

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 Revisions, Designated as )  
TA357-121, filed by the MUNICIPALITY OF )  
ANCHORAGE D/B/A MUNICIPAL LIGHT AND )  
POWER DEPARTMENT )

U-16-\_\_\_\_

**PREFILED DIRECT TESTIMONY OF**  
**BRYANT T. ROBBINS**

**I. INTRODUCTION AND PURPOSE**

**Q1. Please state your full name and business address for the record.**

A1. My name is Bryant T. Robbins. I am the Municipal Assessor for the Municipality of Anchorage ("MOA"), 632 West 6<sup>th</sup> Avenue, Suite 300, Anchorage, Alaska 99501. I have held that position since October of 2013.

**Q2. On whose behalf are you testifying?**

A2. I am testifying on behalf of the Municipality of Anchorage d/b/a Municipal Light and Power ("ML&P").

**Q3. What is the purpose of your direct testimony?**

A3. The purpose of my direct testimony is to describe the MOA's process for property tax assessments and to explain the hypothetical tax assessment the Property Appraisal Division performed for ML&P. The hypothetical tax assessment is a calculation of the amount of property taxes that would be assessed by the MOA if ML&P were a

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Ex-16-09A By: [Signature] U-17-008  
Testimony of Bryant Robbins

Date: 11/16/17 Exh # J-8  
Regulatory Commission of Alaska  
U-16-09A By: [Signature] U-17-008  
Northern Lights Realtime & Reporting, Inc.  
(907) 337-2221

1 privately-owned utility. I present this hypothetical tax assessment to the Regulatory  
2 Commission of Alaska ("Commission") in order for the Commission to compare it to the  
3 amount of the Municipal Utilities Service Assessment ("MUSA") that ML&P is expected  
4 to pay to the MOA.  
5

6 **Q4. What are your qualifications to offer this testimony?**

7 A4. I have a Bachelor's Degree in Business Administration and a Bachelor's Degree in  
8 History from the University of Arkansas at Monticello. In 2002, I was hired by the  
9 MOA. I worked for the MOA in the Property Appraisal Division from April 2002 to  
10 March 2004 as an Appraiser in the Business Personal Property Section. In 2004, I  
11 became an Appraisal Analyst in the Commercial Real Property Section. I was appointed  
12 Assessor in 2013. I have 26 years of experience in real estate management and appraisal.  
13 As the Municipal Assessor, I am responsible for the MOA's Property Appraisal Division.  
14 I have experience in conducting hypothetical tax assessments. I was involved in the real  
15 property analysis for the Anchorage Water and Wastewater Utility ("AWWU")  
16 hypothetical tax assessment. I, along with my staff, prepared the ML&P 2012 and 2013  
17 hypothetical tax assessments that the Commission accepted in Order No. U-13-006(10)  
18 and Order No. U-13-184(22). A copy of my resume is attached to my testimony as  
19 Exhibit BTR-1.  
20  
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1 **II. ML&P'S HYPOTHETICAL TAXATION AS A PRIVATE UTILITY**

2 **Q5. Please describe the tasks that ML&P asked the Property Appraisal Division to**  
3 **perform.**

4 A5. ML&P asked the Property Appraisal Division to provide a hypothetical assessment to  
5 determine the amount of municipal property tax that ML&P would be expected to pay if  
6 it were a privately-owned, rate-regulated utility. ML&P provided plant accounting  
7 records reflecting ML&P's plant as of December 31, 2015. Based on those records,  
8 under my direction and supervision, the Property Appraisal Division developed a  
9 hypothetical tax assessment to determine the amount of tax that ML&P would have owed  
10 if in 2016 it were a privately-owned, rate-regulated utility. ML&P also asked us to  
11 provide a hypothetical assessment of the tax liability for additional property added in  
12 2016 associated with the construction of its new Plant 2A and provided additional plant  
13 accounting records showing Plant 2A property additions through November 2016. My  
14 understanding is that ML&P sought this additional hypothetical assessment in order to  
15 allow for an appropriate "apples to apples" comparison between the hypothetical tax  
16 liability and the MUSA expense included in ML&P's pro forma revenue requirement that  
17 the Commission is reviewing in this proceeding.  
18  
19  
20

