

1 STATE OF ALASKA

2 THE REGULATORY COMMISSION OF ALASKA

3
4 Before Commissioners:

Robert M. Pickett, Chairman
Stephen McAlpine
Rebecca L. Pauli
Norman Rokeberg
Janis W. Wilson

5
6
7 In the Matter of the Tariff Revision Designated)
8 as TA285-4 Filed by ENSTAR NATURAL GAS) U-16-066
9 COMPANY, A DIVISION OF SEMCO)
ENERGY, INC.)
10

11 **ENSTAR NATURAL GAS COMPANY'S RESPONSE TO THE OFFICE OF**
12 **THE ATTORNEY GENERAL'S FIRST SET OF DISCOVERY REQUESTS ON**
13 **ENSTAR'S REPLY TESTIMONY (AG-ENSTAR-R1)**

14 Pursuant to 3 AAC 48.155 and 3 AAC 48.141-145, ENSTAR Natural Gas
15 Company ("ENSTAR") hereby provides its response to the Attorney General's First Set
16 of Discovery Requests on ENSTAR's Reply Testimony ("AG-ENSTAR-R1"), as
17 follows:

18 **PRELIMINARY STATEMENT**

19
20 Discovery in this docket is not complete. As discovery proceeds, facts,
21 information, evidence, documents, and other matters may be discovered which are not
22 set forth in these responses, but which may be responsive to these discovery requests.
23 The following responses are complete based on ENSTAR's current knowledge,
24 information, and belief. Furthermore, these responses were prepared based on
25

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Regulatory Commission of Alaska
By: R U-16-066
Northern Lights Realtime & Reporting, Inc.
(907) 337-2221

1 ENSTAR's good faith interpretation of the discovery requests and are subject to
2 correction for inadvertent errors or omissions, if any.

3 GENERAL OBJECTIONS

4 1. ENSTAR objects to requests for documents relating to confidential
5 settlement negotiations. Any and all answers ENSTAR provides in response to these
6 data requests will be provided subject to, and without waiving, this objection.
7

8 2. ENSTAR objects to the production of documents, calculations, and
9 analyses that do not exist. A document is not within a party's "possession, custody, or
10 control" if it does not exist.

11 3. ENSTAR objects to each and every data request insofar as they are vague,
12 ambiguous, overly broad, unduly burdensome, or use terms that are subject to multiple
13 interpretations but are not properly defined or explained for purposes of these data
14 requests. Any and all answers ENSTAR provides in response to these data requests will
15 be provided subject to, and without waiving, this objection.
16

17 4. ENSTAR objects to each and every data request insofar as it is not
18 reasonably calculated to lead to the discovery of admissible evidence and is not relevant
19 to the subject matter of this proceeding.
20

21 5. ENSTAR objects to providing information to the extent such information
22 is already a matter of public record. The requesting party is not entitled to require other
23 parties to gather information that is equally available and accessible to it.
24

6. ENSTAR objects to each and every data request insofar as it seeks documents or information protected by the attorney-client privilege or the work product privilege. Nothing contained in these responses is intended as, or shall in any way be deemed, a waiver of any such privilege or protection, or any other applicable privilege or doctrine.

7. ENSTAR objects to the instructions contained in AG-ENSTAR-R-1. In responding to the requests, ENSTAR will abide by the Regulatory Commission of Alaska's ("RCA") discovery regulations and where applicable, Alaska Rules of Civil Procedure.

DISCOVERY RESPONSES

AG-ENSTAR-R1-1. Refer to the attached document titled “AltaGas; AltaGas to acquire WGL Holdings, *Enhancing a leading, North American diversified energy infrastructure company*, dated January 25, 2017 (computer file named 2017-01-25 – Pr Blue Jay Rollout deck (1PM MT) – Final rfs.pdf).

(a) Admit that the document is a true and accurate copy.

(b) If the response to subpart (a) is anything other than an unqualified admission of the truth of the matter asserted, provide a true and accurate copy of the document.

(c) Admit that this document is a presentation to AltaGas shareholders.

1 (b) See the response to subpart (a) above.

2 **Person(s) Supplying Information:** Daniel Dieckgraeff.

