

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

STATE OF ALASKA

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) U-16-066
COMPANY, A DIVISION OF SEMCO)
ENERGY, INC.)
_____)

**ENSTAR NATURAL GAS COMPANY'S RESPONSE TO THE OFFICE OF
THE ATTORNEY GENERAL'S FIRST SET OF DISCOVERY REQUESTS ON
ENSTAR'S REPLY TESTIMONY (AG-ENSTAR-R1)**

Pursuant to 3 AAC 48.155 and 3 AAC 48.141-145, ENSTAR Natural Gas Company ("ENSTAR") hereby provides its response to the Attorney General's First Set of Discovery Requests on ENSTAR's Reply Testimony ("AG-ENSTAR-R1"), as follows:

PRELIMINARY STATEMENT

Discovery in this docket is not complete. As discovery proceeds, facts, information, evidence, documents, and other matters may be discovered which are not set forth in these responses, but which may be responsive to these discovery requests. The following responses are complete based on ENSTAR's current knowledge, information, and belief. Furthermore, these responses were prepared based on

U-16-066 – ENSTAR's Response to AG's First Discovery Requests on ENSTAR's Reply Testimony
May 8, 2017
Page 1 of 96

Date: 5 June 17 Exh # H-2
Regulatory Commission of Alaska
By: B U-16-066
Northern Lights Realtime & Reporting, Inc.
(907) 337-2221

1 ENSTAR's good faith interpretation of the discovery requests and are subject to
2 correction for inadvertent errors or omissions, if any.

3 **GENERAL OBJECTIONS**

4 1. ENSTAR objects to requests for documents relating to confidential
5 settlement negotiations. Any and all answers ENSTAR provides in response to these
6 data requests will be provided subject to, and without waiving, this objection.
7

8 2. ENSTAR objects to the production of documents, calculations, and
9 analyses that do not exist. A document is not within a party's "possession, custody, or
10 control" if it does not exist.

11 3. ENSTAR objects to each and every data request insofar as they are vague,
12 ambiguous, overly broad, unduly burdensome, or use terms that are subject to multiple
13 interpretations but are not properly defined or explained for purposes of these data
14 requests. Any and all answers ENSTAR provides in response to these data requests will
15 be provided subject to, and without waiving, this objection.
16

17 4. ENSTAR objects to each and every data request insofar as it is not
18 reasonably calculated to lead to the discovery of admissible evidence and is not relevant
19 to the subject matter of this proceeding.
20

21 5. ENSTAR objects to providing information to the extent such information
22 is already a matter of public record. The requesting party is not entitled to require other
23 parties to gather information that is equally available and accessible to it.
24

1 6. ENSTAR objects to each and every data request insofar as it seeks
2 documents or information protected by the attorney-client privilege or the work product
3 privilege. Nothing contained in these responses is intended as, or shall in any way be
4 deemed, a waiver of any such privilege or protection, or any other applicable privilege
5 or doctrine.
6

7 7. ENSTAR objects to the instructions contained in AG-ENSTAR-R-1. In
8 responding to the requests, ENSTAR will abide by the Regulatory Commission of
9 Alaska's ("RCA") discovery regulations and where applicable, Alaska Rules of Civil
10 Procedure.
11

12
13 **DISCOVERY RESPONSES**

14 **AG-ENSTAR-R1-1.** Refer to the attached document titled "AltaGas;
15 AltaGas to acquire WGL Holdings, *Enhancing a leading, North American diversified*
16 *energy infrastructure company*, dated January 25, 2017 (computer file named
17 2017-01-25 – Pr Blue Jay Rollout deck (1PM MT) – Final_rfs.pdf).
18

19 (a) Admit that the document is a true and accurate copy.

20 (b) If the response to subpart (a) is anything other than an unqualified
21 admission of the truth of the matter asserted, provide a true and accurate copy of the
22 document.
23

24 (c) Admit that this document is a presentation to AltaGas shareholders.
25

1 (b) See the response to subpart (a) above.

2 (c) See the response to subpart (a) above.

3 (d) See the response to subpart (a) above.

4 (e) See the response to subpart (a) above.

5 **Person(s) Supplying Information:** John Sims.

6
7
8 **AG-ENSTAR-R1-39.** Refer to the prefiled reply testimony of John D. Sims
9 at 9 that states in part: "As a threshold matter, SEMCO must satisfy an earnings before
10 interest, taxes, depreciation, and amortization ("EBITDA") requirement before any
11 incentive compensation is funded." Refer to document produced by ENSTAR in
12 discovery ENS07450.

13
14 (a) The document ENS07450 in the upper table, left column, states: "Metric,
15 EBITDA." Does this represent the threshold Mr. Sims refers to?

16 (b) If the response to subpart (a) is negative, explain.

17 (c) If the response to subpart (a) is affirmative, is the EBITDA based solely
18 on SEMCO's EBITDA?

19 (d) If the response to subpart (b) is negative, explain.

20 (e) Identify the company/individuals that set the amount of the threshold
21 EBITDA.

22 (f) Explain how the threshold EBITDA is determined (e.g., is formulaic)?

23 **Response:**

1 (a) Yes.

2 (b) See the response to subpart (a) above.

3 (c) The EBITDA metric is based on the results of SEMCO Inc., of which
4 ENSTAR is a division.

5 (d) See the response to subpart (c) above.

6 (e) The threshold is set by a committee consisting of management of SEMCO
7 Inc. and AltaGas Ltd. The Committee recommends the threshold, which is then
8 sent to the AltaGas Board of Directors for approval.

9 (f) The threshold is formulaically determined by combining various targets as
10 stated in the plan year (*i.e.*, a combination of operating income, depreciation,
11 non-operating income/expense, and various other adjustments related to AltaGas
12 (management fees, etc.)).

13 **Person(s) Supplying Information:** John Sims.

14
15 **AG-ENSTAR-R1-40.** Refer to the prefiled reply testimony of John D. Sims,
16 at 11 discussing incentive pay company-wide categories and at line 16 discussing leak
17 response time and abandon call rate.

18 (a) Please explain how each employee who received a bonus in 2015
19 responded to an actual leak.

20 (b) Please explain how each employee receiving a bonus in 2015 responded
21 to actual calls from customers.