

MEMORANDUM


Regulatory Commission of Alaska

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TO: Representative Ralph Samuels
Chair
Legislative Budget and Audit Committee

DATE: October 7, 2003

FROM: Rosalie Nizich
RCA Process Coordinator

THROUGH: 
Mark K. Johnson
Chair

SUBJECT: Quarterly Report for
July 1 - September 30, 2003

Under AS 42.05.175(g), the Commission is required to file quarterly reports with the Legislative Budget and Audit Committee identifying all extensions ordered under AS 42.05.175(f).

The Commission reports the following orders that were issued following consent from the parties of the statutory timelines of AS 42.05.175:

- 1 { -Order U-00-93(24), dated September 30, 2003 (also attached for further clarification is Order U-00-93(18), dated October 28, 2002.
- Order U-02-22(4), dated September 30, 2003
- Order U-96-36(37), dated September 9, 2003
- Order U-02-94(5)/U-02-95(1)/U-02-99(6), dated August 21, 2003 and *Joint Motion to Vacate Procedural Schedule*, filed June 27, 2003. Note: The motion was filed in Dockets U-02-94 and U-02-99. On October 2, 2003, the parties filed a similar motion in Docket U-02-95, which will be reported in the next quarterly report.

The following orders were issued by the Commission for good cause under AS 42.05.175(f) (1)-(3):

- Order U-01-34(25), dated September 30, 2003
- Order U-02-60(12), dated September 10, 2003

1 STATE OF ALASKA

2 THE REGULATORY COMMISSION OF ALASKA

3 Before Commissioners:

Mark K. Johnson, Chair
Kate Giard
Dave Harbour
James S. Strandberg
G. Nanette Thompson

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7 In the Matter of the Investigation of the Local
8 Exchange Revenue-Requirement, Depreciation,
9 Cost-of-Service, Rate Design Studies, and Tariff
10 Rate Revisions Designated as TA429-120 and
11 TA431-120 Filed by ACS OF ANCHORAGE,
INC. d/b/a ALASKA COMMUNICATIONS
SYSTEMS, ACS LOCAL SERVICE, and ACS

U-01-34

ORDER NO. 25

12 ORDER AFFIRMING ELECTRONIC RULING,
13 EXTENDING STATUTORY TIMELINE, FURTHER EXTENDING
14 SUSPENSION PERIODS AND GRANTING EXTENSION

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16 BY THE COMMISSION:

17 Summary

18 We affirm our electronic ruling dated August 28, 2003. We extend the
19 statutory timeline for issuing a final order in Phase I of this docket. We further extend
20 the suspension of the permanent operation of TA429-120 and TA431-120. We grant
21 GCI's¹ motion for extension of time.

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25 ¹GCI Communication Corp. d/b/a General Communication, Inc., and d/b/a GCI.
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Background

We suspended the permanent operation of TA429-120 and TA431-120 filed by ACS-AN² pending our review and adjudication of ACS-AN's revenue requirement, cost-of-service, and rate design studies. ACS-AN requested that we hear the revenue requirement and cost-of-service phases of this case separately and successively. We further extended the suspensions for an additional period ending September 30, 2003.³

In June 2002, we reached a substantive decision on virtually all ACS-AN depreciation issues.⁴ We later learned that our decision relied, in part, on erroneous data provided by ACS-AN. At ACS-AN's request we reopened the record to evaluate the impact of this error and the options for correcting it. We allowed ACS-AN to supplement the record⁵ and conducted a hearing on the supplemental testimony on June 17, 2003. We determined lives for ACS-AN's Digital Circuit Equipment account and Metallic Cable accounts and required ACS-AN to update its Depreciation Study Results Section schedules consistent with the decisions in Order U-01-34(24).⁶ We also required ACS-AN file an updated revenue requirement and associated information identified in Order U-01-34(19) with the revised depreciation schedules due September 10, 2003.⁷

²ACS of Anchorage, Inc. d/b/a Alaska Communications Systems, ACS Local Service, and ACS.

