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STATE OF ALASKA

THE REGULATORY COMMISSION OF ALASKA

Before Commissioners:

John M. Espindola, Chair
Steve DeVries
Mark Johnston
Robert M. Pickett
John C. Springsteen

In the Matter of the Special Contract with the State)
of Alaska, Department of Transportation and)
Public Facilities Filed by JUNEAU)
HYDROPOWER, INC)

U-25-032
ORDER NO. 2

ORDER APPROVING SPECIAL CONTRACT AND CLOSING DOCKET

BY THE COMMISSION:

Summary

We approve the special contract between Juneau Hydropower, Inc. (JHI) and the State of Alaska, Department of Transportation and Public Facilities (ADOT&PF).

We close this docket.

Background

Alaska Electric Light and Power Company (AEL&P) holds Certificate of Public Convenience and Necessity (Certificate) No. 1, authorizing it to provide electric public utility service to customers within the core area of the City and Borough of Juneau. The Alaska Industrial Development and Export Authority (AIDEA) holds Certificate No. 549 authorizing it to provide wholesale electric public utility service from the Snettisham Hydroelectric Project (Snettisham), located in the City and Borough of Juneau southeast of the AEL&P service area.

In 2025 we granted Certificate No. 786 to JHI, authorizing JHI to provide electric public utility service from its proposed Sweetheart Lake Hydroelectric Project

1 located southeast of the Snettisham generation facility. Certificate No. 786 authorizes
2 JHI to provide this service to customers located in areas southeast of the AEL&P service
3 area and to customers both north and east of the AEL&P service area.¹ We required
4 AIDEA and AEL&P to interconnect with JHI's proposed facilities; required AEL&P and
5 AIDEA to allow JHI joint use of their transmission facilities; and required AEL&P to serve
6 as operator of the interconnected JHI/AIDEA/AEL&P transmission system.²

7 JHI, AEL&P, and AIDEA were unable to negotiate interconnection and joint
8 use agreements in a timely manner and JHI filed a complaint for us to determine the terms
9 of those agreements. We found good cause to open an investigation based upon JHI's
10 complaint and prescribed terms of interconnection and joint use.³ AEL&P filed a petition
11 for reconsideration of these decisions, which we granted in part.⁴

12 On August 19, 2025, JHI filed a proposed special contract with the
13 ADOT&PF (JHI-ADOT&PF special contract) for our approval.⁵ We issued public notice
14 of the proposed JHI-ADOT&PF special contract and the Approval Request on August 28,
15

16 ¹Order U-24-036(16), *Order Granting Exemption; Granting Application for*
17 *Certificate of Public Convenience and Necessity, Subject to Conditions; Approving*
18 *Service Area; Requiring Interconnections; Denying Motion to Strike; Requiring Joint Use;*
Rescinding Certificate Subject to Conditions; and Requiring Filings, dated June 11, 2025
(Order U-24-036(16)).

19 ²Order U-24-036(16) at 33-57. AEL&P has filed an appeal of these decisions and
that appeal has been designated Case No. 3AN-25-08535CI by the Superior Court.

20 ³Order U-25-020(7), *Order Granting Motion for Expedited Consideration in Part;*
21 *Finding Good Cause to Institute Investigation; Prescribing Reasonable Conditions and*
22 *Compensation for Joint Use, Prescribing Apportionment of Costs and Responsibility for*
Operation and Maintenance of Interconnections, and Approving Special Contracts;
Requiring Filings; Designating Commission Panel; and Appointing Administrative Law
Judge, dated August 8, 2025 (Order U-25-020(7)).

23 ⁴Order U-25-020(9), *Order Granting Petition for Reconsideration, In Part; Granting*
24 *Motion to Strike, In Part; Prescribing and Approving Corrected and Revised Agreements;*
and Requiring Filings, dated October 14, 2025 (Order U-25-020(9)). AEL&P has filed an
25 appeal of the decisions in Order U-25-020(7) and Order U-25-020(9), and that appeal has
been designated Case No. 3AN-25-10456CI by the Superior Court.

26 ⁵*Special Contract Approval Request*, filed August 19, 2025 (Approval Request).

