

THE REGULATORY COMMISSION OF ALASKA

Before Commissioners:

Robert M. Pickett, Chairman
Stephen McAlpine
Rebecca L. Pauli
Norman Rokeberg
Janis W. Wilson

In the Matter of the Tariff Revision Designated as)
TA285-4 Filed by ENSTAR NATURAL GAS)
COMPANY, A DIVISION OF SEMCO ENERGY,)
INC.)
_____)

Docket No. U-16-066

TITAN'S OPENING STATEMENT HANDOUT

EXAMPLE SHOWING THE IMPORTANCE OF PRO FORMA VOLUMES IN THE CALCULATION OF RATES

1. BASIC SCENARIO

Revenue Requirement:	\$1,000,000.00
Sales Volume:	100,000
Rate (Revenue Requirement/Volume)	\$10.00

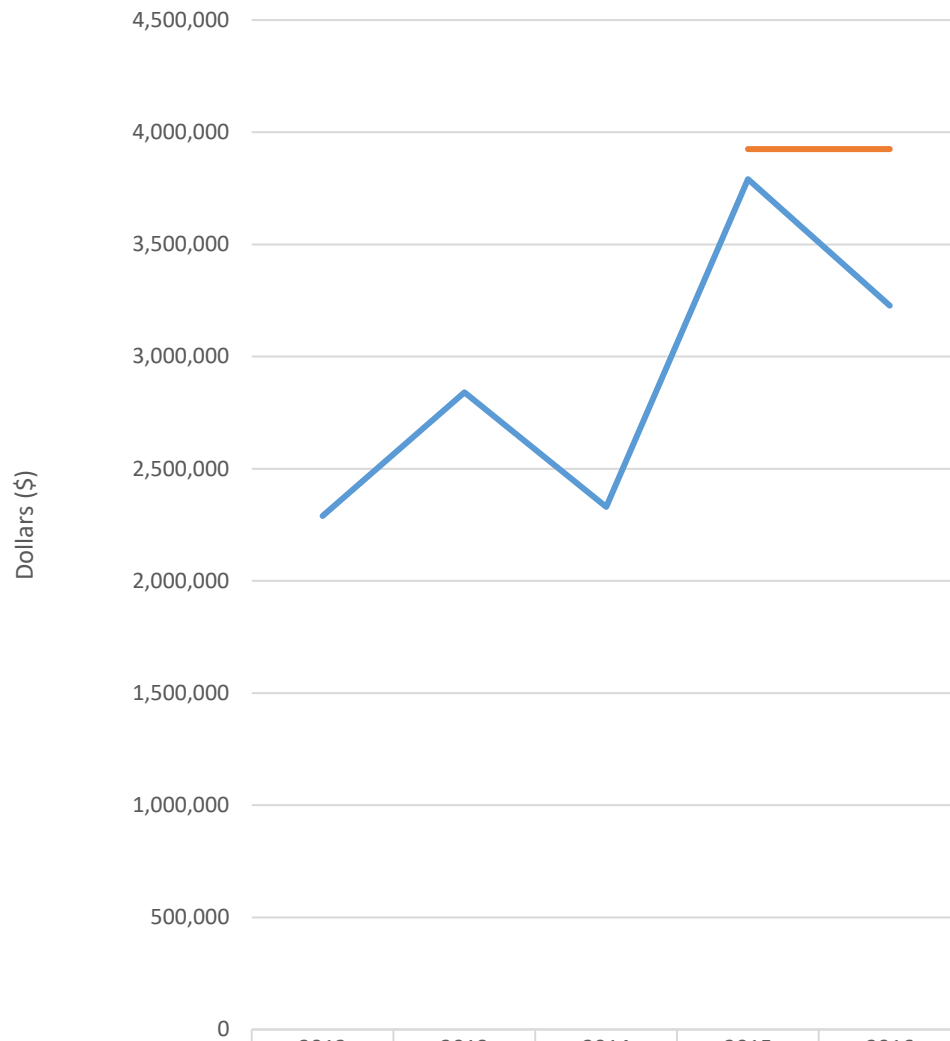
2. EFFECT OF 10% INCREASE IN REVENUE REQUIREMENT

Revenue Requirement:	\$1,100,000.00
Sales Volume:	100,000
Rate (Revenue Requirement/Volume)	\$11.00