21 **Q6. What were the results of ML&P's 2016 hypothetical tax assessment?**

22 A6. The analysis showed that if ML&P were a privately-owned, rate-regulated utility, its  
23 2016 property tax liability would be \$8,558,881. We estimate that the additional tax on  
24 the 2016 Plant 2A property additions through November 2016 would be \$517,117.  
25  
26

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1 Adding those together yields a total assessment of \$9,075,997. The results of the  
2 hypothetical tax assessment is summarized on Exhibit BTR-2.  
3

4 **Q7. How does the MOA tax privately owned utilities?**

5 A7. The Property Appraisal Division assesses taxable assets based on the property's "full and  
6 true value" as required by AS 29.45 and the Anchorage Municipal Code,  
7 Section 12.15.030(A). We select a methodology that is appropriate for the type of  
8 property to be assessed. After the Assembly approves the mill rates for each service area,  
9 the respective mill rates are applied to the assessed values. Individual tax bills are  
10 calculated based on the assessed value of a property, multiplied by the appropriate mill  
11 rate.  
12

13  
14 **Q8. Would you please summarize how the Property Appraisal Division conducted the**  
15 **hypothetical tax assessment of ML&P?**

16 A8. The personal property was assessed using the standard percent good tables, which are  
17 discussed in my testimony at Q/A 11. The Property Appraisal Division used the standard  
18 percent good tables in assessing all other business personal property in the municipality.  
19 With the exception of the power plants, the real property was assessed using our  
20 computer-assisted mass appraisal system ("CAMA") and was valued in the same way  
21 that comparable privately-owned real property is valued. Power plants cannot be  
22 accurately profiled in the CAMA system, so we have done manual calculations that  
23 mimic the CAMA methodology and used this to value the power plants. The property  
24  
25  
26

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1 was matched with its tax district, and the mill rate for each district was applied to yield  
2 the hypothetical tax liability.

3  
4 **Q9. How does the Property Appraisal Division classify personal property?**

5 A9. Anchorage Municipal Code Section 12.05.020 defines personal property as "any property  
6 other than real property." Personal property is tangible and is typically not reflected in a  
7 recorded deed or lease. It generally consists of movable items not permanently affixed  
8 to, or part of, the real estate. A typical characteristic of personal property is that it can be  
9 removed and relocated without damage to the structure that houses the property.  
10

11 **Q10. What methodology did the Property Appraisal Division use to assess the personal**  
12 **property?**

13  
14 A10. The information provided by ML&P included the type of property, year of asset  
15 acquisition, original installed cost, property location and regulatory life of the asset.  
16 Using this information, the Property Appraisal Division grouped the property into one of  
17 the MOA's personal property valuation schedules. We applied the percent good tables to  
18 determine the hypothetical assessed value for 2016. The assessed values were grouped  
19 by tax district and the appropriate mill rate was applied to the assessed value to determine  
20 the amount of tax.  
21

22 **Q11. What is a "percent good table"?**

23  
24 A11. The "percent good tables" are schedules that we use to calculate the assessed value of  
25 personal property, based on the property's age and original installed cost. When we  
26 apply the percent good tables to personal property, we index the original installed cost to  
27

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1 a current "replacement cost new" and depreciate the value over the life of the asset.

2 Generally, the depreciated value does not drop below a residual value, usually 15 percent.

3  
4 **Q12. As the Assessor, how do you classify real property?**

5 A12. Anchorage Municipal Code Section 12.05.020 states that "*Real property* means land,  
6 whether subdivided or not, all buildings, structures, improvements and fixtures of any  
7 kind thereon, and all possessory rights and privileges belonging or pertaining thereto."

8  
9 **Q13. How did the Property Appraisal Division value the land?**

10 A13. The Property Appraisal Division identified parcels owned by ML&P and then valued the  
11 land in the same way that we value other land in the Municipality. Land is valued based  
12 on the size of the lot, zoning, the location of the land, and the market value of similar  
13 land as of January 1, 2016.

