

In reply refer to: Engineering

Subject: Application for a new certificate of public convenience and necessity.

Dear Applicant:

This is in response to your recent request for information concerning the application for a certificate of public convenience and necessity. The following items are enclosed:

- 1) two copies of the suggested application for a certificate of public convenience and necessity;
- 2) samples of the approved tariff form;
- 3) Regulatory Commission of Alaska Act (AS 42.05); and
- 4) Rules of Practice and Procedure (3 AAC);

The duplicate application form is furnished for your convenience to be used primarily as a working draft. The instructional footnotes are included to assist you in completing your application. The Commission's regulations (3 AAC 48.090) require that the final **typed** application be submitted in an original and ten (10) duplicate copies.

The form itself, may be used as the application if you prefer to do so. In that event, any blanks not otherwise filled in should be marked "not applicable" or "none", as is appropriate.

In addition, we prefer that whenever possible, you describe the proposed service area in terms of sections within townships and ranges (e.g. T18N, R5E, Sections 1 through 36; etc.). We make this request because it is difficult for us to resolve disputes between utilities with adjacent service areas when boundaries are described in metes and bounds based on recorded surveys that are not readily available to us.

If we can be of any further assistance with the completion of the application and financial schedules, please feel free to contact us at our offices or telephone our Engineering Section at (907) 276-6222.

Sincerely,

REGULATORY COMMISSION OF ALASKA

SCHEDULE 1

OPERATING REVENUES

Itemize below all operating revenues using account codes prescribed by the Uniform System of Accounts (USOA).

Line #	I USOA Account #	II Description	III Actual for Most Recent 12 Month Period*	IV Pro Forma Adjustments to Operating Revenues*	V Total Estimated Revenues at End of First Normalized Year of Operation
1			\$	\$	\$
2			\$	\$	\$
3			\$	\$	\$
4			\$	\$	\$
5			\$	\$	\$
6			\$	\$	\$
7			\$	\$	\$
8			\$	\$	\$
9			\$	\$	\$
10			\$	\$	\$
11			\$	\$	\$
12			\$	\$	\$
13			\$	\$	\$
14			\$	\$	\$
15			\$	\$	\$
16			\$	\$	\$
17			\$	\$	\$
18			\$	\$	\$
19			\$	\$	\$
20		TOTAL	\$	\$	\$

* Not applicable to new utilities or amendments to existing certificated utilities.

Attach separate sheet explaining sources of estimated revenues indicated above. For each class of customers, derive estimated annual revenues using proposed rates and number of customers.

SCHEDULE 2

OPERATING EXPENSES

[Excluding Depreciation and Income Taxes]

Itemize below all operating expenses using account codes prescribed by the Uniform System of Accounts (USOA).

Line #	I USOA Account #	II Description	III Actual for Most Recent 12 Month Period*	IV Pro Forma Adjustments to Operating Expenses*	V Total Estimated Expenses at End of First Normalized Year of Operation
1			\$	\$	\$
2			\$	\$	\$
3			\$	\$	\$
4			\$	\$	\$
5			\$	\$	\$
6			\$	\$	\$
7			\$	\$	\$
8			\$	\$	\$
9			\$	\$	\$
10			\$	\$	\$
11			\$	\$	\$
12			\$	\$	\$
13			\$	\$	\$
14			\$	\$	\$
15			\$	\$	\$
16			\$	\$	\$
17			\$	\$	\$
18			\$	\$	\$
19			\$	\$	\$
20		TOTAL	\$	\$	\$

* Not applicable to new utilities or amendments to existing certificated utilities.

Attach separate sheet explaining estimated operating expenses indicated above.

SCHEDULE 3

(Page 1 of 2)

UTILITY PLANT AND DEPRECIATION

List Plant Categories by Account According to the Uniform System of Accounts (USOA). Indent and List Separately Major Categories or Units of Plant in the Same Account

Total Plant (i.e., Contributed and Non Contributed) for Most Recent 12 Month Period*

Contributed Plant for Most Recent 12 Month Period

Line #	USOA Account # I	Plant Description II	Depreciation Rate III	Original Cost IV	Depreciation Expense V	Accumulated Depreciation VI	Original Cost VII	Amortization Expense VIII	Accumulated Amortization IX
1				\$	\$	\$	\$	\$	\$
2				\$	\$	\$	\$	\$	\$
3				\$	\$	\$	\$	\$	\$
4				\$	\$	\$	\$	\$	\$
5				\$	\$	\$	\$	\$	\$
6				\$	\$	\$	\$	\$	\$
7				\$	\$	\$	\$	\$	\$
8				\$	\$	\$	\$	\$	\$
9				\$	\$	\$	\$	\$	\$
10				\$	\$	\$	\$	\$	\$
11				\$	\$	\$	\$	\$	\$
12				\$	\$	\$	\$	\$	\$
13				\$	\$	\$	\$	\$	\$
14				\$	\$	\$	\$	\$	\$
15				\$	\$	\$	\$	\$	\$
16				\$	\$	\$	\$	\$	\$
17				\$	\$	\$	\$	\$	\$
18				\$	\$	\$	\$	\$	\$
19				\$	\$	\$	\$	\$	\$
20		SUBTOTAL		\$	\$	\$	\$	\$	\$

* Utilities with no operating history shall include an estimate for the end of the first normalized year of operation. Utilities seeking an amendment of certificate shall ONLY include an estimate of plant to be added as a result of the amendment.