3. EFFECT OF 10% DECREASE IN VOLUMES

Revenue Requirement:	\$1,000,000.00
Sales Volume:	90,000
Rate (Revenue Requirement/Volume)	\$11.11

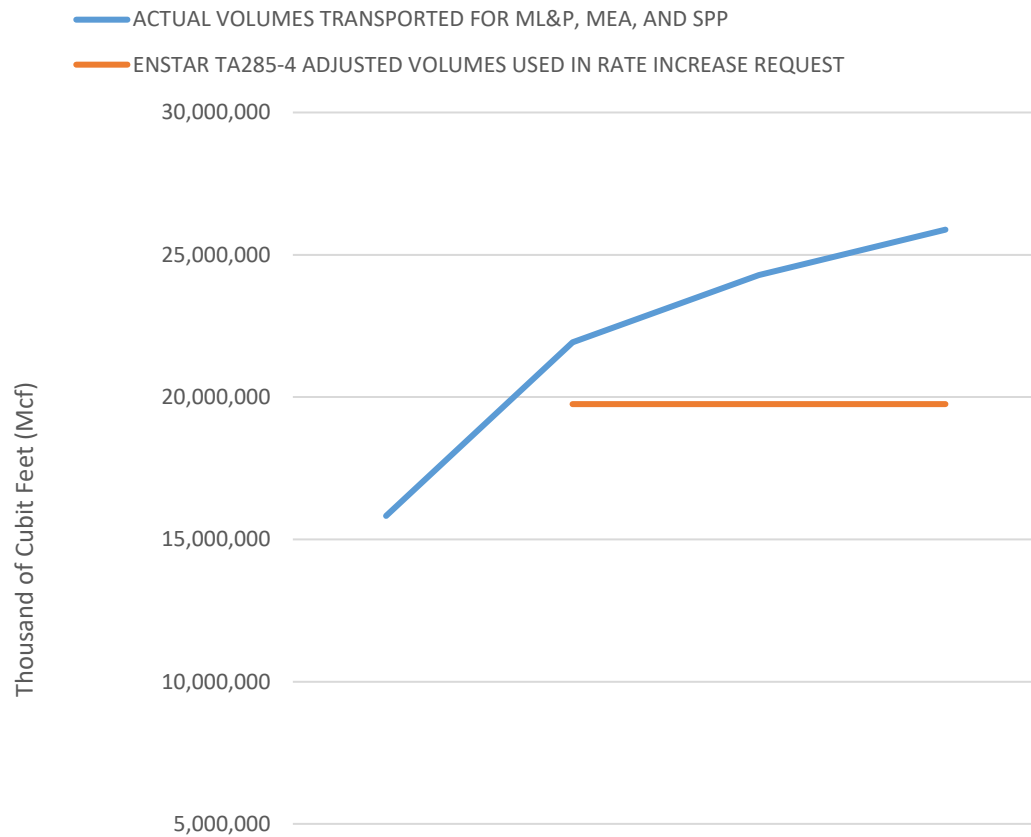
ENSTAR TRANSMISSION EXPENSES ACCOUNTS 850-867



	2012	2013	2014	2015	2016
— ACTUAL EXPENSES FROM ANNUAL REPORTS	2,289,331	2,840,620	2,329,237	3,790,735	3,227,128
— ENSTAR TA285-4 PRO FORMA EXPENSES USED IN RATE INCREASE REQUEST				3,924,744	3,924,744

Source: 2013-2016 Annual Reports of Enstar Natural Gas/Alaska Pipeline Company to the Regulatory Commission of Alaska, OP & Maint Ex. P 317-325, line 201.

