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 U-16-094 Approval to Establish Depreciation Rates In the Matter of the Tariff Revision Designated as TA357-121 Filed by the MUNICIPALITY OF ANCHORAGE d/b/a MUNICIPAL LIGHT & U-17-008 POWER DEPARTMENT

THE FEDERAL EXECUTIVE AGENCIES' ("FEA") RESPONSES TO MUNICIPAL LIGHT & POWER'S FIFTH SET OF DISCOVERY REQUESTS (MLP-FEA-5)

MLP-FEA-5-1: At page 21 of his testimony, Dr. Blank cites excess gas reserves as a basis for setting the Peaking Demand Charge equal to zero and allow the baseload demand charge to recover all the demand related costs. In response to discovery request FEA-4-1 Mr. Blank refers to Docket U-16-012 as the basis for his claim that ML&P has excess gas reserves. Please explain how in Mr. Blank's opinion the gas reserves at the BRU justifies setting the Peaking Demand Charge at zero.

Response: The Baseload Demand Charge including the Energy Charge and the Customer Charge are sufficient to cover the costs allocated to each rate class. For clarification, the Baseload Demand Charge would apply to total kW billing demand including monthly demand in which the demand may exceed the baseload demand described in contract.

September 26, 2017 Page 1 of 2 Date: 12/05/17 Exh # H-9.2 Regulatory Commission of Alaska U-14-094 By: BP U-17-008 Northern Lights Realtime & Reporting, Inc. (907) 337-2221

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Rather than applying the Baseload Demand Charge to total kW demand as recommended, the Peaking Demand Charge could be set to equal the Baseload Demand Charge if this better fits ML&P's billing system. There is no cost justification for the differential between the baseload and peaking charges as proposed by ML&P's extremely punitive design.

Person(s) Supplying Information: Larry Blank

At page 21 of his testimony, Dr. Blank cites excess MLP-FEA-5-2: capacity as a basis for setting the Peaking Demand charge equal to zero and allow the Baseload demand charge to recover all the demand related costs. In response to FEA-4-1 Mr. Blank refers to Mr. Ori's testimony as the basis for his claim that ML&P has excess capacity. Please explain how in Mr. Blank's opinion any excess capacity justifies setting the Peaking Demand Charge at zero.

> See response to MLP-FEA-5-1. Response:

Person(s) Supplying Information: Larry Blank

THE FEDERAL EXECUTIVE AGENCIES' RESPONSES TO MUNICIPAL LIGHT & POWER'S FIFTH SET OF DISCOVERY REQUESTS (MLP-FEA-5)

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