apply. In addition, the RTO voluntarily has requested the RCA approve the RTO's requested effective date.
3 AAC 48.220	(g) After approval, the commission will validate each effective tariff sheet, special contract, agreement, form, and other document required by commission order, by placing the commission's date-of-receipt stamp on the upper right corner of each tariff sheet, form, and other document and by entering the appropriate effective date on the bottom right corner of each tariff sheet, form, and other document. The commission will return a copy of each effective tariff sheet, special contract, agreement, form, and other document required by commission order to the utility or the pipeline carrier after the effective date of the filing.	
3 AAC 48.220	(h) Each effective tariff on file with the commission is lawful until revised in accordance with the procedures established under law, 3 AAC 48.200 - 3	

RCA statute or regulation	Language of Provision	RTO Remarks
	AAC 48.430, and other provisions of 3 AAC 47 - 3 AAC 53 (Regulatory Commission of Alaska).	
3 AAC 48.250 Tariff on file for public inspection.	(a) Each utility or pipeline carrier shall maintain in its tariff a list of the locations at which it keeps a copy of its paper tariff available for public inspection and, if applicable, the Internet address of its electronic tariff. (b) A utility or pipeline carrier may not refuse to permit anyone to inspect any of its effective tariffs during regular business hours. A utility or pipeline carrier may not require anyone to provide a reason for inspecting the tariff as a prerequisite to the inspection. (c) Repealed 10/27/2017.	The RTO's filing voluntarily complies with subsection (a) as if it were a public utility. Regarding (b), once approved (or at the latest, when it is in effect), the RTO's tariff will be available on the RCA and RTO websites, as well as at AEA's office during business hours, and thus available to the public on demand.
3 AAC 48.270 Tariff advice letters.	(a) Unless otherwise provided, every tariff filing required by 3 AAC 48.200 - 3 AAC 48.430, except filings directly related to applications for new or amended certificates of public convenience and necessity, must be transmitted to the commission by a consecutively numbered letter designated as "Tariff Advice Letter No. 1, 2, 3, etc." Tariff advice letters may be on either letterhead or plain paper, but must be formatted to print eight and one-half inches by 11 inches in size, must contain the name and return address of the filing utility or pipeline carrier, and must contain the name, return address, and electronic mail address of the filing utility or pipeline carrier's representative authorized to issue tariffs. Tariff advice letters must (1) list the tariff advice letter number; (2) specify the statutes, regulations, or commission order that the filing is made under; (3) list the tariff sheets, special contracts, agreements, forms, or other documents required by commission order that are being filed; (4) summarize the proposed tariff revisions, including an explanation about whether the filing proposes to implement rules, rates, or both; (5) include a statement setting out	The RTO's filing voluntarily complies with subsection (a) as if it were a public utility.

RCA statute or regulation	Language of Provision	RTO Remarks
	whether the filing will impact any current customers or shippers and if so, the estimated number of customers or shippers that will be affected; (6) if applicable, include a request for the tariff filing to take effect before the end of the statutory notice period, including a proposed effective date and explanation demonstrating good cause showing why the early effective date is necessary; and (7) if applicable, include a request for interim approval.	
3 AAC 48.270	(b) If the filing is based upon a study, a copy of the study used by the utility or pipeline carrier must be filed with the tariff advice letter, if not already on file with the commission. If a utility or pipeline carrier wishes to keep a study confidential it may petition for confidentiality as provided in 3 AAC 48.045. (c) When a special contract is filed, the tariff advice letter must address the requirements of 3 AAC 48.390(b) and include a statement explaining the reason the customer was not required to take service under an existing tariff schedule or appropriate revision of it, designed to accommodate the customer and all others similarly situated. If a special contract is filed under seal, in accordance with 3 AAC 48.045(a), the tariff advice letter must also name the signatories to the contract and give the date of execution.	Although it is not a public utility, the RTO's filing is not based on a study and does not contain a special contract.
3 AAC 48.274 Pipeline carrier initial rate filings.	Omitted.	
3 AAC 48.275 Supporting information.	(a) Except as provided in (b) of this section, each filing with the commission of a permanent or interim tariff revision that involves a change in rates to the customers of a utility or shippers of a pipeline carrier must include the following supporting information in the following order: (1) a comparative statement of assets, liabilities, and other credits as of the end of each of the two calendar or fiscal years preceding the date of filing; (2) a comparative statement of income and operating expenses as of the end of each of the two calendar or fiscal years preceding the date of filing; (3) a comparative statement of changes in the utility's or pipeline carrier's equity position to include	The RTO is not a public utility and its tariff filing does not involve a change in rates (nor seek to establish a rate or cost of service at this time). Therefore, the supporting schedules detailed in 3 AAC 48.275 are not applicable.

RCA statute or regulation	Language of Provision	RTO Remarks
3 AAC 48.275(a) (cont.)	fluctuations in capital stock, retained earnings, owner's equity, or fund balances for each of the two calendar or fiscal years preceding the date of filing; (4) a schedule showing the amount of the proposed rate change, both in absolute dollars and as a percentage increase or decrease, applied to the most recent approved permanent tariff rates and charges for each customer or service classification; (5) a schedule showing the computations of revenue requirement, and revenue deficiency or surplus, in both absolute dollars and as a percentage of revenues, for the normalized test-year; (6) a schedule showing test-year operating revenues and expenses, pro forma adjustments, and the resulting normalized test-year operating revenues and expenses; (7) a schedule showing the computation of and a narrative explanation for any pro forma adjustments to the test-year results of operations; (8) a schedule showing the computation of the pro forma provision for income taxes for the normalized test-year; (9) a schedule showing the computation of rate base using a 13-month average (the arithmetic sum of the beginning of each month net balance for the 12-month test period, plus the balance at the end of the twelfth month of the test period, divided by 13) of all rate-base components except cash working capital allowance, and using any other rate-base theory the utility or pipeline carrier considers appropriate and supportable; (10) a summary of utility, or pipeline, plant and depreciation for each of the two calendar or fiscal years preceding the date of filing, showing plant in service; depreciation expense for each plant account; depreciation method; asset life; and net salvage used for computing that depreciation expense and the end-of-year balance of each plant account and the related account for accumulated depreciation; (11) a schedule showing the pro forma cash working capital requirement based on the normalized test-year; (12) a schedule showing the computation of weighted cost of capital, separately delineating the percentage amount and embedded cost of debt, and the percentage amount and rate of return on equity, together with a schedule showing the resultant returns	

RCA statute or regulation	Language of Provision	RTO Remarks
3 AAC 48.275(a) (cont.)	on each of the rate bases computed in (9) of this subsection; (13) a schedule showing all liabilities of long term debt for each of the two calendar or fiscal years preceding the filing, including a description of each obligation; nominal date of issue; date of maturity; authorized face amount; and the computation of the embedded cost of debt used in (12) of this subsection; (14) as provided for under 3 AAC 48.153, prefiled direct testimony in support of the information filed under this subsection, together with a list of the witnesses filing testimony; (15) for a pipeline carrier seeking to collect in rates money to cover costs to dismantle or remove a pipeline facility or restore a right-of-way, (A) any document imposing an obligation to dismantle or remove a pipeline facility or restore a right-of-way; (B) a detailed study supporting the total estimated cost to dismantle and remove the pipeline facility and restore the right-of-way; (C) a schedule of the cumulative balance to date of any fund for the dismantlement or removal of a pipeline facility or the restoration of a right-of-way; the schedule must provide details since inception of the pipeline of annual revenue, expenditures, and earnings; (D) a schedule showing the effect of income taxes, if any, on the cumulative balance to date of any fund for the dismantlement or removal of a pipeline facility or the restoration of a right-of-way; (E) an explanation of how the existing or proposed fund for the dismantlement or removal of a pipeline facility or the restoration of a right-of-way will be managed; and (F) a statement identifying any component of the rate-base computation associated with the dismantlement or removal of a pipeline facility or the restoration of a right-of-way; (16) for a pipeline carrier that has performed dismantlement or removal of a pipeline facility or the restoration of a right-of-way during the test year, a schedule showing any adjustments pertaining to the costs of the dismantlement or removal of the pipeline facility or the restoration of the right-of-way included in the schedule submitted in accordance with (5) of this subsection.	

RCA statute or regulation	Language of Provision	RTO Remarks
3 AAC 48.275	(b) Unless otherwise ordered by the commission, (a) of this section does not apply to the following charges and periodic rates, provided cost justification is included with the tariff filings: (1) charges for connections, reconnections, installations, bad checks, late payments, line extensions, meter testing, special services of a non-utility nature, special equipment (one-time charges), moves and changes, directory listings, or maintaining records; (2) changes in customer deposit requirements, cooperative association membership fees, payments instead of assessments, or contributions or advances in aid of construction; (3) initial connection or installation charges and initial, inception, or periodic rates established for new equipment or a new service added to the tariff of a utility or pipeline carrier. (c) If the information required by (a)(1), (2), (3) and (4) of this section is not available for the entire calendar or fiscal year immediately preceding the tariff filing, the utility shall file the available information for that year and indicate the date the entire information for that year will be filed with the commission. (d) - (f) Repealed 6/29/84. (g) Each account referred to in any item required to be filed by (a) of this section shall refer to the proper account number of the applicable Uniform System of Accounts. (h) In addition to any other supporting studies required by this chapter, if a proposed tariff revision includes a rate redesign, other than an across-the-board increase, a cost-of-service study and a narrative explaining the methodology used in the study must be submitted. (i) If the rates for public utility or pipeline carrier services submitted as a part of a tariff filed with an application for transfer of a certificate of public convenience and necessity, or for transfer of a controlling interest in a certificated public utility or pipeline carrier, under AS 42.05.281 or AS 42.06.305 and 3 AAC 48.640(a)(3) and (4), differ from those of the transferor, the applicant shall file supporting financial information required by (a) of this section.	

RCA statute or regulation	Language of Provision	RTO Remarks
3 AAC 48.275	(j) The commission advisory staff, within its resources as provided for in 3 AAC 48.157(b), shall analyze the reasonableness and propriety of a utility's or pipeline carrier's filing, including its accuracy, representativeness, methodology, and conformance with law. (k) Subsection (a) of this section does not apply to filings for the development and support of access charges. A filing for the development and support of access charges must be in accordance with the Alaska Intrastate Interexchange Access Charge Manual, adopted by reference in 3 AAC 48.440.	
3 AAC 48.275	(l) A pipeline carrier with simplified pipeline tariff rates filed under 3 AAC 48.450 - 3 AAC 48.490 may file revised rates, along with a statement specifying the simplified tariff rates subject to revision, under this section if (1) property balances filed in support of the revised rates are based on current plant property, additions, retirements, and accumulated depreciation consistent with the pipeline carrier's previous filings under 3 AAC 48.450 - 3 AAC 48.490; (2) the rate base and property balances are not adjusted to (A) add an allowance for funds used during construction for property in service during the period rates filed under 3 AAC 48.450 - 3 AAC 48.490 were in effect except as provided in (m) of this section; or (B) subtract accumulated deferred income taxes except as provided in (m) of this section; and (3) any dismantlement, removal, and restoration costs waived by the pipeline carrier during the period rates filed under 3 AAC 48.450 - 3 AAC 48.490 were in effect are not recovered in rates filed under this section.	
3 AAC 48.275	(m) If the commission orders the pipeline carrier to subtract accumulated deferred income taxes from the rate base, the pipeline carrier filing revised rates under (l) of this section may add to the rate base and property balances an allowance for funds used during construction that does not exceed the amount of accumulated deferred income taxes deducted from the rate base. (n) The accumulated depreciation balances used to calculate rates filed under 3 AAC 48.450 - 3 AAC 48.490 are not subject to investigation or protest	

RCA statute or regulation	Language of Provision	RTO Remarks
	when included in rates filed under (l) of this section. The beginning plant balances, additions, and retirements verified by the pipeline carrier for rates filed under 3 AAC 48.450 - 3 AAC 48.490 are subject to investigation or protest when included in rates filed under (l) of this section.	
3 AAC 48.277 Uniform system of accounts. (only provisions re electric)	(a) Except as otherwise ordered by the commission, each public utility or pipeline carrier shall comply with the following Uniform System of Accounts applicable to that utility or carrier: * * * (9) electric public utilities financed in whole or in part by the Rural Electrification Administration shall maintain their records and accounts in accordance with the Uniform System of Accounts prescribed for electric borrowers of the Rural Electrification Administration, United States Department of Agriculture, which were in effect on January 1, 1982; (10) electric public utilities not subject to (9) of this subsection with annual operating revenues of $5,000,000 or more shall maintain records and accounts in accordance with the Uniform System of Accounts for Class A public utilities prescribed by Part 101 of the Federal Energy Regulatory Commission regulations (18 C.F.R. Part 101) which were in effect on January 1, 1982; (11) electric public utilities not subject to (9) of this subsection with annual operating revenues of at least $1,500,000 but less than $5,000,000 shall maintain records and accounts in accordance with the Uniform System of Accounts for Class B public utilities prescribed by Part 101 of the Federal Energy Regulatory Commission regulations (18 C.F.R. Part 101) which were in effect on January 1, 1982; (12) electric public utilities not subject to (9) of this subsection with annual operating revenues of at least $500,000 but less than $1,500,000 shall maintain records and accounts in accordance with the Uniform System of Accounts for Class C public utilities prescribed by Part 104 of the Federal Energy Regulatory Commission regulations (18 C.F.R. Part 104) which were in effect on January 1, 1982;	Although it is not a public utility, and thus this regulation does not apply, the RTO's ATRR template is based on FERC's currently effective uniform system of accounts (rather than the January 1, 1982, version), the former being what is used by FERC today.

RCA statute or regulation	Language of Provision	RTO Remarks
	(13) electric public utilities not subject to (9) of this subsection with annual operating revenues of less than $500,000 shall maintain records and accounts in accordance with the Uniform System of Accounts for Class D public utilities prescribed by Part 104 of the Federal Energy Regulatory Commission regulations (18 C.R.F. Part 104) which were in effect on January 1, 1982; * * * (b) Each of the Uniform System of Accounts referred to in (a) of this section may be obtained at the office of the Alaska Public Utilities Commission as specified in 3 AAC 48.010(a). (c) Repealed 11/28/2003. (d) The adoption by reference of the applicable Uniform System of Accounts set out in (a) of this section does not preclude a utility, upon notification to the commission, from maintaining accounts and records in accordance with the Uniform System of Accounts prescribed for the same type of utility in a higher revenue classification. (e) A pipeline carrier shall establish and maintain as part of its system of accounts continuing property records showing, as to property units in this state, the year of placement in service; original cost; and current location; and, as to a pipeline system, accounts and records in a manner showing, on a current basis, the original cost of the system in the state and related reserves for depreciation. (f) A pipeline carrier shall keep its accounts for its pipeline facilities located in this state separate from any accounts relating to any other business it engages in, directly or indirectly. No property, expense, or revenue used in or derived from the other business will be considered in establishing the rates and charges of the facilities.	
3 AAC 48.280 Additional public notice.	The commission may prescribe, on a case-by-case basis, one or more appropriate additional means by which a tariff filing must be noticed to the public, including (1) publication in one or more newspapers or by means of other news media at the expense of the filing utility or pipeline carrier; (2) individual notice to all customers or shippers that may be	

RCA statute or regulation	Language of Provision	RTO Remarks
	affected by the tariff filing, either by hand, by United States mail, or by a similar delivery service, under conditions prescribed by the commission, or by the commission itself; or (3) publication on the commission's website.	
3 AAC 48.290 Response to public notice.	(a) Comments may be filed either electronically, including by electronic mail, or on paper. Any person desiring to submit a comment in response to a tariff filing may be asked to do so not later than 20 days after the date the commission received the tariff filing, unless a longer period, not in excess of 30 days, is granted by public notice, or by notice in writing. Every notice to the public by hand, United States mail, or a similar delivery service or by means of a paid legal advertisement in any news media shall specify the deadline date for comments. (b) Comments must be submitted with a copy to the utility or pipeline carrier, must be signed by the interested person or the person's authorized representative, and must contain at least the following information: (1) reference to the applicable docket number, tariff advice letter number, or file reference specified in the notice; (2) the name, mailing address, and, if applicable, electronic mail address of the person filing, regardless of whether the person is a customer of the utility or a shipper with the pipeline carrier; and if the person is a customer or shipper, the physical address of the place or places where service is taken, or the place or places where shipment is received by the carrier; (3) the reason for filing, if not a customer or shipper, together with any supporting factual data; (4) whether or not the comment is made on behalf of the interested person or on behalf of other named persons, including an organized group, association, or company; (5) the person's comment in the noticed matter with reasonable particularity, and as concisely as possible; and (6) a statement that a true copy of the same comment has been served on the utility or pipeline carrier that made the tariff filing, together with the date it was either electronically mailed or delivered by hand, United States mail, or similar delivery service to the utility or pipeline carrier. (c) A	

RCA statute or regulation	Language of Provision	RTO Remarks
3 AAC 48.290 (cont.)	customer of a utility, or a shipper with a pipeline carrier, has unquestioned standing to file a timely comment on a filing by that utility or pipeline carrier. The standing of others to file comments depends upon the nature of their interest, the merit of their position, the extent to which their comments are supported by accurate factual data, and other factors that the commission considers pertinent. Comments may be summarily dismissed, or ignored, if the commission finds the comment is based upon erroneous assumptions or appears to be motivated mainly by a desire to harass or embarrass the utility or pipeline carrier or to protect the economic interests of the competitors of the utility or pipeline carrier. A person who is denied standing may file a motion asking the commission to reconsider its decision and indicating the reason the motion should be granted.	
3 AAC 48.300 Waiver of statutory notice period.	(a) When a utility or pipeline carrier includes in its tariff advice letter a request under 3 AAC 48.270(a)(6) for a tariff filing to take effect before the end of the statutory notice period, the burden of showing good cause for waiving statutory notice must be borne by the filing utility or pipeline carrier. (b) In response to each request under (a) of this section, the commission may take one of the following actions: (1) deny the request and require at least the statutory notice period to expire before allowing the tariff filing to take effect; (2) grant the requested effective date as proposed in the tariff advice letter; (3) allow the tariff filing to take effect before the end of the statutory notice period but later than the requested effective date proposed in the tariff advice letter; (4) pending a public hearing, suspend the operation of the tariff filing for a period not longer than that permitted under AS 42.05.421 or AS 42.06.400. (c) The commission, on its own motion or for good cause shown, may waive statutory notice and specify an effective date before the end of the statutory notice period for (1) tariffs of new utilities or pipeline carriers and of utilities or pipeline carriers brought under regulation by operation of law; (2) tariff filings covering services, facilities, or commodities not previously furnished; (3) tariffs that	The RTO is not a public utility and it is not requesting the tariff go into effect before the end of the statutory notice period.

RCA statute or regulation	Language of Provision	RTO Remarks
	take effect by means of adoption notices; and (4) tariff filings filed to comply with orders of the commission.	
3 AAC 48.310 Suspension and rejection of tariff filings.	(a) A tariff filing that is received by the commission in a form or filed by a method which, in whole or in part, is not consistent with 3 AAC 48.200 - 3 AAC 48.430, or which reflects retroactive rate treatment, will, in the commission's discretion, be rejected. (b) When a tariff filing is rejected, it will be returned promptly to the utility or pipeline carrier with a letter explaining the reason the filing was rejected. (c) A tariff filing, or any portion of one, that has been rejected is void. (d) The commission will, in its discretion, by order stating the reason, suspend a tariff filing either in whole or in part at any time before the end of the statutory notice period to the commission. (e) If the commission does not enter a formal order suspending a tariff filing, in whole or in part, the part of the filing that is not suspended takes effect when the statutory notice period has expired in accordance with 3 AAC 48.220, or at a later date designated by the utility or pipeline carrier. (f) Show cause orders and orders of investigation involving a suspended tariff filing will be issued under the same docket file number as the one under which the original suspension order was entered. (g) If a suspended tariff filing is withdrawn by a utility or a pipeline carrier and later refiled, the commission may suspend the filing again up to the full statutory period. (h) An order of the commission suspending a tariff filing, in whole or in part, may later be vacated, in whole or in part, by means of an order in the same formal proceeding. (i) During the suspension period, a utility or pipeline carrier may supplement or amend its tariff filing or make additional filings. However, if the supplementary or additional filings represent or make a significant or material change in the original filing, the commission will, in its discretion, suspend the filing again up to the full statutory period and renotice the supplemented or amended filing to the public under 3 AAC 48.280.	
3 AAC 48.320 Separate tariff	(a) When a single entity furnishes more than one kind of utility service, pipeline carrier service, or	

RCA statute or regulation	Language of Provision	RTO Remarks
for each utility or pipeline carrier and controlling effective tariff.	commodity, as defined in AS 42.05 or AS 42.06, the entity shall file a separate tariff for each kind of utility service, pipeline carrier service, or commodity that the entity furnishes. (b) For every service that a utility or pipeline carrier offers that is regulated by the commission, the effective tariff of the utility or pipeline carrier must set out the rates, charges, regulations, terms, and conditions applicable to the service. The effective tariff of every utility or pipeline carrier must specifically provide for, and authorize, every rate or charge subject to the commission's jurisdiction. (c) A utility or pipeline carrier may not deviate from its effective tariff or refuse to apply it uniformly without prior commission approval. (d) If a utility or pipeline carrier charges more or less than the amount provided by its effective tariff, it shall promptly make appropriate adjustments to correct the total overpayment or underpayment. (e) Errors occurring in an effective tariff that result solely from a typographic or reproduction mistake must, upon discovery, be corrected immediately by the utility or pipeline carrier by filing, in compliance with 3 AAC 48.220 and 3 AAC 48.270, revised tariff sheets.	
3 AAC 48.330 Format of tariff sheets.	Every tariff sheet must be legible and formatted to print eight and one-half by 11 inches in size and, except as provided in 3 AAC 48.360(d), include (1) the number of the utility or pipeline carrier's certificates of public convenience and necessity; (2) the tariff sheet number; (3) the tariff sheet revision number; (4) the name of the utility or pipeline carrier; (5) the tariff advice number; and (6) the proposed effective date.	The RTO's filing voluntarily complies with this section as if it were a public utility.
3 AAC 48.340 Tariff sheet designation.	(a) Each new tariff sheet must be officially designated by the letters "RCA" in the upper left-hand corner of the tariff sheet, followed by the number of the utility or pipeline carrier's certificate of public convenience and necessity authorizing the utility or pipeline carrier to furnish the kind of service or commodity covered by its tariff. (b) Each sheet of every tariff, except the title page, must bear a sheet number at the top of the sheet. The	The RTO's filing voluntarily complies with subsections (a) and (b) as if it were a public utility. Subsections (c)-(g) only apply to tariff revisions.

RCA statute or regulation	Language of Provision	RTO Remarks
3 AAC 48.340 (cont.)	first publication of a tariff sheet must be designated as "Original Sheet . . . . " (c) The amendment of any sheet of a tariff shall be made only by reissuing the particular sheet upon which the change, addition, or cancellation is made. Reissuing the sheet means to cancel it by a new tariff sheet that contains the same tariff provisions except whatever additions, changes, or cancellations are made. Each revised tariff sheet must bear the same sheet number, either spelled out or in numerical format, as the sheet it amends and must bear a consecutive revision number as explained in this subsection. A revised tariff sheet that amends an original sheet must be designated "FIRST REVISION OF SHEET . . . . ," "SECOND REVISION OF SHEET . . . . ," etc. Each revised sheet must direct the cancellation of the original or revised sheet that it amends and this cancellation may be shown in the manner indicated in the following example: FIRST REVISION OF SHEET . . . . CANCELLING ORIGINAL SHEET . . . . When the first revision of a sheet is to be amended, it must be cancelled by a second revised sheet in the following manner: SECOND REVISION OF SHEET . . . . CANCELLING FIRST REVISION OF SHEET . . . . The same number formatting must be used consistently throughout the tariff. (d) If, after a tariff has been issued, adding an additional sheet becomes necessary to provide for an expanded or additional tariff matter, the added sheet must be designated as an original sheet, not a revised sheet, and must be given the same sheet number, when added between existing sheets of the tariff, as the sheet that it follows. A period or dash suffix, in the numerical sequence, must follow the sheet number, but not both a period and dash. For example, a sheet added between sheets four and five of the tariff must be designated as "Original Sheet 4.1" or "Original sheet 4-1" and a sheet added between 4.1 or 4-1 and 5 of the tariff must be designated as "Original Sheet 4.2" or "Original Sheet 4-2" etc. Either dashes or periods must be used consistently throughout the tariff. A sheet may not be added between two sheets	

RCA statute or regulation	Language of Provision	RTO Remarks
3 AAC 48.340 (cont.)	both of which bear sheet numbers with suffixes containing two periods or two dashes. If amending original sheet 4.1 or 4-1 becomes necessary, it shall be done in the manner prescribed in (c) of this section by issuing the first revision of sheet 4.1 or 4-1. (e) When the added sheet is added after the last sheet, at the end of the tariff, the added sheet shall be given the next consecutive number following the number of the last sheet of the tariff. For example, if the last sheet of a tariff is Sheet 99, the added sheet shall be designated "Original Sheet 100. (f) When a revised tariff sheet is issued that omits rates, charges, or other provisions formerly published on the sheet that it cancels, and the omitted matter is transferred to a different sheet, the revised sheet must make specific reference to the tariff sheet on which the omitted matter will thereafter be found. The sheet to which the omitted matter is transferred must refer to the tariff sheet on which the matter was formerly published. The cancellation of the matter on the former tariff sheet shall be made effective simultaneously with the effective date of the matter on the sheet to which it is transferred. Subsequent revisions of the revised sheets accomplishing the transfer must omit the references required in this subsection. (g) If anything on a tariff sheet is to be cancelled entirely, and is not to be transferred to another sheet of the same tariff, the revised sheet that effects the amendment must specifically show the cancellation of the provisions, as prescribed under 3 AAC 48.360(g). Subsequent revisions of the revised tariff sheet that effected the cancellation must omit the required margin notations.	
3 AAC 48.360 General arrangement and content of tariff.	(a) The effective tariff of a utility or pipeline carrier must contain (1) a title page that includes the name of the utility or pipeline carrier issuing the tariff as listed on the utility or pipeline carrier's certificate of public convenience and necessity, the certificated service or commodity offered, each certificated area to which the tariff applies, and the physical address of the issuing utility or pipeline carrier; (2) an index with a complete and accurate list of the contents of the	The RTO's filing voluntarily complies with subsections (a)(1-4 & 6), (c), and (f) as if it were a public utility. The RTO is not offering any services, rates or

RCA statute or regulation	Language of Provision	RTO Remarks
3 AAC 48.360 (cont.)	tariff; (3) a map or set of maps depicting the utility or pipeline carrier's certificated service area; (4) a complete set of terms and conditions governing the services offered by each utility or pipeline carrier under its applicable tariff; and (5) a schedule of all rates and charges for each class of service offered, or for each customer or shipper group. (b) If the index is rendered inaccurate due to the submission of a tariff sheet with a proposed revision, the index tariff sheet must be revised concurrently. (c) The maps furnished by a pipeline carrier must show the pipeline facility or extension, the route of the pipeline facility or extension, the location of each intake and offtake point currently used, and each intake or offtake point that has been constructed but is not currently used. The maps furnished by a utility must clearly delineate the boundaries of (1) each of the utility's certificated areas, and the principal area and major points actually served under the tariff; and (2) the areas, zones, or districts in which the utility's rate schedules are generally applied. (d) For a pipeline carrier also subject to federal jurisdiction, tariff sheets that delineate the sections of the pipeline carrier's currently effective federal tariff and that are applicable to intrastate transportation of oil and petroleum products, together with a complete copy of the federal tariff, must be set out on consecutively numbered pages immediately following the intrastate rates and charges. (e) Special contracts with customers must be filed separately by the utility, need not conform to the numbering plan set out in this section, and need not be included in the index page. (f) In the construction of a tariff, consideration may be given to the fact that it will probably be necessary, in the future, to file additional rates, rules, regulations, or other items. Reservation of sheet and schedule numbers may therefore be made to provide, in advance, for subsequent filings to be made in proper relation to schedules, or other items filed previously. (g) The purpose and effect of every tariff revision must be indicated on the tariff by the use of the	charges as part of this initial filing and thus (a)(5) is not applicable. Subsections (b&g), (d), and (e) only apply to revisions, pipeline carriers, and special contracts, none of which are relevant here.

