

STATE OF ALASKA
THE REGULATORY COMMISSION OF ALASKA

BEFORE COMMISSIONERS

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

In the Matter of the Tariff Revision Designated
as TA285-4 Filed by ENSTAR NATURAL
GAS COMPANY, A DIVISION OF SEMCO
ENERGY, INC.,

Docket No. U-16-066

**HOMER ELECTRIC ASSOCIATION, INC. AND ALASKA ELECTRIC
ENERGY COOPERATIVE, INC.'S RESPONSE TO ENSTAR NATURAL GAS
COMPANY'S FIRST SET OF DISCOVERY REQUESTS**

Pursuant to 3 AAC 48.155 and 3 AAC 48.141-145, Homer Electric Association and Alaska Electric and Energy Cooperative, Inc. (collectively "**HEA**") by and through its counsel Perkins Coie LLP, responds to ENSTAR Natural Gas Company's ("**ENSTAR**") First Set of Discovery Requests. The following responses are complete based on HEA's current knowledge, information, and belief. If additional facts, information, evidence, documents, and other matters may be discovered which are not set forth in these responses, but which may be responsive to these discovery requests, HEA will supplement its responses. These responses are prepared based on HEA's good faith interpretation of the discovery requests, and are subject to correction for inadvertent errors or omissions, if any. Based on the foregoing, HEA responds to the ENSTAR's discovery responses as follows:

HEA's Response to ENSTAR's First Discovery Requests
February 21, 2017
Case No. U-16-066
Page 1 of 10

Date: 6-19-17 Exh # H-95
Regulatory Commission of Alaska
By: APS U-16-066
Northern Lights Realtime & Reporting, Inc.
(907) 337-2221

GENERAL OBJECTIONS

1
2
3 1. HEA objects to the Instructions and Definitions stated in ENSTAR's
4 First Discovery Requests to the extent that they conflict with or exceed the
5 requirements of discovery required under the Regulatory Commission of Alaska's

6 (the "**Commission**" or "**RCA**") rules, and where applicable, Alaska Rules of Civil
7 Procedure, Alaska Rules of Evidence, and/or other applicable law.
8

9 2. HEA objects to requests for documents relating to confidential
10 settlement negotiations. Any and all answers HEA provides in response to these data
11 requests will be provided subject to, and without waiving, this objection.
12

13 3. HEA objects to the production of documents, calculations, and analyses
14 that do not exist. A document is not within a party's "possession, custody, or control"
15 if it does not exist.

16 4. HEA objects to each and every data request insofar as it is vague,
17 ambiguous, overly broad, unduly burdensome, or uses terms that are subject to
18 multiple interpretations but are not properly defined or explained for purposes of these
19 data requests. Any and all answers HEA provides in response to these data requests
20 will be provided subject to, and without waiving, this objection.
21

22 5. HEA objects to each and every data request insofar as it is not
23 reasonably calculated to lead to the discovery of admissible evidence and is not
24 relevant to the subject matter of this proceeding.
25
26

1 6. HEA objects to providing information to the extent such information is
2 already a matter of public record. ENSTAR is not entitled to require other parties to
3 gather information that is equally available and accessible to it.
4

5 7. HEA objects to each and every data request insofar as it seeks
6 documents or information protected by the attorney-client privilege or the work
7 product privilege. Nothing contained in these responses is intended as, or shall in any
8 way be deemed, a waiver of any such privilege or protection, or any other applicable
9 privilege or doctrine. HEA expressly reserves all applicable rights pertaining to
10 inadvertent disclosure of information and materials hereunder, including, but not
11 limited to the right to demand the immediate return, sequestration, or destruction of
12 any such information or materials.
13
14

15 **DISCOVERY RESPONSES**

16 **ENSTAR-HEA-1-1:** Please provide workpapers, notes, and all other
17 supporting documents for Mikel Salzetti's testimony (with electronic workpapers in a
18 Microsoft Excel or a comparable program), and include all formulas and provide
19 sources for all underlying data.
20

21 **Response:** HEA objects to the extent this discovery request seeks or
22 requests the creation of documents not in existence and/ or any documents
23 subject to the attorney-client, work-product, or other privilege. Subject to and
24
25
26

1 without waiving the above objection, Mr. Salzetti relied upon the following
2 publicly available documents:

- 3 1. The Exhibits provided in Mr. Salzetti's direct testimony in U-16-066;
- 4 2. Mr. Salzetti's direct testimony in U-14-111;
- 5 3. Mr. Amen's direct testimony in U-14-111;
- 6 4. Mr. Porter's direct testimony in U-14-111;
- 7 5. Tariff Advice Letter 285-4;
- 8 6. Mr. Green's direct testimony in U-16-066;
- 9 7. Mr. Dieckgraeff's direct testimony in U-16-066;
- 10 8. Bruce Fairchild's direct testimony in U-16-066;
- 11 9. RCA Order U-15-087(2);
- 12 10. Application to Amend Certificate No. 141, Docket No. U-15-034;
- 13 11. Testimony of George A. Schreiber, Jr. and the Settlement in Docket Nos.
- 14 U-09-69/U-09-70;
- 15 12. ML&P's 2015 Cost of Power Adjustment (COPA) RCA filings; and
- 16 13. MEA's 2015 Cost of Power Adjustment (COPA) RCA filings.

17 Additionally, Mr. Salzetti relied on the following documents which have been
18 produced with this response:
19
20
21
22
23
24
25
26

- 1 1. Confidential Document Corrected Calculation of Impact of CINGSA
- 2 Lateral on KBPL Rate (CONFIDENTIAL Bates No. HEA000001) based
- 3 upon Confidential Document ENS07537;
- 4
- 5 2. CINGSA Bypass – Cost to HEA (Bates No. HEA 000002);
- 6
- 7 3. AltaGas ROE calculations (Bates No. HEA 000003); and
- 8
- 9 4. AltaGas Investor Presentation December 2016_Final (Bates No. HEA
- 10 000004-000057).

11 **Person(s) Who Supplied Information:** Mikel Salzetti.

12 **ENSTAR-HEA-1-2:** Please identify with particularity all matters in which

13 Mikel Salzetti has given testimony or provided an expert report as a witness within

14 the past 15 years and for each matter, please identify and explain the type of matter,

15 identify the testimony he gave and the party on whose behalf he gave it, and produce

16 any testimony or expert report he generated.

17 **Response:** Please see Mr. Salzetti's testimony at page 3 lines 3 – 5. This

18 testimony is publicly available on the RCA website. In addition to these

19 matters, on behalf of HEA, Mr. Salzetti has also:

- 20 a) contributed to a presentation to the RCA in Docket No. I-15-001, which
- 21 is publicly available on the RCA website;
- 22
- 23
- 24
- 25
- 26

Calculation of Impact of CINGSA Lateral on KBPL Rate
Based upon KBPL's True Up Filing, TL 28-668

Updated to Show Gas System Consequences

Final Cost of Service	\$ 17,483,409	TL 28-668, P.5
Final Volume	<u>59,976,000</u>	TL 28-668, P.4
Final Rate	\$ 0.2915	TL 28-668, P.1

Analysis of CINGSA Lateral Effect:	Volumes 2013	Volumes Est. Annual	Volumes 7/1/13-6/30/14 (Used in Rate Case)	
Cost of Service	\$ 17,483,409	\$ 17,483,409	\$ 17,483,409	
Unadjusted Volume	59,976,000	59,976,000	59,976,000	
Less CINGSA Utility Withdrawal Volumes	<u>(5,110,000)</u>	<u>(5,500,000)</u>	<u>(6,036,581)</u>	From Rate Case support
Pro Forma Volumes	54,866,000	54,476,000	53,939,419	
Pro Forma Rate	<u>\$ 0.3187</u>	<u>\$ 0.3209</u>	<u>\$ 0.3241</u>	
Pro Forma Rate Change	<u>\$ 0.0272</u>	<u>\$ 0.0294</u>	<u>\$ 0.0326</u>	
Tariff Savings on Withdrawals:				
Withdrawals	5,110,000	5,500,000	6,036,581	
Current rate	<u>\$ 0.2915</u>	<u>\$ 0.2915</u>	<u>\$ 0.2915</u>	
Gross Tariff Rate Savings	\$ 1,489,565	\$ 1,603,250	\$ 1,759,663	
Impact of Pro Forma Change				
CINGSA Utility Customer Injections	5,019,088	5,500,000	3,737,128	
Pro Forma Rate Change	<u>\$ 0.0272</u>	<u>\$ 0.0294</u>	<u>\$ 0.0326</u>	
Increase Trans. Cost on Injections	<u>\$ 136,519</u>	<u>\$ 161,700</u>	<u>\$ 121,830</u>	
Net Savings for Bypass Volumes	<u>\$ 1,353,046</u>	<u>\$ 1,441,550</u>	<u>\$ 1,637,833</u>	
Cost Increase on KBPL shipments	\$ 1,492,355	\$ 1,601,594	\$ 1,758,425	
SYSTEM NET SAVINGS	\$ (2,790)	\$ 1,656	\$ 1,238	