SCHEDULE 3

UTILITY PLANT AND DEPRECIATION

Line #	List Plant Categories by Account According to the Uniform System of Accounts (USOA). Indent and List Separately Major Categories or Units of Plant in the Same Account			Total Plant (i.e., Contributed and Non Contributed) for Most Recent 12 Month Period*			Contributed Plant for Most Recent 12 Month Period*		
	USOA Account # I	Plant Description II	Depreciation Rate III	Original Cost IV	Depreciation Expense V	Accumulated Depreciation VI	Original Cost VII	Amortization Expense VIII	Accumulated Amortization IX
20	SUBTOTAL								
21	_____	_____	_____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
22	_____	_____	_____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
23	_____	_____	_____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
24	_____	_____	_____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
25	_____	_____	_____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
26	_____	_____	_____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
27	_____	_____	_____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
28	_____	_____	_____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
29	_____	_____	_____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
30	TOTAL			\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

DEPRECIATION

31	Depreciation on Total Plant (Col. V, Line 30)	\$ _____
32	Less Amortization on Contributed Plant (Col. VIII, Line 30)	\$ _____
33	DEPRECIATION ON NON-CONTRIBUTED PLANT (Line 31 Less Line 32)	\$ _____

ACCUMULATED DEPRECIATION

34	Accumulated Depreciation on Total Plant (Col. VI, Line 30)	\$ _____
35	Less Accumulated Amortization on Contributed Plant (Col. IX, Line 30)	\$ _____
36	ACCUMULATED DEPRECIATION ON NON-CONTRIBUTED PLANT (Line 34 Less Line 35)	\$ _____

SCHEDULE 4

COMPUTATION OF WEIGHTED COSTS OF CAPITAL

Weighted Cost of Capital Computation for TOTAL Company

	Amount I	% of Total Capitalization II	Cost of Capital III	Weighted Cost (Column II x III) IV
1 Equity	\$ _____	_____	_____	(A) _____
2 Long Term Debt*	\$ _____	_____	_____	(B) _____
2A Debt Associated with Expansion*	\$ _____	_____	_____	(C) _____
3 TOTAL	\$ _____	100%	*****	_____ (Add (A), (B), and (C))

* Attach Separate Schedule

SCHEDULE 5

COMPUTATION OF RATE BASE AND RETURN

Line #		I Estimate at End of First Normal Year of Operation
TOTAL PLANT		
1	Plant in Service (Schd. 3, Col. IV, Line 30)	\$ _____
2	Less: Accum. Depreciation (Schd. 3, Col. VI, Line 30)	\$ _____
3	Net Total Plant	\$ _____
CONTRIBUTED PLANT		
4	Contributed Plant (Schd. 3, Col. VII, Line 30)	\$ _____
5	Less: Accum. Amortization (Schd. 3 Col. IX, Line 30)	\$ _____
6	Net Contributed Plant	\$ _____
COMPUTATION OF NET PLANT-IN-SERVICE		
7	Net Total Plant (Line 3)	\$ _____
8	Less: Net Contributed Plant (Line 6)	\$ _____
9	Net Plant-in-Service	\$ _____
WORKING CAPITAL REQUIREMENT		
10	12.5% of (Schd. 2, Col. V, Line 20) Applies to monthly billing NOT in advance	\$ _____
11	Materials and Supplies	\$ _____
12	Prepayments (attach supplementary schedule)	\$ _____
13	Customer Deposits	\$ _____
14	Other Adjustments (attach supplementary schedule)	\$ _____
15	RATE BASE (Line 9 +10+11+12 - 13 +14)	\$ _____
16	Rate of Return (Schd. 4, Col. IV, Line 3)	_____ %
17	RETURN ON RATE BASE (Line 15 x Line 16)	\$ _____

SCHEDULE 6

TAX COMPUTATION

1	Rate Base (Schedule 5, Line 15)	\$ _____
2	Weighted Cost of Equity (Schd. 4, Col. IV, Line 1)	\$ _____
3	Return on Equity (Line 1 x Line 2)	\$ _____
4	Add: Income Taxes as Computed Below	\$ _____
5	Total Amount Subject to Income Taxes (Line 3 + Line 4)	\$ _____

COMPUTATION OF INCOME TAXES

A. STATE (show computation)

6	State Income Tax	\$ _____
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B. FEDERAL (show computation)

7	Federal Income Tax	\$ _____
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8	TOTAL INCOME TAXES (Line 6 + Line 7)	\$ _____
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SCHEDULE 7

REVENUE REQUIREMENT

**LINE
#**

1 Operating Expenses [Excluding Depreciation and Income Taxes] \$ _____
(From Schd. 2, Col. V, Line 20)

2 Add: Depreciation \$ _____
(From Schd. 3, Line 33)

3 Return on Rate Base \$ _____
(From Schd. 5, Line 17)

4 State and Federal Income Taxes \$ _____
(From Schd. 6, Line 8)

5 TOTAL: REVENUE REQUIREMENT \$ _____

6 Revenues \$ _____
(From Schd. 1, Col. V, Line 20)

7 OVER (OR UNDER) RECOVERY \$ _____
(Line 5 less Line 6)

