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STATE OF ALASKA

THE REGULATORY COMMISSION OF ALASKA

Before Commissioners:

Mark K. Johnson, Chair
Kate Giard
Dave Harbour
James S. Strandberg
G. Nanette Thompson

In the Matter of the Establishment of the Fiscal
Year 2004 Regulatory Cost Charge for Public
Utilities)

U-03-38
ORDER NO. 2

In the Matter of the Establishment of the Fiscal
Year 2004 Regulatory Cost Charge for Pipeline
Carriers)

P-03-8
ORDER NO. 2

**ORDER ESTABLISHING REGULATORY COST CHARGE RATES
FOR FISCAL YEAR 2004; ALLOCATING COSTS; AND CLOSING DOCKET**

BY THE COMMISSION:

Summary

We establish regulatory cost charge (RCC) rates for regulated utilities and pipeline carriers. We allocate costs and close these dockets.

Background

We initiated these proceedings to establish the RCC rates for fiscal year (FY) 2004. We gave notice to the public, regulated utilities, and regulated pipeline carriers of our proposed FY04 RCC rates on July 2, 2003.¹ A public hearing convened, as scheduled, on August 8, 2003. During the hearing, we addressed the comments

¹We issued an initial calculation of the FY04 RCC rates for comment with Order U-03-38(1)/P-03-8(1), dated July 2, 2003.

1 filed by the Alaska Rural Electric Cooperative Association, Inc. (ARECA) and reviewed
2 the Commission Staff's (Staff) updated calculation of the FY04 RCC rates.²

3 Discussion

4 Establishment of FY04 RCC Rates

5 As required by AS 42.05.254 and 3 AAC 47.040 and explained in
6 Order U-03-38(1)/P-03-8(1), we revised our adjustment to the RCA budget (Appendix A,
7 Line 13) to reflect an updated estimate of other-program receipts and updated carry-
8 over information. We also included utility revenue information that became available
9 subsequent to the initial calculation in our final calculation of RCC rates.³

10 The RCC annual rates for FY04, as a percent (%) of industry sector
11 revenues, is set as follows:

12 Electric Utilities:	0.927% of revenue subject to RCC
13 Gas Utilities:	0.135% of revenue subject to RCC
14 Refuse Utilities:	0.794% of revenue subject to RCC
15 Water & Wastewater Utilities:	0.815% of revenue subject to RCC
16 Local Exchange Telephone Utilities:	1.261% of revenue subject to RCC
17 Interexchange Telephone Utilities:	1.339% of revenue subject to RCC
18 Regulated Cable Utilities:	1.841% of revenue subject to RCC
19 Regulated Pipeline Carriers:	0.451% of revenue subject to RCC
20 Steam Heat Utilities:	1.151% of revenue subject to RCC

21 Application of the above industry sectors rates results in an overall rate of
22 0.80 percent of adjusted gross regulated revenue for all regulated utilities and regulated
23 pipeline carriers. To collect the full amount of the FY04 annual RCC assessment over

24 _____
²*Id.*

25 ³See Appendix A, pp. 3 and 4.

1 the remaining three quarters, we determine that the annualized rates to be collected
2 effective October 1, 2003 are:

4	Electric Utilities:	\$0.000392 per kilowatt-hour
5	Gas Utilities:	0.106% of revenue subject to RCC
6	Refuse Utilities:	0.807% of revenue subject to RCC
7	Water & Wastewater Utilities:	0.867% of revenue subject to RCC
8	Local Exchange Telephone Utilities:	1.290% of revenue subject to RCC
9	Interexchange Telephone Utilities:	1.297% of revenue subject to RCC
10	Regulated Cable Utilities:	1.601% of revenue subject to RCC
11	Regulated Pipeline Carriers:	0.491% of revenue subject to RCC
12	Steam Heat Utilities:	1.304% of revenue subject to RCC

13 Comments

14 ARECA filed comments on July 25, 2003, regarding our budget allocation
15 methodology and the RCC formula variable "E."⁴ ARECA stated that the methodology
16 for allocating the Commission's costs among industry sectors should be established by
17 regulations under the Administrative Procedure Act, AS 44.62, *et seq.*, as required by
18 the Alaska Public Utilities Regulatory Act, ch. 25 SLA 1999, rather than by adjudicative
19 order. ARECA noted that as a transitional measure, Section 29(f) of the Act allowed us
20 to establish an interim methodology for the calculation of FY01 RCC rates but that the
21 measure did not extend to the calculation of the FY02, FY03, or FY04 RCC rates.

22
23 ⁴In the formula at 3 AAC 47.040(a) for determining the regulatory cost charge
rate as a percentage of adjusted gross regulated operating revenue,

24 E equals the amount expected to be collected from exempt utilities, from
25 other sources in that fiscal year, and the carryover balance of the regulatory
26 cost charge program receipts account appropriated for that fiscal year;

1 ARECA renewed its position that the Commission establish, by regulation, a permanent
2 cost allocation methodology as soon as possible to comply with the Act.

3 ARECA also stated that subtraction of “FY02 Deficit Funded with FY03
4 Receipts (per DCED)”⁵ appeared to be contrary to the method used in previous RCC
5 filings and that there should be a consistent matching of revenue and expenses,
6 regardless of whether there is a deficit or surplus from the prior fiscal year.