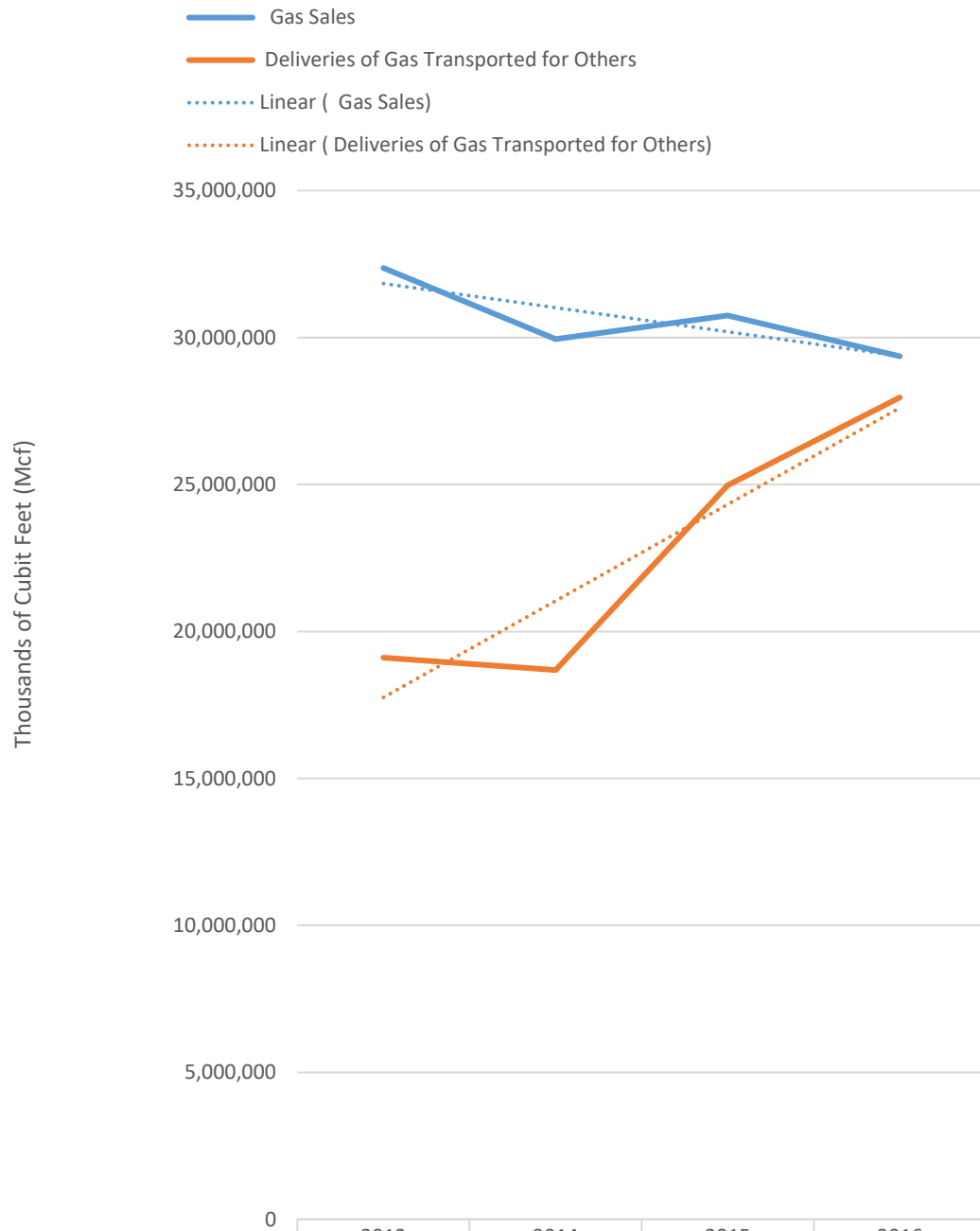
ENSTAR TRANSPORT VOLUMES POWER/VLFT



	2014	2015	2016	2017
— ACTUAL VOLUMES TRANSPORTED FOR ML&P, MEA, AND SPP	15,825,202	21,930,152	24,288,544	25,882,680
— ENSTAR TA285-4 ADJUSTED VOLUMES USED IN RATE INCREASE REQUEST		19,752,638	19,752,638	19,752,638

Source: ENS08274 CONF Transportation Revenues Volumes by Customer. 2017 volume projected based on 6.56% increase for first four months of 2017 over first four months of 2016.

ENSTAR TRANSPORTATION AND GAS SALES



	2013	2014	2015	2016
Gas Sales	32,366,481	29,945,598	30,746,259	29,362,551
Deliveries of Gas Transported for Others	19,109,384	18,687,110	24,968,010	27,962,943

Source: 2013-2016 Annual Reports of Enstar Natural Gas/Alaska Pipeline Company to the Regulatory Commission of Alaska, Gas Account P 520, lines 17 and 19.