³Order U-01-34(21), dated May 15, 2003.

⁴Order U-01-34(15)/U-01-66(5)/U-01-82(11)/U-01-83(11)/U-01-84(11)/U-01-85(11)/U-01-86(11)/U-01-87(11), dated June 6, 2002.

⁵Order U-01-34(19)/U-01-66(8)/U-01-82(14)/U-01-83(14)/U-01-84(14)/U-01-85(14)/U-01-86(14)/U-01-87(14), dated December 16, 2002.

⁶Order U-01-34(24), dated August 22, 2003.

⁷The parties were electronically notified on August 28, 2003.

1 ACS-AN made the required filings. GCI moved for an extension of time to
2 submit its response to ACS-AN's calculations.⁸ ACS-AN responded to GCI's motion.

3 Discussion

4 GCI argued that its depreciation experts have determined that, in their
5 opinion, ACS-AN's calculations include errors. GCI's revenue requirement expert has
6 had a limited opportunity to review the calculations and is unable to determine whether
7 ACS-AN's calculations of several important adjustments are accurate by the deadline
8 we set for filing a response on this matter.⁹ GCI moved for an extension of time to allow
9 the parties an opportunity to resolve the possible differences.

10 Our review to date has not assured us that the ACS-AN filings are
11 consistent with our orders. We need more time to understand the revenue
12 requirement.¹⁰

13 AS 42.05.175(c) requires the Commission to issue a final order in Phase I
14 of this proceeding by September 30, 2003.¹¹ We would have easily met this timeline but
15 for the ACS-AN depreciation error. Because we had a second hearing in this
16 proceeding and we are not yet able to verify that the ACS-AN filings are consistent with
17 our orders, we are unable to issue a final order within the statutory timeline. Therefore,
18 we find good cause exists to extend the statutory timeline for ninety days to
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22 ⁸*Motion for Extension of Time*, filed by GCI on September 22, 2003.

23 ⁹*Id.* at 2.

24 ¹⁰For example, the stipulation calls for a management fees adjustment of
25 \$855,334 that ACS-AN labels as Adjustment #3. ACS-AN's filing shows an Adjustment
26 #3A of \$391,600 for both the local and access piece. We could not find an Adjustment
#3B.

¹¹AS 42.05.175(c).

December 29, 2003.¹² Accordingly, we further suspend the permanent operation of TA429-120 and TA431-120 for a ninety-day period ending December 29, 2003.

With ninety additional days to issue a final order, time is available for GCI and ACS-AN to informally address possible differences and attempt to resolve them. Therefore, we grant GCI's motion for an extension of time.

ORDER

THE COMMISSION FURTHER ORDERS:

1. The electronic ruling issued August 28, 2003, requiring ACS of Anchorage, Inc. d/b/a Alaska Communications Systems, ACS Local Service, and ACS to file an updated revenue requirement and associated information identified in Order U-01-34(19) with the revised depreciation schedule due September 10, 2003, is affirmed.

2. The statutory timeline for issuing a final order in Phase I of this proceeding is extended to December 29, 2003.

3. The suspension of the permanent operation of TA429-120 filed by ACS of Anchorage, Inc. d/b/a Alaska Communications Systems, ACS Local Service, and ACS is further extended until December 29, 2003.

4. The suspension of the permanent operation of TA431-120 filed by ACS of Anchorage, Inc. d/b/a Alaska Communications Systems, ACS Local Service, and ACS is further extended until December 29, 2003.

5. The motion for extension of time filed by GCI Communication Corp. d/b/a General Communication, Inc., and d/b/a GCI on September 22, 2003, is granted.

¹²AS 42.05.175(f).

1 6. By 4 p.m., October 10, 2003, GCI Communication Corp. d/b/a
2 General Communication, Inc., and d/b/a GCI shall file its response to the compliance
3 filings made on September 10, 2003, by ACS of Anchorage, Inc. d/b/a Alaska
4 Communications Systems, ACS Local Service, and ACS.