7 Tariffs Sheets

8 Staff will prepare the tariff revisions necessary to implement the changes
9 in the RCC rates for all regulated utilities and pipeline carriers that have RCC rates
10 included in their current tariffs. We require any regulated utility or pipeline carrier that
11 prefers to prepare its own RCC tariff revision to notify our Tariff Section no later than
12 4 p.m., September 24, 2003. Regulated utilities and pipeline carriers shall include the
13 new RCC rates in billings rendered on and after October 1, 2003.⁶ Staff will use
14 October 1, 2003, on all tariff sheets unless other arrangements have been made. If a
15 regulated utility or pipeline carrier does not currently have a tariffed RCC provision and
16 it wishes to recover the RCC from its customers or shippers, it may ask us to prepare a
17 filing on its behalf or submit a tariff advice filing in accordance with 3 AAC 47.070(c)
18 under the procedures set out in 3 AAC 48.270.

19 The only matter remaining in this proceeding is the allocation of costs
20 under AS 42.05.651, AS 42.06.610, and 3 AAC 48.157. There are costs directly
21
22
23

24 ⁵Department of Community and Economic Development (DCED).

25 ⁶3 AAC 47.070.

1 assignable to these proceedings, including fees for recording and transcribing at the
2 public hearing in the amount of \$112.35. Since this is a generic proceeding involving
3 entities that pay RCC rates, we will bear the allocable costs of this proceeding. With
4 this action, no outstanding substantive and procedural matters remain, and Dockets
5 U-03-38 and P-03-8 are closed.

6
7 **ORDER**

8 THE COMMISSION FURTHER ORDERS:

9 1. The FY04 regulatory cost charge rate for regulated utilities and pipeline
10 carriers is as follows:

11 Electric Utilities:	0.927% of revenue subject to RCC
12 Gas Utilities:	0.135% of revenue subject to RCC
13 Refuse Utilities:	0.794% of revenue subject to RCC
14 Water & Wastewater Utilities:	0.815% of revenue subject to RCC
15 Local Exchange Telephone Utilities:	1.261% of revenue subject to RCC
16 Interexchange Telephone Utilities:	1.339% of revenue subject to RCC
17 Regulated Cable Utilities:	1.841% of revenue subject to RCC
18 Regulated Pipeline Carriers:	0.451% of revenue subject to RCC
19 Steam Heat Utilities	1.151% of revenue subject to RCC

20 2. The FY04 regulatory cost charge rate for regulated electric utilities is
21 established at \$0.000374 per kilowatt-hour, based on the regulatory cost charge annual
22 rate of 0.927 percent of electric utility revenues subject to RCC.

23 3. In order to adjust for the July 1 through September 30, 2003 quarter
24 collections at the FY03 RCC rates, the amount of RCC to be collected effective
25 October 1, 2003 shall be:
26

1	Electric Utilities:	\$.000392per kilowatt-hour
2	Gas Utilities:	0.106% of revenue subject to RCC
3	Refuse Utilities:	0.807% of revenue subject to RCC
4	Water & Wastewater Utilities:	0.867% of revenue subject to RCC
5	Local Exchange Telephone Utilities:	1.290% of revenue subject to RCC
6	Interexchange Telephone Utilities:	1.297% of revenue subject to RCC
7	Regulated Cable Utilities:	1.601% of revenue subject to RCC
8	Regulated Pipeline Carriers:	0.491% of revenue subject to RCC
9	Steam Heat Utilities:	1.304% of revenue subject to RCC

10 4. All regulated utilities and pipeline carriers shall submit quarterly
11 regulatory cost charge payments to the Department of Revenue and shall submit
12 quarterly regulatory cost charge reports to the Commission no later than thirty days after
13 the end of each quarter as required by 3 AAC 47.050. Regulatory cost charge quarterly
14 report forms are attached to this order as Appendix B and are also available on our web
15 site at: <http://www.state.ak.us/rca/business/finrep.html>.

16 5. All regulated utilities and pipeline carriers who wish to recover the
17 regulatory cost charge from their customers or shippers must have an appropriately
18 worded provision in their tariffs. If a regulated utility or pipeline carrier does not
19 currently have a tariffed RCC provision and it wishes to recover the RCC from its
20 customers or shippers, it may request us to prepare such a filing on its behalf or submit
21 a tariff advice filing in accordance with 3 AAC 47.070(c).

22 6. Unless otherwise arranged, pursuant to Ordering Paragraph No. 7 of
23 this Order, the Commission Staff will prepare the tariff revisions necessary to implement
24 the changes in the regulatory cost charge rates set forth in Ordering Paragraph Nos. 1,
25 2, and 3 for all regulated utilities and pipeline carriers that have currently tariffed
26 regulatory cost charges. The charges are effective for billings rendered on and after
October 1, 2003.

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7. Any regulated utility or pipeline carrier that prefers to prepare its own RCC tariff revision must notify our Tariff Section no later than 4 p.m., September 24, 2003.

8. The allocable costs of these proceedings will be borne by the Commission.

9. Dockets U-03-38 and P-03-8 are closed.

DATED AND EFFECTIVE at Anchorage, Alaska, this 17th day of September, 2003.

