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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 Request Filed by the)
MUNICIPALITY OF ANCHORAGE d/b/a)
MUNICIPAL LIGHT & POWER DEPARTMENT for)
Approval to Establish Depreciation Rates)

U-16-064

In the Matter of the Tariff Revision Designated as)
TA357-121 Filed by the MUNICIPALITY OF)
ANCHORAGE d/b/a MUNICIPAL LIGHT &)
POWER DEPARTMENT)

U-17-008

**MUNICIPAL LIGHT & POWER'S RESPONSE TO
PROVIDENCE HEALTH & SERVICES' SEVENTH REQUEST FOR DISCOVERY
(PHS-MLP-7)**

The Municipality of Anchorage d/b/a Municipal Light & Power ("ML&P"), hereby responds to the Providence Health & Services' ("PHS") seventh request for discovery. All responses to discovery are prepared by ML&P in consultation with counsel. Witnesses at hearing will be available for cross-examination on their testimony. Documents produced in response to these requests will also be stored in an electronic document management sharefile site accessible with login credentials that have been or will be provided as requested to the counsel, analysts, and consultants for PHS, AG, ANTHC, ENSTAR, FEA, and JLP.

PRELIMINARY STATEMENT

Discovery in this docket is not complete. As discovery proceeds, facts, information, evidence, documents, and other matters may be discovered which are not set forth

June 26, 2017

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PHS-MLP-7

Date: 12/15/17 Exh # H-176
Regulatory Commission of Alaska
U-16-094 By: BP 17-008
Northern Lights Realtime & Reporting, Inc.
(907) 337-2221

REDACTED

XI. COST OF CAPITAL

Interrogatory (No. PHS-MLP-7-57): In her direct testimony at page 75, Dr. Villadsen “recommend[s] an ROE for ML&P’s consolidated operations of 13 percent. If the Commission decides that only ML&P’s electric operations should be considered, then I recommend a capital structure including 34.6 percent equity and an ROE of 13.1 percent.”

(a) State the utility, docket number, and Dr. Villadsen’s recommended ROE in each proceeding in which Dr. Villadsen has testified since 2012.

(b) State the final approved ROE in each proceeding identified in response to (a) and cite all relevant orders.

(c) Identify all utilities of which ML&P and/or its consultants are aware in which a state regulatory commission has approved an ROE exceeding 12% since 2012, cite the relevant order, and state the approved ROE.

Response: (a) - (b): Please see Exhibit BV-1, which contains a complete list of prior testimonies including the utility, client, jurisdiction and docket number. Dr. Villadsen does not have such a list, but the information should be publicly available from the relevant docket. Dr. Villadsen notes that in addition to the allowed ROE, the equity percentage to which the allowed ROE is applied as well as the cost of debt are relevant as customers would care about the dollar amount paid for capital.

MUNICIPAL LIGHT & POWER’S RESPONSE TO
PHS’ SEVENTH REQUEST FOR DISCOVERY (PHS-MLP-7)
Docket U-17-008/U-16-094

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(c) As stated above in response to parts (a) and (b), the equity percentage to which the allowed ROE is applied is of relevance. According to SNL's Regulatory Research Associates (RRA), there have been 4 electric utility rate cases since 2012 that have authorized ROEs greater than or equal to 12%. See the table below for the utility name, relevant order number, and authorized ROE or ROR, where applicable.

**Electric Utility Rate Cases since 2012
Authorized ROE Greater than or Equal to 12%**

No.	Company	Case Identification	Return on
			Equity (%)
1	Virginia Electric & Power Co.	C-PUE-2014-00050 (Rider B)	12
2	Virginia Electric & Power Co.	C-PUE-2013-00060 (Rider B)	12
3	Virginia Electric & Power Co.	C-PUE-2012-00072 (Rider B)	12.4
4	Virginia Electric & Power Co.	C-PUE-2011-00073 (Rider B)	12.4

Source: SNL's Regulatory Research Associates, accessed June 19, 2017.

Person(s) Supplying Information: Bente Villadsen.

REDACTED