14  
15 **Q14. How did the Property Appraisal Division value the real property improvements  
16 other than power plants for ML&P?**

17 A14. We valued the real property improvements other than power plant buildings in the same  
18 manner that we value other real property improvements in the Municipality. We applied  
19 a cost approach through our CAMA system. That approach was applied to buildings  
20 such as office buildings and warehouses.

21  
22 **Q15. How did the Property Appraisal Division value ML&P's power plant buildings?**

23 A.15. We used a cost approach to value the power plants. This is the same method we use for  
24 valuing other industrial property. The difference is that we do not have a power plant  
25

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category in our CAMA system so the valuation had to be done manually. We developed an estimate of replacement cost new ("RCN") based on the original cost of the assets and then applied the identical depreciation curves as are used for other commercial properties valued within the CAMA system. This is also the method we use to value the power plant used by Doyon Utilities.

**Q16. How did the Property Appraisal Division value Construction Work in Progress ("CWIP")?**

A16. ML&P's CWIP is valued at cost. No depreciation is applied. This is consistent with the way we value CWIP for any private business or utility.

**Q17. Are you familiar with prior orders of the Commission that address hypothetical tax assessments?**

A17. Yes. In Order No. 38, in Dockets U-04-022/U-04-023, the RCA accepted Anchorage Water & Wastewater Utility's ("AWWU's") hypothetical tax assessment as one way to demonstrate that the amount of MUSA a utility pays is reasonable, and that the utility should be allowed to recover the cost of the MUSA payment in rates. In 2014, in Order No. U-13-006(10), the Commission accepted the hypothetical tax assessment we had prepared for ML&P for 2012. In 2015, in Order No. U-13-184(22), the Commission accepted the hypothetical tax assessment prepared for ML&P for 2013.

**Q18. Were there any differences in the way the Property Appraisal Division performed the 2016 hypothetical tax assessment for ML&P from the way the Property**

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1 Appraisal Division prepared ML&P's 2012 and 2013 hypothetical tax assessments  
2 or AWWU's hypothetical tax assessment?

3 A18. Except for the valuation of power plant buildings, the 2015 hypothetical assessment uses  
4 the same approach as ML&P's 2012 and 2013 hypothetical assessments. With respect to  
5 the valuation of power plant buildings, we used a replacement value approach  
6 fundamentally similar to the approach used in the AWWU hypothetical assessment,  
7 rather than valuing them through the CAMA system.

8  
9 Q19. Why did the Property Appraisal Division change the way ML&P's power plant  
10 buildings are valued?

11  
12 A19. For the earlier hypothetical assessments, we had used the values generated by our CAMA  
13 system. However, the power plants had been entered into the system as warehouses  
14 because no profile for power plants exists in the system. This resulted in a significant  
15 undervaluation of the power plants. In 2015, as part of an appeal resolution with Doyon  
16 Utilities, we developed the cost approach described above to value Doyon's power plant.  
17 We are now using this same method to value ML&P's power plants.

18  
19 Q20. Why doesn't the Property Appraisal Division assess the property owned by electric  
20 utilities Chugach Electric Association, Inc. and Matanuska Electric  
21 Association, Inc.?

22  
23 A20. Both of those utilities are member-owned electric cooperatives. I understand that under  
24 Alaska law electric cooperative are exempt from local taxation and instead pay the state a  
25 tax based on retail kilowatt-hour sales. Because cooperatives are not liable for municipal  
26

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property taxes, the Property Appraisal Division does not assess their property.

**Q21. In ML&P's two prior rate case proceedings, parties have raised the issue of whether the hypothetical assessment of ML&P's personal property values recognizes the impact of rate regulation. Can you reiterate your view of this issue?**

**A21.** There are three forms of depreciation to be considered in developing an estimate of value: physical deterioration, functional obsolescence, and external obsolescence. Physical deterioration is the wear and tear of aging. Functional obsolescence is a loss in value as assets become outdated, or due to a design flaw. External obsolescence is the reduction in value due to negative influences outside of the property itself (such as economic forces). Economic obsolescence, including rate regulation, is a form of external obsolescence.