RCA statute or regulation	Language of Provision	RTO Remarks
	following symbols to the right of the text to which they apply: C - To denote a changed condition or regulation; D - To denote a discontinued rate, regulation, or condition; I - To denote an increase; L - To denote that material has been relocated from or to another sheet or place in the tariff with no change in text, rate, rule, or condition; N - To denote a new rate, regulation, condition, or sheet R - To denote a reduction S - To denote reissued matter; T - To denote a change in text for clarification. (h) The symbols in (g) of this section may not be carried forward on subsequent revisions of the tariff sheets where they originally are shown or into tariff reissues or supplements, and the filing utility or pipeline carrier is not required to use them in any reproduction of its tariff for public inspection.	
3 AAC 48.370 Content of rules and regulations.	Except as otherwise provided in 3 AAC 48.360, the rules and regulations of each utility or pipeline carrier, to the extent applicable, must include (1) applications for service, deposits, and credit rules; (2) definitions of terms used in the tariff; (3) terms, conditions, and charges for service connections; (4) the reconnection charge and conditions under which the charge applies; (5) use of service when it is a determining factor in the application of rates; (6) installation and allowable deviation of metering devices from fixed standards; (7) restrictions as to the hours of service, if any; (8) terms and conditions under which service will be extended to applicants via distribution main extensions, line extensions, or other means (except when stated in a rate schedule); (9) responsibility for, and maintenance of, service; (10) access to customer premises; (11) interruptions of service and credit for interruptions; (12) billing regulations, including special bills; (13) delinquent accounts; (14) illegal use of service; (15) discontinuance of service by customer or shipper or utility or pipeline carrier, including temporary disconnection of service; (16) sales for resale; (17) procedure for filing and disposition of customer or shipper complaints; (18) form of all contracts, except special contracts, utilized in furnishing services and commodities, and conditions under which they are	The RTO's filing voluntarily complies with many of these subsections, although not all are applicable for a transmission organization. Instead, the RTO modeled its OATT after the terms and conditions in the FERC Pro Forma OATT and HB307, modified for the unique attributes of the Railbelt electric system.

RCA statute or regulation	Language of Provision	RTO Remarks
3 AAC 48.370 (cont.)	required; (19) conditions under which a person may share in the use of the customer's service (e.g., joint-user arrangements in tariff of a telecommunications utility); (20) directory listing policy; (21) priority of service; (22) supersedure of service; (23) liability clauses; (24) responsibility of customer or shipper; (25) responsibility of utility or pipeline carrier; (26) list of special contracts, with whom and for what service; and (27) sheet indicating locations of tariff.	
3 AAC 48.380 Content of rate schedules.	Each schedule setting out the rates and charges for services offered by the utility or pipeline carrier must be given an appropriate heading. Each schedule must begin on a separate page and must, if applicable, include the following: (1) the schedule number, class of service, and the locality or area where it is applicable; (2) to whom the service is available; (3) the kind or classification of service, the conditions under which it is offered, and, if necessary, the geographic area in which the rate is applicable; (4) the rate; (5) whether a schedule is optional, and the associated conditions; (6) the minimum charge; (7) the time when service is available if not 24-hour service; (8) the discount for prompt payment when applicable; (9) promotional practices involving an offer to pay compensation or consideration or furnish equipment as an inducement for the installation or use of a service or commodity; (10) any provision for the automatic revision of a rate or charge which is contingent on changes in a cost element entering into the cost of providing service such as fuel adjustment clauses, or changes in the wholesale rate paid by the utility or pipeline carrier for the service or commodity it purchases; (11) all factors entering into the computation of bills under the schedule; (12) for telecommunications utilities that furnish local exchange telephone service, their primary rate schedules, their regulated terminal equipment rates, rates and charges for equipment furnished by customers, and schedules for other services peculiar to their operations; and (13) for telecommunications utilities that furnish interexchange long-lines service, their basic rate schedules, their supplementary rate	Attachment D of the RTO's tariff will contain the BTS cost of service for the RTO. It will not have rates and charges as contemplated by this regulation which is only applicable to a utility or pipeline carrier.

RCA statute or regulation	Language of Provision	RTO Remarks
3 AAC 48.380 (cont.)	schedules, their list of toll points and schedules covering all other intrastate services and facilities they furnish to the public for compensation, but not toll settlement formulas and procedures.	
3 AAC 48.390 Special contracts.	(a) Special contracts are treated as tariff filings. A utility service, commodity, or facility furnished to a customer under an unwritten contract or arrangement must be discontinued unless the parties to it execute a written contract and file it with the commission. This section does not apply to (1) the merchandising of equipment and appliances; (2) parts replacement and repair work on customer-owned equipment; (3) utility construction or materials purchase contracts; (4) easements; (5) applications for membership in cooperative associations; or (6) service agreements which merely recite the provisions of a utility's effective tariff. (b) Each special contract filed with the commission under AS 42.05.361 (a) and 3 AAC 48.200 - 3 AAC 48.430 must contain a provision indicating the understanding of the parties that the contract (1) does not take effect without the prior approval of the commission; and (2) is, at all times, subject to revisions by the commission. (c) The parties to every special contract shall be given notice and an opportunity to be heard as a condition precedent to the commission revising a special contract. (d) A special contract may not be used as a device or method to give the vendee an unreasonable preference or advantage or subject the vendee to an unreasonable prejudice or disadvantage as determined by analyzing the provisions of the contract in relation to the terms and conditions under which the utility offers a comparable service under comparable conditions to the general public. (e) The commission may authorize a utility to offer untariffed services or equipment to customers by special contract under the following conditions: (1) the utility has filed a tariff filing for the service or equipment in the form and accompanied by the supporting information required under 3 AAC 48.200 - 3 AAC 48.430; (2) the commission has suspended the operation of the tariff filing pending final approval; (3) the commission has specified each rate to be	At this time, the RTO does not have any special contracts. However, *see* Section 13.6 of the tariff which requires service agreements that deviate substantially from the tariff terms to be filed with the RCA as special contracts.

RCA statute or regulation	Language of Provision	RTO Remarks
3 AAC 48.390 (cont.)	charged the customer in the special contract; (4) each rate specified is retroactively reviewable and revisable, upward or downward, from the effective date of the special contract, and the customer's liability is to pay each rate finally approved for the tariff filing plus or minus accrued interest if that rate is different from the rate initially approved for use in the special contract; and (5) the special contract expressly advises the customer of the potential retroactive liability for increased rates, plus accrued interest. (f) Upon the commission's final approval of the tariff filing submitted under (e)(1) of this section, including any adjustment of the rate authorized for use in the special contract, the special contract lapses and service must continue under the terms and conditions set out in the utility's effective tariff. (g) If the parties to a special contract that is filed with and approved by the commission cancel that contract, the utility or pipeline carrier shall notify the commission that the special contract has been cancelled. The notice to the commission must be by tariff advice letter and must include a copy of the instrument cancelling the special contract and the effective date of the cancellation.	
3 AAC 48.400 Adoption notice.	(a) When the name of a utility or pipeline carrier, as shown on a certificate of public convenience and necessity is changed, due to the transfer of operating control of one utility or pipeline carrier to that of another by sale, lease, rental, inheritance, assignment, receivership, acquisition of a controlling interest by any means, or change in the legal form of its organization, or when the name of the utility or pipeline carrier is changed, the utility or pipeline carrier operating after that, if it intends to continue using the tariff shall, for each tariff so used, issue and file with the commission and shall, at the same time, make available for the statutory notice period at every place designated under 3 AAC 48.200 - 3 AAC 48.430, a tariff supplement containing an adoption notice reading substantially as follows: (Name of utility or pipeline carrier) hereby adopts, as if they had been originally filed by it, all tariffs, rules, notices, concurrences, provisions, authorities, power	The RTO is not adopting an existing RCA regulated tariff.

RCA statute or regulation	Language of Provision	RTO Remarks
3 AAC 48.400 (cont.)	of attorney, or any other instruments of (name of predecessor utility or pipeline carrier) before (here insert the date of change). By this notice, it also adopts and ratifies all supplements and amendments to any of the above tariffs of the (name of predecessor utility or pipeline carrier). (b) Adoption notices may be filed and take effect in less than the statutory notice period without written authorization of the commission unless the commission finds it would be contrary to the public interest. (c) Until the time when an adopted tariff is refiled in the name of the utility or pipeline carrier that adopted it, all subsequent revisions to the tariff must bear the name of the utility or pipeline carrier whose tariff was adopted. A tariff adopted by one utility or pipeline carrier may not be adopted by another utility or pipeline carrier, but instead must be filed as the tariff of the filing utility or pipeline carrier without any substantive change in the rates, charges, rules, and regulations of the predecessor utility or pipeline carrier.	
3 AAC 48.410 Tariff of acquired or newly formed utility or pipeline carrier.	(a) A newly formed utility, or a utility brought under the commission's jurisdiction by operation of law, shall file its complete tariff with the commission as part of its application for a certificate of public convenience and necessity. A utility filing an application for extension of its service area shall include as part of its application any tariff revisions that may be required and a statement justifying the applicability of its existing tariff in the new service area. The filings are subject to modification, and take effect on the date the certificate, or amendment to the certificate, is granted or at a later date under an order of the commission. (b) A utility or pipeline carrier acquiring ownership or control of another utility or pipeline carrier, or portion of one, and filing a notice adopting the rates, rules, regulations, and other items of that utility or pipeline carrier shall, not later than 90 days after the filing of that adoption notice, file those rates, rules, regulations, and other items as a part of the acquiring utility or pipeline carrier's own tariff or as a separate tariff in the acquiring utility or	The RTO requested and was granted a waiver from the requirement to include its proposed tariff with its certificate application. *See* Order U-24-042(1).

RCA statute or regulation	Language of Provision	RTO Remarks
	pipeline carrier's own name if it plans to continue to operate in accordance with them.	
3 AAC 48.420 Uniform deposit practices.	(a) When a deposit is required as a condition of receiving utility service the rule which established the deposit requirement shall also set forth the maximum amount of the deposit to be paid, which in no case shall exceed the following amount for a customer of the indicated type of utility as determined by the utility after consultation with the customer: (1) two months' telephone billings, including toll charges as estimated by the utility; (2) two months' electric billing based on the utility's estimate of usage; (3) two months' water charges at the flat rate, or two months of metered charges as estimated by the utility; (4) two months' gas billings as estimated by the utility; (5) two months' sewer service fees as estimated by the utility; (6) two months' garbage, refuse, trash, or other waste material collection and disposal service billings as estimated by the utility; (7) two months' community antenna or cable television (CATV) service billings as estimated by the utility; and (8) two months' radio common carrier service billings as estimated by the utility. (b) The deposit rule must clearly state the length of time the utility will retain a customer's deposit, but under no circumstances may a utility retain a customer's deposit longer than two years, if, in the interim period, the utility has not been forced to disconnect that customer's service for reasons of delinquency in payment of charges, and if the customer has not been delinquent in payment more than once in any 12 consecutive months. Except for electric utilities as set out in 3 AAC 52.420, the deposit must be returned to the customer either within 60 days after discontinuance of telephone service or within 25 days after discontinuance of other utility service, after deducting money due the utility.	At this time, the RTO does not intend to require a deposit unless there has been a payment default. *See* Section 10 of the OATT.

EXHIBIT 2
LIST OF TARIFF SHEETS, SCHEDULES, AND ATTACHMENTS

EXHIBIT 2

Tariff Sheet Number	Part, Schedule, or Attachment
Original Sheet No. 1	Table of Contents
Original Sheet No. 2	Table of Contents
Original Sheet No. 3	Table of Contents
Original Sheet No. 4	Table of Contents
Original Sheet No. 5	Table of Contents
Original Sheet No. 6	Table of Contents
Original Sheet No. 7	Reserved
Original Sheet No. 8	Part I – Preliminary Matters and Maps 1 General 1.1 Preamble
Original Sheet No. 9	1.1 Preamble (continued)
Original Sheet No. 10	1.1 Preamble (cont.) 1.2 Location of Tariff
Original Sheet No. 11	1.3 Maps of Certificated Area
Original Sheet No. 12	1.3 Maps of Certificated Area (cont.)
Original Sheet No. 13	1.3 Maps of Certificated Area (cont.)
Original Sheet No. 14	1.3 Maps of Certificated Area (cont.)
Original Sheet No. 15	1.3 Maps of Certificated Area (cont.)
Original Sheet Nos. 16–18	Reserved
Original Sheet No. 19	1.4 Description of Certificated Area 1.5 General
Original Sheet No. 20	Reserved
Original Sheet No. 21	Part II – Common Service Provisions 2 Definitions 2.1 [Reserved] 2.2 Ancillary Services 2.3 Annual Transmission Revenue Requirement or ATRR 2.4 Available Network Capability
Original Sheet No. 22	2.5 Backbone Transmission System or BTS 2.6 Balancing Authority (Load Balancing Authority) 2.7 Balancing Authority Area (Load Balancing Area) 2.8 Charter Agreement 2.9 Change Request 2.10 Commission
Original Sheet No. 23	2.11 Completed Change Request 2.12 Congestion Relief 2.13 Cost of Service 2.14 Designated Agent 2.15 Direct Assignment Facilities 2.16 Eligible Customer

Tariff Sheet Number	Part, Schedule, or Attachment
Original Sheet No. 24	2.17 Existing Transmission Commitments 2.18 Facilities Study 2.19 Grandfathered Agreements 2.20 Load Ratio Share 2.21 Monthly Backbone Transmission System Peak
Original Sheet No. 25	2.22 Network Customer 2.23 Network Integration Transmission Service 2.24 Network Load 2.25 Network Resource
Original Sheet No. 26	2.26 Network Upgrades 2.27 Non-Firm Sale 2.28 Part I 2.29 Part II 2.30 Part III 2.31 Part IV 2.32 Part V
Original Sheet No. 27	2.33 Prudent Utility Practice 2.34 Queue 2.35 Railbelt 2.36 Railbelt Utility 2.37 Real Power Losses
Original Sheet No. 28	2.38 Secondary Service 2.39 Service Agreement 2.40 Service Commencement Date 2.41 System Impact Study 2.42 Transmission Owner or TO 2.43 Transmission Service Administrator
Original Sheet Nos. 29–30	Reserved
Original Sheet No. 31	3 Initial Allocation and Renewal Procedures 3.1 Initial Allocation of Network Integration Transmission Service 3.2 Reservation Priority for Existing Network Integration Transmission Service Customers
Original Sheet No. 32	4 Ancillary Services
Original Sheet No. 33	4 Ancillary Services (cont.) 4.1 Scheduling, System Control and Dispatch Service 4.2 Reactive Supply and Voltage Control from Generation or Other Sources Service 4.3 Regulation and Frequency Response Service 4.4 Energy Imbalance Service 4.5 Operating Reserve – Spinning Reserve Service 4.6 Operating Reserve – Supplemental Reserve Service

Tariff Sheet Number	Part, Schedule, or Attachment
Original Sheet No. 34	4.7 Generator Imbalance Service
Original Sheet No. 35	5 Required Public Postings
Original Sheet No. 36	6 Tax-Exempt Bonds
Original Sheet No. 37	7 Billing and Payment 7.1 Billing Procedure 7.2 Interest on Unpaid Balances 7.3 Customer Default
Original Sheet No. 38	7.3 Customer Default (cont.) 7.4 Extended Interruptions
Original Sheet No. 39	8 Accounting for the Transmission Service Administrator's Study Costs under the Tariff
Original Sheet No. 40	Reserved
Original Sheet No. 41	9 Force Majeure and Indemnification 9.1 Force Majeure 9.2 Indemnification
Original Sheet No. 42	10 Creditworthiness
Original Sheet No. 43	11 Dispute Resolution Procedures 11.1 Dispute Resolution Procedures 11.2 Rights Under Commission Rules
Original Sheet No. 44	Reserved
Original Sheet No. 45	Part III Network Integration Transmission Service Preamble 12 Nature of Network Integration Transmission Service 12.1 Scope of Service 12.2 Transmission Owner's Responsibilities
Original Sheet No. 46	12.2 Transmission Owner's Responsibilities (cont.) 12.3 Network Integration Transmission Service
Original Sheet No. 47	12.4 Secondary Service 12.5 Real Power Losses 12.6 Restrictions on Use of Service
Original Sheet No. 48	13 Initiating Service 13.1 Condition Precedent for Receiving Service 13.2 Network Upgrades Required by Eligible Customer
Original Sheet No. 49	13.3 Change Request Procedures 13.4 Technical Arrangements to be completed Prior to Commencement of Service
Original Sheet No. 50	13.5 Network Customer Facilities 13.6 Filing of Service Agreement
Original Sheet No. 51	14 Network Resources 14.1 Designation of Network Resources 14.2 Changes to Network Resources

Tariff Sheet Number	Part, Schedule, or Attachment
Original Sheet No. 52	14.3 Network Customer Owned Transmission Facilities
Original Sheet No. 53	15 Designation of Network Load 15.1 Network Load 15.2 Changes to Network Loads 15.3 Annual Load and Resource Information Updates
Original Sheet No. 54	16 Congestion Relief 16.1 Procedures 16.2 Congestion Relief
Original Sheet No. 55	16.2 Congestion Relief (cont.) 17 Cost of Service and Charges
Original Sheet Nos. 56–57	Reserved
Original Sheet No. 58	Part IV Special Rules on Use of Tariff 18 General 19 Grandfathered Agreement 20 Applicability of Non-Cost of Service Terms and Conditions 20.1 Applicability of Tariff to Alaska Statute 42.05.711 Exempt Entities 20.2 Applicability to Alaska Energy Authority
Original Sheet No. 59	21 Recovery of Costs for Network Upgrades
Original Sheet No. 60	Part V. Schedules and Attachments SCHEDULE 1 Scheduling, System Control and Dispatch Service
Original Sheet No. 61	SCHEDULE 1-A Tariff Administration Service
Original Sheet No. 62	SCHEDULE 2 Reactive Supply and Voltage Control from Generation or Other Sources Service
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Original Sheet No. 64	SCHEDULE 4 Energy Imbalance Service
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Original Sheet No. 67	SCHEDULE 7 Generator Imbalance Service
Original Sheet No. 68	SCHEDULE 8 Calculation of Network Integration Transmission Service Cost of Service
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Tariff Sheet Number	**Part, Schedule, or Attachment**
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Original Sheet No. 71	ATTACHMENT C Service Agreement For Network Integration Transmission Service
Original Sheet No. 72	ATTACHMENT C Service Agreement For Network Integration Transmission Service (cont.)
Original Sheet No. 73	ATTACHMENT C Service Agreement For Network Integration Transmission Service (cont.)
Original Sheet No. 74	ATTACHMENT C Service Agreement For Network Integration Transmission Service (cont.)
Original Sheet No. 75	Attachment 1 to the Network Integration Transmission Service Agreement
Original Sheet No. 76	Attachment 1 to the Network Integration Transmission Service Agreement (cont.)
Original Sheet No. 77	Appendix 1
Original Sheet No. 78	Appendix 2
Original Sheet No. 79	Appendix 3
Original Sheet No. 80	ATTACHMENT D Annual Transmission Revenue Requirement For Network Integration Transmission Service
Original Sheet No. 81	ATTACHMENT E Index Of Network Integration Transmission Service Customers
Original Sheet No. 82	ATTACHMENT F Recovery Of Costs Associated with Evaluation of New Facilities
Original Sheet No. 83	ATTACHMENT G Treatment Of Revenues
Original Sheet No. 84	ATTACHMENT H Loss Compensation Procedure
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Original Sheet No. 86	ATTACHMENT J Index of Grandfathered Agreements
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Original Sheet No. 88	ATTACHMENT L Classification of Backbone Transmission System Facilities

Tariff Sheet Number	Part, Schedule, or Attachment
Original Sheet No. 89	ATTACHMENT M TO ATRR Approval Process
Original Sheet No. 90	ATTACHMENT N List of Backbone Transmission System Transmission Lines
Original Sheet No. 91	ATTACHMENT N List of Backbone Transmission System Transmission Lines (cont.)
Original Sheet No. 92	ATTACHMENT N List of Backbone Transmission System Transmission Lines (cont.)
Original Sheet No. 93	ATTACHMENT N List of Backbone Transmission System Transmission Lines (cont.)
Original Sheet No. 94	Reserved
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Original Sheet No. 101	ATTACHMENT O Description of Certificated Area (cont.)
Original Sheet No. 102	ATTACHMENT O Description of Certificated Area (cont.)
Original Sheet No. 103	ATTACHMENT O Description of Certificated Area (cont.)
Original Sheet No. 104	ATTACHMENT O Description of Certificated Area (cont.)
Original Sheet No. 105	ATTACHMENT O Description of Certificated Area (cont.)
Original Sheet No. 106	ATTACHMENT O Description of Certificated Area (cont.)
Original Sheet No. 107	ATTACHMENT O Description of Certificated Area (cont.)

EXHIBIT 3
OPEN ACCESS TRANSMISSION TARIFF OF THE RAILBELT TRANSMISSION ORGANIZATION

OPEN ACCESS TRANSMISSION TARIFF

OF THE

RAILBELT TRANSMISSION ORGANIZATION

813 W. Northern Lights Blvd.

Anchorage, Alaska 99503

Providing Services pursuant to AS 44.83.700-720

in the Alaska Railbelt

RAILBELT TRANSMISSION ORGANIZATION

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RAILBELT TRANSMISSION ORGANIZATION

I. PRELIMINARY MATTERS AND MAPS

1 General

1.1 Preamble

On May 15, 2024, the 33rd session of the Alaska State Legislature passed House Bill 307 (HB307), which, among other things, created new statutes establishing the Railbelt Transmission Organization (RTO) and assigning it certain duties. HB307 was signed into law by Governor Dunleavy on July 31, 2024. The RTO is a division of the Alaska Energy Authority (AEA) for administrative purposes. On May 6, 2025, through Regulatory Commission of Alaska (Commission) Order No. U-24-042(7), the Commission granted the RTO's certificate application request to provide the services required by AS 44.83.700 – AS 44.83.720.

The RTO was established to implement an Open Access Transmission Tariff (OATT) that (1) provides for recovery of transmission and related Ancillary Service costs, and (2) replaces, to the extent possible, the wholesale charges assessed by unit by each Railbelt electric utility with a new mechanism that fairly and equitably allocates the costs of operating the Backbone Transmission System.

To administer the OATT, and perform other duties as assigned under the RTO's bylaws, the RTO's Governance Committee includes one representative from each of the following: the Alaska Energy Authority (AEA), each Railbelt electric utility (Alaska Electric & Energy Cooperative, Inc., the wholly-owned generation and transmission subsidiary of Homer Electric Association, Inc. (AEEC); Chugach Electric Association, Inc. (CEA); Golden Valley Electric Association, Inc. (GVEA); Matanuska Electric Association, Inc. (MEA); and the City of Seward d/b/a Seward Electric System (SES)), and an ex-officio nonvoting member from the Railbelt Reliability Council (RRC), represented by its CEO.

The RTO is responsible for maintaining and administering a Commission-approved, nondiscriminatory OATT for the Backbone Transmission System, which is derived from the interconnected electric energy transmission network in the Railbelt as defined in AS 42.05.790(5). This tariff is consistent with Federal Energy Regulatory Commission (FERC) standards, tailored to reflect the unique characteristics of the Backbone Transmission System, where applicable. Unlike regional transmission organizations in the contiguous United States, the duties of this RTO are limited to those listed in AS 44.83.700 – AS 44.83.720. To distinguish the RTO from other regional transmission organizations in the lower 48, the RTO uses the term Transmission Service Administrator to describe its role as administrator of the OATT. Other duties related to transmission planning and Ancillary Services are the purview of the RRC, individual Railbelt electric utilities, or Balancing Authorities, respectively. As such, individuals or entities should also consult the applicable statutes and regulations of the Commission and the tariffs of the RRC and the individual Railbelt electric utilities. More information can be found at Section 4 (Ancillary Services).

The OATT must, as approved by the Commission:

1) Pool Backbone Transmission System costs and allocate them to certificated load-serving entities based on coincident peak, Load Ratio Share, or a combination of both;

2) Address the costs associated with:

    a) Required Ancillary Services,

    b) Congestion on the Backbone Transmission System,

    c) Geographical isolation lasting more than 24 hours due to system disruptions,

    d) Ownership and operation of the Backbone Transmission System as determined by the Commission or by contract for Backbone Transmission System costs that are exempt from the Commission's oversight (such as the Bradley Lake Hydroelectric Project).

Each Railbelt electric utility must in turn pass these Commission-approved transmission costs directly and transparently to its customers.

The terms and conditions of the RTO's OATT, inclusive of the cost recovery methodology described above are contained herein. This OATT and its requisite cost recovery methodology was approved by the RTO Governance Committee on June 30, 2025, and is subject to change, including future modifications as necessary, as may be approved by the RTO Governance Committee and the Commission. The day-to-day administration of this OATT and cost recovery methodology is the responsibility of the AEA as set forth in the OATT, and any inquires, requests, or initial communications with the RTO should be directed to that individual or their designee. Any complaints or disputes arising out of this OATT shall be addressed pursuant to Section 11 Dispute Resolution Procedures. Any other complaints or disputes shall be addressed through the bylaws of the RTO or through the Commission as appropriate.

1.2 Location of the Tariff

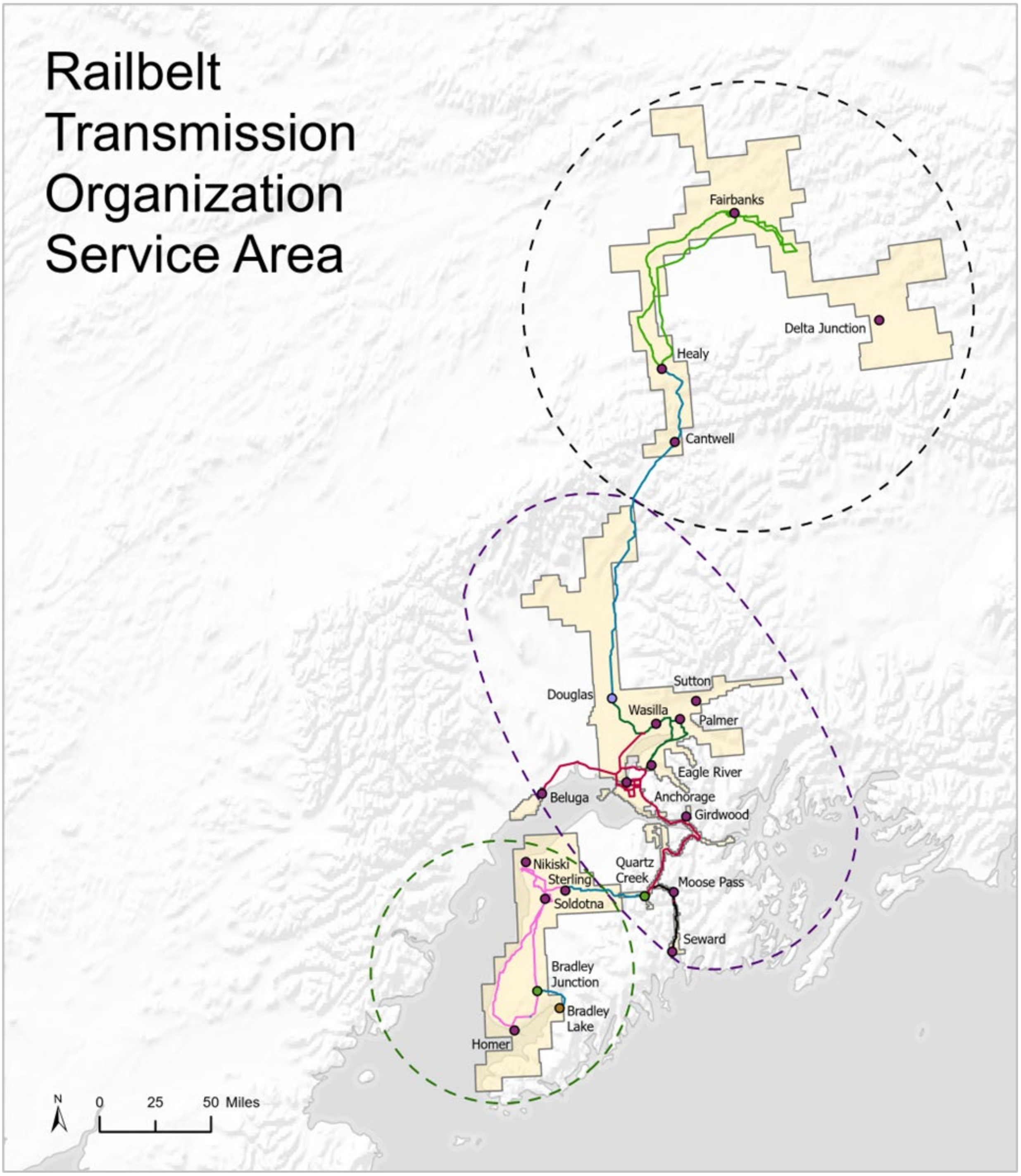
A complete copy of this tariff is on file for inspection at the Transmission Service Administrator's main office located at 813 W Northern Lights Blvd., Anchorage, Alaska 99503 during regular business hours. It is also available online at https://www.akenergyauthority.org/What-We-Do/Railbelt-Energy/Railbelt-Transmission-Organization/RTO-Governing-Documents.