BY DIRECTION OF THE COMMISSION

(S E A L)

COMPUTATION OF REGULATORY COST CHARGE (RCC)

JULY 1, 2003 - JUNE 30, 2004

LINE	UTILITY GROSS REVENUES	(A)	(B)	(C)	(D)	(E)	(F)	(G)
	SECTOR	2002 Revenues Subject to RCC	Relative Cost Allocation	RCC Percentage	Estimated RCC	RCC Percentage Charged 1st Qtr	Adjustment for 1st Qtr Rate Charged	Adjusted RCC Rate
1	Electric	188,815,072	27.74%	0.927%	\$1,750,517	0.741%	0.062%	0.989%
2	Gas	115,555,685	2.48%	0.135%	\$156,566	0.223%	-0.029%	0.106%
3	Refuse	33,986,552	4.28%	0.794%	\$269,845	0.755%	0.013%	0.807%
4	Water & Wastewater	72,656,851	9.38%	0.815%	\$592,144	0.658%	0.052%	0.867%
5	Local Exchange Telephone	154,350,298	30.85%	1.261%	\$1,946,537	1.173%	0.029%	1.290%
6	Interexchange Telephone	61,454,518	13.04%	1.339%	\$822,807	1.465%	-0.042%	1.297%
7	Cable	1,910,518	0.56%	1.841%	\$35,165	2.558%	-0.239%	1.601%
8	Pipeline	157,992,904	11.30%	0.451%	\$713,121	0.332%	0.040%	0.491%
9	Steam Heat	2,016,080	0.37%	1.151%	\$23,206	0.692%	0.153%	1.304%
10	Variance in rounding RCC.							
11	TOTAL	<u>\$788,738,477</u>	<u>100.00%</u>	<u>0.800%</u>	<u>\$6,309,908</u>			

FORMULA FOR COMPUTING RCC: $RCC = ((B - E + X) * \text{Relative Commission Cost Allocation}) / \text{Industry Revenue Subject to RCC}$

12	B = RCA Budget	\$6,143,800
13	E = **	166,108
14	X = Uncollectible Allowance (0% of Budget)	0
15	TOTAL TO BE RECOVERED	<u>\$6,309,908</u>

COMPUTATION PER ELECTRIC kWh

16	2002 Electric Gross Revenue (Line 1)	\$188,815,072
17	TIMES: RCC (Line 1)	<u>0.927%</u>

18	Amount Derived from Electric: (Line 16 x Line 17)	<u>\$1,750,517</u>
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** Per 3 AAC 47.040

19	2002 Electric Retail kWh	<u>4,685,637,187</u>
20	Rate per kWh (Line 18/ Line 19)(rounded)	<u>\$0.000374</u>

E= Estimated actual charges, other sources and carry over.

Estimated Actual Charges

Carry-over appropriated

Other program receipts

AS 42.05.254(a) - .8% Utility Gross Revenue Cap Adjustment

544,491

(78,658)

(299,725)

E= 166,108

21	Estimated RCC Collected for 1st Qtr @ current rate of: (Line 19 / 4 x \$0.000318)	\$0.000318	372,508
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22	Balance of FY 2004 assessment to be collected Oct. 1 through June 30 (Line 18 less Line 21)	<u>\$1,378,009</u>
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23	Divide by est. kWh for last 3 qtrs. of FY 2004 (Line 19 / 4) x 3	<u>3,514,227,891</u>
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24	Annualized Rate per kWh (Line 22 divided by line 23)(rounded)	<u>\$ 0.000392</u>
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REGULATED ELECTRIC UTILITIES

	(A)	(B)	(A x B)	
Utility	2002 Revenues Subject to RCC	kWh Sales Subject to RCC	RCC Rate Per kWh	
			RCC Amount	
Alaska Electric Generation & Transmission	-	-	\$ 0.000374	-
Alaska Electric Light & Power Company	15,827,151	311,548,000	\$ 0.000374	116,392
Alaska Power Company	7,036,851	60,842,753	\$ 0.000374	22,730
Aniak Light And Power Company, Inc.	482,868	2,107,770	\$ 0.000374	787
Arctic Utilities, Inc.	-	-	\$ 0.000374	-
Aurora Energy, LLC	-	-	\$ 0.000374	-
BBL Hydro, Inc.	-	-	\$ 0.000374	-
Bethel Utilities Corporation, Inc.	3,063,030	38,165,262	\$ 0.000374	14,258
Central Electric, Inc.	¹ 196,914	568,074	\$ 0.000374	212
Chignik Lake Electric Utility, Inc.	-	307,077	\$ 0.000374	115
Chugach Electric Association, Inc.	28,559,803	1,141,106,000	\$ 0.000374	426,308
Egegik Light And Power Company	NR	NR	\$ 0.000374	-
G & K, Inc.	NR	NR	\$ 0.000374	-
Goat Lake Hydro, Inc.	-	-	\$ 0.000374	-
Golden Valley Electric Association, Inc.	40,271,351	1,069,320,000	\$ 0.000374	399,489
Gustavus Electric Company, Inc.	² 629,239	137,696	\$ 0.000374	51
Gwitchyaa Zhee Utility Company	478,568	2,276,006	\$ 0.000374	850
Homer Electric Association, Inc.	16,008,781	486,926,000	\$ 0.000374	181,912
Kipnuk Light Plant	¹ 463,596	1,607,075	\$ 0.000374	600
Kodiak Electric Association, Inc.	8,545,063	122,176,000	\$ 0.000374	45,644
Lime Village Traditional Council	27,054	75,364	\$ 0.000374	28
Manley Utility Company, Inc.	102,601	248,277	\$ 0.000374	93
Matanuska Electric Association, Inc.	23,518,053	546,601,000	\$ 0.000374	204,206
McGrath Light & Power Co.	439,957	2,794,769	\$ 0.000374	1,044
Middle Kuskokwim Electric Coop., Inc.	¹ 411,271	807,549	\$ 0.000374	302
Municipal Light & Power (Anchorage)	⁴ 41,515,205	892,175,786	\$ 0.000374	333,310
Napakiak Ircinaq Power Company	159,370	596,333	\$ 0.000374	223
Pelican Utility District Ado Kake Tribal Corporation	NR	NR	\$ 0.000374	-
Tanana Power Company, Inc.	302,195	1,159,000	\$ 0.000374	433
TDX-Sand Point Generating, Inc.	493,705	3,381,795	\$ 0.000374	1,263
Teller Power Company	³ 282,446	709,601	\$ 0.000374	265
	<u>\$ 188,815,072</u>	<u>4,685,637,187</u>		<u>\$ 1,750,517</u>
TOTAL				

NR = Not reported at calculation date.

