

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 Revision 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 RESPONSE TO THE
ATTORNEY GENERAL'S FIRST REQUEST FOR DISCOVERY ON
REPLY TESTIMONY (AG-MLP-R1)**

The Municipality of Anchorage d/b/a Municipal Light and Power ("ML&P"), hereby responds to the Office of the Attorney General, Regulatory Affairs & Public Advocacy Section's ("AG's") first 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 on 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 the AG, ANTHC, ENSTAR, FEA, JLP, and PHS.

Date: 12/15/17 Exh # H-163
Regulatory Commission of Alaska
U-16-094 By: BP U-17-008
Northern Lights Realtime & Reporting, Inc.
(907) 337-2221

October 17, 2017

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AG-MLP-R1

1 **DISCOVERY RESPONSES ON REPLY TESTIMONY**

2 **AG-ML&P-R1-1.** Refer to the Prefiled Reply Testimony of Bente Villadsen
3 at Q/As 13 - 17 referring to Dr. Villadsen's use of the Hamada method in the current docket
4 regarding financial risk and the reference to page 15 of her prefiled direct testimony. Also, refer
5 to the Prefiled Reply Testimony of John J. Reed at Exhibit JJR-38 at page 29-30 of 151.

6 (a) Admit that regarding the relationship between capital structure and ROE,
7 the Alberta Utilities Commission rejected Villadsen's use of the Hamada adjustment to unlever
8 and then re-lever beta in determining the deemed equity ratios or the allowed ROE in that
9 proceeding except to illustrate that a relationship exists.

10 (b) Admit that in Docket U-17-008, Dr. Villadsen used the Hamada
11 adjustment to unlever and then re-lever the beta used in the CAPM.

12 (c) If the response to any above subparts is anything other than an unqualified
13 admission of the truth of the matter asserted, state what Dr. Villadsen believes the truth of the
14 matter to be.

15 **Response:** (a) Denied.

16 (b) Admitted.

17 (c) Dr. Villadsen disagrees that the Alberta Utilities Commission "rejected"
18 this approach. The Alberta Utilities Commission decision at the pages referenced in the question
19 speaks for itself:

20 As a consequence of the uncertainty created by the number of
21 untested assumptions as well as the lack of sensitivity analysis
22 provided for some of the models, the Commission will not employ
23 any of these suggested models in its determination of the deemed
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25 MUNICIPAL LIGHT AND POWER'S RESPONSE TO THE ATTORNEY GENERAL'S
26 FIRST REQUEST FOR DISCOVERY ON REPLY TESTIMONY (AG-MLP-R1)

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1 equity ratios or the allowed ROE in this proceeding except to
2 illustrate that a relationship exists.

3 **Person(s) Supplying Information:** Bente Villadsen.
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25 MUNICIPAL LIGHT AND POWER'S RESPONSE TO THE ATTORNEY GENERAL'S
26 FIRST REQUEST FOR DISCOVERY ON REPLY TESTIMONY (AG-MLP-R1)

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