

# Regulatory Commission of Alaska

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**House Energy Committee**

April 21, 2026

**John M. Espindola** – Chair

**Julie C. Vogler** – Commissioner

**Claire Knudsen-Latta** – Utility Engineering Analyst

# Topics

- **Commission Process and Timelines**
  - Life-cycle of a docket
- **Rate Setting**
  - Authorities
  - Revenue Requirement Studies
  - Rate Approval
- **Key Energy Dockets 2020 – 2026**
  - The Railbelt Transmission Organization and Railbelt Reliability Council
  - U-25-004
  - I-26-001
  - P-22-007
  - P-23-007

A photograph of several white wind turbines on a hillside. The background features snow-capped mountains under a cloudy sky. The turbines are the central focus, with one in the foreground and others receding into the distance.

# Commission Process

Proceedings and Timelines

# Types of Proceedings

## Informal

- Includes: Informal Complaints and Tariff Filings
- Do not require final decisions to be issued under a formal order
  - May have a decision issued under a letter order
- Do not require an administrative law judge (ALJ)
- Do not require the opportunity for a hearing

## Formal

- Includes: Applications, Formal Complaints, Rulemaking, and Informational Dockets
- Decisions must be issued as a formal order
- An ALJ must be assigned to address legal issues
- An opportunity for hearing may be required
- Informal proceedings may be elevated to a formal proceeding

# Docket Process

## Initiation

- Filings, such as applications and formal complaints, are received as dockets
- Tariff filings may be suspended into a new or existing docket

## Review

- Commission Staff review the filing for multiple factors including reasonableness and conformance with governing statutes and regulations
- Hearings, Technical Conferences, and Public Input Sessions may be held

## Decision

- Staff and an assigned Administrative Law Judge present the facts of the case, including any record developed at hearing
- The Commission adjudicates the facts and issues a final decision in an order

# Timelines

- **Tariff Filings**
  - 45 days for utilities (AS 42.05.411) and electric reliability organizations (3 AAC 46.320(c))
  - 30 days for pipeline carriers (AS 42.06.390(b))
- **AS 42.05.175. Timelines For Issuance of Final Orders**
  - (a) Within 180 days after a complete application is filed for: a new Certificate of Public Convenience and Necessity (CPCN), an amendment to a CPCN, the transfer of a CPCN, or the acquisition of controlling interest in a CPCN (see also 3 AAC 48.661)
  - 3 AAC 48.661 provides for a three-month timeline after filing a complete application for a name change to the holder of an existing CPCN
  - Tariff filing suspended into a docket:
    - (b) Within 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) Within 450 days a complete filing is made for a tariff filing that changes the utility's revenue requirement or rate design
    - 3 AAC 48.310 Suspension and Rejection of Tariff Filings (Extension of Suspension): (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 renote the supplemented or amended filing to the public under 3 AAC 48.280

# Timelines (cont.)

- **Formal Complaint:**

- (d) Within 365 days after a complete formal complaint is filed against a utility; or, if the commission initiates a formal complaint, no later than 365 days after the initiating order is issued

- **Rulemaking Docket:**

- (e) Within 730 days after a complete petition for adoption, amendment, or repeal of a regulation in a rule-making proceeding; or if the commission initiates a rule-making docket, 730 days after the initiating order is issued

- **Extension of Timeline:**

- (f) the commission may extend a timeline 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 the extend timeline; 2) commission issues a written order extending the timeline and setting out its findings regarding good cause; and 3) extension of timeline is 90 days or less

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# Rate Setting

Authority and Mechanisms

# Rate Setting Authority - Statutes

## Article 4, Rates and Schedules

- AS 42.05.361, Tariffs, contracts, filing, and public inspection
- AS 42.05.371, Adherence to tariffs
- AS 42.05.381, Rates to be just and reasonable
- AS 42.05.391, Discrimination in rates
- AS 42.05.411, New or revised tariffs
- AS 42.05.421, Suspension of tariff filing
- AS 42.05.481, Separate business accounts
- AS 42.05.431, Power of Commission to fix rates
- AS 42.05.441, Valuation of property of a public utility
- AS 42.05.471, Depreciation rates and accounts

# Rate Setting Authority - Regulations

## **Article 2, Utility and Pipeline Tariffs**

- 3 AAC 48.275, Supporting Information

## **Article 4, Cost-of-Service Study and Rate Design Information for Electric Utilities**

- 3 AAC 48.510, Pricing objectives
- 3 AAC 48.520, Costs as basis for rates
- 3 AAC 48.530, Cost measures
- 3 AAC 48.540, Cost-of-service methods
- 3 AAC 48.550, Rate design