The valuation methodology used to develop ML&P's hypothetical assessment accounts for all three types of obsolescence by valuing long-life utility assets using percentage good tables that use relatively shorter lives, i.e. service lives shorter than the assets' regulatory lives. When a shorter service life is used, the assessed value of property declines more quickly as the property ages toward the end of its service life, yielding a lower assessed value than if a longer service life were used.

I understand that the assets' regulatory lives are developed through detailed depreciation studies reviewed by the Commission. As shown on Exhibit BTR-3, in ML&P's case, the regulatory lives are greater than the standard asset lives in 60 of the 64 categories of personal property, and in many cases the regulatory lives are double or

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1 more the standard asset lives. Assuming that the regulatory lives more accurately reflect  
2 the actual expected economic lives, using the shorter lives results in a value that is low  
3 enough to account for all forms of obsolescence, including the effect of rate regulation.  
4 There is no requirement that an appraisal must separately list obsolescence factors or  
5 show the impact of rate regulation explicitly broken out and subtracted from the  
6 replacement cost. The assessment process must be efficient and administrable in a mass  
7 appraisal context. For ML&P's hypothetical assessment, obsolescence is accounted for  
8 as an inherent part of the appraisal process using the percent good tables applicable to the  
9 standard shorter lives rather than the longer regulatory lives developed through a detailed  
10 depreciation study.  
11  
12

13 **Q22. Has the Property Appraisal Division quantified the impact of using shorter lives on**  
14 **ML&P's hypothetical assessment?**

15 **A22.** Yes. We have performed a hypothetical assessment using ML&P's personal property  
16 regulatory lives. Using ML&P's personal property regulatory lives yields a hypothetical  
17 2016 tax of \$10,081,029. The impact of using shorter lives reduces the tax to  
18 \$8,558,881, a reduction of \$1,522,148, or 15.1 percent. A reduction of this magnitude  
19 sufficiently accounts for all forms of obsolescence, including the effect of rate regulation.  
20  
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1 Q23. Earlier in your testimony, you stated that the percent good tables generally have a  
2 15 percent residual value. Is this the same concept as salvage value used in  
3 developing regulated depreciation rates?

4 A23. The MOA's percent good tables correctly assume that as long as an asset remains in use,  
5 it has value. This value is reflected in the MOA's percent good tables by use of a floor, or  
6 residual value.  
7

8 Residual value is distinct from the concept of "salvage value." Salvage value is  
9 the amount of revenue realized, or cost incurred, upon retirement of the asset. "Valuing  
10 Machinery and Equipment," 2nd edition (American Society of Appraisers 2005) at  
11 page 588, defines salvage value as "the estimated amount, expressed in terms of money  
12 that may be expected for the whole property or a component of the whole property that is  
13 retired from service for possible use elsewhere, as of a specific date."  
14

15 Residual value in an appraisal context is the value that the asset contributes while  
16 it remains in service. "Valuing Machinery and Equipment" 2nd edition (American  
17 Society of Appraisers 2005) at page 585 provides the following definition of residual  
18 value, "In connection with a tangible asset, the term refers to the value of an asset after  
19 expiration of its normal useful life or the value remaining after part of the property's life  
20 has been consumed."  
21

22 The Commission allows the utility the opportunity to recover the original cost of  
23 the asset, less net salvage value, during the recovery period. If the net salvage value is  
24 negative, then it is viewed as an additional cost of the asset and the utility is allowed the  
25

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1 opportunity to recover that cost from the ratepayers. On the other hand, net negative  
2 salvage value is not reported to the MOA as a component of the cost of the asset.

3 To argue that the MOA should consider net negative salvage value in its  
4 depreciation schedule is a mixing of concepts.  
5

6 **Q24. Please explain the methodology the Property Appraisal Division employed in the**  
7 **assessment for additional property added in 2016 associated with the construction of**  
8 **ML&P's new Plant 2A.**  
9

10 A24. ML&P provided plant accounting records showing Plant 2A property additions through  
11 November 2016. We assigned lives to the various accounts in the same manner as  
12 described above for the 2016 assessment. As these additions would be in service as of  
13 January 1, 2017, we valued this property as having one year of service life using the 2016  
14 percent good tables and multiplied the value by the applicable 2016 mill rate. The exact  
15 percent good tables that would be applicable in 2017 are not available because each year  
16 the percent good tables are updated with prior year CPI data. In addition, the exact mill  
17 rate that would be used to calculate 2017 tax cannot be calculated prior to 2017. Because  
18 CPI data and mill rates do not typically vary significantly from one year to the next, using  
19 the 2016 percent good tables and mill rates produces a reasonable estimate of the 2017  
20 tax liability that would be associated with this property if owned by a private utility.  
21  
22  
23  
24  
25  
26