RCA No. 8001 Original Sheet No. 11

Canceling ___________ Sheet No. ________

RAILBELT TRANSMISSION ORGANIZATION

1.3 Maps of the Certificated Area



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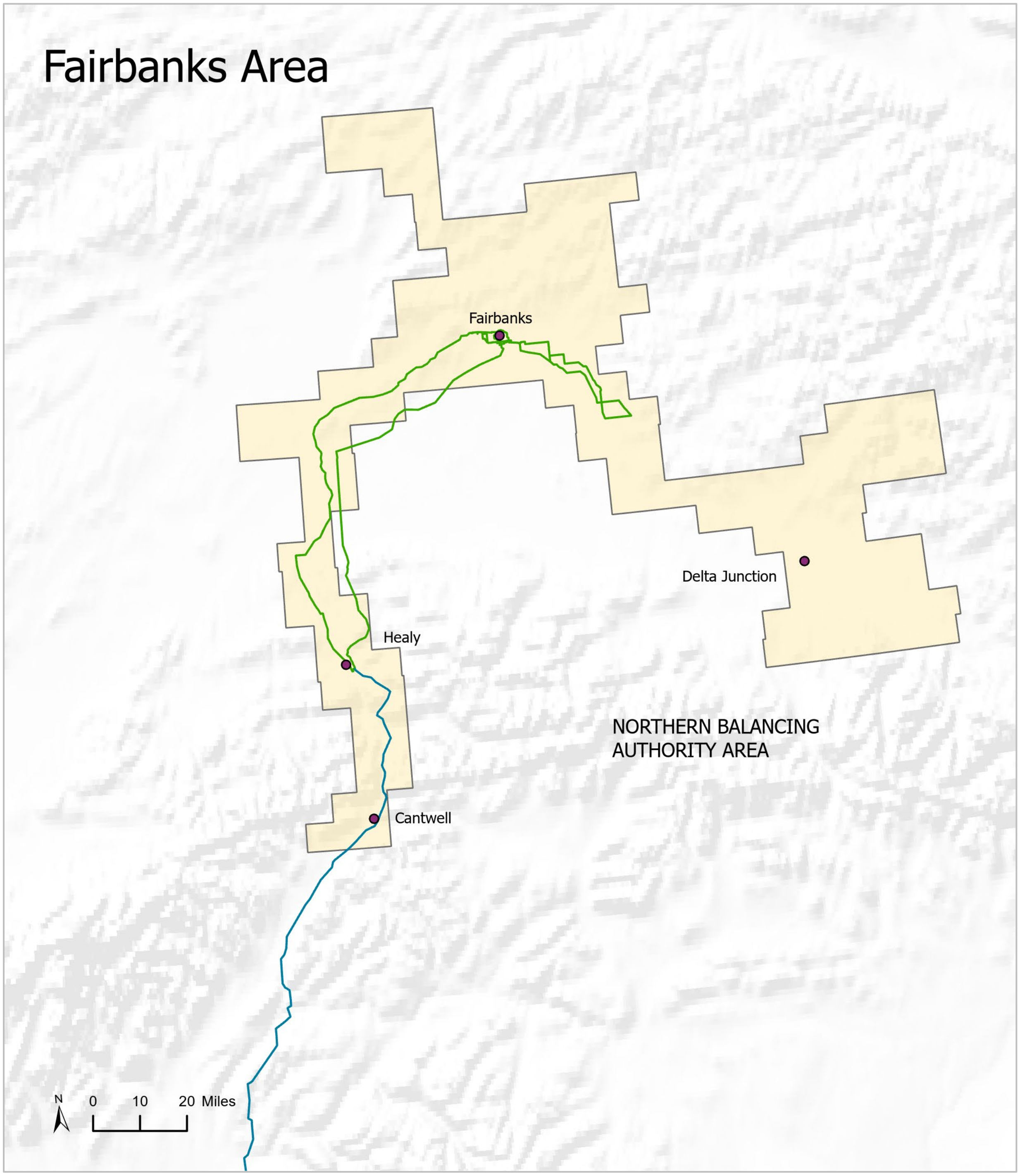

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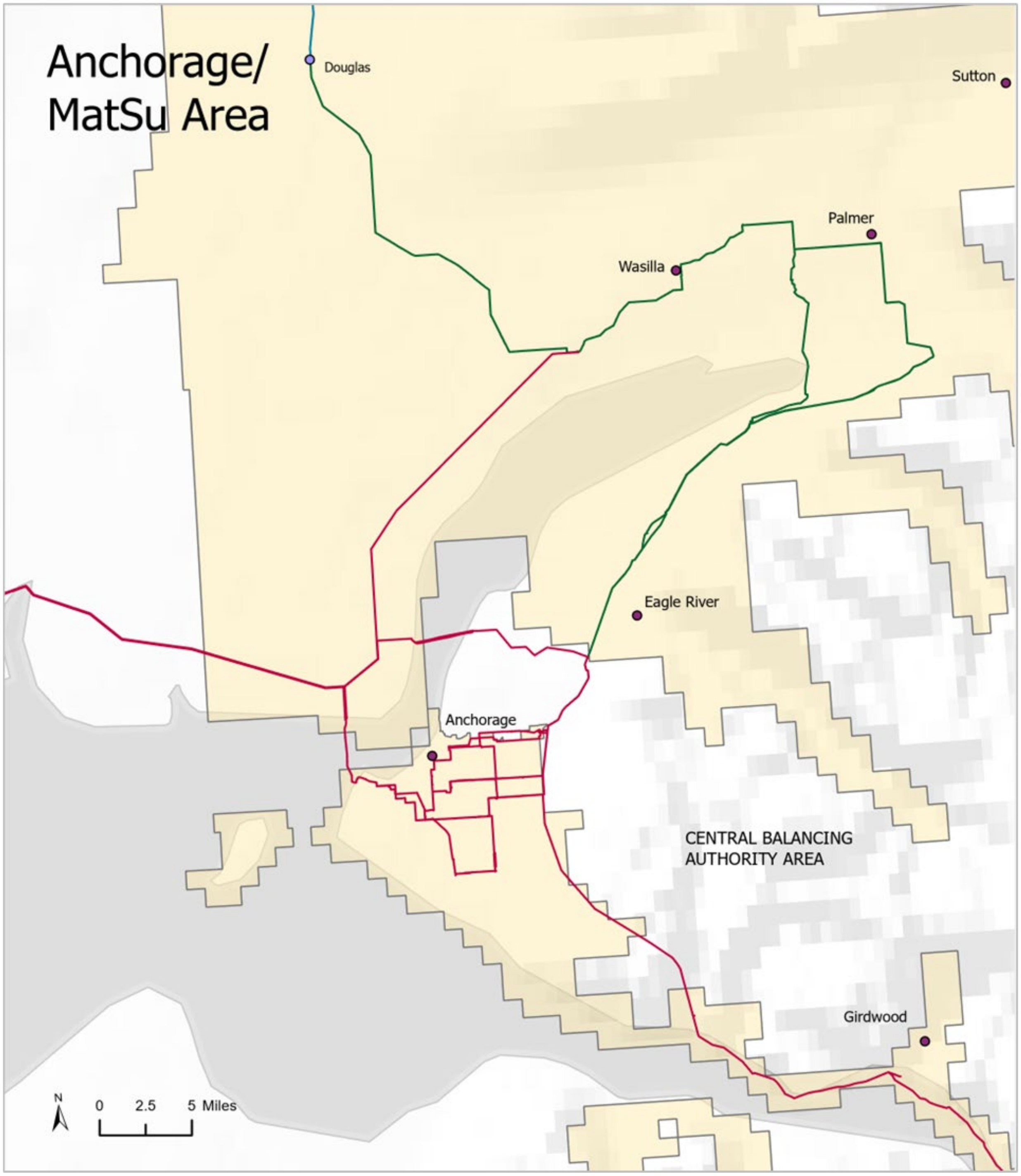

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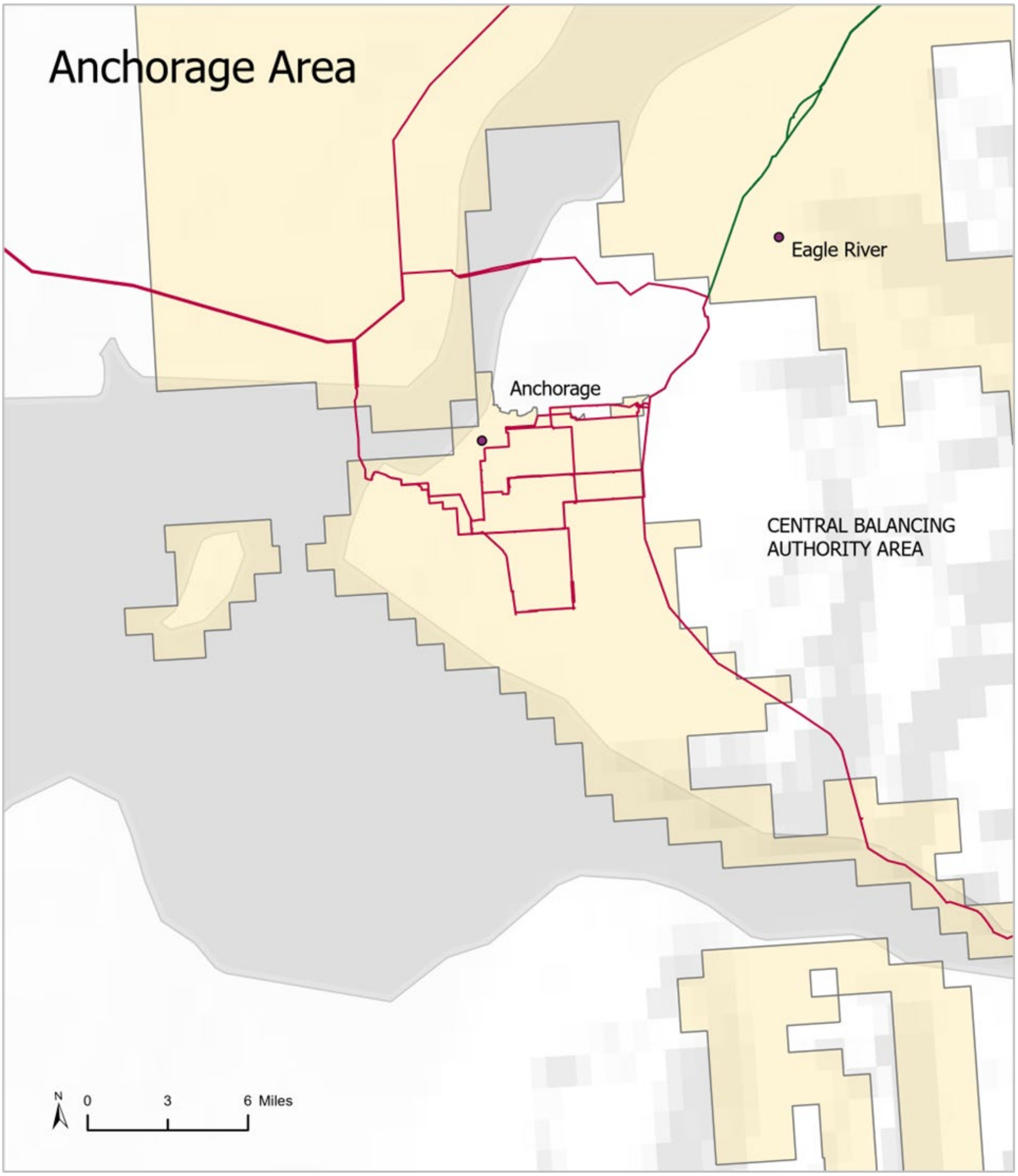

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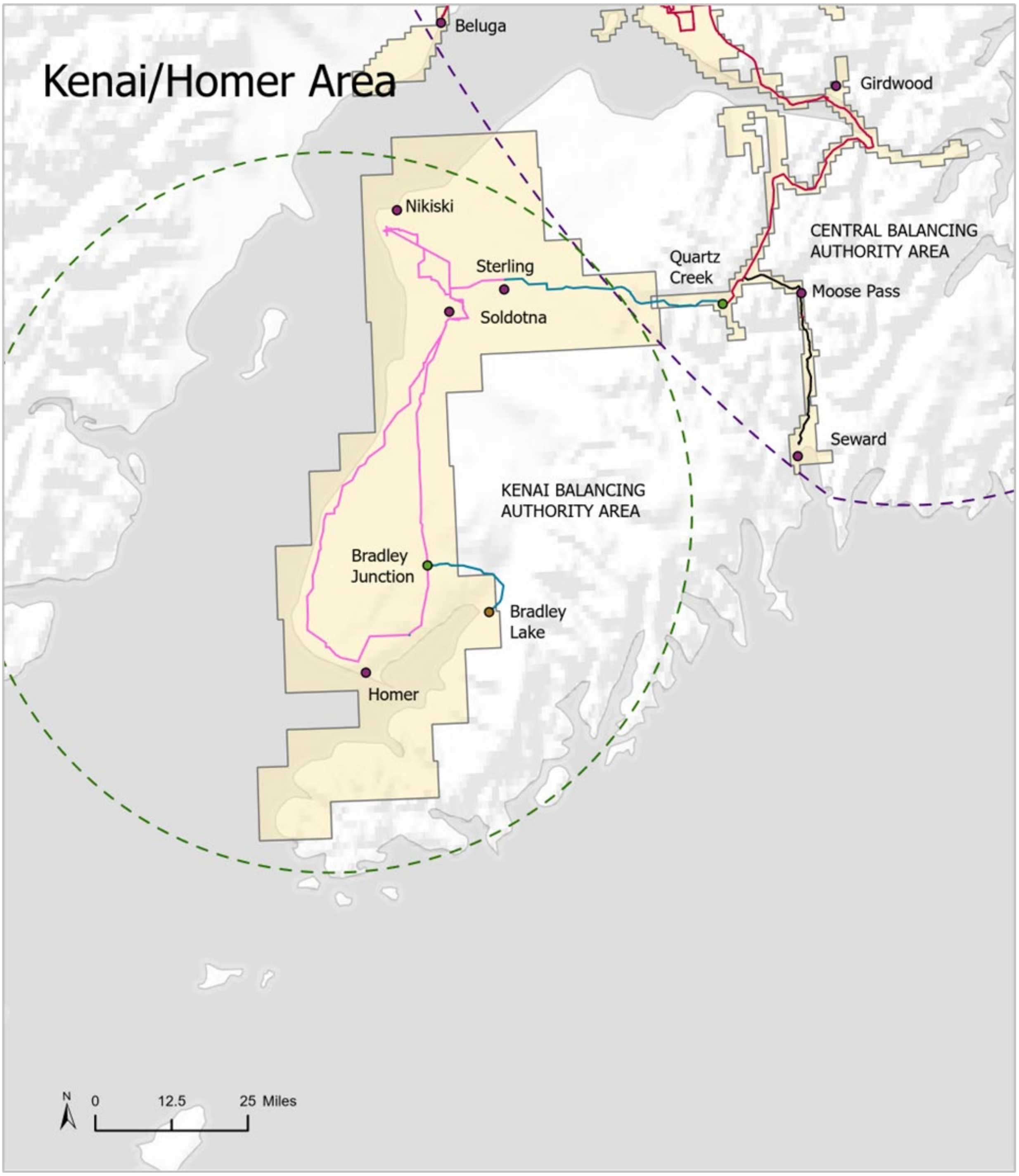

RAILBELT TRANSMISSION ORGANIZATION

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1.4 Description of Certificated Area

See Attachment O.

1.5 General

The terms of this tariff are applicable to all Eligible Customers and Network Customers transmitting capacity and energy on the Backbone Transmission System.

RAILBELT TRANSMISSION ORGANIZATION

[RESERVED]

II. COMMON SERVICE PROVISIONS

2 Definitions

2.1 [Reserved]

2.2 Ancillary Services:

Those services that are necessary to support the transmission of capacity and energy into, out of, across and within the Backbone Transmission System while maintaining reliable operation of the Backbone Transmission System in accordance with Prudent Utility Practice.

2.3 Annual Transmission Revenue Requirement or ATRR:

The total annual cost of a transmission system (or a portion of a transmission system) in the Alaska Railbelt. The total ATRR for the Backbone Transmission System for purposes of Network Integration Transmission Service shall be the sum of the amounts specified in the first column of Table 1 of Attachment D (Annual Transmission Revenue Requirement for Network Integration Transmission Service) until amended with Commission approval. These costs will not include the costs already covered in the Grandfathered Agreements listed in Attachment J (Index of Grandfathered Agreements).

2.4 Available Network Capability:

The amount of power that can be reliably transferred across the Backbone Transmission System for Network Integration Transmission Service while respecting thermal, voltage and stability limits under (i) an all facilities in service case or (ii) under the loss of a single element of the Backbone Transmission System, after accounting for Existing Transmission Commitments and reliability margins, including compliance with all reliability standards.

2.5 Backbone Transmission System or BTS:

The transmission assets in the Railbelt that facilitate the transmission of electrical power under the standards established by the Federal Energy Regulatory Commission, specifically the FERC Seven-Factor Test and the Mansfield Test, to provide transmission service under Part III of the tariff.

2.6 Balancing Authority (Load Balancing Authority):

The responsible entity that integrates resource plans ahead of time, maintains load-interchange-generation balance within a Balancing Authority Area, and supports interconnection frequency in real time.

2.7 Balancing Authority Area (Load Balancing Area):

The collection of generation, transmission, and loads within the metered boundaries of the Balancing Authority. The Balancing Authority maintains load-resource balance within this area.

2.8 Charter Agreement:

The governing document that formed the Railbelt Transmission Organization and defines its structure, rights, and organization.

2.9 Change Request:

A written request by an Eligible Customer or Network Customer in a form approved by a Transmission Owner for a generation interconnection and/or new or changed transmission service pursuant to the provisions of the tariff.

2.10 Commission:

The Regulatory Commission of Alaska.

2.11 Completed Change Request:

A Change Request satisfying the information and other requirements of the tariff and Transmission Owner, including any required deposit.

2.12 Congestion Relief:

Planned or implemented actions initiated by the Transmission Owner or Balancing Authority to relieve a system condition and/or to protect the reliability of the Backbone Transmission System.

2.13 Cost of Service:

The cost of Network Integration Transmission Service that is billed to the Network Customer.

2.14 Designated Agent:

Any entity or person that is asked and agrees to perform actions or functions on behalf of the Transmission Service Administrator, a Transmission Owner, an Eligible Customer, or the Network Customer required under the tariff.

2.15 Direct Assignment Facilities:

Facilities or portions of facilities that are constructed by the Transmission Owner(s) for the sole use and/or benefit of a particular Network Customer requesting service under the tariff. Direct Assignment Facilities shall be specified in the Service Agreement governing service to the Network Customer and may be subject to Commission approval or acceptance.

2.16 Eligible Customer:

Any public utility or person generating electric energy for resale of at least one (1) megawatt that holds a Certificate of Public Convenience and Necessity for electrical service from the Commission or that is exempt from Commission regulation under AS 42.05.711 or federal law.

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2.17 Existing Transmission Commitments:

Use of the Backbone Transmission System due to rights allocated under Grandfathered Agreements, Initial Allocations of Network Integration Transmission Service and other existing firm Network Integration Transmission Service prior to the evaluation of a Change Request for Network Integration Transmission Service.

2.18 Facilities Study:

An engineering study conducted by a Transmission Owner in collaboration with other affected Transmission Owner(s) to determine the required modifications to the Backbone Transmission System, including the cost and scheduled completion date for such modifications, that will be required to provide the requested transmission service or generation interconnection. The Transmission Owner's final decision must be consistent with Prudent Utility Practice and comply with reliability standards.

2.19 Grandfathered Agreements:

Grandfathered Agreements are agreements providing long term firm transmission service executed prior to the effective date of this tariff. These agreements are set forth on Attachment J (Index of Grandfathered Agreements) to this tariff.

2.20 Load Ratio Share:

Ratio of a Network Customer's Network Load to the Railbelt Transmission System's total load computed in accordance with Attachment I Procedure for Calculation of Allocator for Regional ATRR of the tariff and calculated on a rolling twelve-month basis.

2.21 Monthly Backbone Transmission System Peak:

The maximum hourly average firm usage (coincident peak) of the Backbone Transmission System in a calendar month. See Attachment I (Procedure for Calculation of Allocator for Regional ATRR).

2.22 Network Customer:

An entity receiving transmission service pursuant to the terms of the Transmission Service Administrator's Network Integration Transmission Service under Part III of the tariff. Any Eligible Customer (or its Designated Agent) that (i) executes a Service Agreement, or (ii) requests in writing that the Transmission Service Administrator and Transmission Owner file with the Commission, a proposed unexecuted Service Agreement to receive transmission service under Part III of the tariff.

2.23 Network Integration Transmission Service:

The transmission service provided under Part III of the tariff.

2.24 Network Load:

The load that a Network Customer designates for Network Integration Transmission Service under Part III of the tariff. The Network Customer's Network Load shall include all load served by the output of any Network Resources designated by the Network Customer. A Network Customer may elect to designate less than its total load as Network Load but may not designate only part of the load at a discrete delivery point of the Backbone Transmission System.

2.25 Network Resource:

Any designated generating resource owned, purchased, contracted or leased by a Network Customer under Part III (Network Integration Transmission Service) of this tariff for the purpose of serving Network Load.

Network Resources do not include any resource, or any portion thereof, committed for sale to third parties or that otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis, except for purposes of fulfilling obligations under a reserve sharing program.

2.26 Network Upgrades:

Additions, modifications and/or upgrades to transmission-related facilities that are integrated with and support the Backbone Transmission System for the general benefit of all users of such Backbone Transmission System. Network Upgrades must be planned in compliance with reliability standards to provide Available Network Capability for a Network Customer serving its Network Load and determined to be a part of the Backbone Transmission System as assessed by the Transmission Service Administrator.

2.27 Non-Firm Sale:

An energy sale for which receipt or delivery may be interrupted for any reason or no reason, without liability on the part of either the buyer or seller.

2.28 Part I:

Preliminary Matters and Maps contained in Section 1.

2.29 Part II:

Tariff Definitions and Common Service Provisions contained in Sections 2 through 11.

2.30 Part III:

Tariff Sections 12 through 17 pertaining to Network Integration Transmission Service in conjunction with the applicable Common Service Provisions of Part II and appropriate Schedules and Attachments of Part V.

2.31 Part IV:

Tariff Sections 18 through 21 pertaining to special rules on use of the tariff.

2.32 Part V:

Schedules and attachments to the tariff.

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2.33 Prudent Utility Practice:

Any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Prudent Utility Practice (Good Utility Practice) is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the Railbelt.

2.34 Queue:

Valid Change Requests queued by the Transmission Owner based upon the date and time of receipt of the valid Change Request.

2.35 Railbelt:

The geographic region from the Kenai Peninsula to Interior Alaska that is connected to a common electric transmission backbone.

2.36 Railbelt Utility:

A public electric utility certificated to operate in the Railbelt that operates Backbone Transmission System assets.

2.37 Real Power Losses

Real Power Losses means energy supplied to compensate for losses that occur when power is delivered over the Backbone Transmission System.

2.38 Secondary Service:

A non-firm energy transaction described in Section 12.4 (Secondary Service) of the tariff for which receipt or delivery may be interrupted for any reason or no reason, without liability on the part of either the Network Customer or the Transmission Service Administrator.

2.39 Service Agreement:

The initial agreement and any amendments or supplements thereto entered by the Network Customer, the Transmission Owner, and the Transmission Service Administrator for service under the tariff. See Attachment C (Service Agreement for Network Integration Transmission Service).

2.40 Service Commencement Date:

The date the Transmission Service Administrator begins providing service pursuant to the terms of an executed Service Agreement, or the date the Transmission Service Administrator begins furnishing service in accordance with Section 13.1 (Condition Precedent for Receiving Service) under the tariff.

2.41 System Impact Study

An assessment by the affected Transmission Owner(s) of (i) the adequacy of the Backbone Transmission System to accommodate a Change Request for Network Integration Transmission Service and (ii) whether any additional costs may be incurred in order to provide transmission service.

2.42 Transmission Owner or TO

Each party to the Charter Agreement for the Railbelt Transmission Organization.

2.43 Transmission Service Administrator

The Railbelt Transmission Organization acting in its role as administrator of this tariff.

RAILBELT TRANSMISSION ORGANIZATION

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RAILBELT TRANSMISSION ORGANIZATION

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3 Initial Allocation and Renewal Procedures

3.1 Initial Allocation of Network Integration Transmission Service

Subject to Existing Transmission Commitments under the Grandfathered Agreements, each Railbelt Utility shall have a right to take Network Integration Transmission Service on the Backbone Transmission System that includes service from their Network Resources and for their Network Loads at the effective date of the tariff. This right to initiate Network Integration Transmission Service shall expire ninety (90) days after the effective date of the tariff.

Following the exercise or expiration of the Railbelt Utilities' rights to initiate Network Integration Transmission Service as of the tariff effective date, additional requests for Network Integration Transmission Service under this tariff shall be handled according to the date a Transmission Owner took receipt of valid Change Request as described in Section 13.3 (Change Request Procedures).

3.2 Reservation Priority for Existing Network Integration Transmission Service Customers

Upon expiration of the initial term of a Network Customer's Service Agreement, the Service Agreement shall automatically renew for an additional 5-year term unless the Network Customer provides the Transmission Service Administrator written notice of nonrenewal at least 1 year prior to the end of the then-current term.

RAILBELT TRANSMISSION ORGANIZATION

4 Ancillary Services

Ancillary Services are needed in conjunction with transmission service to maintain reliability within and among the Balancing Authority Areas affected by the transmission service. Each Balancing Authority is required to provide, and the Network Customer is required to purchase, the following Ancillary Services (i) Scheduling, System Control and Dispatch, and (ii) Reactive Supply and Voltage Control from Generation or Other Sources.

In addition, the Balancing Authority is required to offer the following Ancillary Services only to the Network Customer serving load within the Balancing Authority Area (i) Regulation and Frequency Response, (ii) Energy Imbalance, (iii) Operating Reserve – Spinning Reserve, (iv) Operating Reserve – Supplemental Reserve, and (v) Generator Imbalance Service. The Network Customer serving load within the Balancing Authority Area is required to acquire these Ancillary Services, whether from the Balancing Authority, from a third party, or by self-supply.

The Balancing Authorities for the Railbelt are:

- Northern Balancing Authority Area: Golden Valley Electric Association, Inc.
- Central Balancing Authority Area: Chugach Electric Association, Inc., and
- Kenai Balancing Authority Area: Alaska Electric and Energy Cooperative/Homer Electric Association, Inc.

The Network Customer may not decline the Balancing Authority's offer of Ancillary Services unless it demonstrates that it has either acquired the Ancillary Services from another source or demonstrates the ability to self-supply. The Network Customer must list in its Change Request which Ancillary Services it will purchase from the Balancing Authority. A Network Customer that exceeds its firm reserved capacity at any Network Resource receipt point or Network Load delivery point or an Eligible Customer that uses transmission service that it has not reserved is required to pay for all of the Ancillary Services identified in this section that are provided by the Balancing Authority associated with the unreserved service. The Network Customer or Eligible Customer will pay for Ancillary Services based on the amount of transmission service it used but did not reserve.

The Balancing Authority shall specify the rate treatment and all related terms and conditions in the event of an unauthorized use of Ancillary Services by the Network Customer.

The specific Ancillary Services are described on the schedules in Part IV (Schedules and Attachments) that are a part of the tariff.