¹ Data as reported to the Alaska Energy Authority

² Information based on the 2001 annual report.

³ Information based on the 2000 annual report.

⁴ Revenue data updated to correct data entry error on initial calculation.

REGULATED GAS UTILITIES	(A)	(B)	(A x B)
Utility	2002 Revenues Subject to RCC	RCC Rate Percentage	RCC Amount
Alaska Intrastate Gas Company	NR	0.135%	-
Alaska Pipeline Company	¹ -	0.135%	-
Beluga Pipe Line Company	1,160,998	0.135%	1,573
Enstar Natural Gas Company Div of SEMCOENERGY	110,072,061	0.135%	149,136
Fairbanks Natural Gas, Llc	2,312,246	0.135%	3,133
Norgasco, Inc.	2,010,380	0.135%	2,724
TOTAL	\$ 115,555,685		\$ 156,566

REGULATED REFUSE UTILITIES	(A)	(B)	(A x B)
Utility	2002 Revenues Subject to RCC	RCC Rate Percentage	RCC Amount
Alaska Waste Transfer	⁵ 1,467,662	0.794%	11,653
Alma Corporation	NR	0.794%	-
Commercial Refuse, Inc.	709,729	0.794%	5,635
Cook Inlet Refuse	NR	0.794%	-
Denali Commercial Management Inc.	NR	0.794%	-
Freedom Refuse Service	² -	0.794%	-
Industrial Refuse	NR	0.794%	-
J.D. Refuse Service	NR	0.794%	-
Ramsey & Sons Trucking	² -	0.794%	-
Raven Refuse	NR	0.794%	-
Robert E. Bartlett d/b/a Bartlett Industries	NR	0.794%	-
Trash Talk	NR	0.794%	-
Valley Refuse, Inc	955,174	0.794%	7,584
Waste Management of Alaska, Inc.(Anchorage)	³ 17,330,607	0.794%	137,601
Waste Management of Alaska, Inc.(Fairbanks)	³ 4,109,305	0.794%	32,627
Waste Management of Alaska, Inc.(Juneau)	⁴ 4,614,220	0.794%	36,636
Waste Management of Alaska, Inc. (Ketchikan)	⁴ 600,839	0.794%	4,771
Waste Management of Alaska, Inc.(Nome)	⁴ 415,336	0.794%	3,298
Waste Management of Alaska, Inc.(Peninsula)	1,707,306	0.794%	13,556
Waste Management of Alaska, Inc.(Unalaska)	⁴ 272,928	0.794%	2,167
Waste Management of Alaska, Inc.(Wasilla)	1,803,446	0.794%	14,319
TOTAL	\$ 33,986,552		\$ 269,845

REGULATED STEAM HEAT UTILITIES	(A)	(B)	(A x B)
Utility	2001 Revenues Subject to RCC	RCC Rate Percentage	RCC Amount
Aurora Energy, LLC.	\$ 2,016,080	1.151%	\$ 23,206
TOTAL	\$ 2,016,080		\$ 23,206

NR = Not reported at date projection was calculated

¹ Combined with ENSTAR.

² Reported revenues under \$300,000.

³ Commercial revenues added.

⁴ Aquired by Alaska Pacific Environmental Services.

⁵ Updated to reflect annual report received subsequent to Order No. 1

REGULATED WATER UTILITIES	(A)	(B)	(A x B)
Utility	2002 Revenues Subject to RCC	RCC Rate Percentage	RCC Amount
Alpat Water Utility Company	26,622	0.815%	217
Anchorage Water Utility	30,366,164	0.815%	247,481
College Utilities Corp.	³ 2,113,789	0.815%	17,227
Crystal Cathedral Water System, Inc.	14,752	0.815%	120
Dawn Development Corporation	99,187	0.815%	808
Eagle Utilities, Inc.	68,133	0.815%	555
Eklutna Utilities, Inc.	NR	0.815%	-
Golden Heart Utilities	4,971,543	0.815%	40,517
Jolliffe Water	19,532	0.815%	159
McGahan Utilities, Inc.	NR	0.815%	-
Mckinley Utilities, Inc.	³ 14,190	0.815%	116
Pelican Utility District	¹ 7,305	0.815%	60
Potter Creek Water Company	50,050	0.815%	408
Sandlake Services	NR	0.815%	-
Snowshoe Water Company	NR	0.815%	-
Southcentral Utilities, Inc.	24,800	0.815%	202
Spenard Heights Water System	15,579	0.815%	127
Swiss Castle Estates Water Works	12,071	0.815%	98
Trillium Corporation	NR	0.815%	-
Valley Water Company, Inc.	¹ 194,263	0.815%	1,583
Westwood Water Company, Inc.	² 6,055	0.815%	49
TOTAL WATER	<u>\$38,004,035</u>		<u>\$309,728</u>

REGULATED WASTEWATER UTILITIES	(A)	(B)	(A x B)
Utility	2002 Revenues Subject to RCC	RCC Rate Percentage	RCC Amount
Anchorage Wastewater Utility	25,369,951	0.815%	206,762
College Utilities Corp.	2,055,322	0.815%	16,751
Crystal Cathedral Sewer System, Inc.	23,362	0.815%	190
Golden Heart Utilities	7,199,167	0.815%	58,672
Trillium Corporation	² 5,013	0.815%	41
TOTAL WASTEWATER	<u>\$ 34,652,816</u>		<u>\$ 282,416</u>
TOTAL WATER & WASTEWATER	<u>\$ 72,656,851</u>		<u>\$ 592,144</u>

NR = Not reported at date projection was calculated

¹ Data derived from RCC quarterly reports.

