

STATE OF ALASKA

THE REGULATORY COMMISSION OF ALASKA

Before Commissioners:

Stephen McAlpine, Chairman
Rebecca L. Pauli
Robert M. Pickett
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-16-094

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

U-17-008

MUNICIPAL LIGHT AND POWER'S INITIAL RESPONSE TO
PROVIDENCE HEALTH & SERVICES' EIGHTEENTH REQUEST FOR DISCOVERY
ON REPLY TESTIMONY (PHS-MLP-18)

The Municipality of Anchorage d/b/a Municipal Light and Power ("ML&P"), hereby provides its initial response to Providence Health & Services' ("PHS") eighteenth request for discovery on reply testimony. 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,

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Date: 12/5/17 Exh # H-89
Regulatory Commission of Alaska
U-16-094 By: APS U-17-008
Northern Lights Realtime & Reporting, Inc.
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Request for Admission (No. PHS-MLP-18-20): At page 4, lines 14-20, of his
reply testimony, Mr. Saleba testifies:

Both PHS and FEA received numerous documents in discovery and have shown no evidence that the analysis in the IRPs developed since 2003 and in the 2012 Generation Study was flawed. Annual data for all of the key assumptions was available to both FEA and PHS witnesses and neither entity has provided any specific evidence that the assumptions or the results were incorrect.

Regarding the fuel prices used in the 2009 IRP, page 172 of the IRP says that:

ML&P developed a fuel price forecast for the analysis period, which included a market price forecast for the Cook Inlet Region for use in the calculation of future gas prices. This was necessary because ML&P's reserves in the Beluga gas field are declining, and increasing amounts of market priced fuel will have to be purchased to augment Beluga River Unit production.

Regarding the fuel prices used in the 2009 IRP analysis:

(a) Admit that the 2009 gas price forecast, produced as MLP21706, represents a blended average fuel cost for ML&P, incorporating both the cost of market gas and the cost of gas from ML&P's ownership interest in the Beluga River Unit (BRU) gas field.

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1 (b) Admit that ML&P's blended (BRU and market) fuel cost in a given
2 forecast year would vary depending on differing total fuel consumption under differing
3 generation resource scenarios.

4 (c) Admit that ML&P used the same blended gas price forecast for each year
5 across all nine thermal generating resource scenarios evaluated in the 2009 IRP.

6 (d) Admit that a forecast of the market price of Cook Inlet gas was an input to
7 the calculation of the 2009 gas price forecast produced as MLP21706.

8 (e) Admit that, to the best of their knowledge, ML&P and its consultants have
9 deleted all copies of the market gas price forecast used as an input to the calculation of the gas
10 prices in the 2009 gas price forecast produced as MLP21706.

11 (f) Admit that without the underlying market gas price forecast, the
12 Commission cannot verify the calculation of the 2009 gas price forecast produced as MLP21706.

13 (g) See the 2012 gas price forecast produced as MLP21707 and the related
14 assumptions discussed in PHS-MLP-9-16. Admit that the forecast of the market price of Cook
15 Inlet gas underlying the 2009 blended forecast in MLP21706 involved assumptions and
16 calculations with respect to the Cook Inlet gas market.

17 (h) Admit that, to the best of their knowledge, ML&P and its consultants have
18 deleted all copies of the market gas price forecast used as an input to the calculation of the gas
19 prices in the 2009 gas price forecast produced as MLP21706.

20 (i) Admit that without the underlying market gas price forecast, the
21 Commission cannot verify the calculation of the 2009 gas price forecast produced as MLP21706.

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1 (j) Admit that a forecast of ML&P's share of BRU production costs was an
2 input to the calculation of the 2009 gas price forecast produced as MLP21706.

3 (k) Admit that, to the best of their knowledge, ML&P and its consultants have
4 deleted all copies of the forecast of ML&P's share of BRU production costs used as an input to
5 the calculation of the gas prices in the 2009 gas price forecast produced as MLP21706.

6 (l) Admit that without the forecast of ML&P's share of BRU production
7 costs, the Commission cannot verify the calculation of the 2009 gas price forecast produced as
8 MLP21706.

9 (m) Admit that a forecast of ML&P's share of gas produced from the BRU
10 was an input to the calculation of the 2009 gas price forecast produced as MLP21706.

11 (n) Admit that, to the best of their knowledge, ML&P and its consultants have
12 deleted all copies of the forecast of ML&P's share of gas produced from the BRU used as an
13 input to the calculation of the gas prices in the 2009 gas price forecast produced as MLP21706.

14 (o) Admit that without the forecast of ML&P's share of gas produced from
15 the BRU, the Commission cannot verify the calculation of the 2009 gas price forecast produced
16 as MLP21706.

17 If your response to any subpart of this request for admission is anything other than
18 an unqualified admission, state what you believe the truth of the matter to be and the basis for
19 your belief, and identify any documents supporting your belief.
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22 **Response:** (a) Admitted.

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1 (b) Admitted with respect to any year or scenario in which use of both BRU
2 and market gas is projected.

3 (c) Admitted.

4 (d) Admitted.

5 (e) ML&P admits that if the referenced data, information, or calculations
6 existed at one time in the form stated or implied and was used as source data for the 2009 IRP, it
7 has not been located.

8 (f) ML&P admits that, to the extent that detailed source data or calculations
9 for the modeled results of the 2009 IRP are not available, the Commission can conclude that
10 ML&P's decision to build Plant 2A was within the range of reasonable actions of utility
11 managers based on the totality of evidence in this proceeding, without necessarily "verifying"
12 results through examination of each and every item of source data or calculation used in the 2009
13 IRP.

14 (g) Admitted.

15 (h) ML&P objects to this request as duplicative. Without waiving the
16 foregoing objection, see response to subpart (e).

17 (i) ML&P objects to this request as duplicative. Without waiving the
18 foregoing objection, see response to subpart (f).

19 (j) ML&P lacks sufficient information to either admit or deny in response to
20 subpart (j).

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1 (k) ML&P admits that if the referenced data, information, or calculations
2 existed at one time in the form stated or implied and was used as source data for the 2009 IRP, it
3 has not been located.

4 (l) ML&P admits that, to the extent that detailed source data or calculations
5 for the modeled results of the 2009 IRP are not available, the Commission can conclude that
6 ML&P's decision to build Plant 2A was within the range of reasonable actions of utility
7 managers based on the totality of evidence in this proceeding, without necessarily "verifying"
8 results through examination of each and every item of source data or calculation used in the 2009
9 IRP.
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11 (m) ML&P lacks sufficient information to either admit or deny in response to
12 subpart (m).

13 (n) ML&P admits that if the referenced data, information, or calculations
14 existed at one time in the form stated or implied and was used as source data for the 2009 IRP, it
15 has not been located.

16 (o) ML&P admits that, to the extent that detailed source data or calculations
17 for the modeled results of the 2009 IRP are not available, the Commission can conclude that
18 ML&P's decision to build Plant 2A was within the range of reasonable actions of utility
19 managers based on the totality of evidence in this proceeding, without necessarily "verifying"
20 results through examination of each and every item of source data or calculation used in the 2009
21 IRP .
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23 **Person(s) Supplying Information:** Gary Saleba.

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