4.1 Scheduling, System Control and Dispatch Service

A description of the service and the options for obtaining it, if any, are described in Schedule 1.

4.2 Reactive Supply and Voltage Control from Generation or Other Sources Service

A description of the service and the options for obtaining it, if any, are described in Schedule 2.

4.3 Regulation and Frequency Response Service

Where applicable a description of the service and the options for obtaining it are described in Schedule 3.

4.4 Energy Imbalance Service

Where applicable a description of the service and the options for obtaining it are described in Schedule 4.

4.5 Operating Reserve - Spinning Reserve Service

Where applicable a description of the service and the options for obtaining it are described in Schedule 5.

4.6 Operating Reserve - Supplemental Reserve Service

Where applicable a description of the service and the options for obtaining it are described in Schedule 6.

4.7 Generator Imbalance Service

Where applicable a description of the service and the options for obtaining it are described in Schedule 7.

RAILBELT TRANSMISSION ORGANIZATION

5 Required Public Postings

The Transmission Service Administrator will post to the public on its website the following:

1. The current effective tariff.
2. Links to RTO filings that are pending at the Commission.
3. All approved business practices and policies implementing the provisions of the tariff.
4. The RTO's Charter Agreement and bylaws.
5. All valid Change Requests submitted to the Transmission Owners.
6. A functioning blank version of the ATRR Template.
7. All current public Service Agreements for Network Integration Transmission Service.
8. All public presentations of the Transmission Service Administrator.
9. Completed System Impact Studies and Facilities Studies associated with each Change Request.

6 Tax-Exempt Bonds

Notwithstanding any other provision of this Tariff, the Transmission Service Administrator or Transmission Owner shall not be required to take or omit to take any action pursuant to this tariff if such action or inaction would jeopardize the tax-exempt status of any bond(s) used to finance the Transmission Owner's facilities. Should the Transmission Owner determine that such action or inaction would jeopardize the tax-exempt status of any bond, the Transmission Owner must notify the Transmission Service Administrator and the Eligible Customer and explain the conflict. Notice provided in this manner creates a presumption of correctness for the determination made by the Transmission Owner. After such notice is provided, the Eligible Customer may utilize the dispute resolution procedures in Section 11 and carry the burden of proof in showing that the tax-exempt status would not be jeopardized.

Notwithstanding any other provision of this tariff, the Alaska Energy Authority shall not be required to take or omit to take any action hereunder if such action or inaction would require the Alaska Energy Authority to violate the covenants contained in the Alaska Energy Authority's Power Revenue Bond Resolution, adopted September 7, 1989 (the "Bradley Lake Master Resolution"), the Bradley Lake Hydroelectric Project Agreement for the Sale and Purchase of Electric Power, dated December 8, 1987, among the Alaska Energy Authority (as successor in interest) and the Purchasers (as defined therein), and any other agreements of the Alaska Energy Authority related to its Power Revenue Bonds issued and outstanding pursuant to the Bradley Lake Master Resolution from time, in each case as supplemented and amended to the date hereof and from time to time as provided therein.

7 Billing and Payment

7.1 Billing Procedure

Within fifteen calendar (15) days of the first day of each calendar month, the Transmission Service Administrator shall submit an invoice to the Network Customer for its monthly Cost of Service, including charges incurred under Schedule 1-A Tariff Administration Service of the tariff, for the preceding month, detailing the charges, credits, and adjustments for services furnished under the tariff, and providing a net amount due from or due to the Network Customer. A single monthly invoice will be sent electronically to the Network Customer from the Transmission Service Administrator. The invoice shall be paid by the Network Customer within fifteen (15) days of the invoice date. All payments shall be made via ACH or by wire transfer to Alaska Energy Authority for an account specified by the Transmission Service Administrator.

7.2 Interest on Unpaid Balances

Interest on an unpaid amount past due by more than 30 days shall accrue from the date due at the annual legal rate under Alaska law for post-judgement interest, or pro rata fraction thereof. Interest collected pursuant to this section shall be credited to the Transmission Service Administrator's account.

7.3 Customer Default

In the event the Network Customer fails, for any reason other than a billing dispute as described below, to make payment to the Transmission Service Administrator on or before the due date as described above, and such failure of payment is not corrected within thirty (30) calendar days after the Transmission Service Administrator notifies the Network Customer to cure such failure, a default by the Network Customer shall be deemed to exist.

Upon the occurrence of a default, the Transmission Service Administrator may initiate a proceeding with the Commission to terminate service but shall not terminate service until the Commission approves any such request. In the event of a billing dispute between the Transmission Service Administrator and the Network Customer, the Transmission Service Administrator will continue to provide service under the Service Agreement as long as the Network Customer (i) continues to make all payments not in dispute, and (ii) pays into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If the Network Customer fails to meet these two requirements for continuation of service or is found to be in default by the Transmission Service Administrator, then the Transmission Service Administrator may pursue any available legal remedy from the Network Customer including use of any credit provisions from Section 10 (Creditworthiness).

7.4 Extended Interruptions

When there is a disruption to the Backbone Transmission System that results in the isolation of one geographic area of the Backbone Transmission System from another for more than 24 consecutive hours, the isolated Network Customer's invoice shall be adjusted as provided in this section. The Network Customer is responsible for reporting the disruption and providing documentation supporting its duration to the Transmission Service Administrator. Within ninety (90) days of receipt of such completed documentation, the Transmission Service Administrator shall apply an adjustment to the monthly invoices to reflect the extended interruption. The invoice of the Network Customer that was isolated from the Backbone Transmission System would be modified such that the customer would only be responsible for paying its TO BTS Annual Transmission Revenue Requirement for the period of interruption (as reflected in column 1 of Table 1 of Attachment D (Annual Transmission Revenue Requirement for Network Integration Transmission Service)), and the invoices of all other Network Customers would be adjusted for that difference.

8 Accounting for the Transmission Service Administrator's Study Costs under the Tariff

The Transmission Service Administrator shall include in a separate administrative expense account or subaccount, costs properly chargeable to expense work performed for any Change Request that requires the Transmission Service Administrator to determine whether any new, modified, or removed transmission facilities are Direct Assignment Facilities or if they are Backbone Transmission System facilities as described in Attachment F (Recovery of Costs Associated with Evaluation of New Facilities). This process is referenced in Attachment L (Classification of Backbone Transmission Facilities).

The Transmission Service Administrator shall include in a separate administrative expense account or subaccount, costs properly chargeable to expense work performed by the Transmission Service Administrator to determine Real Power Losses described in Section 12.5 (Real Power Losses).

RAILBELT TRANSMISSION ORGANIZATION

[RESERVED]

9 Force Majeure and Indemnification

9.1 Force Majeure:

An event of Force Majeure means any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any curtailment, order, regulation or restriction imposed by governmental military or lawfully established civilian authorities, or any other cause beyond a party's control. A Force Majeure event does not include an act of negligence or intentional wrongdoing.

Neither the Transmission Service Administrator, the Transmission Owner(s), nor the Network Customer will be considered in default as to any obligation under this tariff if prevented from fulfilling the obligation due to an event of Force Majeure. However, a party whose performance under this tariff is hindered by an event of Force Majeure shall make all reasonable efforts to perform its obligations under this tariff.

9.2 Indemnification

The Network Customer shall at all times indemnify, defend, and hold the Transmission Service Administrator harmless from any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demands, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the Transmission Service Administrator's performance of its obligations under this tariff on behalf of the Network Customer, except in cases of gross negligence or intentional wrongdoing by the Transmission Service Administrator.

10 Creditworthiness

For the purpose of determining the ability of the Network Customer to meet its obligations related to service hereunder, the Transmission Service Administrator may require reasonable credit review procedures in accordance with its business practice. The Transmission Service Administrator shall review the creditworthiness of any Network Customer that defaults in making payments due under this tariff and, as a consequence of that review, may require the Network Customer to provide credit support in the form of any of the following types of financial security: (1) an irrevocable and unconditional letter of credit by a bank or financial institution reasonably acceptable to the Transmission Service Administrator; (2) a prepayment to the Transmission Service Administrator; or (3) an alternative form of security proposed by the Network Customer, acceptable to the Transmission Service Administrator, and consistent with commercial practices established by the Uniform Commercial Code, that would serve to protect the Transmission Service Administrator against the risk of non-payment. The Transmission Service Administrator may require the Network Customer to maintain such financial security for at least one (1) year from the date of default.

11 Dispute Resolution Procedures

11.1 Dispute Resolution Procedures

A Network Customer who believes that the Transmission Service Administrator has violated its tariff or Service Agreement may submit the matter for review under the following complaint procedure.

Step 1: A Network Customer should report the complaint by contacting the RTO Program Manager, who can be reached at (907)771-3000 or RTO@akenergyauthority.org. The RTO Program Manager will respond to the substance of each complaint in a timely manner.

Step 2: If a Network Customer disagrees with the RTO Program Manager's resolution of the complaint, a Network Customer may set out the complaint in writing and address it to the Chair of the Governance Committee of the Railbelt Transmission Organization.

Step 3: If the Governance Committee of the Railbelt Transmission Organization does not resolve the complaint to the Network Customer's satisfaction within the later of thirty (30) days or such period as the Network Customer and the Governance Committee may agree upon, such a dispute may be submitted to the Commission for alternative dispute resolution pursuant to 3 AAC 48.121 or as a complaint to the Commission pursuant to 3 AAC 48.120 or 3 AAC 48.140. The Regulatory Commission of Alaska is located at 701 West 8th Avenue, Suite 300, Anchorage, Alaska 99501-3469 and its telephone number is (907) 276-6222 or (800) 390-2782.

11.2 Rights Under Commission Rules

Nothing in this section shall restrict the rights of any party to file a complaint with the Commission under relevant provisions.

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III. NETWORK INTEGRATION TRANSMISSION SERVICE

Preamble

The Transmission Service Administrator will provide Network Integration Transmission Service pursuant to the applicable terms and conditions contained in the tariff and Service Agreement. Network Integration Transmission Service allows the Network Customer to integrate, economically dispatch, and regulate its current and planned Network Resources to serve its Network Load utilizing the Backbone Transmission System. Network Integration Transmission Service also may be used by the Network Customer to deliver economy energy purchases to its Network Load from non-designated resources on an as-available basis without additional charge.

12 Nature of Network Integration Transmission Service

12.1 Scope of Service

Network Integration Transmission Service is a transmission service that allows Network Customers (listed in Attachment E (Index of Network Integration Transmission System Network Customers)) to efficiently and economically utilize their Network Resources (as well as other non-designated generation resources) to serve their Network Load using the Backbone Transmission System and any additional load that may be designated pursuant to Section 15.2 (Changes to Network Loads) of the tariff. The Network Customer taking Network Integration Transmission Service must obtain or provide Ancillary Services pursuant to Section 4 of this tariff.

12.2 Transmission Owners' Responsibilities

Each Transmission Owner will plan, construct, operate and maintain its facilities in the Backbone Transmission System in accordance with Prudent Utility Practice, comply with RRC standards to the extent applicable, and adhere to their Change Request obligations to allow the Transmission Service Administrator to provide the Network Customer with Network Integration Transmission Service over the Backbone Transmission System. Transmission Owners that are Balancing Authorities shall provide Ancillary Services and

Congestion Relief to Network Customers as specified in this tariff. Transmission Owners that are Network Customers shall be required to designate Network Resources and Network Loads under Part III (Network Integration Transmission Service) of this tariff.

The Transmission Owner(s) will assess each Change Request on a Queue basis for Available Network Capability. The Transmission Owner(s) shall be responsible for conducting all studies necessary to facilitate Change Requests for generation interconnection, maintenance of existing Network Customer service, and any modifications, additions, or deletions of Network Customer's Network Resources or Network Loads. If there is sufficient capacity, the Transmission Owner(s) will complete the Change Request. If the Transmission Owner(s) determines there is not sufficient capacity, the Transmission Owner(s) may identify either Direct Assignment Facilities and/or Network Upgrades to the Backbone Transmission System, through those studies, including, but not limited to, System Impact Studies, Facilities Studies, and regulation studies. The Transmission Owner(s) shall provide the Transmission System Administrator with (1) written notice of all Change Requests submitted, (2) copies of all studies completed necessary to support the Transmission Service Administrator's performance of its obligations under this tariff, and (3) any agreed to changes to the Network Customer's Service Agreement to be implemented by the Transmission Service Administrator to complete the Change Request.

12.3 Network Integration Transmission Service

The Transmission Service Administrator will facilitate firm transmission service over the Backbone Transmission System to the Network Customer for the delivery of capacity and energy from designated Network Resources to service its Network Loads up to the level of Available Network Capability existing on the Backbone Transmission System.

12.4 Secondary Service

The Network Customer may use the Backbone Transmission System to deliver energy to its Network Loads from resources that have not been designated as Network Resources by the Network Customer. Such energy shall be transmitted, on an as-available basis, at no additional charge. Secondary Service shall not require the filing of a Change Request for Network Integration Transmission Service under the tariff. However, all other requirements of Part III (Network Integration Transmission Service) of the tariff shall apply to Secondary Service. The Network Customer must coordinate the use of this Secondary Service with the Balancing Authority(ies) involved in the use of the Backbone Transmission System, as specified in Attachment B (Methodology to Use Secondary Service).

12.5 Real Power Losses

Real Power Losses are associated with all transmission service. The Network Customer is responsible for replacing losses associated with all transmission service. The Transmission Service Administrator is not obligated to provide for Real Power Losses. The applicable Real Power Loss factors are determined as provided in Attachment H (Loss Compensation Procedures).

12.6 Restrictions on Use of Service

The Network Customer shall not use Network Integration Transmission Service for (i) sales of capacity and energy to non-designated loads, or (ii) direct or indirect provision of transmission service by the Network Customer to third parties. The Transmission Service Administrator shall specify appropriate charges and may specify penalties and all related terms and conditions applicable in the event that a Network Customer uses Network Integration Transmission Service or Secondary Service contrary to Section 12, including using Secondary Service to facilitate a wholesale sale that does not serve that Network Customer's Network Load.

13 Initiating Service

13.1 Condition Precedent for Receiving Service

Subject to the terms and conditions of Part III of the tariff, the Transmission Service Administrator will provide Network Integration Transmission Service to any Eligible Customer, provided that (i) the Eligible Customer makes a Change Request to the affected Transmission Owner(s), in accordance with this Section, (ii) the Eligible Customer and the affected Transmission Owner(s) complete(s) the technical arrangements set forth in this Section, and (iii) the Eligible Customer executes a Service Agreement for Network Integration Transmission Service pursuant to Attachment C (Service Agreement for Network Integration Transmission Service) of the tariff or, based on Change Requests to Transmission Owners, requests that the Transmission Service Administrator file a proposed unexecuted Service Agreement with the Commission.

13.2 Network Upgrades Required by Eligible Customer

Other than services provided under Section 4 (Ancillary Service), if an Eligible Customer's Change Request for Network Integration Transmission Services would require a Transmission Owner to make Direct Assignment Facilities additions/changes and/or Network Upgrades in the Backbone Transmission System, including capital investments and future operating and maintenance expenses necessary to be able to provide the service requested in the Change Request, then the cost of the Network Upgrade must be either (i) born by the Eligible Customer as Direct Assignment Facilities, or (ii) approved by the Transmission Service Administrator to be included the Transmission Owner's ATRR as a Backbone Transmission System facility pursuant to Attachment L (Classification of Backbone Transmission System Facilities).

13.3 Change Request Procedures

An Eligible Customer requesting new or changes to existing service under Part III (Network Integration Transmission Service) of the tariff must make the Change Request to the affected Transmission Owner(s) as far as possible in advance of the month in which service is to commence. Unless subject to the procedures in Section 4 (Ancillary Services), the Transmission Owner(s) will follow their processes to respond to the Change Request(s). Change Requests should be submitted by: (i) transmitting the required information to the Transmission Owner(s) electronically by email, or (ii) another electronic means. Each of these methods will provide a time-stamped record for establishing the service priority of the Change Request. The Transmission Owner(s) shall provide the Transmission System Administrator with (1) written notice of all submitted Change Requests, (2) copies of all studies completed necessary to support the Transmission Service Administrator's performance of its obligations under this tariff, and (3) any agreed to changes to the Network Customer's Service Agreement to be implemented by the Transmission Service Administrator.

13.4 Technical Arrangements to be Completed Prior to Commencement of Service

Network Integration Transmission Service shall not commence until the affected Transmission Owner(s), and the Network Customer, or a third party, have completed installation of all equipment specified under the Service Agreement consistent with Prudent Utility Practice and any additional requirements reasonably and consistently imposed to ensure the reliable operation of the Backbone Transmission System. The Transmission Owner shall exercise reasonable efforts, in coordination with the Network Customer, to complete such arrangements as soon as practicable taking into consideration the Service Commencement Date.

13.5 Network Customer Facilities

The provision of Network Integration Transmission Service shall be conditioned upon the Network Customer's constructing, maintaining and operating the facilities on its side of each delivery point or interconnection necessary to reliably deliver capacity and energy from the Backbone Transmission System to the Network Customer. The Network Customer shall be solely responsible for constructing or installing all facilities on the Network Customer's side of each such delivery point or interconnection.

13.6 Filing of Service Agreement

A Service Agreement that merely recites or refers to the provisions of the tariff, inclusive of attachments as detailed in Attachment C (Service Agreement for Network Integration Service), or deviates only in respect to incidental matters such as points of delivery, etc., and does not have the effect of granting the Network Customer an unreasonable preference or advantage or of subjecting the Network Customer to an unreasonable prejudice or disadvantage as to rates, service or facilities will be posted on the Transmission Service Administrator's website following execution. A Service Agreement that contains rates, tolls, rentals or charges, or terms and conditions that deviate substantially from those contained in the tariff for like service offered to Network Customers under comparable conditions will be filed with the Commission as a special contract under the Commission's rules and regulations regarding special contracts. Upon approval, and to the extent the special contract is public, it will be posted on the Transmission Service Administrator's website following execution.

14 Network Resources

14.1 Designation of Network Resources

Network Resources shall include all generation owned, contracted, purchased or leased by any Network Customer designated to serve Network Load under the tariff.

Network Resources may not include resources, or any portion thereof, that are committed for sale to non-designated third-party load or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis, except for purposes of fulfilling obligations under a reserve sharing program. Any owned or purchased resources that were serving the Network Customer's Network Loads under firm agreements entered into on or before the Service Commencement Date shall initially be designated as Network Resources until the Network Customer terminates the designation of such resources.

14.2 Changes to Network Resources

Any Change Requests to a Network Customer's Network Resources will follow the requirements of this Section.

14.3 Network Customer Owned Transmission Facilities

The Network Customer that owns existing transmission facilities that are connected with the Backbone Transmission System may be eligible to receive consideration through an invoice. In order to receive such consideration, the Network Customer must demonstrate that its transmission facilities are integrated into the plans or operations of the Transmission Owner(s), to serve other Network Customers. For facilities added by the Network Customer subsequent to the effective date of this tariff, the Network Customer shall receive credit for such transmission facilities added if such facilities are integrated into the operations of the Backbone Transmission System facilities pursuant to Attachment L (Classification of Backbone Transmission System Facilities); provided however, the Network Customer's transmission facilities shall be presumed to be integrated if such transmission facilities, if owned by the Transmission Owner(s), would be eligible for inclusion in the Transmission Owner's ATRR as a Backbone Transmission System facility pursuant to Attachment D (Annual Transmission Revenue Requirement for Network Integration Transmission Service). Calculation of any credit under this subsection shall be addressed in the Network Customer's Service Agreement.

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15 Designation of Network Load

15.1 Network Load

The Network Customer must designate the individual Network Loads on whose behalf the Transmission Service Administrator will facilitate Network Integration Transmission Service. The Network Loads shall be specified in the Service Agreement.

15.2 Changes to Network Loads

Any Change Requests to a Network Customer's Network Loads will follow the requirements of this Section.

15.3 Annual Load and Resource Information Updates

The Network Customer shall provide the Transmission Owner and the Transmission Service Administrator with annual updates of Network Load and Network Resource forecasts consistent with those included in its Change Request under Part III (Network Integration Transmission Service) of the tariff. The Network Customer also shall provide the Transmission Owner and the Transmission Service Administrator with timely written notice of material changes in any information provided in its Change Request relating to the Network Customer's Network Load, Network Resources, its transmission system or other aspects of its facilities or operations affecting the Backbone Transmission System's ability to provide reliable service.

16 Congestion Relief

16.1 Procedures

Prior to the Service Commencement Date, the Transmission Owner(s), the Balancing Authority(ies), and the Network Customer shall establish load shedding and curtailment procedures with the objective of responding to contingencies on the Backbone Transmission System and on systems directly and indirectly interconnected with the Backbone Transmission System. These parties will implement such programs during any period when the Transmission Owner(s) or Balancing Authority(ies) determines that a system contingency exists, and such procedures are necessary to alleviate such contingency and comply with reliability standards. The Transmission Owner(s) or Balancing Authority(ies) will notify all affected Network Customers and affected Transmission Owners in a timely manner of any scheduled curtailment.

16.2 Congestion Relief

Congestion Relief are actions, either planned or implemented, taken by the Transmission Owner or Balancing Authority to relieve a system condition and to protect the reliability of the Backbone Transmission System.

During any period when the Transmission Owner or the Balancing Authority determines that a system condition exists on the Backbone Transmission System, and such condition may impair the reliability of the Backbone Transmission System, the Transmission Owner or the Balancing Authority(ies) will take whatever actions, consistent with Prudent Utility Practice, that are reasonably necessary to maintain the reliability of the Backbone Transmission System.

These actions can include:

1 Transmission configuration changes, including adjusting equipment to increase Available Network Capability, or elevating the lower of the thermal, voltage or stability transmission network capability limit.
2 A reduction of an interchange schedule with transmission service in response to congestion on the Backbone Transmission System or due to system reliability conditions.
3 Interruption: A reduction in Secondary Service pursuant to Section 12.4 (Secondary Service).

4 Redispatch: Adjustments to generation output in response to a system reliability condition(s).
5 Load Shedding: The systematic reduction of system demand by temporarily decreasing load in response to Backbone Transmission System or area capacity shortages, system instability, or voltage control considerations under Part III (Network Integration Transmission Service) of the tariff.
6 Actions required to preserve transmission rights in Grandfathered Agreements for certain operating conditions.

17 Cost of Service and Charges

The Network Customer shall pay the Transmission Service Administrator for Tariff Administration Service as described in Schedule 1-A and the Network Integration Transmission Service Cost of Service described in Schedule 8 (Calculation of Network Integration Transmission Service Cost of Service). The Network Customer shall pay the Transmission Owner(s) or Balancing Authority(ies) for any Direct Assignment Facilities and Ancillary Services and also shall pay the Transmission Service Administrator or TO(s) for applicable study costs in Section 8 (Accounting for the Transmission Service Administrator's Costs under the Tariff), consistent with the applicable tariffs approved by the Commission.

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IV. SPECIAL RULES ON USE OF TARIFF

18 General

The Backbone Transmission System Annual Transmission Revenue Requirement for Network Integration Service shall be allocated among the Network Customers in the manner described in Schedule 8 (Calculation of Network Integration Transmission Service Cost of Service).

19 Grandfathered Agreements

Transmission service provided pursuant to Grandfathered Agreements and associated charges for such services shall continue to term in accordance with the provisions of the Grandfathered Agreements unless the parties agree otherwise. Grandfathered Agreements are defined in Section 2 (Definitions) and listed in Attachment J (Index of Grandfathered Agreements) of this tariff.

20 Applicability of Non-Cost of Service Terms and Conditions

20.1 Applicability of Tariff to Alaska Statute 42.05.711 Exempt Entities

A Transmission Owner that is otherwise exempt from Commission regulation pursuant to AS 42.05.711 or any subsequent amendments shall not be subject to any additional regulation, jurisdiction, or oversight from the Commission by virtue of their participation in or status as a Transmission Owner under this tariff unless otherwise provided by law; provided, however, that facilities included as part of the Backbone Transmission System and covered by the tariff shall be subject to Commission regulation.

20.2 Applicability to Alaska Energy Authority

Pursuant to AS 44.83.090(b), the Alaska Energy Authority is not subject to the jurisdiction of the Commission except as provided in AS 44.83.700(d) unless otherwise provided by law.

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21 RECOVERY OF COSTS FOR NETWORK UPGRADES

All new Network Upgrades should be included in the Transmission Owner's Annual Transmission Revenue Requirement. The Network Upgrades are those facilities that the Transmission Service Administrator determined in accordance with Attachment L (Classification of Backbone Transmission System Facilities) meet the definition of Network Upgrades.

V. SCHEDULES AND ATTACHMENTS

SCHEDULE 1

Scheduling, System Control and Dispatch Service

This service is required to schedule the movement of power through, out of, within, or into a Balancing Authority Area.

The Balancing Authority scheduling process will be as follows:

a. For transactions that source and sink within the same Balancing Authority Area, scheduling will be performed by the operator of that Balancing Authority Area.

b. For transactions that source and sink in two different Balancing Authority Areas, both within the Backbone Transmission System, scheduling will be performed by the operators of the source and sink Balancing Authority Areas and they shall inform any intervening Balancing Authority Area operators.

Individual Balancing Authorities within the Backbone Transmission System may perform the functions necessary for the movement of power within, into, or out of the respective Balancing Authority Area as described above. In such instances the Transmission Owner(s) whose Balancing Authority operator(s) perform such functions may charge the Network Customer the actual charges for each transaction without any markup. Each Balancing Authority and Transmission Owner shall maintain a schedule showing its cost of providing this service. For the Commission-regulated Transmission Owners, these charges shall be pursuant to Commission-approved schedules.

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SCHEDULE 1-A

Tariff Administration Service

The Transmission Service Administrator shall provide Tariff Administration Service to carry out its responsibilities under this tariff. The Network Customer must purchase this service from the Transmission Service Administrator. The costs for this service are to be developed as shown below.

1. Administration Charge:

An administration charge shall be applied to all Network Customers under this tariff to cover the Transmission Service Administrator's expenses related to administration of this tariff.

The Transmission Service Administrator shall establish costs for this administration charge by dividing projected expenses based on the budget approved by the RTO for its fiscal year by 12 to establish a monthly Schedule 1-A charge. This monthly Schedule 1-A charge will be assessed to each Network Customer based on the allocator calculated in Attachment I (Procedures for Calculation of Allocator for the Regional ATRR). The Transmission Service Administrator shall reconcile actuals to budget figures and shall adjust the administration charge to reflect either over or under recoveries of its costs to allow the Transmission Service Administrator to recover its actual costs.

2. Bad Debt Expense:

The Transmission Service Administrator may include in its costs under this Schedule a component to cover estimated bad debts. The Transmission Service Administrator shall reconcile actuals to estimates and shall adjust future monthly charges to reflect either over or under recoveries.

SCHEDULE 2

Reactive Supply and Voltage Control from Generation or Other Sources Service

In order to maintain transmission voltages on the Backbone Transmission System's facilities within acceptable limits, generation facilities and non-generation resources capable of providing this service that are under the control of the Transmission Owner's operator are operated to produce (or absorb) reactive power. Thus, Reactive Supply and Voltage Control from Generation or Other Sources Service must be provided for each transaction on the Backbone Transmission System. The amount of Reactive Supply and Voltage Control from Generation or Other Sources Service that must be supplied with respect to the Network Customer's transaction will be determined based on the reactive power support necessary to maintain transmission voltages within limits that are generally accepted on the Railbelt and consistently adhered to by the Transmission Owner.

Reactive Supply and Voltage Control from Generation or Other Sources Service is to be provided directly by the Transmission Owner(s) for the Backbone Transmission System. The Network Customer must purchase this service from the Transmission Owner(s). Each Transmission Owner shall maintain a schedule showing its cost of providing this service. For the Commission-regulated Transmission Owners, these charges shall be pursuant to Commission-approved schedules.

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SCHEDULE 3

Regulation and Frequency Response Service

Regulation and Frequency Response Service is necessary to provide for the continuous balancing of resources (generation and interchange) with load and for maintaining scheduled interconnection frequency at sixty cycles per second (60 Hz). Regulation and Frequency Response Service is accomplished by committing on-line generation whose output is raised or lowered (predominantly through the use of automatic generating control equipment) and by other non-generation resources capable of providing this service as necessary to follow the moment-by-moment changes in load. The obligation to maintain this balance between resources and load lies with the Balancing Authority Area(s). The Network Customer must either purchase this service from the Balancing Authority(ies) with Network Load of the Network Customer or make alternative comparable arrangements to satisfy its Regulation and Frequency Response Service obligation. Upon request by a self-supplying Network Customer, the Balancing Authority(ies) will share with the Network Customer its reasoning and any related data used to make the determination of whether the Network Customer has made alternative comparable arrangements.