² Information based on the 2001 annual report.

³ Updated to reflect 2002 data, which was filed subsequent to Order 1.

REGULATED CABLE TELEVISION UTILITIES			
Utility	(A) 2002 Revenues Subject to RCC	(B) RCC Rate Percentage	(A x B) RCC Amount
GCI Cable / Juneau, Inc.	¹ <u>\$1,910,518</u>	1.841%	<u>\$35,165</u>

LOCAL EXCHANGE CARRIERS			
Utility	(A) 2002 Revenues Subject to RCC	(B) RCC Rate Percentage	(A x B) RCC Amount
ACS of Alaska, Inc.	8,161,774	1.261%	102,929
ACS of Anchorage, Inc.	58,072,285	1.261%	732,359
ACS of Fairbanks, Inc.	14,505,959	1.261%	182,937
ACS of the Northland, Inc.	21,858,808	1.261%	275,665
Alascom, Inc., AT&T Alascom D/B/A	¹ 2,619,721	1.261%	33,038
Alaska Fiber Star, LLC	¹ 8,031	1.261%	101
Alaska Telephone Company	2,983,924	1.261%	37,631
Arctic Slope Telephone Association Cooperative, Inc.	² 1,090,959	1.261%	13,758
Bettles Telephone, Inc.	51,669	1.261%	652
Bristol Bay Telephone Cooperative, Inc.	747,225	1.261%	9,423
Bush-Tell, Incorporated	392,538	1.261%	4,950
Copper Valley Telephone Cooperative, Inc.	³ 2,352,573	1.261%	29,669
GCI Communication Corp. d/b/a General Communication Inc. d/b/a GCI	¹ 13,950,414	1.261%	175,931
Interior Telephone Company	3,762,352	1.261%	47,448
Matanuska Telephone Association, Inc.	16,328,345	1.261%	205,919
Mukluk Telephone Company, Inc.	1,303,692	1.261%	16,441
North Country Telephone, Inc.	31,943	1.261%	403
Nushagak Electric and Telephone Cooperative, Inc.	754,489	1.261%	9,515
OTZ Telephone Cooperative, Inc.	953,524	1.261%	12,025
Summit Telephone Company Summit Telephone & Telegraph Co.	² 75,292	1.261%	950
United Utilities, Inc.	² 2,728,234	1.261%	34,406
United-KUC, Inc.	1,450,655	1.261%	18,294
Yukon Telephone Company, Inc.	<u>165,892</u>	1.261%	<u>2,092</u>
TOTAL	<u>\$ 154,350,298</u>		<u>\$ 1,946,537</u>

NR = Not reported at date projection was calculated

¹ Data taken from RCC quarterly reports.

² Data taken from RCC annual report.

INTRASTATE INTEREXCHANGE CARRIERS		(A)	(B)	(A x B)
Utility		2002 Revenues Subject to RCC	RCC Rate Percentage	RCC Amount
ACS Long Distance, Inc.	2	6,236,282	1.339%	83,497
Alascom, Inc., AT&T Alascom D/B/A	2	27,430,585	1.339%	367,265
Alasconnect, Inc.	2	1,460,566	1.339%	19,555
Alaska Call Connection, Inc.		NR	1.339%	-
Alaska Fiber Star, LLC	1	-	1.339%	-
Alaska Network Systems, Inc.	3	358,510	1.339%	4,800
American Express Telecom, Inc.		NR	1.339%	-
American Telecommunications Enterprises, Inc.		NR	1.339%	-
Ameritech Communications International, Inc.	2	-	1.339%	-
AP&T Long Distance, Inc.	6	-	1.339%	-
AS Telecommunications, Inc.		NR	1.339%	-
ASTAC Long Distance, Inc.	2	215,110	1.339%	2,880
Bellsouth Long Distance, Inc.	2	-	1.339%	-
Big Planet, Inc	2	363	1.339%	5
Business Telecom, Inc.	2	105	1.339%	1
Cable & Wireless, Inc.		NR	1.339%	-
Chugach Electric	2	28,022	1.339%	375
Comdata Telecommunications, Inc.		NR	1.339%	-
Copper Valley Long Distance, Inc.	2	900	1.339%	12
DSLnet Communications, Inc.	2	-	1.339%	-
Electric Lightwave, Inc.		NR	1.339%	-
Evercom Systems, Inc.	2	-	1.339%	-
Excel Telecommunications, Inc.		NR	1.339%	-
Federal Transtel, Inc.		NR	1.339%	-
GCI Communication Corp. d/b/a General Communication Inc. d/b/a GCI	4	22,484,531	1.339%	301,043
GCI Fiber Communication Co., Inc.		-	1.339%	-
Global Crossing North American Networks, Inc.	2	-	1.339%	-
Global Crossing Telecommunications, Inc.	2	14,343	1.339%	192
IDT America Corporation	1	54,736	1.339%	733
Intellicall Operator Services, Inc.	2	13,620	1.339%	182
Intermedia Communications, Inc.		NR	1.339%	-
International Telecom, Inc.		NR	1.339%	-
Invision Telecom, Inc.		NR	1.339%	-
ITC DeltaCom	2	84	1.339%	1
JD Services d/b/a American Freedom Network		NR	1.339%	-
King Salmon Communications, Inc.		NR	1.339%	-
MCI Telecommunications		NR	1.339%	-
MCI Worldcom Communications, Inc.	2	728,411	1.339%	9,753
MTA Long Distance, Inc.	1	823,215	1.339%	11,022
Network Communications International Corp.	2	1,689	1.339%	23
North By Northeastcom	2	-	1.339%	-