# Rate Related Definitions

- **Adjustment clause:**
  - 3 AAC 52.519(a)(1), a mechanism designed to recover changes in gas, fuel, and purchased power expenses; adjustment clauses include COPAs and GCAs
- **Base rates:**
  - 3 AAC 52.509(a)(5), the utility's currently effective rates for gas or electric service as authorized by the commission in the utility's last general rate case
- **Cost of Power Adjustment (COPA):**
  - 3 AAC 52.519(a)(6), a cost-of-power adjustment for an electric utility
- **Gas Cost Adjustment (GCA):**
  - 3 AAC 52.519(a)(7), a gas cost adjustment for a utility
- **General rate case:**
  - ***A general rate case is also referred to as a revenue requirement study***
  - 3 AAC 52.519(a)(8), a proceeding, initiated with supporting information described in 3 AAC 48.275, in which the commission revises a utility's costs and revenue to establish the utility's base rate and adjustment clause methodology

# Ratemaking Parameters

- **Rates must be just and reasonable, providing compensation to the utility without overcharging the ratepayer**
- **Rates must not be unduly discriminatory or preferential**
- **Rates must be cost based and cannot be confiscatory to the utility**
  - The cost causer is the cost payer
- **In general, the utility is entitled compensation for:**
  - Prudently incurred costs to provide safe and reliable service
  - The opportunity to earn a fair return on its investment
- **Rates are implemented on a prospective basis only**
  - Utilities cannot collect past costs in current rates (this is considered retroactive ratemaking).

# Revenue Requirement

- **The revenue requirement is:**
  - Also referred to as the cost of service
  - The annual amount of revenue (or compensation) a utility must collect to recover prudently incurred expenses and be provided the opportunity to earn a fair return on its investment
  - A study required by regulation to be filed when a utility seeks to increase or decrease rates
    - Based on a historical test year with known and measurable pro forma adjustments made to be representative of the year the rates will be in effect
- **Basic revenue requirement components include operating expense, depreciation expense, taxes other than income, income tax allowance, rate base, rate of return, and return on rate base**
  - A revenue requirement for an electric cooperative does not include rate base, rate of return, or return on rate base; instead, the revenue requirement includes margins and Times Interest Earned Ratio (TIER)

# Rate Approval Process (Revenue Requirement Study)

- The utility prepares a revenue requirement study and submits a tariff filing requesting a change to rates
- The Commission issues a public notice seeking comments by a date certain
- While the Commission may approve a rate change within 45 days, the majority of revenue requirement filings are suspended into a docket for further investigation
- The utility typically requests the rate change be approved on an interim and refundable basis if the Commission suspends the filing into a docket for further investigation
- If the Commission decision is to suspend the filing for further investigation, a formal order is issued
- The Regulatory Affairs and Public Advocacy (RAPA) section of the Department of Law and interested parties are invited to intervene
- In some instances, the parties to the docket will come to an agreement and file a stipulation prior to the scheduled hearing date. If a stipulation is not reached, evidence is taken at a hearing
- The final step is for the Commission to issue an order resolving all matters in the docket based on the facts in the record before the end of the statutory timeline

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# Key Energy Dockets

2020 – 2026

# R-20-001, R-20-002, and R-20-003

- Entity:** Electric Reliability Organization (ERO)
- Initial Filing:** R-20-001 – Opened on the Commission’s motion May 18, 2020  
R-20-002 and R-20-003 – Opened on the Commission’s motion July 14, 2020
- Summary:** Opened to adopt regulations implementing [AS 42.05.760 - .790](#) as adopted in [Senate Bill \(SB\) 123](#). R-20-001 addressed certification of an ERO and its board composition, R-20-002 addressed Integrated Resource Plans (IRPs) and Large Project Preapproval, and R-20-003 addressed ERO filing requirements, procedural rules for the ERO, imposition of penalties for violation of reliability standards, and conflict resolution procedures.
- Current Status:** These dockets had broad stakeholder involvement and resolved in the adoption of a new chapter of regulations.

# E-22-001

**Entity:** Railbelt Reliability Council (RRC)

**Initial Filing:** Application filed March 25, 2022

**Summary:** The application of the Railbelt Reliability Council (RRC) for certification as the ERO for the interconnected bulk-electric system of the Railbelt region. The RRC applied for certification with a combination balanced and independent stakeholder board of directors, as described in [3 AAC 46.070\(b\)](#).