Unless the Network Customer makes alternative comparable arrangements acceptable to the Balancing Authority(ies), the Network Customer shall pay the Balancing Authority(ies) for this service. Each Balancing Authority shall maintain a schedule showing its cost of providing this service. For the Commission-regulated Transmission Owners, these charges shall be pursuant to Commission-approved schedules.

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SCHEDULE 4

Energy Imbalance Service

Energy Imbalance Service is provided when a difference occurs between the scheduled and the actual delivery of energy to a load located within a Balancing Authority Area over a single hour. The Balancing Authority must offer this service when the Network Integration Transmission Service is used to serve load within its Balancing Authority Area. The Network Customer must either purchase this service from the Balancing Authority(ies) with Network Load of the Network Customer or make alternative comparable arrangements, which may include use of non-generation resources capable of providing this service, to satisfy its Energy Imbalance Service obligation. Unless the Network Customer makes alternative comparable arrangements acceptable to the Balancing Authority (ies), the affected Balancing Authority(ies) shall provide this service to the Network Customer. Each Balancing Authority shall maintain a schedule showing its cost of providing this service. For the Commission-regulated Transmission Owners, these charges shall be pursuant to Commission-approved schedules.

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SCHEDULE 5

Operating Reserve - Spinning Reserve Service

Spinning Reserve Service is needed to serve load immediately in the event of a system contingency. Spinning Reserve Service may be provided by generating units that are on-line and loaded at less than maximum output and by non-generation resources capable of providing this service. This includes resources such as Battery Energy Storage System (BESS) and Shed in Lieu of Spin (SILOS). The Network Customer must either purchase this service from the Balancing Authority with Network Resources of the Network Customer or make alternative comparable arrangements to satisfy its Spinning Reserve Service obligation. Unless the Network Customer makes alternative comparable arrangements acceptable to the Balancing Authority(ies), the Balancing Authority operator shall provide the service to the Network Customer. Each Balancing Authority shall maintain a schedule showing its cost of providing this service. For the Commission-regulated Transmission Owners, these charges shall be pursuant to Commission-approved schedules.

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SCHEDULE 6

Operating Reserve - Supplemental Reserve Service

Supplemental Reserve Service is needed to serve load in the event of a system contingency; however, it is not available immediately to serve load but rather within a short period of time. Supplemental Reserve Service may be provided by generating units that are on-line but unloaded, by quick-start generation or by interruptible load or other non-generation resources capable of providing this service. The Network Customer must either purchase this service from the Balancing Authority(ies) with Network Resources of the Network Customer or make alternative comparable arrangements to satisfy its Supplemental Reserve Service obligation. Unless the Network Customer makes alternative comparable arrangements acceptable to the Balancing Authority(ies), the Balancing Authority operator shall provide the service to the Network Customer. Each Balancing Authority shall maintain a schedule showing its cost of providing this service. For the Commission-regulated Transmission Owners, these charges shall be pursuant to Commission-approved schedules.

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SCHEDULE 7

Generator Imbalance Service

Generator Imbalance Service is provided when a difference occurs between the output of a generator located in the Balancing Authority Area and a delivery schedule from that generator to (1) another Balancing Authority Area or (2) a Network Load within a single hour. The Balancing Authority must offer this service from its resources or from resources available to it, when transmission service is used to deliver energy from a generator located within its Balancing Authority Area. The Network Customer must either purchase this service from the Balancing Authority(ies) with Network Resources of the Network Customer or make alternative comparable arrangements, which may include use of non-generation resources capable of providing this service, to satisfy its Generator Imbalance Service obligation. Unless the Network Customer makes alternative comparable arrangements acceptable to the Balancing Authority(ies), the affected Balancing Authorities will provide this service. Each Balancing Authority shall maintain a schedule showing its cost of providing this service. For the Commission-regulated Transmission Owners, these charges shall be pursuant to Commission-approved schedules.

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SCHEDULE 8

Calculation of Network Integration Transmission Service Cost of Service

The Transmission Service Administrator shall calculate the monthly Cost of Service for Network Integration Transmission Service by summing: 1) an allocation of one-twelfth (1/12) of the Regional ATRR in Attachment D (Annual Transmission Revenue Requirement for Network Integration Transmission Service) to the Network Customer based on a Load Ratio Share methodology utilizing a rolling 12-month average of Coincident Peak (12 CP); and, 2) one-twelfth (1/12) of the Local ATRR detailed in Table 1 in Attachment D (Annual Transmission Revenue Requirement for Network Integration Transmission Service) for the Network Customer.

On a monthly basis, the Transmission Service Administrator shall calculate each Network Customer's monthly Cost of Service as follows:

$$Monthly\ Cost\ of\ Service_i = \left(\frac{Local\ ATRR_i}{12}\right) + \left(\frac{Regional\ ATRR}{12} \times Allocator\ for\ Regional\ ATRR_i\right)$$

Where:

i = a Network Customer

The calculation for the monthly allocator for the regional ATRR is detailed in Attachment I (Procedure for Calculation of Allocator for Regional ATRR).

Invoices shall be issued monthly and shall be due and payable in accordance with Section 7 (Billing and Payment) of this tariff. Any revisions to the 12 CP data shall be reflected prospectively as adjustments in subsequent monthly invoices. Each Network Customer shall be billed its monthly Cost of Service for Network Integration Transmission Service net a credit for one-twelfth (1/12) the cost of the TO's BTS ATRR. Also included on each invoice is one-twelfth (1/12) of the administrative charge detailed in Schedule 1-A (Tariff Administration Service). The Transmission Service Administrator will credit the monthly invoice of each Transmission Owner that is a Network Customer with revenue it has received for Network Integration Transmission Service associated with that Network Customer's BTS ATRR in the previous month as described in Attachment G (Treatment of Revenues).

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ATTACHMENT A

Calculation of Regional Benefit

An engineering study will be performed to calculate a Regional Allocator to be used in the calculation of a TO's Regional ATRR in Attachment D (Annual Transmission Revenue Requirement for Network Integration Transmission Service) based on the amount of benefit the Backbone Transmission System provides to the Network Customers.

The method of determining the Regional Allocator shall be through studies of the BTS, including but not limited to powerflow analysis. The studies shall determine maximum power transfer capabilities between TOs, considering any capacity constraints resulting from Grandfathered Agreements. Powerflow constraints between TOs shall establish the minimum regional allocated percentage. This percentage may increase based on additional interconnected benefits, including but not limited to reserve sharing, inertia, economy energy sales, and ancillary services, as determined through further studies of the Backbone Transmission System.

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ATTACHMENT B

Methodology To Use Secondary Service

Secondary Service schedules are submitted to the affected Balancing Authorities in the requested timeframe. The Balancing Authorities will validate the schedule and confirm if the schedule is approved to be executed. If the Balancing Authority cannot confirm the schedule, it will inform the Network Customer, and if available, offer a modified schedule. Secondary Service schedules may need to be canceled and/or revised to deal with any Congestion Relief or system instability requirements. A schedule revision will be submitted to the Secondary Service Network Customer for confirmation if this occurs.

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ATTACHMENT C

Service Agreement For Network Integration Transmission Service

This Network Integration Transmission Service Agreement ("Service Agreement") is entered into this ____ day of __________, ____, by and between ________________ ("Network Customer"), ___________________ ("Transmission Owner(s)"), and the Railbelt Transmission Organization ("Transmission Service Administrator"). The Network Customer, the Transmission Owner, and Transmission Service Administrator shall be referred to individually as "Party" and collectively as "Parties."

WHEREAS, the Transmission Service Administrator has determined that the Network Customer has made a valid Change Request for Network Integration Transmission Service to the Transmission Owner in accordance with the Transmission Service Administrator's Open Access Transmission Tariff ("Tariff") filed with the Regulatory Commission of Alaska ("Commission") as it may from time to time be amended;

WHEREAS, the Transmission Service Administrator administers Network Integration Transmission Service for Transmission Owners within the Tariff and acts as agent for the Transmission Owners in providing service under the Tariff;

WHEREAS, the Network Customer has represented that it is an Eligible Customer under the Tariff;

WHEREAS, upon execution of this Service Agreement, the Eligible Customer becomes a Network Customer, and

WHEREAS, the Parties intend that capitalized terms used herein shall have the same meaning as in the Tariff.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein, the Parties agree as follows:

1.0 The Transmission Service Administrator agrees during the term of this Service Agreement, as it may be amended from time to time, to provide Network Integration Transmission Service in accordance with the Tariff to enable delivery of power and energy from the Network Customer's Network Resources that the Network Customer has committed to meet its Network Load.

2.0 The Network Customer agrees to take and pay for Network Integration Transmission Service in accordance with the provisions of Parts I, II, III, IV, and V of the Tariff and this Service Agreement with its Attachment 1.

3.0 The terms and conditions of such Network Integration Transmission Service shall be governed by the Tariff in effect at the time this Service Agreement is executed by the Network Customer, or is thereafter amended or by its successor tariff, if any. The

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Tariff, as it currently exists, or as it is hereafter amended, is incorporated in this Service Agreement by reference. In the case of any conflict between this Service Agreement and the Tariff, the Tariff shall control. The Transmission Service Administrator and Transmission Owner(s) have determined that the Network Customer has satisfied the Tariff requirements to deem its application a Completed Change Request for Network Integration Transmission Service under the Tariff. The specifications, as agreed to by the Parties, are based on the information provided in the Completed Change Request and are incorporated herein and made a part hereof as Attachment 1.

4.0 This Service Agreement shall be effective from the Effective Date _______ __, ____,_through _______ __,______. The Service Commencement Date under this Service Agreement is _______ __, ____. Upon termination, the Network Customer remains responsible for any outstanding charges including all costs incurred and apportioned or assigned to the Network Customer under this Service Agreement.

5.0 Any notice or request made to or by any Party regarding this Service Agreement shall be made to the representative of any other Party as indicated below. Such representative and address for notices or requests may be changed from time to time by notice by one Party or the others.

Railbelt Transmission Organization (Transmission Service Administrator):

____

____

____

Email Address: _ _

Phone Number: _ _

Transmission Owner(s):

____

____

____

Email Address: _ _

Phone Number: _ _

Network Customer:

____

____

____

Email Address: _ _

Phone Number: _ _

RAILBELT TRANSMISSION ORGANIZATION

6.0 This Service Agreement shall not be assigned by any Party without the prior written consent of the other Parties, which consent shall not be unreasonably withheld. However, any Party may, without the need for consent from the others, transfer or assign this Service Agreement to any person succeeding to all or substantially all of the assets of such Party. However, the assignee shall be bound by the terms and conditions of this Service Agreement.

7.0 By signing below, the Network Customer verifies that all information submitted to the Transmission Owner(s) and used by the Transmission Service Administrator to provide service under the Tariff is complete, valid and accurate, and the Transmission Service Administrator may rely upon such information to fulfill its responsibilities under the Tariff.

8.0 By signing below, the Network Customer, the Transmission Owner(s), and their Balancing Authorities agree to comply will all provisions of the Tariff.

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RAILBELT TRANSMISSION ORGANIZATION

IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective authorized officials.

TRANSMISSION SERVICE ADMINISTRATOR	NETWORK CUSTOMER
Signature	Signature
Printed Name	Printed Name
Title	Title
Date	Date

TRANSMISSION OWNER(S)

Signature

Printed Name

Title

Date

RAILBELT TRANSMISSION ORGANIZATION

Attachment 1 to the Network Integration Transmission Service Agreement

BETWEEN
RAILBELT TRANSMISSION ORGANIZATION AND _______________
SPECIFICATIONS FOR NETWORK INTEGRATION TRANSMISSION SERVICE

1.0 Network Resources
The Network Resources are listed in Appendix 1.

2.0 Network Loads
The Network Load consists of the Network Customer load as listed in Appendix 3. The Network Customer's Network Load shall be measured on an hourly integrated basis, by suitable metering equipment located at each connection and Network Load point (or agreed to meters to fully represent the Network Customer's Network Load plus losses) in Appendix 3, and each generating facility as referenced in Appendix 2. The meter owner shall cause to be provided to the Transmission Service Administrator, Network Customer and applicable Transmission Owner, on a monthly basis such data as required by Transmission Service Administrator for billing. The Network Customer's load shall be adjusted, for settlement purposes, to include applicable Transmission Owner transmission losses, as applicable, as specified in Attachment I of the Tariff, respectively. Measurements taken and all metering equipment shall be in accordance with the Transmission Owner's standards and practices for similarly determining the Transmission Owner's Network Load. The actual hourly Network Loads, by Network Load point, internal generation site and point where power may flow to and from the Network Customer, with separate readings for each direction of flow, shall be provided.

3.0 Affected Transmission Owner(s)
The affected Transmission Owner(s) is/are ______________.

RAILBELT TRANSMISSION ORGANIZATION

4.0 Electrical Location of Network Resources

See Appendix 2.

5.0 Electrical Location of the Network Loads

The loads of ________________ identified in Section 2.0 hereof as the Network Load are electrically located within the _________________ Transmission Owner(s). See Appendix 3.

6.0 Compensation

Network Integration Transmission Service under this Service Agreement is subject to all the charges appropriate for Network Integration Transmission Service in accordance with the terms and conditions of the Tariff.

RAILBELT TRANSMISSION ORGANIZATION

APPENDIX 1 NETWORK RESOURCES OF ______________

Network Resource Name	Service Start Date	Service End Date	Network Integration Transmission Service Rights	Comments

RAILBELT TRANSMISSION ORGANIZATION

APPENDIX 2
NETWORK RESOURCE POINTS OF ______________

Tieline / Plant Name	Interconnected Transmission Owner	Voltage (kV)	Comments

RAILBELT TRANSMISSION ORGANIZATION

APPENDIX 3 NETWORK LOAD POINTS OF ______________

Network Load Point Name	Interconnected Transmission Owner	Voltage (kV)

RAILBELT TRANSMISSION ORGANIZATION

ATTACHMENT D

Annual Transmission Revenue Requirement for Network Integration Transmission Service

Table 1 contains the received Backbone Transmission System Annual Transmission Revenue Requirement from each of the Transmission Owners as provided in Attachment K (Annual Transmission Revenue Requirement Template for TOs) that have been certified by the TO as true, accurate and complete. Table 1 then takes each Transmission Owner's BTS ATRR and calculates the Regional ATRR and Local ATRR using the Regional Allocator as determined in Attachment A (Calculation of Regional Benefits). The Regional ATRR is the product of the BTS ATRR and the Regional Allocator. The Local ATRR for each Network Customer is the BTS ATRR minus the Regional ATRR.

Table 1:

	TO's BTS ATRR	Regional Allocator	Regional ATRR	Local ATRR
CEA				
GVEA				
AEEC				
MEA				
SES				
AEA				
Total		NA		

The sum of the individual TO's Regional ATRRs is then allocated to each Network Customer using the results of Attachment I (Procedure for Calculation of Allocator for Regional ATRR) and the monthly Cost of Service of NITS is calculated as described in Schedule 8 (Calculation of Network Integration Transmission Cost of Service).

RAILBELT TRANSMISSION ORGANIZATION

ATTACHMENT E

Index Of Network Integration Transmission Service Network Customers

Network Customer	Date of Service Agreement

RAILBELT TRANSMISSION ORGANIZATION

ATTACHMENT F

Recovery of Costs Associated with Evaluation of New Facilities

The Transmission Service Administrator will determine the work that is necessary to perform the tasks in Attachment L (Classification of Backbone Transmission System Facilities) to be used in Section 8 (Accounting for the Transmission Service Administrator's Study Costs under the Tariff).

RAILBELT TRANSMISSION ORGANIZATION

ATTACHMENT G

Treatment Of Revenues

The Transmission Service Administrator will credit the monthly invoice of each Transmission Owner that is a Network Customer in good standing with revenue it has received for Network Integration Transmission Service associated with that Network Customer's BTS ATRR from the previous month(s). The Transmission Service Administrator will issue a payment to a Network Customer that has money owed to it on an invoice within thirty (30) days of the invoice date. Based on any short payments for service, the Transmission Service Administrator will allocate the shortfall to all Network Customers based on the percentage of the Network Customer's ATRR to the Regional ATRR.

For Transmission Owners that are not Network Customers, the Transmission Service Administrator will issue a payment to the Transmission Owner for revenues it has received associated with the Transmission Owner's BTS ATRR within thirty (30) days of receipt of those funds.

The Transmission Service Administrator must maintain revenue neutrality over an appropriate period. It can neither benefit from nor be harmed by over-collection or under-collection of revenues. The Transmission Service Administrator shall retain any amounts collected from Network Customers to recover its actual administrative costs incurred detailed in Schedule 1-A (Transmission Administration Service). The Transmission Service Administrator will refund excess revenues to Network Customers or collect revenue deficiencies from Network Customers.

ATTACHMENT H

Loss Compensation Procedure

Loss Methodology

Losses, except those defined and accounted for separately in Grandfathered Agreements, shall be calculated annually by July 1 for the zones specified below using the modeling software agreed upon by the Transmission Owners. The calculated losses shall be validated, when possible, by actual losses and/or shall be done through power flow modeling in accordance with a business practice to be developed by the Transmission Service Administrator. Once losses are calculated for each zone, the total loss for a transaction shall be calculated by summing the loss of the originating zone and each additional zone traversed by the transaction.

Re-evaluation of Losses Calculations

TOs may petition the Transmission Service Administrator for re-evaluation of a loss calculation at any time and upon approval from the Transmission Service Administrator the calculations shall be completed and incorporated into the loss methodology. A zone's losses shall be re-evaluated and updated within 30 days if actual losses deviate by more than 20% from calculated losses over a 60-day period.

Zones

Zone 1:	All BTS facilities on the Kenai west of Quartz Creek switch 259
Zone 2:	All BTS facilities from Quartz Creek switch 259 to University switches 557 and 555
Zone 3:	All BTS facilities from University switches 557 and 555 to Douglas switch DUSS 1381S1
Zone 4:	All BTS facilities from Douglas switch DUSS 1381S1 to Healy switch HLS3S25
Zone 5:	All BTS facilities north of Healy switch HLS3S25

These zones may be modified from time to time by the Transmission Service Administrator.

RAILBELT TRANSMISSION ORGANIZATION

ATTACHMENT I

Procedure for Calculation of Allocator for Regional ATRR

The Transmission Service Administrator will calculate the allocation of the Regional ATRR based on each Network Customer's contribution to the Railbelt system's rolling twelve (12) month average of 12 CP. Each Network Customer shall provide the Transmission Service Administrator the metered data necessary to calculate the last month's Network Load (including losses) that will be used to determine the customer's rolling 12 CP within fifteen (15) calendar days of the first day of each calendar month. The Transmission Service Administrator will use these values to update the allocation of the regional ATRR for the subsequent month.

Each month a Network Customer will be billed one-twelfth (1/12) of the BTS ATRR calculated in Attachment D (Annual Transmission Revenue Requirement for Network Integration Transmission Service) according to its ratio of 12 CP to the sum of all Network Customers' 12 CP.

Calculation of Allocator for Regional ATRR:

$$Load\ Ratio\ Share_i = Customer_i\ 12\ CP \Big/ \sum j = 1^N\ Customer_j\ 12\ CP$$

Where:
i = a Network Customer
N = total number of Network Customers with coincident peak demand during any of the previous 12 months
12 CP = is the average demand of each Network Customer at each Monthly Backbone Transmission System Peak for 12 months
Load Ratio Share$_i$ = allocable share of the regional ATRR for the purposes of monthly billing
j = an index variable that represents each Network Customer in the group of N total Network Customers.

All demands shall be measured at the Network Customer's load at the time of the Monthly Backbone Transmission System Peak and adjusted for losses.

RAILBELT TRANSMISSION ORGANIZATION

ATTACHMENT J

Index of Grandfathered Agreements

1. Bradley Lake Hydroelectric Project, Power Sales Agreement - December 8, 1987
2. 1987-12-08 Services Agreement - Bradley Lake Hydroelectric Project Amendment to Agreement for Sale of Transmission Capability - March 7, 1989
3. Amendment to Agreement for Sale of Transmission Capabilities among Homer Electric Association, Inc. (HEA), CEA, GVEA, Municipal Light & Power (ML&P), and Alaska Electric Generation & Transmission Cooperative, Inc. (AEGT) - March 7, 1989
4. BPMC Master M O Agreement - May 24, 1994
5. Bradley Lake Hydroelectric Project Transmission Facilities Maintenance Agreement between Alaska Energy Authority and Homer Electric Association, Inc. - August 26, 1996
6. Second Amended and Restated Alaska Intertie Agreement - March 11, 2014
7. Transmission ROW Right-of-Way Lease for the Teeland to Hollywood Transmission Line between AEA and MEA - March 20, 2020
8. Purchase and Sale Agreement among AEEC, HEA and AEA, effective December 17, 2020
9. First Amendment to the Agreement for the Wheeling of Electrical Power and for Related Services among CEA, HEA, GVEA, MEA, ML&P, SES, and AEGT - December 17, 2020
10. Second Amendment to Agreement for Sale of Transmission Capability among HEA, AEEGT, AEA, CEA, GVEA, and ML&P - December 17, 2020
11. CEA-MEA 2nd Amended Pooling Agreement Executed w/ Revised Exhibit E – December 30, 2024

RAILBELT TRANSMISSION ORGANIZATION

ATTACHMENT K

Annual Transmission Revenue Requirement Template for TOs

Each Transmission Owner shall complete the Annual Transmission Revenue Requirements Template by the date specified by the Transmission Service Administrator based on data for the previous year. Each TO must have its financial statements independently audited; if audited financial statement data for the previous year is not available to a TO before the stated deadline, that TO shall utilize data from independently audited financial statements from one year earlier. TOs must certify the data used in the template is true, accurate, and complete. AEA, as a public corporation of the State of Alaska, may make modifications to this template to appropriately reflect the calculation of costs as established by contracts.

The Transmission Service Administrator will review each completed template and the appropriate publicly available data (*e.g.* FERC Form 1) for accuracy. To the extent that the Transmission Service Administrator requests supporting data or documentation to ensure the templates are properly completed, the TOs are required to produce the requested material in a timely fashion.

Once this tariff is in effect, the approved ATRR Template will be available on the RTO's website.

RAILBELT TRANSMISSION ORGANIZATION

ATTACHMENT L

Classification of Backbone Transmission System Facilities

The Transmission Service Administrator will document a business practice based on the RTO-approved BTS Policy to classify facilities with voltage ratings at or above 69 kV phase-to-phase. The business practice will involve the application of two tests:

1. **7-Factor Test**: This test evaluates line segments using seven principles outlined in the BTS Policy. The business practice will outline how each of the seven principles will be analyzed and include how the test excludes facilities from being classified as transmission that are determined to be distribution regardless of their voltage ratings.

2. **Mansfield Test**: Line segments not classified as distribution from the 7-Factor Test will undergo an analysis of their compliance with the Mansfield Test, which consists of five principles. Similar to the 7-Factor Test, the business practice will provide how each of these five principles will be evaluated to determine if the facility(ies) are part of the Backbone Transmission System.

RAILBELT TRANSMISSION ORGANIZATION

ATTACHMENT M

TO ATRR Approval Process

The RTO will make its annual filing with the Commission, which may be noticed to the public for comment. Any challenges to a Transmission Owner's costs will be addressed through the Commission's alternative dispute resolution or formal complaint procedures, but shall not require the RTO to participate in those proceedings (although the Commission can direct the Transmission Service Administrator to implement the approved costs contained in the Commission's final order). Any concerns that arise related to whether the RTO properly applied the current formulas in its tariff would be addressed in the TA docket.

The RTO also is considering a process for Transmission Owners to informally review the other Transmission Owners' ATRR calculations before the RTO's annual filing to attempt to address any potential issues informally prior to filing, which if developed will be documented in a business practice. If not resolved informally, any challenge by a Transmission Owner to another Transmission Owner's costs would be resolved via the Commission's alternative dispute resolution or formal complaint procedures without requiring the RTO to participate in those proceedings (although the RCA can direct the Transmission Service Administrator to implement the RCA's final order).