INTRASTATE INTEREXCHANGE CARRIERS		(A)	(B)	(A x B)
Utility		2002 Revenues Subject to RCC	RCC Rate Percentage	RCC Amount
Northwest Communications, Inc., Automated Information Mgmt Systems D/B/A		NR	1.339%	-
One Call Communication, Inc. D/B/A Opticom	2	1,244	1.339%	17
OTZ Telecommunications, Inc. D/B/A Otz Long Distance	3	432,652	1.339%	5,793
PDS, Inc.		NR	1.339%	-
Premiere Network Services, Inc.	2	-	1.339%	-
Quest Telecommunications, Inc.	2	9,318	1.339%	125
Southwestern Bell Communications Services, Inc., D/B/A Southwestern Bell Long Distance	2	9,468	1.339%	127
Sprint Communications Company L.P.	2	880,580	1.339%	11,790
Telalaska, Inc.	1	179,642	1.339%	2,405
Teleglobe USA, Inc.		NR	1.339%	-
Teltrust Communications Services, Inc., D/B/A Teltrust		NR	1.339%	-
TON Services, Inc.		NR	1.339%	-
U.S. South Communications, Inc. D/B/A US South And D/B/A Incomm		NR	1.339%	-
Unicom, Inc.	2	82,254	1.339%	1,101
United Native American Telecommunication		NR	1.339%	-
United States Advanced Network, Inc		NR	1.339%	-
US West Long Distance, Inc.		NR	1.339%	-
USLD Communications, Inc.		NR	1.339%	-
Vartec Telecom, Inc.		NR	1.339%	-
Verizon Select Services, Inc.	1,5	2,824	1.339%	38
Vocall Communications Corp.		NR	1.339%	-
Williams Communication, LLC	2	5,457	1.339%	73
World Telecom Group, Inc.		NR	1.339%	-
Yukon Long Distance Company	2	-	1.339%	-
Z-TEL Communications, Inc.	2	7	1.339%	0
TOTAL		<u>\$ 61,454,518</u>		<u>\$ 822,807</u>

NR= Data not reported as of date of initial calculation.

1 Data taken from RCC quarterly reports.

2 Data taken from RCC annual report.

3 Information based on the 2001 annual report.

4 Data annualized using RCC quarterly reports.

5 f/k/a GTE Communications Corporation.

6 Per correspondence from prior year, AP&T LD pays RCC to Alascom.

PIPELINE CARRIERS	(A)	(B)	(A x B)
Utility	2002 Revenue Subject to RCC	RCC Rate Percentage	RCC Amount
Alpine Transportation Company	*	0.451%	*
Amerada Hess Pipeline Corporation	*	0.451%	*
BP Pipelines (Alaska) Inc.	*	0.451%	*
BP Transportation (Alaska) Inc. (Badami-Gas)	*	0.451%	*
Cook Inlet Pipe Line Company	*	0.451%	*
Endicott Pipeline Company	*	0.451%	*
ExxonMobil Pipeline Company	*	0.451%	*
Golden Valley Electric Association, Inc.	*	0.451%	*
Kenai Pipe Line Company	*	0.451%	*
Kuparuk Transportation Company	*	0.451%	*
Milne Point Pipe Line Company (Oil)	*	0.451%	*
Milne Point Pipe Line Company (Product)	*	0.451%	*
Oliktok Pipeline Company	*	0.451%	*
Phillips Alaska Pipeline Corporation	*	0.451%	*
PTAI Transportation Alaska, Inc.	*	0.451%	*
Tesoro Alaska Pipeline Company	*	0.451%	*
Unocal Pipeline Company	*	0.451%	*
TOTAL	<u>157,992,904</u>		<u>713,121</u>

* Confidential pursuant to AS 42.06.445(c).

FY 2003 RCA Financial Information

Actual Revenue Receipts to Actual Expenditures

FY 03 Revenues (as of June 12, 2003):	
Cash Receipts 7/02 through 6/03 (per DCED)	5,826,695
FY 02 Deficit Funded with FY 03 Receipts (per DCED)	(577,290)
FY 03 Other Receipts (per AKSAS)	<u>78,658</u>
Net FY 03 Revenues	<u>5,328,063</u>
FY 03 Expenditures (pre-closing as of August 5, 2003):	
Operating Budget Actual Expenditures	5,794,804
Operating Budget Encumbrances	<u>77,750</u>
Total FY 03 Expenditures	<u>5,872,554</u>
FY 03 Deficit (Projected)	<u><u>\$ (544,491)</u></u>

Computation of Regulatory Cost Charge
RCC FY2004 Budget Allocation to Industry Sectors
(In Thousands)