**Current Status:** The Commission granted the RRC's application for a Certificate.

# E-22-002 and E-23-001

**Entity:** Railbelt Reliability Council

**Initial Filing:** EB1-9001, filed October 10, 2022, suspended as E-22-002 November 17, 2022  
TE1-9001, filed November 23, 2022, suspended as E-23-001 January 6, 2023

**Summary:** These consolidated dockets addressed the suspension of the RRC's initial budget filing, filed as EB1-9001, and the suspension of the RRC's initial tariff, filed as TE1-9001, respectively. E-23-001 included the RRC's initial surcharge. Chugach, HEA, MEA, and GVEA petitioned to intervene and the RAPA elected to participate. A partial stipulation was filed by the parties on February 15, 2023, which was accepted by the Commission. A hearing on the remaining issues in both dockets was held August 16, 2023.

**Current Status:** The Commission issued a final decision approving the permanent surcharge and requiring revisions to tariff sheets to conform with statutory and regulatory requirements.

# E-25-001

**Entity:** Railbelt Reliability Council

**Initial Filing:** TE8-9001, filed December 31, 2024, suspended February 14, 2025

**Summary:** The RRC's initial reliability standards filing. The tariff filing was suspended to allow the Commission and stakeholders an opportunity to review and vet the process used to develop the reliability standards and ensure it reflected statutory and regulatory requirements as well as allowing public and stakeholder input. A hearing was held April 15, 2025.

**Current Status:** The Commission issued a final order approving the proposed reliability standards.

# U-24-026 and U-24-042

- Entity:** Railbelt Transmission Organization (RTO)
- Initial Filing:** U-24-026 – Opened on the Commission’s motion August 5, 2024  
U-24-042 – Application filed December 20, 2024
- Summary:** The Commission’s determination of the best method for the RTO to apply for a Certificate of Public Convenience and Necessity (Certificate) (U-24-026). And the RTO’s application for a Certificate in compliance with AS 44.83.700(d).
- Current Status:** The Commission determined the RTO should apply using APUC Form PU101 supplemented as discussed in Order U-24-026(6). The RTO filed as required and, after a hearing, the Commission granted its application for a Certificate.

# U-25-028

- Entity:** Railbelt Transmission Organization
- Initial Filing:** TA1-8001, filed July 1, 2025, suspended August 14, 2025
- Summary:** The RTO's initial Non-discriminatory Open Access Transmission Tariff
- Current Status:** A hearing was held from February 17, 2026, through March 4, 2026, continued on March 6, 2026, and continued again March 12 – 13, 2026. The final decision in this docket is due **June 4, 2026**.

# U-25-004

**Entity:** ENSTAR Natural Gas Company, LLC (ENSTAR)

**Initial Filing:** TA350-4, filed January 28, 2025, suspended February 4, 2025

**Summary:** Request to recover all costs associated with studying and securing long-term gas supplies through its gas cost adjustment (GCA) surcharge.

**Current Status:** The Commission issued a final order on April 22, 2025, denying ENSTAR's request in TA350-4, requiring it to seek recovery of the regulatory asset through its next regular rate case. Additionally, the Commission allowed ENSTAR to create a new regulatory asset, to defer costs up to approximately \$47.1 million for development costs for a future LNG terminal, for possible inclusion in a future rate case.

# I-26-001

- Entities:** Chugach Electric Association, Inc. (Chugach), Harvest Alaska, LLC, ENSTAR Natural Gas Company, Inc. Glenfarne Alaska LNG, LLC, Cook Inlet Alaska LNG, LLC
- Initial Filing:** Opened on the Commission's motion February 2, 2026
- Summary:** Informational docket to gather information about proposed liquified natural gas (LNG) import facilities.
- Current Status:** The Commission requested briefings on jurisdictional issues and comments from interested persons not later than March 6, 2026. RAPA, ENSTAR, and Chugach filed in response to this request. Cook Inlet LNG, LLC presented an overview of its proposed project at a public meeting on March 11, 2025. As this is an informational docket, the Commission will not issue any decisions. The docket remains open.

# P-22-007

**Entities:** Oil Search (USA), Inc. (OSU)

**Initial Filing:** Application filed April 21, 2022

**Summary:** Application of OSU for a Certificate and a permit to construct and operate the Pikka Sales Oil Pipeline as a common carrier oil pipeline. No parties intervened. A hearing was held September 16, 2022.

**Current Status:** The Commission granted the application and permit and required filings. OSU submitted the required compliance filings and the docket closed on April 2, 2026.

# P-23-007

**Entity:** Willow Transportation Company LLC

**Initial Filing:** Application filed June 20, 2023

**Summary:** Application of Willow Transportation Company LLC for a Certificate and a permit to construct and operate a common carrier oil pipeline. No parties intervened. A hearing was held November 7, 2023.

**Current Status:** The Commission granted the application and permit and required filings. The docket remains open pending Willow Transportation Company LLC filing its initial tariff no later than 90 days before it begins service on the Willow Sales Oil Pipeline.

# Contact Information

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