RAILBELT TRANSMISSION ORGANIZATION

ATTACHMENT N

List of Backbone Transmission System Transmission Lines

FAC_ID	From Bus / To Bus Voltage
MEA0001	115
MEA0002	115
MEA0003	115
MEA00010	115
MEA00011	115
MEA00014	115
MEA00016	115
MEA00017	115
MEA00018	115
MEA00020	115
MEA00021	115
MEA00027	138
GVEA0001	138
GVEA0002	138
GVEA0003	138
GVEA0005	138
GVEA0006	138
GVEA0007	138
GVEA0008	138
GVEA0009	138
GVEA0014	138
GVEA0015	138
GVEA0017	69
GVEA0018	69
GVEA0020	69
GVEA0022	69
GVEA0023	69
GVEA0024	69
GVEA0026	69

RAILBELT TRANSMISSION ORGANIZATION

FAC_ID	From Bus / To Bus Voltage
GVEA0027	69
GVEA0028	69
GVEA0029	69
GVEA0030	69
GVEA0034	69
GVEA0035	69
GVEA0036	69
GVEA0037	69
GVEA0038	69
GVEA0039	69
GVEA0041	69
GVEA0042	69
HEA001	115
HEA002	115
HEA003	115
HEA004	115
HEA005	115
HEA006	115
HEA007	115
HEA008	115
HEA009	115
HEA010	115
HEA011	115
AEA0001	138
AEA0002	115
AEA0003	115
SES001	115
SES002	69
CEA0001	138

RAILBELT TRANSMISSION ORGANIZATION

FAC_ID	From Bus / To Bus Voltage
CEA0002	230
CEA0003	230
CEA0004	230
CEA0005	138
CEA0006	138
CEA0007	138
CEA0008	138
CEA0011	230
CEA0012	115
CEA0013	115
CEA0014	230
CEA0015	115
CEA0016	138
CEA0017	138
CEA0018	115
CEA0019	115
CEA0020	115
CEA0021	115
CEA0022	115
CEA0023	115
CEA0024	115
CEA0026	138
CEA0027	138
CEA0028	138
CEA0029	115
CEA0030	115
CEA0031	115
CEA0032	115
CEA0033	115
CEA0034	115
CEA0035	115
CEA0036	115
CEA0037	115

RAILBELT TRANSMISSION ORGANIZATION

FAC_ID	From Bus / To Bus Voltage
CEA0038	115
CEA0039	115
CEA0040	115
CEA0041	115
CEA0042	115
CEA0043	115

RAILBELT TRANSMISSION ORGANIZATION

[RESERVED]

RAILBELT TRANSMISSION ORGANIZATION

ATTACHMENT O

Description of Certificated Service Area

Meridian	Township	Range	Sections
Fairbanks	01N	01E	All
Fairbanks	01N	01W	All
Fairbanks	01N	02E	All
Fairbanks	01N	02W	All
Fairbanks	01N	03E	All
Fairbanks	01N	03W	All
Fairbanks	01N	04E	All
Fairbanks	01N	04W	All
Fairbanks	01N	05E	All
Fairbanks	01S	01E	All
Fairbanks	01S	01W	All
Fairbanks	01S	02E	All
Fairbanks	01S	02W	All
Fairbanks	01S	03E	All
Fairbanks	01S	03W	All
Fairbanks	01S	04E	All
Fairbanks	01S	04W	All
Fairbanks	01S	05W	All
Fairbanks	02N	01E	All
Fairbanks	02N	01W	All
Fairbanks	02N	02E	All
Fairbanks	02N	02W	All
Fairbanks	02N	03E	All
Fairbanks	02N	03W	All
Fairbanks	02N	04E	All
Fairbanks	02N	04W	All
Fairbanks	02S	01E	All
Fairbanks	02S	01W	All
Fairbanks	02S	02E	All
Fairbanks	02S	02W	All
Fairbanks	02S	03E	All
Fairbanks	02S	03W	All
Fairbanks	02S	04W	All

RAILBELT TRANSMISSION ORGANIZATION

Meridian	Township	Range	Sections
Fairbanks	02S	05W	All
Fairbanks	02S	06W	All
Fairbanks	02S	07W	All
Fairbanks	03N	01E	All
Fairbanks	03N	01W	All
Fairbanks	03N	02E	All
Fairbanks	03N	02W	All
Fairbanks	03N	03E	All
Fairbanks	03N	04E	All
Fairbanks	03S	02E	All
Fairbanks	03S	03E	All
Fairbanks	03S	04E	All
Fairbanks	03S	05W	All
Fairbanks	03S	06W	All
Fairbanks	03S	07W	All
Fairbanks	03S	08W	All
Fairbanks	03S	09W	All
Fairbanks	03S	10W	All
Fairbanks	04N	01E	All
Fairbanks	04N	01W	All
Fairbanks	04N	02E	All
Fairbanks	04N	02W	All
Fairbanks	04N	03E	All
Fairbanks	04N	03W	All
Fairbanks	04N	04E	All
Fairbanks	04S	03E	All
Fairbanks	04S	04E	All
Fairbanks	04S	05E	All
Fairbanks	04S	07W	All
Fairbanks	04S	08W	All
Fairbanks	04S	09W	All
Fairbanks	04S	10W	All
Fairbanks	05N	02E	All
Fairbanks	05N	03E	All
Fairbanks	05N	03W	All
Fairbanks	05N	04E	All

RAILBELT TRANSMISSION ORGANIZATION

Meridian	Township	Range	Sections
Fairbanks	05N	05E	All
Fairbanks	05S	03E	All
Fairbanks	05S	04E	All
Fairbanks	05S	05E	All
Fairbanks	05S	07W	All
Fairbanks	05S	08W	All
Fairbanks	05S	12E	All
Fairbanks	05S	13E	All
Fairbanks	05S	14E	All
Fairbanks	05S	15E	All
Fairbanks	06N	03W	All
Fairbanks	06N	04W	All
Fairbanks	06S	04E	All
Fairbanks	06S	05E	All
Fairbanks	06S	07W	All
Fairbanks	06S	08W	All
Fairbanks	06S	11E	All
Fairbanks	06S	12E	All
Fairbanks	06S	13E	All
Fairbanks	06S	14E	All
Fairbanks	06S	15E	All
Fairbanks	07N	03W	All
Fairbanks	07N	04W	All
Fairbanks	07N	05W	All
Fairbanks	07N	06W	All
Fairbanks	07S	04E	All
Fairbanks	07S	05E	All
Fairbanks	07S	06E	All
Fairbanks	07S	07E	All
Fairbanks	07S	08E	All
Fairbanks	07S	08W	All
Fairbanks	07S	09E	All
Fairbanks	07S	10E	All
Fairbanks	07S	11E	All
Fairbanks	07S	12E	All
Fairbanks	07S	13E	All

RAILBELT TRANSMISSION ORGANIZATION

Meridian	Township	Range	Sections
Fairbanks	07S	14E	All
Fairbanks	07S	15E	All
Fairbanks	08N	03W	All
Fairbanks	08N	04W	All
Fairbanks	08N	05W	All
Fairbanks	08N	06W	All
Fairbanks	08S	07E	All
Fairbanks	08S	08E	All
Fairbanks	08S	08W	All
Fairbanks	08S	09E	All
Fairbanks	08S	09W	All
Fairbanks	08S	10E	All
Fairbanks	08S	11E	All
Fairbanks	08S	12E	All
Fairbanks	09S	08W	All
Fairbanks	09S	09E	All
Fairbanks	09S	09W	All
Fairbanks	09S	10E	All
Fairbanks	09S	11E	All
Fairbanks	09S	12E	All
Fairbanks	10S	07W	All
Fairbanks	10S	08W	All
Fairbanks	10S	09W	All
Fairbanks	10S	10E	All
Fairbanks	10S	11E	All
Fairbanks	10S	12E	All
Fairbanks	10S	13E	All
Fairbanks	10S	14E	All
Fairbanks	11S	07W	All
Fairbanks	11S	08W	All
Fairbanks	11S	10E	All
Fairbanks	11S	11E	All
Fairbanks	11S	12E	All
Fairbanks	11S	13E	All
Fairbanks	11S	14E	All
Fairbanks	12S	06W	All

RAILBELT TRANSMISSION ORGANIZATION

Meridian	Township	Range	Sections
Fairbanks	12S	07W	All
Fairbanks	12S	08W	All
Fairbanks	12S	09E	All
Fairbanks	12S	10E	All
Fairbanks	12S	11E	All
Fairbanks	12S	12E	All
Fairbanks	12S	13E	All
Fairbanks	12S	14E	All
Fairbanks	12S	15E	All
Fairbanks	13S	06W	All
Fairbanks	13S	07W	All
Fairbanks	13S	08W	All
Fairbanks	13S	09E	All
Fairbanks	13S	10E	All
Fairbanks	13S	11E	All
Fairbanks	13S	12E	All
Fairbanks	13S	13E	All
Fairbanks	13S	14E	All
Fairbanks	13S	15E	All
Fairbanks	14S	06W	All
Fairbanks	14S	07W	All
Fairbanks	15S	06W	All
Fairbanks	15S	07W	All
Fairbanks	16S	06W	All
Fairbanks	16S	07W	All
Fairbanks	17S	07W	All
Fairbanks	17S	08W	All
Fairbanks	18S	07W	All
Fairbanks	18S	08W	All
Fairbanks	18S	09W	All
Fairbanks	22S	11W	19-36
Seward	01N	01E	6-7, W1/2 and NE1/4 of 18, W1/2 of 19, W1/2 of 30, W1/2 of 31
Seward	01N	01W	1, 11-14, 22-28, 33-36
Seward	01N	11W	All
Seward	01N	12W	All

RAILBELT TRANSMISSION ORGANIZATION

Meridian	Township	Range	Sections
Seward	01N	13W	All
Seward	01S	01E	W1/2 of 6, 7-9, 16-18
Seward	01S	01W	1-4, 9-16, E1/2 of 21, W1/2 of 22, NW1/4 of 27, and NE1/4 of 28
Seward	01S	11W	All
Seward	01S	12W	All
Seward	01S	13W	All
Seward	01S	14W	All
Seward	02N	01E	6-7, 18-19, S1/2 of 31
Seward	02N	01W	1, 12, 13, 24, 25, 36
Seward	02N	11W	All
Seward	02N	12W	All
Seward	02S	11W	All
Seward	02S	12W	All
Seward	02S	13W	All
Seward	02S	14W	All
Seward	03N	01E	6-7, S1/2 of 17-19, N1/2 of 20, 30, 31
Seward	03N	01W	E1/2 of 1, E1/2 of 12, E1/2 of 13, 24, 25, 36
Seward	03N	10W	All
Seward	03N	11W	All
Seward	03N	12W	All
Seward	03S	11W	All
Seward	03S	12W	All
Seward	03S	13W	All
Seward	03S	14W	All
Seward	03S	15W	All
Seward	04N	01E	W1/2 of 30, 31
Seward	04N	01W	1, 12, 13, 24, 25, E1/2 of 36
Seward	04N	05W	All
Seward	04N	06W	All
Seward	04N	07W	All
Seward	04N	08W	All
Seward	04N	09W	All
Seward	04N	10W	All
Seward	04N	11W	All
Seward	04N	12W	All

RAILBELT TRANSMISSION ORGANIZATION

Meridian	Township	Range	Sections
Seward	04N	02W	19, 29-32
Seward	04N	03W	1-3, 11-13, 24, 36
Seward	04S	10W	All
Seward	04S	11W	All
Seward	04S	12W	All
Seward	04S	13W	All
Seward	04S	14W	All
Seward	04S	15W	All
Seward	05N	05W	1-24, 26-35
Seward	05N	06W	All
Seward	05N	07W	All
Seward	05N	08W	All
Seward	05N	09W	All
Seward	05N	10W	All
Seward	05N	11W	All
Seward	05N	12W	All
Seward	05N	01W	7, 16-18, 20-27, 36
Seward	05N	02W	2-4, 8-20, 29-31
Seward	05N	03W	25-36
Seward	05N	04W	25-36
Seward	05S	10W	All
Seward	05S	11W	All
Seward	05S	12W	All
Seward	05S	13W	All
Seward	05S	14W	All
Seward	05S	15W	All
Seward	06N	07W	All
Seward	06N	08W	All
Seward	06N	09W	All
Seward	06N	10W	All
Seward	06N	11W	All
Seward	06N	12W	All
Seward	06N	01W	5-7, 18
Seward	06N	02W	12, 13, 23-26, 34, 35
Seward	06S	11W	All
Seward	06S	12W	All

RAILBELT TRANSMISSION ORGANIZATION

Meridian	Township	Range	Sections
Seward	06S	13W	All
Seward	06S	14W	All
Seward	06S	15W	All
Seward	07N	08W	All
Seward	07N	09W	All
Seward	07N	10W	All
Seward	07N	11W	All
Seward	07N	12W	All
Seward	07N	01E	3-6
Seward	07N	01W	4, 5, 8, 9, 16, 17, 20, 29, 32
Seward	07S	11W	All
Seward	07S	12W	All
Seward	07S	13W	All
Seward	08N	08W	All
Seward	08N	09W	All
Seward	08N	10W	All
Seward	08N	11W	All
Seward	08N	12W	All
Seward	08N	01E	1, 12-14, 23, 24, 26, 27, 31, 32, 34, 35
Seward	08N	01W	2-4, 6, 7, 9, 10, 14-16, 20-23, 25-29, 32, 33, 35, 36
Seward	08N	02E	5-7
Seward	08N	02W	1, 12, 13
Seward	08N	03E	3-6, 9-14
Seward	08N	04E	13-18, 22-24
Seward	08N	05E	3, 4, 8-11, 14-19
Seward	08S	12W	All
Seward	08S	13W	All
Seward	08S	14W	All
Seward	08S	15W	All
Seward	09N	08W	All
Seward	09N	09W	All
Seward	09N	10W	All
Seward	09N	11W	All
Seward	09N	01W	2-4, 9, 10, 11, 14-16, 19, 21-23, 26-28, 30, 31, 33-35

RAILBELT TRANSMISSION ORGANIZATION

Meridian	Township	Range	Sections
Seward	09N	02E	2-4, 10-14, 23-28, 31-34, 36
Seward	09N	02W	1-6, 8-10, 13-17, 20-25, 27-29, 32-34, 36
Seward	09N	03E	19, 20, 29-32
Seward	09S	12W	All
Seward	09S	13W	All
Seward	09S	14W	All
Seward	09S	15W	All
Seward	09S	16W	All
Seward	10N	01E	19-24, 28-30
Seward	10N	01W	2-6, 8-10, 14, 15, 23-25, 29-34
Seward	10N	02E	3, 4, 8, 9, 15-21, 28-30, 32-34
Seward	10N	02W	1-4, 25-29, 31-35
Seward	10S	15W	All
Seward	10S	16W	All
Seward	11N	01W	29-35
Seward	11N	02E	21, 22, 27, 28, 33, 34
Seward	11N	02W	2-10, 18, 19, 27-34
Seward	11N	03W	1-5, 9-15, 22-26
Seward	11N	10W	6
Seward	11N	11W	1-19
Seward	11N	12W	1-4, 7-30
Seward	12N	02E	4-6, 8-10, 15, 16
Seward	12N	02W	5-7, 18, 19, 29-33
Seward	12N	03W	All
Seward	12N	04W	1-16, 22-26
Seward	12N	05W	1, 3-9, 17-19
Seward	12N	06W	13, 14, 24
Seward	12N	10W	3-9, 16-20, 29-31
Seward	12N	11W	1, 2, 10-36
Seward	12N	12W	24-26, 34-36
Seward	13N	01E	3-6, 8-10, 14-16, 21-27, 35, 36
Seward	13N	01W	1-4, 9, 10, 15
Seward	13N	02E	31-32
Seward	13N	02W	That portion of 7 not included within the boundaries of a military reservation

RAILBELT TRANSMISSION ORGANIZATION

Meridian	Township	Range	Sections
Seward	13N	03W	Those portions of 6-10, and 12 not included within the boundaries of a military reservation; 13-36
Seward	13N	04W	1-6, 9-11, 13, 20-29, 31-36
Seward	13N	05W	31-34
Seward	13N	10W	22, 23, 26, 27, 34, 35
Seward	14N	01E	19-21, 28-33
Seward	14N	01W	1-29, 32-36
Seward	14N	02E	1, 12, 13
Seward	14N	02W	1-17, 22-24
Seward	14N	03E	6-8, 17-19
Seward	14N	03W	1, 12
Seward	14N	04W	All
Seward	14N	05W	All
Seward	15N	01E	1-6, 10-15
Seward	15N	01W	All
Seward	15N	02E	4-11, 13-18, 22-26, 35, 36
Seward	15N	02W	All
Seward	15N	03E	30, 31
Seward	15N	03W	1-19, 30, 31
Seward	15N	04E	1-3, 10-15, 22-27, 34-36
Seward	15N	04W	All
Seward	15N	05E	All
Seward	15N	05W	All
Seward	15N	06E	All
Seward	16N	01E	All
Seward	16N	01W	All
Seward	16N	02E	1-21
Seward	16N	02W	All
Seward	16N	03E	1-16, 22-27, 34-36
Seward	16N	03W	All
Seward	16N	04E	All
Seward	16N	04W	All
Seward	16N	05E	All
Seward	16N	05W	All
Seward	16N	06E	All

RAILBELT TRANSMISSION ORGANIZATION

Meridian	Township	Range	Sections
Seward	17N	01E	All
Seward	17N	01W	All
Seward	17N	02E	All
Seward	17N	02W	All
Seward	17N	03E	6-8, 16-22, 25-36
Seward	17N	03W	All
Seward	17N	04W	All
Seward	17N	05W	All
Seward	18N	01E	All
Seward	18N	01W	All
Seward	18N	02E	All
Seward	18N	02W	All
Seward	18N	03E	1-24, 30, 31
Seward	18N	03W	All
Seward	18N	04W	All
Seward	18N	05W	All
Seward	18N	06W	1, 2, 11-15, 22-27, 33-36
Seward	19N	01E	All
Seward	19N	01W	All
Seward	19N	02E	All
Seward	19N	02W	All
Seward	19N	03E	All
Seward	19N	03W	All
Seward	19N	04E	1-24, 27-34
Seward	19N	04W	All
Seward	19N	05E	1-20
Seward	19N	05W	All
Seward	19N	06E	4-6
Seward	19N	06W	25, 36
Seward	20N	01E	19-36
Seward	20N	01W	19-36
Seward	20N	02W	19-36
Seward	20N	03W	19-36
Seward	20N	04E	36
Seward	20N	04W	All
Seward	20N	05E	All

RAILBELT TRANSMISSION ORGANIZATION

Meridian	Township	Range	Sections
Seward	20N	05W	All
Seward	20N	06E	19-36
Seward	20N	07E	19-30, 36
Seward	20N	08E	19-36
Seward	20N	09E	19-36
Seward	20N	10E	19, 20, 29-32
Seward	21N	04W	All
Seward	21N	05W	All
Seward	22N	04W	All
Seward	22N	05W	All
Seward	23N	04W	All
Seward	23N	05W	All
Seward	24N	04W	All
Seward	24N	05W	All
Seward	25N	04W	All
Seward	25N	05W	All
Seward	25N	06W	All
Seward	25N	07W	1-18
Seward	26N	04W	All
Seward	26N	05W	All
Seward	26N	06W	All
Seward	26N	07W	All
Seward	26N	08W	All
Seward	27N	04W	All
Seward	27N	05W	All
Seward	27N	06W	All
Seward	27N	07W	All
Seward	27N	08W	All
Seward	27N	09W	All
Seward	27N	10W	All
Seward	28N	04W	All
Seward	28N	05W	All
Seward	28N	06W	1-3, 10-15, 22-27, 34-36
Seward	28N	07W	19-21, 28-33
Seward	28N	08W	All
Seward	28N	09W	All

RAILBELT TRANSMISSION ORGANIZATION

Meridian	Township	Range	Sections
Seward	29N	04W	All
Seward	29N	05W	All
Seward	29N	08W	25-36
Seward	29N	09W	25, 26, 35, 36
Seward	30N	02W	All
Seward	30N	03W	All
Seward	30N	04W	All
Seward	30N	05W	All
Seward	31N	02W	All
Seward	31N	03W	All
Seward	31N	04W	All
Seward	31N	05W	All
Seward	32N	02W	All
Seward	32N	03W	All
Seward	32N	04W	1-3, 10-15, 22-27, 34-36
Seward	33N	02W	All
Seward	33N	03W	All

EXHIBIT 4
ILLUSTRATIVE EXAMPLE
OF RAILBELT TRANSMISSION ORGANIZATION'S
BTS ATRR CALCULATION

ATTACHMENT D

10% Regional Allocator Example - For Illustrative Purposes Only

Annual Transmission Revenue Requirement For Network Integration Transmission Service

Table 1 contains the received Backbone Transmission System Annual Transmission Revenue Requirement from each of the Transmission Owners as provided in Attachment K Annual Transmission Revenue Requirement Template for TOs that have been certified by the TO as accurate and complete. Table 1 then takes each Transmission Owner's BTS ATRR and calculates the Regional ATRR and Local ATRR using the Regional Allocator as determined in Attachment A Calculation of Regional Benefits. The Regional ATRR is the product of the BTS ATRR and the Regional Allocator. The Local ATRR for each Network Customer is the BTS ATRR minus the Regional ATRR.

Table 1:

	TO's BTS ATRR	Regional Allocator	Regional ATRR	Local ATRR
Chugach Electric Association, Inc.	**$25,571,439**	**10%**	**$2,557,144**	**$23,014,295**
Golden Valley Electric Association, Inc.	**$7,149,092**	**10%**	**$714,909**	**$6,434,183**
Alaska Energy & Electric Cooperative, Inc. d/b/a Homer Electric Association, Inc.	**$8,273,414**	**10%**	**$827,341**	**$7,446,073**
Matanuska Electric Association, Inc.	**$4,901,253**	**10%**	**$490,125**	**$4,411,127**
City of Seward d/b/a Seward Electric System	**$2,784,233**	**10%**	**$278,423**	**$2,505,810**
Alaska Energy Authority	**$0**	**N/A**	**$0**	**$0**
Total	**$48,679,440**		**$4,867,943**	**$43,811,488**

The sum of the individual TO's Regional ATRRs is then allocated to each Network Customer using the results of Attachment I Procedure for Calculation of Allocator for Regional ATRR and the monthly Cost of Service of NITS is calculated as described in Schedule 8 Calculation of Network Integration Transmission Cost of Service.

NETWORK CUSTOMER COST OF SERVICE

CALCULATED AS IN SCHEDULE 8

10% Regional Allocator Example - For Illustrative Purposes Only (continued)

Calculation of Cost of Service

Cost of Service is calculated using the 12 CP ratio of the Utility multiplied by the Total Regional ATRR. Then that result, for each Utility is added to the Local ATRR from Table 1 to get the Cost of Service.

	Allocator for Regional ATRR	Allocated Regional ATRR	Cost of Service
Chugach Electric Association, Inc.	44.0%	$2,142,102	$25,156,397
Golden Valley Electric Association, Inc.	26.9%	$1,310,896	$7,745,079
Alaska Energy & Electric Cooperative, Inc. d/b/a Homer Electric Association, Inc.	9.9%	$483,683	$7,929,755
Matanuska Electric Association, Inc.	17.9%	$872,105	$5,283,233
City of Seward d/b/a Seward Electric System	1.2%	$59,157	$2,564,967
Total	100%	$4,867,943	$48,679,431

ATTACHMENT D

50% Regional Allocator Example - For Illustrative Purposes Only

Annual Transmission Revenue Requirement For Network Integration Transmission Service

Table 1 contains the received Backbone Transmission System Annual Transmission Revenue Requirement from each of the Transmission Owners as provided in Attachment K Annual Transmission Revenue Requirement Template for TOs that have been certified by the TO as accurate and complete. Table 1 then takes each Transmission Owner's BTS ATRR and calculates the Regional ATRR and Local ATRR using the Regional Allocator as determined in Attachment A Calculation of Regional Benefits. The Regional ATRR is the product of the BTS ATRR and the Regional Allocator. The Local ATRR for each Network Customer is the BTS ATRR minus the Regional ATRR.

Table 1:

	TO's BTS ATRR	Regional Allocator	Regional ATRR	Local ATRR
Chugach Electric Association, Inc.	**$25,571,439**	**50%**	**$12,785,720**	**$12,785,720**
Golden Valley Electric Association, Inc.	**$7,149,092**	**50%**	**$3,574,546**	**$3,574,546**
Alaska Energy & Electric Cooperative, Inc. d/b/a Homer Electric Association, Inc.	**$8,273,414**	**50%**	**$4,136,707**	**$4,136,707**
Matanuska Electric Association, Inc.	**$4,901,253**	**50%**	**$2,450,626**	**$2,450,626**
City of Seward d/b/a Seward Electric System	**$2,784,233**	**50%**	**$1,392,116**	**$1,392,116**
Alaska Energy Authority	**$0**	**N/A**	**$0**	**$0**
Total	**$48,679,431**		**$24,339,716**	**$24,339,716**

The sum of the individual TO's Regional ATRRs is then allocated to each Network Customer using the results of Attachment I Procedure for Calculation of Allocator for Regional ATRR and the monthly Cost of Service of NITS is calculated as described in Schedule 8 Calculation of Network Integration Transmission Cost of Service.

NETWORK CUSTOMER COST OF SERVICE

CALCULATED AS IN SCHEDULE 8

50% Regional Allocator Example - For Illustrative Purposes Only (continued)

Calculation of Cost of Service

Cost of Service is calculated using the 12 CP ratio of the Utility multiplied by the Total Regional ATRR. Then that result, for each Utility is added to the Local ATRR from Table 1 to get the Cost of Service.

	Allocator for Regional ATRR	Allocated Regional ATRR	Cost of Service
Chugach Electric Association, Inc.	44.0%	$10,710,509	$23,496,229
Golden Valley Electric Association, Inc.	26.9%	$6,554,479	$10,129,025
Alaska Energy & Electric Cooperative, Inc. d/b/a Homer Electric Association, Inc.	9.9%	$2,418,413	$6,555,120
Matanuska Electric Association, Inc.	17.9%	$4,360,527	$6,811,154
City of Seward d/b/a Seward Electric System	1.2%	$295,787	$1,687,904
Total	100%	$24,339,716	$48,679,431

ATTACHMENT D

90% Regional Allocator Example - For Illustrative Purposes Only

Annual Transmission Revenue Requirement For Network Integration Transmission Service

Table 1 contains the received Backbone Transmission System Annual Transmission Revenue Requirement from each of the Transmission Owners as provided in Attachment K Annual Transmission Revenue Requirement Template for TOs that have been certified by the TO as accurate and complete. Table 1 then takes each Transmission Owner's BTS ATRR and calculates the Regional ATRR and Local ATRR using the Regional Allocator as determined in Attachment A Calculation of Regional Benefits. The Regional ATRR is the product of the BTS ATRR and the Regional Allocator. The Local ATRR for each Network Customer is the BTS ATRR minus the Regional ATRR.

Table 1:

	TO's BTS ATRR	Regional Allocator	Regional ATRR	Local ATRR
Chugach Electric Association, Inc.	**$25,571,439**	**90%**	**$23,014,295**	**$2,557,144**
Golden Valley Electric Association, Inc.	**$7,149,092**	**90%**	**$6,434,183**	**$714,909**
Alaska Energy & Electric Cooperative, Inc. d/b/a Homer Electric Association, Inc.	**$8,273,414**	**90%**	**$7,446,073**	**$827,341**
Matanuska Electric Association, Inc.	**$4,901,253**	**90%**	**$4,411,127**	**$490,125**
City of Seward d/b/a Seward Electric System	**$2,784,233**	**90%**	**$2,505,810**	**$278,423**
Alaska Energy Authority	**$0**	**N/A**	**$0**	**$0**
Total	**$48,679,431**		**$43,811,488**	**$4,867,943**

The sum of the individual TO's Regional ATRRs is then allocated to each Network Customer using the results of Attachment I Procedure for Calculation of Allocator for Regional ATRR and the monthly Cost of Service of NITS is calculated as described in Schedule 8 Calculation of Network Integration Transmission Cost of Service.

NETWORK CUSTOMER COST OF SERVICE

CALCULATED AS IN SCHEDULE 8

90% Regional Allocator Example - For Illustrative Purposes Only (continued)

Calculation of Cost of Service

Cost of Service is calculated using the 12 CP ratio of the Utility multiplied by the Total Regional ATRR. Then that result, for each Utility is added to the Local ATRR from Table 1 to get the Cost of Service.

	Allocator for Regional ATRR	Allocated Regional ATRR	Cost of Service
Chugach Electric Association, Inc.	44.0%	$19,278,916	$21,836,060
Golden Valley Electric Association, Inc.	26.9%	$11,798,063	$12,512,972
Alaska Energy & Electric Cooperative, Inc. d/b/a Homer Electric Association, Inc.	9.9%	$4,353,143	$5,180,484
Matanuska Electric Association, Inc.	17.9%	$7,848,949	$8,339,074
City of Seward d/b/a Seward Electric System	1.2%	$532,417	$810,840
Total	100%	$43,811,488	$48,679,431

Alaska Energy and Electric Cooperative, Inc.
Rate Formula Template - Summary Tab
Utilizing FERC Form 1 Data
Formula Rate - Non-Levelized

For the 12 months ended 12/31/22

Values in this template are for illustrative purposes only. Reference and calculation notes in column (2) are hidden for printing purposes.

Rate Formula Template

Line No.		Total	Allocator		Allocated Amount
1	GROSS REVENUE REQUIREMENT (page 3, line 28)				$ 8,398,284
2	REVENUE CREDITS				
3	Account Nos. 451, 454 & 456	124,870	DA	1.00000	124,870
4	Revenues from Grandfathered Interzonal Transactions Note (U)	0	TP	0.99908	0
5	TOTAL REVENUE CREDITS (sum lines 3-4)				124,870
5a	Adjustments to Net Revenue Requirement Note (P)				0
5b	Interest on Adjustments Note (P)				0
5c	Total Adjustment (line 5a + line 5b)				0
6	NET REVENUE REQUIREMENT				8,273,414

Values in this template are for illustrative purposes only. Reference and calculation notes in column (2) are hidden for printing purposes.

Line No.	(1)	(3) Company Total	(4) Allocator		(5) Transmission (Col c times Col d)
	RATE BASE:				
1	GROSS PLANT IN SERVICE Note (O)				
2	Production (excluding AROs)	237,547,848	NA		
3	Transmission (excluding AROs)	106,781,196	TP	0.99908	106,683,012
4	Distribution (excluding AROs)	0	NA		
5	General & Intangible (excluding AROs)	1,405,947	W/S	0.14596	205,216
6	Common (excluding AROs)	0	CE	0.00000	0
7	TOTAL GROSS PLANT (sum lines 2-6)	345,734,991	GP=	30.92%	106,888,228
	ACCUMULATED DEPRECIATION Note (O)				
8	Production (excluding AROs)	94,964,104	NA		
9	Transmission (excluding AROs)	28,366,847	TP	0.99908	28,340,764
10	Distribution (excluding AROs)	0	NA		
11	General & Intangible (excluding AROs)	928,802	W/S	0.14596	135,571
12	Common (excluding AROs)	0	CE	0.00000	0
13	TOTAL ACCUM. DEPRECIATION (sum lines 8-12)	124,259,753			28,476,335
	NET PLANT IN SERVICE				
14	Production (excluding AROs)	142,583,744			
15	Transmission (excluding AROs)	78,414,349			78,342,248
16	Distribution (excluding AROs)	0			
17	General & Intangible (excluding AROs)	477,145			69,646
18	Common (excluding AROs)	0			0
19	TOTAL NET PLANT (sum lines 14-18)	221,475,239	NP=	35.40%	78,411,893
	ADJUSTMENTS TO RATE BASE Note (B)				
20	Account No. 281 (enter negative)	0	NA	zero	0
21	Account No. 282 (enter negative)	0	NP	0.35404	0
22	Account No. 283 (enter negative)	0	NP	0.35404	0
23	Account No. 190	0	NP	0.35404	0
24	Account No. 255 (enter negative)	0	NP	0.35404	0
25	TOTAL ADJUSTMENTS (sum lines 20 - 24)	0			0
26	OTHER REGULATORY ASSETS (182.3)	0	DA	1.00000	0
27	LAND HELD FOR FUTURE USE	0	TP	0.99908	0
	WORKING CAPITAL Note (D)				
28	CWC	212,701			180,520
29	Materials & Supplies Note (C)	0	TE	0.84019	0
30	Stores Expense	0	WS	0.14596	0
31	Prepayments (Account 165)	3,540	DA	1.00000	3,540
32	TOTAL WORKING CAPITAL (sum lines 28 - 31)	216,241			184,060
33	UNFUNDED RESERVES	0	DA	1.00000	0
34	RATE BASE (sum lines 19, 25, 26, 27, 32, & minus 33)	221,691,480			78,595,953

Values in this template are for illustrative purposes only. Reference and calculation notes in column (2) are hidden for printing purposes.