1 2025, with comments due by September 11, 2025. We received no comments in
2 response to the public notice. We suspended the Approval Request into this docket for
3 investigation.⁶

4 Discussion

5 Special Contract Approval

6 Under the terms of the JHI-ADOT&PF special contract JHI will acquire a 69
7 kV to 25 kV transformer and ship that transformer to JHI's proposed substation at Echo
8 Bay Bible Ranch. JHI will also perform preliminary engineering and design work for a
9 24.9 kV submarine cable between the Echo Bay Bible Ranch substation and ADOT&PF's
10 proposed Cascade Point Ferry Terminal. ADOT&PF will pay JHI \$1,303,767 for
11 performing this work.⁷ The proposed Cascade Point Ferry Terminal is within the service
12 area we granted JHI.⁸

13 We review special contracts under 3 AAC 48.390(e), which states:

14 The commission may authorize a utility to offer untariffed services or
15 equipment to customers by special contract under the following conditions:

16 (1) the utility has filed a tariff filing for the service or equipment in the form and
17 accompanied by the supporting information required under 3 AAC 48.200 –
18 3 AAC 48.430;

19 (2) the commission has suspended the operation of the tariff filing pending final
20 approval;

21 (3) the commission has specified each rate to be charged the customer in the
22 special contract;

23 (4) each rate specified is retroactively reviewable and revisable, upward or
24 downward, from the effective date of the special contract, and the customer's
25 liability is to pay each rate finally approved for the tariff filing plus or minus
26 accrued interest if that rate is different from the rate initially approved for use
in the special contract; and

⁶Order U-25-032(1), *Order Granting Temporary Waiver, Suspending Special Contract for Investigation, Addressing Timeline for Decision, Designating Commission Panel, and Appointing Administrative Law Judge*, dated October 2, 2025 (Order U-25-032(1)), at 4-5.

⁷Approval Request at 4.

⁸Order U-24-036(16) at 60-62.

1 (5) the special contract expressly advises the customer of the potential
retroactive liability for increased rates, plus accrued interest.

2 We required JHI to file its inception tariff no later than 45-days prior to providing electric
3 public utility service for compensation.⁹ JHI does not anticipate providing electric public
4 utility service for compensation until January 1, 2028, and has not yet filed its inception
5 tariff with us.¹⁰ To reflect the fact that JHI has not yet filed its inception tariff and does not
6 yet have the project cost data required to file proposed rates, we granted JHI a temporary
7 waiver of the statutory requirement that it file special contracts as part of its complete
8 tariff.¹¹ In granting this temporary waiver, we stated:

9
10 If [the JHI-ADOT&PF] special contract is approved, we require JHI to include
11 it as part of the inception tariff that JHI files in compliance with Order U-24-
036(16).¹²

12 We have reviewed the proposed JHI-ADOT&PF special contract and find
13 that it meets those requirements of 3 AAC 48.390(e) not rendered temporarily moot by
14 the waiver granted in Order U-25-032(1). We also find that the terms of the proposed
15 JHI-ADOT&PF contract are reasonable based upon the information currently available.
16 In recognition of the potential long lead time required to obtain transformers,¹³ we find
17 that JHI's filing of the proposed JHI-ADOT&PF special contract prior to filing its inception
18 tariff is a proactive approach to the timely provision of electric public utility service and is
19 therefore proper. We approve the proposed JHI-ADOT&PF special contract effective the
20 date of this order. We inform JHI that this approval does not eliminate the requirement
21 stated in Order U-25-036(1) that the JHI-ADOT&PF special contract be included as part
22 of JHI's inception tariff filed in compliance with Order U-24-036(16).

23 ⁹Order U-24-036(16) at 59.

24 ¹⁰Order U-25-032(1) at 2-3.

25 ¹¹Order U-25-032(1) at 3-4.

26 ¹²Order U-25-032(1) at 4.

¹³Order U-25-032(1) at 3-4.

1 Final Order

2 This order constitutes the final decision in this proceeding. This decision
3 may be appealed within 30 days of this order in accordance with AS 22.10.020(d) and
4 Alaska Rule of Appellate Procedure 602(a)(2). In addition to the appellate rights afforded
5 by AS 22.10.020(d), a party has the right to file a petition for reconsideration in
6 accordance with 3 AAC 48.105. If such a petition is filed, the time period for filing an
7 appeal is tolled and then recalculated in accordance with Alaska Rule of Appellate
8 Procedure 602(a)(2).

9 Docket Closure

10 No substantive or procedural matters remain in this proceeding.
11 Accordingly, we close this docket.

12 **ORDER**

13 THE COMMISSION FURTHER ORDERS:

14 1. The Utility Agreement between Juneau Hydropower, Inc. and the State
15 of Alaska, Department of Transportation and Public Facilities, dated August 1, 2025, and
16 filed August 19, 2025, by Juneau Hydropower, Inc., is approved effective December 1,
17 2025.

18 2. Docket U-25-032 is closed.

19 DATED AND EFFECTIVE at Anchorage, Alaska, this 1st day of December, 2025.

20 BY DIRECTION OF THE COMMISSION