	RCA Budget	Electric	Gas	Water & Wastewater	Refuse	Telephone		Cable	Pipeline	Steam Heat
						LEC	IXC			
Personal Services	4,179.20	1,174.62	109.15	412.81	188.12	1,341.63	558.22	24.51	353.95	16.18
Costs Allocated on Labor%	1,657.70	465.92	43.29	163.74	74.62	532.16	221.42	9.72	140.40	6.42
Costs Allocated on Other than Labor%										
Telecommunications Regulation Contract	43.00	-	-	-	-	21.50	21.50	-	-	-
Pipeline Administrative Law Judge	200.00	-	-	-	-	-	-	-	200.00	-
Electricity Issues	63.90	63.90	-	-	-	-	-	-	-	-
Total RCA	6,143.80	1,704.43	152.44	576.56	262.74	1,895.29	801.15	34.24	694.35	22.60
Allocation Percentages (Carried forward to Appendix A Page 1 of 10)	100.00%	27.74%	2.48%	9.38%	4.28%	30.85%	13.04%	0.56%	11.30%	0.37%

RCC Labor Summary

Industry by Hours:

Payroll Period Ending:	Unallocated Time (Checksum)	Supervisor ADMIN	LEAVE	Industry by Hours:										Total
				Non Regulated	Regulated Electric	Gas	Water & Wastewater	Refuse	LEC	IXC	Cable	Pipeline	Heat	
7/15/2002	-	128.25	371.00	203.71	662.22	49.31	249.11	47.83	406.18	249.62	10.37	101.17	13.15	2,493.28
7/31/2002	-	143.00	219.50	230.55	659.50	43.06	291.35	79.54	500.33	365.44	22.87	170.24	15.08	2,741.40
8/15/2002	-	125.80	216.00	115.85	715.94	144.21	110.58	67.69	542.15	330.12	28.12	145.55	21.24	2,563.25
8/31/2002	-	109.25	332.00	143.93	700.01	103.83	135.80	56.31	549.14	314.03	13.31	154.95	10.19	2,622.75
9/15/2002	-	103.85	157.00	131.61	620.25	35.91	104.39	157.41	585.23	299.90	9.57	142.02	7.60	2,339.75
9/30/2002	-	119.00	155.75	151.83	755.36	58.24	120.73	135.28	543.27	345.60	12.57	168.50	13.26	2,579.40
10/15/2002	-	117.05	206.50	140.17	727.86	56.93	120.70	54.76	577.56	403.22	11.98	128.88	9.89	2,555.50
10/31/2002	-	153.00	184.50	285.35	778.25	50.81	99.22	81.41	688.68	315.10	17.59	145.40	11.46	2,810.80
11/15/2002	-	149.70	170.00	197.19	594.13	52.66	208.27	79.56	621.54	263.07	15.08	176.25	13.82	2,541.25
11/30/2002	-	143.00	168.75	132.82	595.72	62.21	251.43	71.93	548.63	223.82	10.09	132.82	8.77	2,350.00
12/15/2002	-	117.00	83.50	155.67	577.33	65.83	227.88	98.25	579.93	221.67	12.88	186.00	9.59	2,343.50
12/31/2002	-	102.50	319.00	222.20	525.46	86.85	269.25	108.93	595.27	255.96	12.03	276.53	8.57	2,784.00
1/15/2003	-	124.50	252.00	204.66	523.69	22.62	286.56	141.55	548.54	227.55	3.54	194.78	-	2,530.00
1/31/2003	-	146.00	243.50	218.87	533.98	24.82	288.65	126.65	711.76	217.12	4.12	257.49	3.08	2,776.05
2/15/2003	-	129.00	117.75	241.94	456.65	19.31	352.99	94.40	559.94	190.78	8.42	140.57	-	2,311.75
2/28/2003	-	181.00	206.75	249.65	380.19	6.59	216.55	51.31	668.44	207.15	3.11	162.74	2.03	2,335.50
3/15/2003	-	176.55	186.50	239.86	591.72	19.87	119.37	54.47	600.47	213.32	7.75	116.88	-	2,326.75
3/31/2003	-	173.20	330.75	204.02	429.06	53.13	104.10	50.57	741.93	239.31	3.06	134.84	2.27	2,466.25
4/15/2003	-	180.60	375.25	320.77	298.03	49.46	123.83	72.03	646.82	219.47	3.94	177.96	0.85	2,469.00
4/30/2003	-	203.75	120.75	307.45	424.93	61.99	108.94	90.39	717.95	262.92	15.24	150.88	1.79	2,467.00
5/15/2003	-	199.25	128.75	361.80	273.62	30.96	158.00	86.67	729.20	267.15	24.53	186.36	8.71	2,455.00
5/31/2003	-	203.25	232.50	299.71	209.28	47.43	244.30	77.85	813.39	167.10	9.34	140.30	9.04	2,453.50
6/15/2003	-	78.75	138.75	329.49	193.54	31.44	177.29	78.36	662.51	165.57	5.65	142.92	5.73	2,010.00
6/30/2003	-	110.50	280.00	299.67	363.42	8.10	135.71	88.85	487.63	156.62	3.07	192.99	1.19	2,044.25
	-	3,417.75	5,196.75	5,388.77	12,590.18	1,185.58	4,505.01	2,051.99	14,626.50	6,121.61	268.26	3,926.99	177.30	59,369.93
				10.60%	24.76%	2.33%	8.86%	4.04%	28.77%	12.04%	0.53%	7.72%	0.35%	
Total Direct Industry				5,388.77	12,590.18	1,185.58	4,505.01	2,051.99	14,626.50	6,121.61	268.26	3,926.99	177.30	50,842.20
Allocated Admin		237.71		1,267.03	92.21	322.24	148.06	771.06	347.89	3.61	222.49	5.44	3,417.75	
Allocated Leave		526.13		1,124.58	114.37	438.01	199.37	1,714.41	650.43	40.81	365.04	23.60	5,196.75	
		6,152.61		14,981.79	1,392.16	5,265.26	2,399.42	17,111.98	7,119.94	312.68	4,514.52	206.34	59,456.70	
				10.35%	25.20%	2.34%	8.86%	4.04%	28.78%	11.98%	0.53%	7.59%	0.35%	100%
Allocation of Total Time (Other than Non-regulated)				14,981.79	1,392.16	5,265.26	2,399.42	17,111.98	7,119.94	312.68	4,514.52	206.34	53,304.09	
				28.11%	2.61%	9.88%	4.50%	32.10%	13.36%	0.59%	8.47%	0.39%	100.00%	
RCA FY04 Personal Services Budget Allocation (In Thousands)				1,174.62	109.15	412.81	188.12	1,341.63	558.22	24.51	353.95	16.18	4,179.20	