Line No.	(1)	(3) Company Total	(4) Allocator		(5) Transmission (Col c times Col d)
1	O&M				
2	Transmission	1,915,680	TE	0.84019	1,609,544
2a	Less Ancillary Service Expenses included in Transmission O&M Accounts Note (N	304,655	TE	0.84019	255,969
2b	Less Account 565	0	TE	0.84019	0
3	A&G	90,585	DA	1.00000	90,585
4	Common	0	CE	0.00000	0
5	TOTAL O&M (sum lines 2, 3,4, less lines 2a, 2b)	1,701,610			1,444,159
6	DEPRECIATION AND AMORTIZATION EXPENSE Note (O)				
7	Transmission	3,916,818	TP	0.99908	3,913,216
8	General & Intangible	60,029	W/S	0.14596	8,762
9	Common	0	CE	0.00000	0
10	TOTAL DEPRECIATION (sum lines 7 - 9)	3,976,847			3,921,978
11	TAXES OTHER THAN INCOME TAXES Note (E)				
12	LABOR RELATED	0	W/S	0.14596	0
13	PLANT RELATED	0	GP	0.30916	0
14	TOTAL OTHER TAXES (sum lines 12 - 13)	0			0
15	INCOME TAXES				
16	T=1 - {[(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)} =	0.00%			
17	CIT=(T/1-T) * (1-(WCLTD/R)) =	0.00%			
18	where WCLTD=(page 4, line 29) and R= (page 4, line 31)				
19	and FIT, SIT & p are as given in footnote (F)				
20	1 / (1 - T) = (from line 16)	0.0000			
21	Amortized Investment Tax Credit (266.8.f) (enter negative)	0			
21a	(Excess)/Deficient Deferred Income Taxes Note (Q)	0			
21b	Tax Effect of Permanent Differences and AFUDC Equity Note (R)	0			
22	Income Tax Calculation = line 17 * line 25	0	NA		0
23	ITC adjustment (line 20 * line 21)	0	NP	0.35404	0
23a	(Excess)/Deficient Deferred Income Tax Adjustment (Line 20 * Line 21a)	0	NP	0.35404	0
23b	Permanent Differences and AFUDC Equity Tax Adjustment (Line 20 * Line 21b)	0	NP	0.35404	0
24	Total Income Taxes	0			0
25	RETURN	8,552,615	NA		3,032,146
26	[Rate Base (page 2, line 34) * Rate of Return (page 4, line 31)]				
27	REV. REQUIREMENT (sum lines 5, 10, 14, 24, 25)	14,231,072			8,398,284
28	REV. REQUIREMENT TO BE COLLECTED NITS Rate	14,231,072			8,398,284
29	(line 27)				

Values in this template are for illustrative purposes only. Reference and calculation notes in column (2) are hidden for printing purposes.

Line No.						
	TRANSMISSION PLANT INCLUDED IN RTO RATES					
1	Total transmission plant (page 2, line 3, column (c))					106,781,196
2	Less: Gen. Step-up Transformers and Interconnection Facilities Note (H)					0
3	Less: Radial Facilities Note (H)					98,184
4	Less: Facilities Associated with Grandfathered Agreements Note (H) & Note (U)					0
5	Less transmission plant included in OATT Ancillary Services Note (I)					0
6	Transmission plant included in RTO rates (line 1 less lines 2 -5)					106,683,012
7	Percentage of transmission plant included in RTO Rates (line 6 divided by line 1)				TP=	0.99908
	TRANSMISSION EXPENSES					
8	Total transmission expenses (page 3, line 2, column (c))					1,915,680
9	Less transmission expenses included in OATT Ancillary Services Note (G)					304,655
10	Included transmission expenses (line 8 less line 9)					1,611,025
11	Percentage of transmission expenses after adjustment (line 10 divided by line 8)					0.84097
12	Percentage of transmission plant included in RTO Rates (line 7)				TP	0.99908
13	Percentage of transmission expenses included in RTO Rates (line 11 times line 12)				TE=	0.84019

Line No.	WAGES & SALARY ALLOCATOR (W&S)	$	TP	Allocation		W&S Allocator ($ / Allocation)	
14	Production	3,350,711	0.00	0			
15	Transmission	573,286	1.00	572,759			
16	Distribution	0	0.00	0			
17	Customer and Sales	0	0.00	0			
18	Total (sum lines 14-17)	3,923,997		572,759	=	14.60%	= WS

Line No.	COMMON PLANT ALLOCATOR (CE) Note (J)	$	% Electric (line 19 / line 22)		W&S Allocator (line 18)		CE
19	Electric	0					
20	Gas	0	0.00000	*	0.14596	=	0.00000
21	Telecom	0					
22	Total (sum lines 19 - 21)	0					

Line No.	RETURN (R)		$
23			$7,064,809
24			$ -
	Development of Cost of Capital:		
25	Long Term Debt		193,243,587
26	Proprietary Capital		53,976,801
27	Less Account 216.1		0
28		(sum lines 25-27)	247,220,388

Line No.		$	%	Cost	Weighted	
29	Long Term Debt (page 4, line 25)	193,243,587	78%	3.6559%	2.8577%	=WCLTD
30	Proprietary Capital (page 4, line 26)	53,976,801	22%	4.5810%	1.0002%	
31	Total (sum lines 29-30)	247,220,388			3.8579%	=R
32	Effective Tier				1.3500	=Tier

Line No.	REVENUE CREDITS			
	ACCOUNT 447 (SALES FOR RESALE)	(310-311)	Note (L)	Load
33	a. Bundled Non-RQ Sales for Resale (311.x.h)			0
34	b. Bundled Sales for Resale included in Divisor on page 1			0
35	Total of (a)-(b)			0
36	ACCOUNT 451 (MISCELLANEOUS SERVICE REVENUE) Note (M)			$0
37	ACCOUNT 454 (RENT FROM ELECTRIC PROPERTY) Note (M)			$1,099
38	ACCOUNT 456 (OTHER ELECTRIC REVENUES) Note (M)			$123,771

Values in this template are for illustrative purposes only. Reference and calculation notes in column (2) are hidden for printing purposes.

General Note: References to pages in this formulary rate are indicated as: (page#, line#, col.#)
References to data from FERC Form 1 are indicated as: #.y.x (page, line, column)

Note Letter	
(A)	[Intentionally left blank]
(B)	The balances in Accounts 190, 281, 282 and 283, as adjusted by any amounts in contra accounts identified as regulatory assetsor liabilities related to FASB 106 or 109. Balance of Account 255 is reduced by prior flow throughs and excluded if the utility chose to utilize amortization of tax credits against taxable income as discussed in Note F. Account 281 is not allocated.
(C)	Identified in Form 1 as being only transmission related. The transmission portion of page 227, Line 5 is specified in a footnote to the Form 1.
(D)	Cash Working Capital assigned to transmission is one-eighth of O&M adjusted for non-cash amounts allocated to transmission at page 3, line 5, column 5. Prepayments are the electric related prepayments booked to Account No. 165 and reported on Page 111, line 57 in the Form 1.
(E)	Includes only FICA, unemployment, highway, property, gross receipts (to the extent permitted), and other assessments charged in the current year. Taxes related to income are excluded. Gross receipts are only includable in rates to the extent that they are in-lieu of property tax.
(F)	The currently effective income tax rate, where FIT is the Federal income tax rate; SIT is the State income tax rate, and p = "the percentage of federal income tax deductible for state income taxes". If the utility is taxed in more than one state it must attach a work paper showing the name of each state and how the blended or composite SIT was developed. Furthermore, a utility that elected to utilize amortization of tax credits against taxable income, rather than book tax credits to Account No. 255 and reduce rate base, must reduce its income tax expense by the amount of the Amortized Investment Tax Credit (Form 1, 266.8.f) multiplied by (1/1-T) (page 3, line 23).

Inputs Required:	0.00%	
	0.00%	(State Income Tax Rate or Composite SIT)
	0.00%	(percent of federal income tax deductible for state purposes)

(G)	Removes dollar amount of transmission expenses included in the OATT ancillary services rates, including Account Nos. 561.1 through 561.8.
(H)	"Excluded Facilities" are defined as those facilities that are part of the Railbelt Transmission System but are not part of the Backbone Transmission System as determined by the Railbelt Transmission Organization. Generator step-up transformers and generator leads from the generator to the generator step-up transformer are also considered "Excluded Facilities." All radials shall be excluded from transmission plant. For purposes of the formula rate, the legacy assets exclude radials. For future radials, they shall be excluded on Attachment 2.
(I)	Removes dollar amount of transmission plant included in the development of OATT ancillary services rates and generation step-up facilities, which are deemed included in OATT ancillary services. For these purposes, generation step-up facilities are those facilities at a generator substation on which there is no through-flow when the generator is shut down.
(J)	Enter dollar amounts
(K)	As shown on Attachment 12, the Debt cost rate = long-term interest / long term debt.
(L)	Line 35 must equal zero since all short-term power sales must be unbundled and the transmission component reflected in Account No. 456.1 and all other uses are to be included in the divisor.
(M)	Includes income related to transmission facilities, such as pole attachments, rentals, special use, and revenues associated with general and intangible assets or revenues that offset expenses included in A&G. See Attachment 9 details for the revenues and allocators utilized.
(N)	Plant in Service, Accumulated Depreciation, and Depreciation Expense amounts exclude Asset Retirement Obligation amounts unless authorized by the Commission.
(O)	Refunds shall be entered as a negative number to reduce the net revenue requirement. Surcharges shall be entered as a positive number to increase the net revenue requirement.
(P)	Interest on any refunds shall be entered as a negative number to reduce the net revenue requirement. Interest on surcharge shall be entered as a positive number to increase the net revenue requirement.
(Q)	Includes the amortization of any excess/deficient deferred income taxes resulting from changes to income tax laws, income tax rates (including changes in apportionment) and other actions taken by a taxing authority. Excess and deficient deferred income taxes will reduce or increase tax expense by the amount of the excess or deficiency multiplied by (1/(1-T)) (page 3, line 24a).
(R)	Includes the annual income tax cost or benefits due to permanent differences or differences between the amount of expenses or revenues recognized in one period for ratemaking purposes and the amounts recognized for income tax purposes which do not reverse in one or more other periods, including the cost of income taxes on the Allowance for Other Funds Used During Construction. T multiplied by the amount of permanent differences and depreciation expense associated with Allowance for Other Funds Used During Construction is included in page 3, line 22b and will increase or decrease tax expense by the amount of the expense or benefit included on line 22b multiplied by (1/(1-T)) (page 3, line 24a). Only permanent tax timing differences associated with AFUDC Equity are includable in rates. All other permanent tax timing differences require Commission authorization.
(S)	TIER Target =TBD (For illustrative purposes 1.35 was utilized and the TIER will be determined and supported by a full cost of capital study in future filings).
(T)	Effective TIER based on calculated amounts.
(U)	Each utility shall choose one method to address grandfathered facilities by either (i) utilize a revenue crediting mechanism on page 1, line 4 or (ii) exclude grandfathered facilities gross plant costs on page 4, line 4.

Chugach Electric Association
Rate Formula Template - Summary Tab
Utilizing FERC Form 1 Data
Formula Rate - Non-Levelized

For the 12 months ended 12/31/2022

Values in this template are for illustrative purposes only. Reference and calculation notes in column (2) are hidden for printing purposes.

Rate Formula Template

Line No.		Total	Allocator		Allocated Amount
1	GROSS REVENUE REQUIREMENT (page 3, line 28)				$ 26,766,862
2	REVENUE CREDITS				
3	Account Nos. 451, 454 & 456	1,195,423	DA	1.00000	1,195,423
4	Revenues from Grandfathered Interzonal Transactions Note (U)	0	TP	0.99511	0
5	TOTAL REVENUE CREDITS (sum lines 3-4)				1,195,423
5a	Adjustments to Net Revenue Requirement Note (P)				0
5b	Interest on Adjustments Note (P)				0
5c	Total Adjustment (line 5a + line 5b)				0
6	NET REVENUE REQUIREMENT				25,571,439

Chugach Electric Association
Rate Formula Template - Summary Tab
Utilizing FERC Form 1 Data
Formula Rate - Non-Levelized

For the 12 months ended 12/31/2022

Values in this template are for illustrative purposes only. Reference and calculation notes in column (2) are hidden for printing purposes.

Line No.	(1)	(3) Company Total	(4) Allocator		(5) Transmission (Col c times Col d)
	RATE BASE:				
1	GROSS PLANT IN SERVICE Note (O)				
2	Production (excluding AROs)	1,296,186,056	NA		
3	Transmission (excluding AROs)	344,202,032	TP	0.99511	342,519,606
4	Distribution (excluding AROs)	697,776,453	NA		
5	General & Intangible (excluding AROs)	120,513,953	W/S	0.11630	14,015,338
6	Common (excluding AROs)	0	CE	0.00000	0
7	TOTAL GROSS PLANT (sum lines 2-6)	2,458,678,494	GP=	14.50%	356,534,944
	ACCUMULATED DEPRECIATION Note (O)				
8	Production (excluding AROs)	563,550,695	NA		
9	Transmission (excluding AROs)	196,697,066	TP	0.99511	195,735,630
10	Distribution (excluding AROs)	268,103,414	NA		
11	General & Intangible (excluding AROs)	59,051,592	W/S	0.11630	6,867,487
12	Common (excluding AROs)	0	CE	0.00000	0
13	TOTAL ACCUM. DEPRECIATION (sum lines 8-12)	1,087,402,767			202,603,117
	NET PLANT IN SERVICE				
14	Production (excluding AROs)	732,635,361			
15	Transmission (excluding AROs)	147,504,966			146,783,976
16	Distribution (excluding AROs)	429,673,039			
17	General & Intangible (excluding AROs)	61,462,361			7,147,851
18	Common (excluding AROs)	0			0
19	TOTAL NET PLANT (sum lines 14-18)	1,371,275,727	NP=	11.23%	153,931,827
	ADJUSTMENTS TO RATE BASE Note (B)				
20	Account No. 281 (enter negative)	0	NA	zero	0
21	Account No. 282 (enter negative)	0	NP	0.11225	0
22	Account No. 283 (enter negative)	0	NP	0.11225	0
23	Account No. 190	0	NP	0.11225	0
24	Account No. 255 (enter negative)	0	NP	0.11225	0
25	TOTAL ADJUSTMENTS (sum lines 20 - 24)	0			0
26	OTHER REGULATORY ASSETS (182.3)	49,142	DA	1.00000	49,142
27	LAND HELD FOR FUTURE USE	1,828,409	TP	0.99511	1,819,472
	WORKING CAPITAL Note (D)				
28	CWC	1,609,963			1,452,116
29	Materials & Supplies Note (C)	4,495,283	TE	0.84639	3,804,765
30	Stores Expense	0	WS	0.11630	0
31	Prepayments (Account 165)	232,671	DA	1.00000	232,671
32	TOTAL WORKING CAPITAL (sum lines 28 - 31)	6,337,917			5,489,552
33	UNFUNDED RESERVES	1,157,634	DA	1.00000	1,157,634
34	RATE BASE (sum lines 19, 25, 26, 27, 32, & minus 33)	1,378,333,561			160,132,359

Chugach Electric Association
Rate Formula Template - Summary Tab
Utilizing FERC Form 1 Data
Formula Rate - Non-Levelized

For the 12 months ended 12/31/2022

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Line No.	(1)	(3) Company Total	(4) Allocator		(5) Transmission (Col c times Col d)
1	O&M				
2	Transmission	9,665,174	TE	0.84639	8,180,512
2a	Less Ancillary Service Expenses included in Transmission O&M Accounts Note (N	1,444,480	TE	0.84639	1,222,594
2b	Less Account 565	0	TE	0.84639	0
3	A&G	4,659,007	DA	1.00000	4,659,007
4	Common	0	CE	0.00000	0
5	TOTAL O&M (sum lines 2, 3,4, less lines 2a, 2b)	12,879,701			11,616,925
6	DEPRECIATION AND AMORTIZATION EXPENSE Note (O)				
7	Transmission	7,058,020	TP	0.99511	7,023,521
8	General & Intangible	4,951,671	W/S	0.11630	575,861
9	Common	0	CE	0.00000	0
10	TOTAL DEPRECIATION (sum lines 7 - 9)	12,009,691			7,599,383
11	TAXES OTHER THAN INCOME TAXES Note (E)				
12	LABOR RELATED	466,355	W/S	0.11630	54,235
13	PLANT RELATED	9,309,306	GP	0.14501	1,349,950
14	TOTAL OTHER TAXES (sum lines 12 - 13)	9,775,661			1,404,185
15	INCOME TAXES				
16	T=1 - {[(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)} =	0.00%			
17	CIT=(T/1-T) * (1-(WCLTD/R)) =	0.00%			
18	where WCLTD=(page 4, line 29) and R= (page 4, line 31)				
19	and FIT, SIT & p are as given in footnote (F)				
20	1 / (1 - T) = (from line 16)	0.0000			
21	Amortized Investment Tax Credit (266.8.f) (enter negative)	0			
21a	<u>(Excess)/Deficient Deferred Income Taxes Note (Q)</u>	0			
21b	<u>Tax Effect of Permanent Differences and AFUDC Equity Note (R)</u>	0			
22	Income Tax Calculation = line 17 * line 25	0	NA		0
23	ITC adjustment (line 20 * line 21)	0	NP	0.11225	0
23a	<u>(Excess)/Deficient Deferred Income Tax Adjustment (Line 20 * Line 21a)</u>	0	NP	0.11225	0
23b	<u>Permanent Differences and AFUDC Equity Tax Adjustment (Line 20 * Line 21b)</u>	0	NP	0.11225	0
24	Total Income Taxes	0			0
25	RETURN	52,904,653	NA		6,146,369
26	[Rate Base (page 2, line 34) * Rate of Return (page 4, line 31)]				
27	REV. REQUIREMENT (sum lines 5, 10, 14, 24, 25)	87,569,707			26,766,862
28	REV. REQUIREMENT TO BE COLLECTED NITS Rate	87,569,707			26,766,862
29	(line 27)				

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Line No.								
	TRANSMISSION PLANT INCLUDED IN RTO RATES							
1	Total transmission plant (page 2, line 3, column (c))						344,202,032	
2	Less: Gen. Step-up Transformers and Interconnection Facilities Note (H)						1,183,461	
3	Less: Radial Facilities Note (H)						498,965	
4	Less: Facilities Associated with Grandfathered Agreements Note (H) & Note (U)						0	
5	Less transmission plant included in OATT Ancillary Services Note (I)						0	
6	Transmission plant included in RTO Rates (line 1 less lines 2 -5)						342,519,606	
7	Percentage of transmission plant included in RTO Rates (line 6 divided by line 1)					TP=	0.99511	
	TRANSMISSION EXPENSES							
8	Total transmission expenses (page 3, line 2, column (c))						9,665,174	
9	Less transmission expenses included in OATT Ancillary Services Note (G)						1,444,480	
10	Included transmission expenses (line 8 less line 9)						8,220,694	
11	Percentage of transmission expenses after adjustment (line 10 divided by line 8)						0.85055	
12	Percentage of transmission plant included in RTO Rates (line 7)					TP	0.99511	
13	Percentage of transmission expenses included in RTO Rates (line 11 times line 12)					TE=	0.84639	
	WAGES & SALARY ALLOCATOR (W&S)							
		$	TP	Allocation				
14	Production	14,069,343	0.00	0				
15	Transmission	3,795,063	1.00	3,776,513				
16	Distribution	10,958,675	0.00	0			W&S Allocator	
17	Customer and Sales	3,650,095	0.00	0			($ / Allocation)	
18	Total (sum lines 14-17)	32,473,176		3,776,513	=		11.63% = WS	
	COMMON PLANT ALLOCATOR (CE) Note (J)	**$**		% Electric			W&S Allocator	
19	Electric	0		(line 19 / line 22)			(line 18)	CE
20	Gas	0		0.00000	*		0.11630 =	0.00000
21	Telecom	0						
22	Total (sum lines 19 - 21)	0						
	RETURN (R)						$	
23							$41,277,871	
24							$ -	
	Development of Cost of Capital:							
25	Long Term Debt						1,239,480,321	
26	Proprietary Capital						212,335,476	
27	Less Account 216.1						0	
28		(sum lines 25-27)					1,451,815,797	
		$	%	Cost			Weighted	
29	Long Term Debt (page 4, line 25)	1,239,480,321	85%	3.3303%			2.8432% =WCLTD	
30	Proprietary Capital (page 4, line 26)	212,335,476	15%	6.8040%			0.9951%	
31	Total (sum lines 29-30)	1,451,815,797					3.8383% =R	
32	Effective Tier						1.3500 =Tier	
	REVENUE CREDITS							
	ACCOUNT 447 (SALES FOR RESALE)	(310-311)	Note (L)				Load	
33	a. Bundled Non-RQ Sales for Resale (311.x.h)						0	
34	b. Bundled Sales for Resale included in Divisor on page 1						0	
35	Total of (a)-(b)						0	
36	ACCOUNT 451 (MISCELLANEOUS SERVICE REVENUE) Note (M)						$0	
37	ACCOUNT 454 (RENT FROM ELECTRIC PROPERTY) Note (M)						$0	
38	ACCOUNT 456 (OTHER ELECTRIC REVENUES) Note (M)						$1,195,423	

Chugach Electric Association
Rate Formula Template - Summary Tab
Utilizing FERC Form 1 Data
Formula Rate - Non-Levelized

For the 12 months ended 12/31/2022

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General Note: References to pages in this formulary rate are indicated as: (page#, line#, col.#)
References to data from FERC Form 1 are indicated as: #.y.x (page, line, column)

Note Letter

(A) [Intentionally left blank.]

(B) The balances in Accounts 190, 281, 282 and 283, as adjusted by any amounts in contra accounts identified as regulatory assetsor liabilities related to FASB 106 or 109. Balance of Account 255 is reduced by prior flow throughs and excluded if the utility chose to utilize amortization of tax credits against taxable income as discussed in Note F. Account 281 is not allocated.

(C) Identified in Form 1 as being only transmission related. The transmission portion of page 227, Line 5 is specified in a footnote to the Form 1.

(D) Cash Working Capital assigned to transmission is one-eighth of O&M adjusted for non-cash amounts allocated to transmission at page 3, line 5, column 5. Prepayments are the electric related prepayments booked to Account No. 165 and reported on Page 111, line 57 in the Form 1.

(E) Includes only FICA, unemployment, highway, property, gross receipts (to the extent permitted), and other assessments charged in the current year. Taxes related to income are excluded. Gross receipts are only includable in rates to the extent that they are in-lieu of property tax.

(F) The currently effective income tax rate, where FIT is the Federal income tax rate; SIT is the State income tax rate, and p = "the percentage of federal income tax deductible for state income taxes". If the utility is taxed in more than one state it must attach a work paper showing the name of each state and how the blended or composite SIT was developed. Furthermore, a utility that elected to utilize amortization of tax credits against taxable income, rather than book tax credits to Account No. 255 and reduce rate base, must reduce its income tax expense by the amount of the Amortized Investment Tax Credit (Form 1, 266.8.f) multiplied by (1/1-T) (page 3, line 23).

Inputs Required:	0.00%	
	0.00%	(State Income Tax Rate or Composite SIT)
	0.00%	(percent of federal income tax deductible for state purposes)

(G) Removes dollar amount of transmission expenses included in the OATT ancillary services rates, including Account Nos. 561.1 through 561.8.

(H) "Excluded Facilities" are defined as those facilities that are part of the Railbelt Transmission System but are not part of the Backbone Transmission System as determined by the Railbelt Transmission Organization. Generator step-up transformers and generator leads from the generator to the generator step-up transformer are also considered "Excluded Facilities." All radials shall be excluded from transmission plant. For purposes of the formula rate, the legacy assets exclude radials. For future radials, they shall be excluded on Attachment 2.

(I) Removes dollar amount of transmission plant included in the development of OATT ancillary services rates and generation step-up facilities, which are deemed included in OATT ancillary services. For these purposes, generation step-up facilities are those facilities at a generator substation on which there is no through-flow when the generator is shut down.

(J) Enter dollar amounts

(K) As shown on Attachment 12, the Debt cost rate = long-term interest / long term debt.

(L) Line 35 must equal zero since all short-term power sales must be unbundled and the transmission component reflected in Account No. 456.1 and all other uses are to be included in the divisor.

(M) Includes income related to transmission facilities, such as pole attachments, rentals, special use, and revenues associated with general and intangible assets or revenues that offset expenses included in A&G. See Attachment 9 details for the revenues and allocators utilized.

(N) Plant in Service, Accumulated Depreciation, and Depreciation Expense amounts exclude Asset Retirement Obligation amounts unless authorized by the Commission.

(O) Refunds shall be entered as a negative number to reduce the net revenue requirement. Surcharges shall be entered as a positive number to increase the net revenue requirement.

(P) Interest on any refunds shall be entered as a negative number to reduce the net revenue requirement. Interest on surcharge shall be entered as a positive number to increase the net revenue requirement.

(Q) Includes the amortization of any excess/deficient deferred income taxes resulting from changes to income tax laws, income tax rates (including changes in apportionment) and other actions taken by a taxing authority. Excess and deficient deferred income taxes will reduce or increase tax expense by the amount of the excess or deficiency multiplied by (1/(1-T)) (page 3, line 24a).

(R) Includes the annual income tax cost or benefits due to permanent differences or differences between the amount of expenses or revenues recognized in one period for ratemaking purposes and the amounts recognized for income tax purposes which do not reverse in one or more other periods, including the cost of income taxes on the Allowance for Other Funds Used During Construction. T multiplied by the amount of permanent differences and depreciation expense associated with Allowance for Other Funds Used During Construction is included in page 3, line 22b and will increase or decrease tax expense by the amount of the expense or benefit included on line 22b multiplied by (1/(1-T)) (page 3, line 24a). Only permanent tax timing differences associated with AFUDC Equity are includable in rates. All other permanent tax timing differences require Commission authorization.

(S) TIER Target = TBD (For illustrative purposes 1.35 was utilized. The TIER will be determined and supported by a full cost of capital study in future filings.)

(T) Effective TIER based on calculated amounts.

(U) Each utility shall choose one method to address grandfathered facilities by either (i) utilize a revenue crediting mechanism on page 1, line 4 or (ii) exclude grandfathered facilities gross plant costs on page 4, line 4.

Golden Valley Electric Association Inc.
Rate Formula Template - Summary Tab
Utilizing FERC Form 1 Data
Formula Rate - Non-Levelized

For the 12 months ended 12/31/22

Values in this template are for illustrative purposes only. Reference and calculation notes in column (2) are hidden for printing purposes.