1 **Q25. Has the Property Appraisal Division evaluated the impact of using regulatory lives**  
2 **on the second hypothetical assessment of Plant 2A property added in 2016?**

3 A25. No. Because that hypothetical assessment was based on only one year of service life, the  
4 impact of changing the service life will affect only one year of depreciation, and therefore  
5 using longer service lives would increase the hypothetical assessment only slightly.  
6

7 **Q26. Is the Property Appraisal Division involved in the calculation and collection of**  
8 **the MUSA?**

9 A26. No. The calculation and payment of the MUSA is the responsibility of each of the  
10 utilities, not the MOA Assessor's Office.  
11

12 **Q27. Does this conclude your testimony?**

13 A27. Yes.  
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# **Exhibit BTR-1**

**Bryant T. Robbins**  
20179 E. Reich Ct., Palmer, AK 99645  
(907) 830-5474

**EXPERIENCE**

**10/13 - Present      Assessor, Municipality of Anchorage**

- Division Director responsible for the strategic development, implementation and oversight of all division activities
- Oversight and development of annual valuation of all real and personal property within the Municipality of Anchorage in conformance to statutory provisions and professional assessment standards
- Establishes performance management system and provides quality control systems to optimize division activities
- Provides division-wide organizational development, training and oversight for all division activities
- Leads division responses to public, Board of Equalization, and internal customers on all aspects of assessment issues

**09/02 – 10/13      Appraisal Analyst, Business Property Examiner, Personal Property Appraiser, Municipality of Anchorage**

- Mass appraisal of real estate using statistical analysis, GIS tools and CAMA system
- Valuation of large, complex properties including utilities, hotels, and possessory interests
- Annual assessment of all commercial land in the Municipality of Anchorage
- Directly responsible for the resolution of numerous difficult assessment issues, some involving multi-year appeals of values in excess of \$100 million
- Collaborate with the legal department in defending appeals before the Superior Court
- Prepare and present cases to Board of Equalization
- Assessment of business personal property and mobile homes
- Perform audits of personal property accounts
- Develop a systematic audit program for use by the Personal Property Section

**02/00 – 04/02**

**Consultant/Writer**

- Provide assistance to property management companies in accounting, budgeting, report publishing, and process development
- Manage a system of weather stations in locations from California to Maine
- Coauthor of book for a traditional publisher

**12/91 – 2/00**

**General Manager, Maintenance Manager, CBMR Properties, Crested Butte, Colorado**

- Responsible for all aspects of the property management of condominium associations, commercial buildings, and a guest lodge
- Training and management of over 70 employees, including five department heads
- Develop and manage more than 20 separate operating and capital budgets
- Prepare and produce annual reports to homeowner associations
- Presentation of reports and proposals at homeowners association meetings
- Ensure compliance with state, local and national regulations
- Supervise maintenance of all properties
- Management of capital projects
- Produce training manuals and flowcharts that were later adopted by other property management companies