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6 DATED AND EFFECTIVE at Anchorage, Alaska, this 30th day of September, 2003.

7 BY DIRECTION OF THE COMMISSION
8 (Commissioners Dave Harbour and Kate Giard, not participating.)
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STATE OF ALASKA

THE REGULATORY COMMISSION OF ALASKA

Before Commissioners:

Mark K. Johnson, Chair
Kate Giard
Dave Harbour
James S. Strandberg
G. Nanette Thompson

In the Matter of the Petition of AURORA
ENERGY, LLC to Amend Its Wholesale Power
Purchase Agreement under AS 42.05.431 and
to Increase the Contract Rates on an Interim
and Refundable Basis

U-02-60

ORDER NO. 12

ORDER EXTENDING STATUTORY TIMELINE AND AFFIRMING
ELECTRONIC RULING

BY THE COMMISSION:

Summary

We affirm the electronic ruling adopting the procedural schedule agreed to by the parties.¹ We also extend the statutory timeline for issuing a final order in this case.

Background

Golden Valley Electric Association, Inc. (GVEA), filed a Motion To Stay Proceedings in this Docket on April 15, 2003. On April 25, 2003, Aurora Energy, LLC (Aurora), filed a conditional nonopposition to GVEA's Motion to Stay Proceedings. Both parties agreed that the hearing set to begin on May 6, 2003, should be vacated.

¹The Hearing Examiner sent electronic confirmation of the procedural schedule to the parties on June 27, 2003.

1 Therefore, on May 1, 2003, we vacated the hearing.² At that time, the parties were also
2 instructed to discuss potential dates for rescheduling the hearing acceptable to them
3 and consistent with Commission availability.

4 Discussion

5 AS 42.05.175(c) requires the Commission to issue a final order in this
6 proceeding by September 30, 2003.³ Given the joint request by the parties to vacate
7 the initial hearing scheduled for May 2003, and the new procedural schedule agreed to
8 by the parties rescheduling the hearing for September 29, 2003, we will be unable to
9 issue a final order in this proceeding by the statutory timeline. Therefore, we find good
10 cause exists to extend the statutory timeline for ninety days to December 30, 2003.⁴
11 We also affirm the electronic ruling adopting the procedural schedule agreed to by the
12 parties set out in the ordering paragraphs below.

13 ORDER

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15 THE COMMISSION FURTHER ORDERS:

- 16 1. The electronic ruling adopting the procedural schedule agreed to by
17 the parties is affirmed.
- 18 2. The statutory timeline for issuing a final order in this proceeding is
19 extended to December 30, 2003.
- 20 3. By 4 p.m., September 12, 2003, supplemental testimony allowed by
21 the Commission shall be exchanged.
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24 ²The Hearing Examiner sent electronic notification of this decision to the parties
on May 2, 2003.

25 ³AS 42.05.175(c).

26 ⁴AS 42.05.175(f).

1 4. By 4 p.m., September 22, 2003, all parties shall file their statements
2 of issues and final witness lists, in the order of appearance.

3 5. Any party wishing to appear telephonically at the hearing must
4 advise us, in writing, by 4 p.m., September 22, 2003, and provide a telephone number
5 where it may be reached for that appearance.

6 6. A public hearing⁵ in this docket is set for September 29, 2003,
7 at 9 a.m., in the East Hearing Room of the Commission's offices located at 701 West
8 Eighth Avenue, Suite 300, Anchorage, Alaska, and continuing thereafter as needed on
9 September 30 and October 1-3, 2003.

10 DATED AND EFFECTIVE at Anchorage, Alaska, this 10th day of September, 2003.

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12 BY DIRECTION OF THE COMMISSION
13 (Commissioners Mark K. Johnson and
14 Dave Harbour, not participating.)
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25 ⁵If you are a person with a disability who may need a special accommodation,
26 auxiliary aid, or service or alternative communication format in order to participate in this
prehearing, please contact Grace Salazar at 1-907-276-6222 or TTY 1-907-276-4533 at
least one week before the hearing to make the necessary arrangements.