3
4 **AG-ENSTAR-R1-25.** Refer to the Prefiled Reply Testimony of
5 Daniel M. Dieckgraeff at 59 referencing meals disallowed by RAPA. Refer to Exhibit
6 DMD-14 (Attachment 1b), Miscellaneous Expense Items Disallowed by RAPA as
7 Local Food/Snacks, second line, G/L Date 6/18/2015, "Pizza for Bike Safety Lunch."
8

9 (a) Explain what this is and explain how bike safety is part of the
10 provisioning of gas utility service to ENSTAR ratepayers.

11 (b) Refer to DMD-14 (Attachment 1c) Miscellaneous Expense Items
12 Disallowed by RAPA as Local Food/Snacks, the last entry dated 12/30/2015, for
13 Johansen, "lunch during RCA hearing." Admit that the RCA online calendar for that
14 date does not show a hearing for ENSTAR or any other utility.

15 (c) If the response to subpart (b) is anything other than an unqualified
16 admission of the truth of the matter asserted, state what ENSTAR believes the truth of
17 the matter to be.

18 (d) Refer to DMD-14 (Attachment 1e) Miscellaneous Expense Items
19 Disallowed by RAPA as Local Food/Snacks, entry dated 8/31/2015, "golf for
20 Mr. Sims." Explain how golf for Mr. Sims is part of the provisioning of gas utility
21 service to ENSTAR ratepayers.

22 **Response:**

1 (a) ENSTAR employees drive well over a million miles a year in the course
2 of their duties (1.5 million in 2015 and 1.4 million in 2016, for example). They
3 share the road with bikes and encouraging bike safety awareness with riders that
4 share the streets with our employees helps to make the streets safer and reduce
5 potential bike/vehicle accidents. Further, as part of its wellness and safety
6 programs, ENSTAR supports bike safety awareness for its employees. Keeping
7 employees safe both on and off the job helps keep ENSTAR's medical insurance
8 costs lower, resulting in lower rates for customers.
9

10 (b) Admit, but the general ledger date of that entry is not the same as the date
11 of the activity. The actual meal charge was on September 2, 2015 which was a
12 day when there was a public hearing at the RCA. See the attached document
13 labeled ENS07900-07901, with redactions applied to portions of the document
14 that are irrelevant to this response.
15

16 (c) See response to subpart (b) above.

17 (d) The activity in question was a golf outing with the President and Vice-
18 President of ENSTAR and Mr. Kirk Gibson of Hilcorp, a third party who is
19 instrumental to ENSTAR's ability to obtain gas for its customers. ENSTAR
20 included this charge in meal charges because the receipt shows beverage charges.
21 For purposes of rebutting RAPA's proposed disallowance, ENSTAR identified it
22 as "incidental," but it could very appropriately be charged to business meetings.
23 As is the case in any business, not all meetings take place in the office. See the
24
25

1 attached document labeled ENS07902-07903, with redactions applied to portions
2 of the documents that are irrelevant to this response.

3 **Person(s) Supplying Information:** Daniel Dieckgraeff; John Sims.
4

5 **AG-ENSTAR-R1-26.** Refer to the Prefiled Reply Testimony of
6 Daniel M. Dieckgraeff at 74 that refers to normalizing consumption of customers for
7 weather, and that also states in part: "Second, in ENSTAR's last rate case, U-14-111, it
8 proposed a 'normalized use per customer' adjustment that generated significant
9 disagreement between ENSTAR and RAPA, with a significant amount of discovery,
10 testimony, and resources for both parties consumed by the subject."
11

12 (a) Admit that the disputed issue in U-14-111 was declining use per customer,
13 not weather normalization.
14

15 (b) If the response to subpart (a) is anything other than an unqualified
16 admission of the truth of the matter asserted, state what ENSTAR believes the truth of
17 the matter to be.
18

19 **Response:**

20 (a) Admit that declining use per customer was a disputed issue in that case,
21 not weather normalization per se; however, RAPA witness Lance Kaufman spent
22 several pages of his testimony criticizing ENSTAR's weather normalization
23 model.
24

25 (b) See the response to subpart (a) above.
26