

STATE OF ALASKA

REGULATORY COMMISSION OF ALASKA

Before Commissioners:

T. W. Patch, Chairman  
Stephen McAlpine  
Robert M. Pickett  
Norman Rokeberg  
Janis W. Wilson

In the Matter of the Investigation into )  
Reasonableness of the Requirements Contained )  
In Section 114 of Appendix A to the Tariff )  
Maintained by the MUNICIPALITY OF ) U-15-097  
ANCHORAGE D/B/A MUNICIPAL LIGHT )  
AND POWER DEPARTMENT )  
\_\_\_\_\_ )

**DIRECT TESTIMONY**

**OF**

**RICHARD BEAM**

**ON BEHALF OF**

**PROVIDENCE HEALTH AND SERVICES**

**January 15, 2016**

Date: 29 Nov 17 Exh # H-27  
Regulatory Commission of Alaska  
U-16-094 By: [Signature] U-17-008  
Northern Lights Realtime & Reporting, Inc.  
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customer-owned generating unit.

**Q50. Does Providence expect that it may need standby power from ML&P for a very short period, in the event of a malfunction of its CHP facility?**

**A50.** Yes. Providence currently plans to rely on ML&P standby power for less than a minute, the time it takes for its 8 MW of back-up diesel generation to take over service in the extraordinarily unlikely event that several of its micro-turbines simultaneously malfunction.

**Q51. What do you mean when you refer to the likelihood of several micro-turbines simultaneously malfunctioning?**

**A51.** As Pat Cusick will testify in more detail, our planned CHP facility consists of 15 separate 200 kW microturbines. Each microturbine operates independently and can be individually maintained or replaced while the other 14 turbines continue to operate. In other words, even if several microturbines malfunction at the same time, the generating capacity of the CHP declines only incrementally. This is a big advantage over a single, large generating facility that is either operating fully or not at all.

**Q52. If ML&P succeeded in the future in imposing a standby tariff that takes no account of customer-owned backup generation, how might Providence respond?**

**A52.** If ML&P somehow succeeds in imposing an onerous standby charge based on the extraordinarily unlikely event that Providence will need a commercially insignificant amount of electricity for less than a minute, Providence would probably notify ML&P that it does not intend to rely on ML&P for standby power under any circumstances, not even for an instant.

**Q53. Now let's turn to your second concern. What is that concern?**

**A53.** My concern is that ML&P has already taken the position that distributed generation like

