

RAPA Agrees

Homer Extension revenues--\$598,237

Outside legal services--\$14,882

Miscellaneous expenses--\$39,661

Property Taxes--\$180,398 (13-Month Avg)

Date: 6-21-17 Exh # H-125
Regulatory Commission of Alaska
V-16-066 By: STW
Northern Lights Realtime & Reporting, Inc.
(907) 337-2221

ENSTAR agreed in Reply:

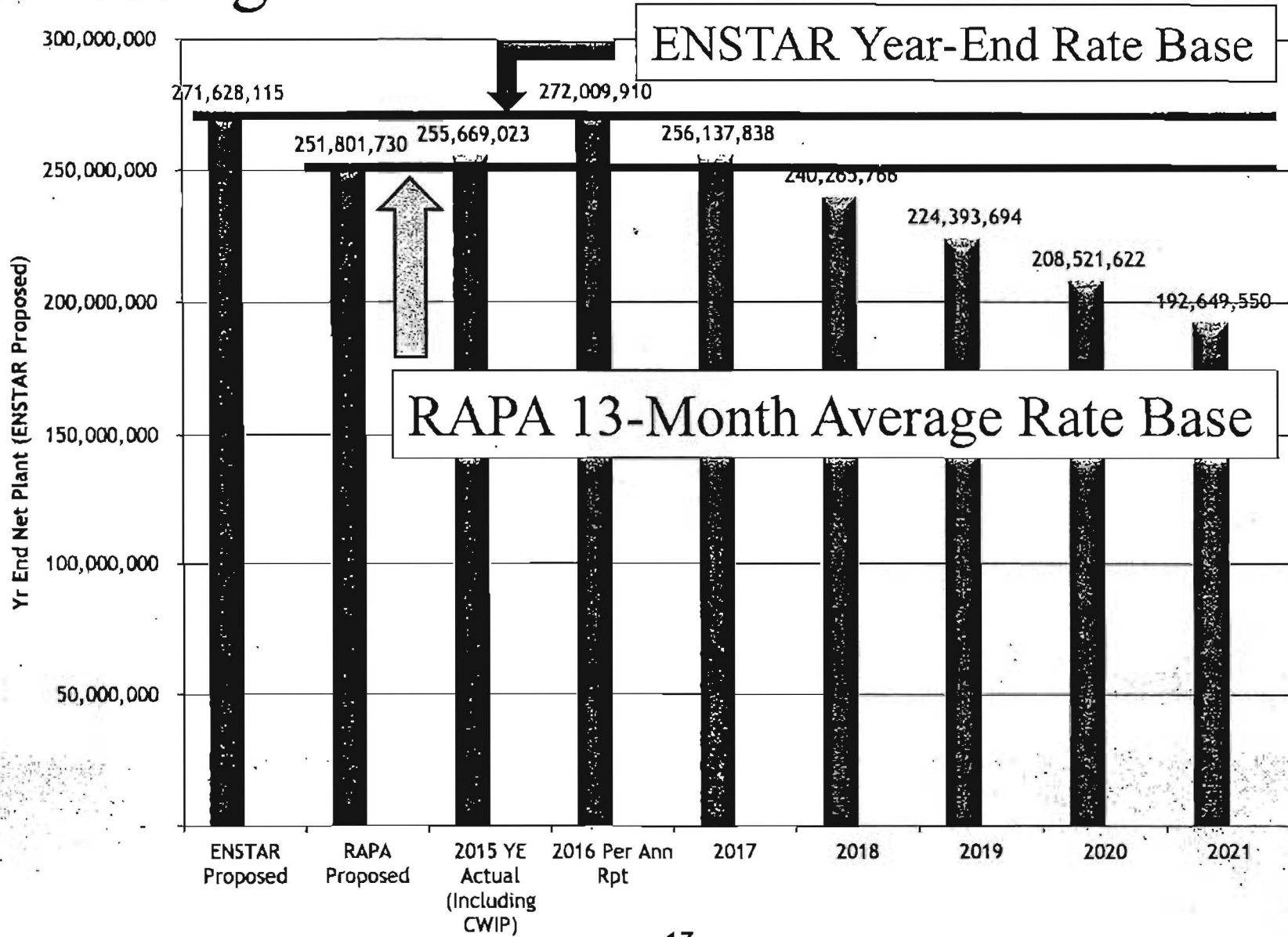
Reduce allowance for Test-year Payroll (spousal travel) \$4,730
Still in dispute \$1,272

Reduce allowance for Property Taxes \$45,318
Still in dispute
If 13-Month rate base--zero
If year-end rate base--\$180,398

Reduce allowance for Affiliated OpEx \$13,533
Still in dispute \$64,876

\$5,000 in Misc. Expenses
Still in dispute \$317,005

Reflecting amount when rates will be in effect



Bonuses

\$1,655,687

ENSTAR has burden to prove Bonuses should be in RR
Order U-83-053(32) at 31

Factors to consider:

- (1) whether salaries are not fully compensatory
- (2) discretionary—scope & mechanics of incentive plan
- (3) recurring—represent amount paid in future
- (4) any bonuses an affiliate transaction—As 42.05.511(c)
- (5) are bonuses based on achieving over- or excessive-earnings

CINGSA reservation & capacity fees

\$2,258,230

When it first started using CINGSA, ENSTAR included fees in the GCA as they were incurred with a 3.25% carrying charge

Then ENSTAR asked to include CINGSA fees in stored gas account and to add them to rate base (U-14-111)

ENSTAR learned that including CINGSA fees in stored gas account made stored gas too expensive

Now, ENSTAR want to add new fees to the GCA as they are incurred, plus add old fees to the GCA as gas is removed from storage, *plus* collect 8.92% return on the old fees

Rate Case Expense

\$1,800,000 + amount from U-14-111
Amortized 3 years: \$729,680 per year
Disputed amount \$366,664 per year
Plus \$129,800 prior rate case expense

Order U-90-031(8) at 9-10

The purpose of an allowance for rate case expense is not to provide specific recovery of the dollars expended in a given case; instead, the purpose is to include in the revenue requirement an amount which represents the reasonable expectation of the average level of rate case expenses which will be incurred over time.