Rate Formula Template

Line No.		Total	Allocator		Allocated Amount
1	GROSS REVENUE REQUIREMENT (page 3, line 28)				$ 7,159,513
2	REVENUE CREDITS				
3	Account Nos. 451, 454 & 456	10,421	DA	1.00000	10,421
4	Revenues from Grandfathered Interzonal Transactions Note (U)	0	TP	0.89635	0
5	TOTAL REVENUE CREDITS (sum lines 3-4)				10,421
5a	Adjustments to Net Revenue Requirement Note (P)				0
5b	Interest on Adjustments Note (P)				0
5c	Total Adjustment (line 5a + line 5b)				0
6	NET REVENUE REQUIREMENT				7,149,092

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Line No.	(1)	(3) Company Total	(4) Allocator		(5) Transmission (Col c times Col d)
	RATE BASE:				
1	GROSS PLANT IN SERVICE Note (O)				
2	Production (excluding AROs)	603,518,621	NA		
3	Transmission (excluding AROs)	151,830,021	TP	0.89635	136,092,132
4	Distribution (excluding AROs)	274,651,627	NA		
5	General & Intangible (excluding AROs)	82,127,057	W/S	0.06443	5,291,751
6	Common (excluding AROs)	0	CE	0.00000	0
7	TOTAL GROSS PLANT (sum lines 2-6)	1,112,127,325	GP=	12.71%	141,383,883
	ACCUMULATED DEPRECIATION Note (O)				
8	Production (excluding AROs)	255,580,985	NA		
9	Transmission (excluding AROs)	94,879,597	TP	0.89635	85,044,885
10	Distribution (excluding AROs)	141,892,757	NA		
11	General & Intangible (excluding AROs)	50,301,997	W/S	0.06443	3,241,144
12	Common (excluding AROs)	0	CE	0.00000	0
13	TOTAL ACCUM. DEPRECIATION (sum lines 8-12)	542,655,335			88,286,029
	NET PLANT IN SERVICE				
14	Production (excluding AROs)	347,937,636			
15	Transmission (excluding AROs)	56,950,424			51,047,248
16	Distribution (excluding AROs)	132,758,869			
17	General & Intangible (excluding AROs)	31,825,060			2,050,607
18	Common (excluding AROs)	0			0
19	TOTAL NET PLANT (sum lines 14-18)	569,471,990	NP=	9.32%	53,097,854
	ADJUSTMENTS TO RATE BASE Note (B)				
20	Account No. 281 (enter negative)	0	NA	zero	0
21	Account No. 282 (enter negative)	0	NP	0.09324	0
22	Account No. 283 (enter negative)	0	NP	0.09324	0
23	Account No. 190	0	NP	0.09324	0
24	Account No. 255 (enter negative)	0	NP	0.09324	0
25	TOTAL ADJUSTMENTS (sum lines 20 - 24)	0			0
26	OTHER REGULATORY ASSETS (182.3)	0	DA	1.00000	0
27	LAND HELD FOR FUTURE USE	0	TP	0.89635	0
	WORKING CAPITAL Note (D)				
28	CWC	522,470			395,633
29	Materials & Supplies Note (C)	71,388	TE	0.73756	52,653
30	Stores Expense	7,571	WS	0.06443	488
31	Prepayments (Account 165)	149,407	DA	1.00000	149,407
32	TOTAL WORKING CAPITAL (sum lines 28 - 31)	743,264			597,693
33	UNFUNDED RESERVES	0	DA	1.00000	0
34	RATE BASE (sum lines 19, 25, 26, 27, 32, & minus 33)	570,215,254			53,695,547

Values in this template are for illustrative purposes only. Reference and calculation notes in column (2) are hidden for printing purposes.

Line No.	(1)	(3) Company Total	(4) Allocator		(5) Transmission (Col c times Col d)
1	O&M				
2	Transmission	4,698,764	TE	0.73756	3,465,624
2a	Less Ancillary Service Expenses included in Transmission O&M Accounts Note (N)	832,370	TE	0.73756	613,924
2b	Less Account 565	0	TE	0.73756	0
3	A&G	313,367	DA	1.00000	313,367
4	Common	0	CE	0.00000	0
5	TOTAL O&M (sum lines 2, 3,4, less lines 2a, 2b)	4,179,761			3,165,067
6	DEPRECIATION AND AMORTIZATION EXPENSE Note (O)				
7	Transmission	2,527,484	TP	0.89635	2,265,498
8	General & Intangible	1,013,799	W/S	0.06443	65,323
9	Common	0	CE	0.00000	0
10	TOTAL DEPRECIATION (sum lines 7 - 9)	3,541,282			2,330,821
11	TAXES OTHER THAN INCOME TAXES Note (E)				
12	LABOR RELATED	0	W/S	0.06443	0
13	PLANT RELATED	622,207	GP	0.12713	79,101
14	TOTAL OTHER TAXES (sum lines 12 - 13)	622,207			79,101
15	INCOME TAXES				
16	T=1 - {[(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)} =	0.00%			
17	CIT=(T/1-T) * (1-(WCLTD/R)) =	0.00%			
18	where WCLTD=(page 4, line 29) and R= (page 4, line 31)				
19	and FIT, SIT & p are as given in footnote (F)				
20	1 / (1 - T) = (from line 16)	0.0000			
21	Amortized Investment Tax Credit (266.8.f) (enter negative)	0			
21a	(Excess)/Deficient Deferred Income Taxes Note (Q)	0			
21b	Tax Effect of Permanent Differences and AFUDC Equity Note (R)	0			
22	Income Tax Calculation = line 17 * line 25	0	NA		0
23	ITC adjustment (line 20 * line 21)	0	NP	0.09324	0
23a	(Excess)/Deficient Deferred Income Tax Adjustment (Line 20 * Line 21a)	0	NP	0.09324	0
23b	Permanent Differences and AFUDC Equity Tax Adjustment (Line 20 * Line 21b)	0	NP	0.09324	0
24	Total Income Taxes	0			0
25	RETURN	16,826,717	NA		1,584,524
26	[Rate Base (page 2, line 34) * Rate of Return (page 4, line 31)]				
27	REV. REQUIREMENT (sum lines 5, 10, 14, 24, 25)	25,169,966			7,159,513
28	REV. REQUIREMENT TO BE COLLECTED NITS Rate	25,169,966			7,159,513
29	(line 27)				

Values in this template are for illustrative purposes only. Reference and calculation notes in column (2) are hidden for printing purposes.

Line No.							
	TRANSMISSION PLANT INCLUDED IN RTO RATES						
1	Total transmission plant (page 2, line 3, column (c))					151,830,021	
2	Less: Gen. Step-up Transformers and Interconnection Facilities Note (H)					0	
3	Less: Radial Facilities Note (H)					15,737,889	
4	Less: Facilities Associated with Grandfathered Agreements Note (H) & Note (U)					0	
5	Less transmission plant included in OATT Ancillary Services Note (I)					0	
6	Transmission plant included in RTO rates (line 1 less lines 2 -5)					136,092,132	
7	Percentage of transmission plant included in RTO Rates (line 6 divided by line 1)				TP=	0.89635	
	TRANSMISSION EXPENSES						
8	Total transmission expenses (page 3, line 2, column (c))					4,698,764	
9	Less transmission expenses included in OATT Ancillary Services Note (G)					832,370	
10	Included transmission expenses (line 8 less line 9)					3,866,394	
11	Percentage of transmission expenses after adjustment (line 10 divided by line 8)					0.82285	
12	Percentage of transmission plant included in RTO Rates (line 7)				TP	0.89635	
13	Percentage of transmission expenses included in RTO Rates (line 11 times line 12)				TE=	0.73756	
	WAGES & SALARY ALLOCATOR (W&S)						
		$	TP	Allocation			
14	Production	19,834,825	0.00	0			
15	Transmission	2,462,519	0.90	2,207,267			
16	Distribution	8,658,964	0.00	0		W&S Allocator	
17	Customer and Sales	3,300,099	0.00	0		($ / Allocation)	
18	Total (sum lines 14-17)	34,256,406		2,207,267	=	6.44%	= WS
	COMMON PLANT ALLOCATOR (CE) Note (J)	**$**		% Electric		W&S Allocator	
19	Electric	0		(line 19 / line 22)		(line 18)	CE
20	Gas	0		0.00000	*	0.06443 =	0.00000
21	Telecom	0					
22	Total (sum lines 19 - 21)	0					
	RETURN (R)					$	
23						$15,348,065	
24						$ -	
	Development of Cost of Capital:						
25	Long Term Debt					432,491,286	
26	Proprietary Capital					269,653,772	
27	Less Account 216.1					0	
28		(sum lines 25-27)				702,145,058	
		$	%	Cost		Weighted	
29	Long Term Debt (page 4, line 25)	432,491,286	62%	3.5488%		2.1859%	=WCLTD
30	Proprietary Capital (page 4, line 26)	269,653,772	38%	1.9921%		0.7651%	
31	Total (sum lines 29-30)	702,145,058				2.9509%	=R
32	Effective Tier					1.3500	=Tier
	REVENUE CREDITS						
	ACCOUNT 447 (SALES FOR RESALE)	(310-311)	Note (L)			Load	
33	a. Bundled Non-RQ Sales for Resale (311.x.h)					0	
34	b. Bundled Sales for Resale included in Divisor on page 1					0	
35	Total of (a)-(b)					0	
36	ACCOUNT 451 (MISCELLANEOUS SERVICE REVENUE) Note (M)					$0	
37	ACCOUNT 454 (RENT FROM ELECTRIC PROPERTY) Note (M)					$0	
38	ACCOUNT 456 (OTHER ELECTRIC REVENUES) Note (M)					$10,421	

Values in this template are for illustrative purposes only. Reference and calculation notes in column (2) are hidden for printing purposes.

General Note: References to pages in this formulary rate are indicated as: (page#, line#, col.#)
References to data from FERC Form 1 are indicated as: #.y.x (page, line, column)

Note Letter	
(A)	[Intentionally left blank]
(B)	The balances in Accounts 190, 281, 282 and 283, as adjusted by any amounts in contra accounts identified as regulatory assetsor liabilities related to FASB 106 or 109. Balance of Account 255 is reduced by prior flow throughs and excluded if the utility chose to utilize amortization of tax credits against taxable income as discussed in Note F. Account 281 is not allocated.
(C)	Identified in Form 1 as being only transmission related. The transmission portion of page 227, Line 5 is specified in a footnote to the Form 1.
(D)	Cash Working Capital assigned to transmission is one-eighth of O&M adjusted for non-cash amounts allocated to transmission at page 3, line 5, column 5. Prepayments are the electric related prepayments booked to Account No. 165 and reported on Page 111, line 57 in the Form 1.
(E)	Includes only FICA, unemployment, highway, property, gross receipts (to the extent permitted), and other assessments charged in the current year. Taxes related to income are excluded. Gross receipts are only includable in rates to the extent that they are in-lieu of property tax.
(F)	The currently effective income tax rate, where FIT is the Federal income tax rate; SIT is the State income tax rate, and p = "the percentage of federal income tax deductible for state income taxes". If the utility is taxed in more than one state it must attach a work paper showing the name of each state and how the blended or composite SIT was developed. Furthermore, a utility that elected to utilize amortization of tax credits against taxable income, rather than book tax credits to Account No. 255 and reduce rate base, must reduce its income tax expense by the amount of the Amortized Investment Tax Credit (Form 1, 266.8.f) multiplied by (1/1-T) (page 3, line 23).

Inputs Required:		
	0.00%	
	0.00%	(State Income Tax Rate or Composite SIT)
	0.00%	(percent of federal income tax deductible for state purposes)

(G)	Removes dollar amount of transmission expenses included in the OATT ancillary services rates, including Account Nos. 561.1 through 561.8.
(H)	"Excluded Facilities" are defined as those facilities that are part of the Railbelt Transmission System but are not part of the Backbone Transmission System as determined by the Railbelt Transmission Organization. Generator step-up transformers and generator leads from the generator to the generator step-up transformer are also considered "Excluded Facilities." All radials shall be excluded from transmission plant. For purposes of the formula rate, the legacy assets exclude radials. For future radials, they shall be excluded on Attachment 2.
(I)	Removes dollar amount of transmission plant included in the development of OATT ancillary services rates and generation step-up facilities, which are deemed included in OATT ancillary services. For these purposes, generation step-up facilities are those facilities at a generator substation on which there is no through-flow when the generator is shut down.
(J)	Enter dollar amounts
(K)	As shown on Attachment 12, the Debt cost rate = long-term interest / long term debt.
(L)	Line 35 must equal zero since all short-term power sales must be unbundled and the transmission component reflected in Account No. 456.1 and all other uses are to be
(M)	Includes income related to transmission facilities, such as pole attachments, rentals, special use, and revenues associated with general and intangible assets or revenues that offset expenses included in A&G. See Attachment 9 details for the revenues and allocators utilized.
(N)	Plant in Service, Accumulated Depreciation, and Depreciation Expense amounts exclude Asset Retirement Obligation amounts unless authorized by the Commission.
(O)	Refunds shall be entered as a negative number to reduce the net revenue requirement. Surcharges shall be entered as a positive number to increase the net revenue requirement.
(P)	Interest on any refunds shall be entered as a negative number to reduce the net revenue requirement. Interest on surcharge shall be entered as a positive number to increase the net revenue requirement.
(Q)	Includes the amortization of any excess/deficient deferred income taxes resulting from changes to income tax laws, income tax rates (including changes in apportionment) and other actions taken by a taxing authority. Excess and deficient deferred income taxes will reduce or increase tax expense by the amount of the excess or deficiency multiplied by (1/(1-T)) (page 3, line 24a).
(R)	Includes the annual income tax cost or benefits due to permanent differences or differences between the amount of expenses or revenues recognized in one period for ratemaking purposes and the amounts recognized for income tax purposes which do not reverse in one or more other periods, including the cost of income taxes on the Allowance for Other Funds Used During Construction. T multiplied by the amount of permanent differences and depreciation expense associated with Allowance for Other Funds Used During Construction is included in page 3, line 22b and will increase or decrease tax expense by the amount of the expense or benefit included on line 22b multiplied by (1/(1-T)) (page 3, line 24a). Only permanent tax timing differences associated with AFUDC Equity are includable in rates. All other permanent tax timing differences require Commission authorization.
(S)	TIER Target =TBD (For illustrative purposes 1.35 was utilized and the TIER will be determined and supported by a full cost of capital study in future filings).
(T)	Effective TIER based on calculated amounts.
(U)	Each utility shall choose one method to address grandfathered facilities by either (i) utilize a revenue crediting mechanism on page 1, line 4 or (ii) exclude grandfathered facilities gross plant costs on page 4, line 4.

Matanuska Electric Association Inc.
Rate Formula Template - Summary Tab
Utilizing FERC Form 1 Data
Formula Rate - Non-Levelized

For the 12 months ended 12/31/22

Values in this template are for illustrative purposes only. Reference and calculation notes in column (2) are hidden for printing purposes.

Rate Formula Template

Line No.		Total	Allocator		Allocated Amount
1	GROSS REVENUE REQUIREMENT (page 3, line 28)				$ 5,003,952
2	REVENUE CREDITS				
3	Account Nos. 451, 454 & 456	102,700	DA	1.00000	102,700
4	Revenues from Grandfathered Interzonal Transactions Note (U)	0	TP	0.87361	0
5	TOTAL REVENUE CREDITS (sum lines 3-4)				102,700
5a	Adjustments to Net Revenue Requirement Note (P)				0
5b	Interest on Adjustments Note (P)				0
5c	Total Adjustment (line 5a + line 5b)				0
6	NET REVENUE REQUIREMENT				4,901,253

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Line No.	(1)	(3) Company Total	(4) Allocator		(5) Transmission (Col c times Col d)
	RATE BASE:				
1	GROSS PLANT IN SERVICE Note (O)				
2	Production (excluding AROs)	341,047,446	NA		
3	Transmission (excluding AROs)	91,186,979	TP	0.87361	79,661,670
4	Distribution (excluding AROs)	350,326,810	NA		
5	General & Intangible (excluding AROs)	35,175,072	W/S	0.02237	786,722
6	Common (excluding AROs)	0	CE	0.00000	0
7	TOTAL GROSS PLANT (sum lines 2-6)	817,736,307	GP=	9.84%	80,448,393
	ACCUMULATED DEPRECIATION Note (O)				
8	Production (excluding AROs)	85,710,813	NA		
9	Transmission (excluding AROs)	24,959,050	TP	0.87361	21,804,425
10	Distribution (excluding AROs)	151,218,831	NA		
11	General & Intangible (excluding AROs)	16,964,887	W/S	0.02237	379,435
12	Common (excluding AROs)	0	CE	0.00000	0
13	TOTAL ACCUM. DEPRECIATION (sum lines 8-12)	278,853,581			22,183,860
	NET PLANT IN SERVICE				
14	Production (excluding AROs)	255,336,633			
15	Transmission (excluding AROs)	66,227,929			57,857,246
16	Distribution (excluding AROs)	199,107,979			
17	General & Intangible (excluding AROs)	18,210,185			407,287
18	Common (excluding AROs)	0			0
19	TOTAL NET PLANT (sum lines 14-18)	538,882,726	NP=	10.81%	58,264,533
	ADJUSTMENTS TO RATE BASE Note (B)				
20	Account No. 281 (enter negative)	0	NA	zero	0
21	Account No. 282 (enter negative)	0	NP	0.10812	0
22	Account No. 283 (enter negative)	0	NP	0.10812	0
23	Account No. 190	0	NP	0.10812	0
24	Account No. 255 (enter negative)	0	NP	0.10812	0
25	TOTAL ADJUSTMENTS (sum lines 20 - 24)	0			0
26	OTHER REGULATORY ASSETS (182.3)	0	DA	1.00000	0
27	LAND HELD FOR FUTURE USE	162,250	TP	0.87361	141,743
	WORKING CAPITAL Note (D)				
28	CWC	100,310			78,971
29	Materials & Supplies Note (C)	833,020	TE	0.64697	538,936
30	Stores Expense	1,716,987	WS	0.02237	38,402
31	Prepayments (Account 165)	90,306	DA	1.00000	90,306
32	TOTAL WORKING CAPITAL (sum lines 28 - 31)	1,023,636			708,213
33	UNFUNDED RESERVES	86,769	DA	1.00000	86,769
34	RATE BASE (sum lines 19, 25, 26, 27, 32, & minus 33)	539,981,843			59,027,720

Matanuska Electric Association Inc.
Rate Formula Template - Summary Tab
Utilizing FERC Form 1 Data
Formula Rate - Non-Levelized

For the 12 months ended 12/31/22

Values in this template are for illustrative purposes only. Reference and calculation notes in column (2) are hidden for printing purposes.

Line No.	(1)	(3) Company Total	(4) Allocator		(5) Transmission (Col c times Col d)
1	O&M				
2	Transmission	1,033,694	TE	0.64697	668,766
2a	Less Ancillary Service Expenses included in Transmission O&M Accounts Note (N)	268,172	TE	0.64697	173,498
2b	Less Account 565	281,944	TE	0.64697	182,409
3	A&G	318,906	DA	1.00000	318,906
4	Common	0	CE	0.00000	0
5	TOTAL O&M (sum lines 2, 3,4, less lines 2a, 2b)	802,484			631,765
6	DEPRECIATION AND AMORTIZATION EXPENSE Note (O)				
7	Transmission	2,178,621	TP	0.87361	1,903,261
8	General & Intangible	86,429	W/S	0.02237	1,933
9	Common	0	CE	0.00000	0
10	TOTAL DEPRECIATION (sum lines 7 - 9)	2,265,050			1,905,194
11	TAXES OTHER THAN INCOME TAXES Note (E)				
12	LABOR RELATED	0	W/S	0.02237	0
13	PLANT RELATED	382,667	GP	0.09838	37,647
14	TOTAL OTHER TAXES (sum lines 12 - 13)	382,667			37,647
15	INCOME TAXES				
16	T=1 - {[(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)} =	0.00%			
17	CIT=(T/1-T) * (1-(WCLTD/R)) =	0.00%			
18	where WCLTD=(page 4, line 29) and R= (page 4, line 31)				
19	and FIT, SIT & p are as given in footnote (F)				
20	1 / (1 - T) = (from line 16)	0.0000			
21	Amortized Investment Tax Credit (266.8.f) (enter negative)	0			
21a	<u>(Excess)/Deficient Deferred Income Taxes Note (Q)</u>	0			
21b	<u>Tax Effect of Permanent Differences and AFUDC Equity Note (R)</u>	0			
22	Income Tax Calculation = line 17 * line 25	0	NA		0
23	ITC adjustment (line 20 * line 21)	0	NP	0.10812	0
23a	<u>(Excess)/Deficient Deferred Income Tax Adjustment (Line 20 * Line 21a)</u>	0	NP	0.10812	0
23b	<u>Permanent Differences and AFUDC Equity Tax Adjustment (Line 20 * Line 21b)</u>	0	NP	0.10812	0
24	Total Income Taxes	0			0
25	RETURN	22,223,516	NA		2,429,347
26	[Rate Base (page 2, line 34) * Rate of Return (page 4, line 31)]				
27	REV. REQUIREMENT (sum lines 5, 10, 14, 24, 25)	25,673,716			5,003,952
28	REV. REQUIREMENT TO BE COLLECTED NITS Rate	25,673,716			5,003,952
29	(line 27)				

Values in this template are for illustrative purposes only. Reference and calculation notes in column (2) are hidden for printing purposes.

Line No.								
	TRANSMISSION PLANT INCLUDED IN RTO RATES							
1	Total transmission plant (page 2, line 3, column (c))						91,186,979	
2	Less: Gen. Step-up Transformers and Interconnection Facilities Note (H)						4,910,757	
3	Less: Radial Facilities Note (H)						6,614,552	
4	Less: Facilities Associated with Grandfathered Agreements Note (H) & Note (U)						0	
5	Less transmission plant included in OATT Ancillary Services Note (I)						0	
6	Transmission plant included in RTO Rates (line 1 less lines 2 -5)						79,661,670	
7	Percentage of transmission plant included in RTO Rates (line 6 divided by line 1)					TP=	0.87361	
	TRANSMISSION EXPENSES							
8	Total transmission expenses (page 3, line 2, column (c))						1,033,694	
9	Less transmission expenses included in OATT Ancillary Services Note (G)						268,172	
10	Included transmission expenses (line 8 less line 9)						765,522	
11	Percentage of transmission expenses after adjustment (line 10 divided by line 8)						0.74057	
12	Percentage of transmission plant included in RTO Rates (line 7)					TP	0.87361	
13	Percentage of transmission expenses included in RTO Rates (line 11 times line 12)					TE=	0.64697	
	WAGES & SALARY ALLOCATOR (W&S)							
		$	TP	Allocation				
14	Production	3,640,502	0.00	0				
15	Transmission	317,933	0.87	277,749				
16	Distribution	6,662,225	0.00	0			W&S Allocator	
17	Customer and Sales	1,797,742	0.00	0			($ / Allocation)	
18	Total (sum lines 14-17)	12,418,402		277,749	=		2.24% = WS	
	COMMON PLANT ALLOCATOR (CE) Note (J)	**$**		% Electric			W&S Allocator	
19	Electric	0		(line 19 / line 22)			(line 18)	CE
20	Gas	0		0.00000	*		0.02237 =	0.00000
21	Telecom	0						
22	Total (sum lines 19 - 21)	0						
	RETURN (R)						$	
23							$18,473,300	
24							$ -	
	Development of Cost of Capital:							
25	Long Term Debt						415,537,123	
26	Proprietary Capital						190,423,822	
27	Less Account 216.1						0	
28		(sum lines 25-27)					605,960,945	
		$	%	Cost			Weighted	
29	Long Term Debt (page 4, line 25)	415,537,123	69%	4.4456%			3.0486% =WCLTD	
30	Proprietary Capital (page 4, line 26)	190,423,822	31%	3.3954%			1.0670%	
31	Total (sum lines 29-30)	605,960,945					4.1156% =R	
32	Effective Tier						1.3500 =Tier	
	REVENUE CREDITS							
	ACCOUNT 447 (SALES FOR RESALE)	(310-311)	Note (L)				Load	
33	a. Bundled Non-RQ Sales for Resale (311.x.h)						0	
34	b. Bundled Sales for Resale included in Divisor on page 1						0	
35	Total of (a)-(b)						0	
36	ACCOUNT 451 (MISCELLANEOUS SERVICE REVENUE) Note (M)						$0	
37	ACCOUNT 454 (RENT FROM ELECTRIC PROPERTY) Note (M)						$35,101	
38	ACCOUNT 456 (OTHER ELECTRIC REVENUES) Note (M)						$67,599	

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General Note: References to pages in this formulary rate are indicated as: (page#, line#, col.#)
References to data from FERC Form 1 are indicated as: #.y.x (page, line, column)

Note Letter

(A) [Intentionally left blank.]

(B) The balances in Accounts 190, 281, 282 and 283, as adjusted by any amounts in contra accounts identified as regulatory assetsor liabilities related to FASB 106 or 109. Balance of Account 255 is reduced by prior flow throughs and excluded if the utility chose to utilize amortization of tax credits against taxable income as discussed in Note F. Account

(C) Identified in Form 1 as being only transmission related. The transmission portion of page 227, Line 5 is specified in a footnote to the Form 1.

(D) Cash Working Capital assigned to transmission is one-eighth of O&M adjusted for non-cash amounts allocated to transmission at page 3, line 5, column 5. Prepayments are the electric related prepayments booked to Account No. 165 and reported on Page 111, line 57 in the Form 1.

(E) Includes only FICA, unemployment, highway, property, gross receipts (to the extent permitted), and other assessments charged in the current year. Taxes related to income are excluded. Gross receipts are only includable in rates to the extent that they are in-lieu of property tax.

(F) The currently effective income tax rate, where FIT is the Federal income tax rate; SIT is the State income tax rate, and p = "the percentage of federal income tax deductible for state income taxes". If the utility is taxed in more than one state it must attach a work paper showing the name of each state and how the blended or composite SIT was developed. Furthermore, a utility that elected to utilize amortization of tax credits against taxable income, rather than book tax credits to Account No. 255 and reduce rate base, must reduce its income tax expense by the amount of the Amortized Investment Tax Credit (Form 1, 266.8.f) multiplied by (1/1-T) (page 3, line 23).

Inputs Required:	0.00%	
	0.00%	(State Income Tax Rate or Composite SIT)
	0.00%	(percent of federal income tax deductible for state purposes)

(G) Removes dollar amount of transmission expenses included in the OATT ancillary services rates, including Account Nos. 561.1 through 561.8.

(H) "Excluded Facilities" are defined as those facilities that are part of the Railbelt Transmission System but are not part of the Backbone Transmission System as determined by the Railbelt Transmission Organization. Generator step-up transformers and generator leads from the generator to the generator step-up transformer are also considered "Excluded Facilities." All radials shall be excluded from transmission plant. For purposes of the formula rate, the legacy assets exclude radials. For future radials, they shall be excluded on Attachment 2.

(I) Removes dollar amount of transmission plant included in the development of OATT ancillary services rates and generation step-up facilities, which are deemed included in OATT ancillary services. For these purposes, generation step-up facilities are those facilities at a generator substation on which there is no through-flow when the generator is shut down.

(J) Enter dollar amounts

(K) As shown on Attachment 12, the Debt cost rate = long-term interest / long term debt.

(L) Line 35 must equal zero since all short-term power sales must be unbundled and the transmission component reflected in Account No. 456.1 and all other uses are to be included in the divisor.

(M) Includes income related to transmission facilities, such as pole attachments, rentals, special use, and revenues associated with general and intangible assets or revenues that offset expenses included in A&G. See Attachment 9 details for the revenues and allocators utilized.

(N) Plant in Service, Accumulated Depreciation, and Depreciation Expense amounts exclude Asset Retirement Obligation amounts unless authorized by the Commission.

(O) Refunds shall be entered as a negative number to reduce the net revenue requirement. Surcharges shall be entered as a positive number to increase the net revenue requirement.

(P) Interest on any refunds shall be entered as a negative number to reduce the net revenue requirement. Interest on surcharge shall be entered as a positive number to increase the net revenue requirement.

(Q) Includes the amortization of any excess/deficient deferred income taxes resulting from changes to income tax laws, income tax rates (including changes in apportionment) and other actions taken by a taxing authority. Excess and deficient deferred income taxes will reduce or increase tax expense by the amount of the excess or deficiency multiplied by (1/(1-T)) (page 3, line 24a).

(R) Includes the annual income tax cost or benefits due to permanent differences or differences between the amount of expenses or revenues recognized in one period for ratemaking purposes and the amounts recognized for income tax purposes which do not reverse in one or more other periods, including the cost of income taxes on the Allowance for Other Funds Used During Construction. T multiplied by the amount of permanent differences and depreciation expense associated with Allowance for Other Funds Used During Construction is included in page 3, line 22b and will increase or decrease tax expense by the amount of the expense or benefit included on line 22b multiplied by (1/(1-T)) (page 3, line 24a). Only permanent tax timing differences associated with AFUDC Equity are includable in rates. All other permanent tax timing differences require Commission authorization.

(S) TIER Target = TBD (For illustrative purposes 1.35 was utilized. The TIER will be determined and supported by a full cost of capital study in future filings.)

(T) Effective TIER based on calculated amounts.

(U) Each utility shall choose one method to address grandfathered facilities by either (i) utilize a revenue crediting mechanism on page 1, line 4 or (ii) exclude grandfathered facilities gross plant costs on page 4, line 4.