Regulatory Commission of Alaska
Regulatory Cost Charge Quarterly Return

For Department Use Only FSN

Federal EIN		CPCN	Quarter (Check one)	
Corporation or Individual Name				<input type="checkbox"/> 4th Qtr 03 (Oct. 1 - Dec. 31, 2003)
Mailing Address				<input type="checkbox"/> 1st Qtr 04 (Jan. 1 - Mar. 31, 2004)
				<input type="checkbox"/> 2nd Qtr 04 (Apr. 1 - Jun. 30, 2004)
				<input type="checkbox"/> 3rd Qtr 04 (Jul. 1 - Sep. 30, 2004)
City	State	Zip Code	Fax Number	
Contact Person	Title		Contact Telephone Number	

Regulatory Cost Charge Computation

Please fill in only the relevant category

	Column A KWh or RCC Revenue	Column B RCC Rate	Column C RCC Amount Column A x B
1 a) Regulated Electric Utilities			
Total Revenue Subject to RCC	_____		
Total kWh Sold	_____		
Less Sale for Resale	_____		
Other (Please describe below)	_____		

Total kWh Subject to RCC	-	\$ 0.000392	\$ -
b) Regulated Local Exchange Telephone Utilities			
Total Gross Revenue	_____		
Less Sale for Resale	_____		
Less Access Charges (accts 5081-5084)	_____		
Less Billing & Collections (accts 5270-5280)	_____		
Less Yellow Pages (acct 5230)	_____		
Other (Please describe below)	_____		

Total Revenues Subject to RCC	\$ -	1.290%	\$ -
c) Regulated Interexchange Telephone Utilities			
Total Gross Revenue	_____		
Less Sale for Resale	_____		
Less Access Charges	_____		
Less Billing & Collections	_____		
Less Yellow Pages	_____		
Other (Please describe below)	_____		

Total Revenues Subject to RCC	\$ -	1.297%	\$ -

d) Pipeline Carriers

Gross Pipeline Revenue _____
Less Revenue not Derived in Alaska _____
Other (Please describe below) _____

Total Revenues Subject to RCC

\$	-	0.491%	\$	-
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e) Natural Gas Utilities

Total Gross Revenue _____
Less Sale for Resale _____
Other (Please describe below) _____

Total Revenues Subject to RCC

\$	-	0.106%	\$	-
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f) Refuse Utilities

Total Gross Revenue _____
Less Exclusions (Please describe below) _____

Total Revenues Subject to RCC

\$	-	0.807%	\$	-
----	---	--------	----	---

g) Water and Wastewater Utilities

Total Gross Revenue _____
Less Sale for Resale _____
Other (Please describe below) _____

Total Revenues Subject to RCC

\$	-	0.867%	\$	-
----	---	--------	----	---

h) Regulated Cable Utilities

Total Gross Revenue _____
Less Sales for Other than Basic Service _____
Other (Please describe below) _____

Total Revenues Subject to RCC

\$	-	1.601%	\$	-
----	---	--------	----	---

g) District Heat Utilities

Total Gross Revenue _____
Less Exclusions (Please describe below) _____

Total Revenues Subject to RCC

\$	-	1.304%	\$	-
----	---	--------	----	---

2 Regulatory Cost Charge (Total Column C)

\$	-
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Regulatory Cost Charge Quarterly Return

MAIL ORIGINAL AND PAYMENT TO:

Alaska Department of Revenue
Income and Excise Audit Division
P. O. Box 110420
Juneau, Alaska 99811-0420
(907) 465-2320 Fax (907) 465-2375

MAIL OR FAX COPY TO:

RCC
Regulatory Commission of Alaska
701 W. 8th Avenue, Suite 300
Anchorage, Alaska 99501
(907) 276-6222 Fax (907) 276-0160

PLEASE NOTE:

If your total liability exceeds \$100,000 you must wire transfer the funds in accordance with 15 AAC 05.310.

Wire Transfer _____ Yes
_____ No

I declare under penalty of unsworn falsification that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete. If prepared by a person other than the utility principal, preparer's declaration is based on all information of which preparer has any knowledge.

I hereby affirm that any regulatory cost charge due for the preceding quarter have been paid to the Department of Revenue.

Signature	Type or Print Name	Date
-----------	--------------------	------

Subscribed and Sworn to before me this _____ day of _____, A.D. 20__

NOTARY PUBLIC

Commission Expires