**4/86 – 12/91**

**Various**

- Manage retail stores in Colorado

**EDUCATION**

**University of Arkansas at Monticello**  
1984 Cum Laude  
BA Business Administration, BA History

**ORGANIZATIONS**

**International Association of Assessing Officers**





# **Exhibit BTR-2**

# ML&P

	Tax Dist	2016 Mil Rates	Land Assessed Value	Buildings Assessed Value	Real Property Total Assessed Value (Land + Buildings)	Personal Property Assessed Value	Total Assessed Value (Real + Personal)	Total Tax
1 - City/Anchorage	1	14.89	\$ 10,493,100	\$ 21,311,783	\$ 31,804,883	\$ 170,711,220	\$ 202,516,104	\$ 3,015,465
1 - Elmendorf AFB/Anchorage	1	14.89				\$ 2,757,686	\$ 2,757,686	\$ 41,062
10 - Eklutna 10	10	14.72				\$ 430,175	\$ 430,175	\$ 6,332
16 - Muni/Outside Bowl with Police	16	9.7	\$ 8,013,800	\$ 16,144,415	\$ 24,158,215	\$ 312,783,496	\$ 336,941,712	\$ 3,268,335
22 - Eklutna 22	22	13.51	\$ 78,800	\$ -	\$ 78,800	\$ 4,704,837	\$ 4,783,637	\$ 64,627
3 - Spenard	3	14.89	\$ 657,800	\$ 29,100,647	\$ 29,758,447	\$ 114,990,919	\$ 144,749,366	\$ 2,155,318
5 - Anchorage-Glen Alps	5	12.45				\$ 44,694	\$ 44,694	\$ 556
51 - Eklutna 51	51	13.8				\$ 520,697	\$ 520,697	\$ 7,186
99 - Outside MOA	99	0				\$ 5,455,281	\$ 5,455,281	\$ -
			\$ 19,243,500	\$ 66,556,846	\$ 85,800,346	\$ 612,399,005	\$ 698,199,350	\$ 8,558,881
2016 New Power Plant Additions	16	9.7	-	\$ 11,902,170	\$ 11,902,170	\$ 41,408,839	\$ 53,311,009	\$ 517,117
Revised values w/ 2016 Construction			-	\$ 78,459,015	\$ 97,702,515	\$ 653,807,844	\$ 751,510,359	\$ 9,075,997



# **Exhibit BTR-3**

	<u>Asset</u>	<u>Muni Schedule</u>	<u>Muni Asset Life</u>	<u>MLP Asset Life</u>	<u>Difference Years</u>	<u>Difference Percentage</u>
1	3120 - Boiler Plant Equipment	30	30	60	30	100.0%
2	3121 - Boiler Plant Equipment-SPP	30	30	33.6	3.6	12.0%
3	3130 - Engines-Eng Driven Generator	5	10	24	14	140.0%
4	3131 - Engines-Eng Driven Gen-SPP	30	30	31.8	1.8	6.0%
5	3140 - Turbogenerator Units	30	30	26	-4	-13.3%
6	3141 - Turbogenerator Units-SPP	30	30	32.8	2.8	9.3%
7	3150 - Accessory Electric Equipment	5	10	28	18	180.0%
8	3151 - Accessory Electric Equip-SPP	5	10	32.4	22.4	224.0%
9	3160 - Misc Power Plant Equipment	5	10	25	15	150.0%
10	3161 - Misc Power Plant Equip-SPP	5	10	32.4	22.4	224.0%
11	3331 - Water wheel, Turbines & Gene	30	30	40	10	33.3%
12	3341 - Accessory Electric Equipment	11	20	40	20	100.0%
13	3351 - Misc Power Plant Equipment	30	30	40	10	33.3%
14	3420 - Fuel Holders, Producers, & A	9	15	40	25	166.7%
15	3421 - Fuel Holder, Producer&A-SPP	9	15	33.5	18.5	123.3%
16	3430 - Prime Movers	11	20	23	3	15.0%
17	3431 - Prime Movers-SPP	11	20	31	11	55.0%
18	3433 - Prime Movers-Turbine-SPP	11	20	27.3	7.3	36.5%
19	3440 - Generators	30	30	38	8	26.7%
20	3450 - Accessory Electric Equipment	5	10	28	18	180.0%
21	3451 - Accessory Electric Equip-SPP	5	10	32.4	22.4	224.0%
22	3460 - Misc Power Plant Equipment	5	10	17	7	70.0%
23	3461 - Misc Power Plant Equip-SPP	5	10	31.4	21.4	214.0%
24	3530 - Station Equipment	6	8	40	32	400.0%
25	3531 - Station Equipment-SPP	6	8	40	32	400.0%
26	3533 - Station Equipment - Eklutna	6	8	40	32	400.0%
27	3541 - Towers & Fixtures	30	30	60	30	100.0%
28	3550 - Poles & Fixtures	11	20	50	30	150.0%
29	3551 - Poles & Fixtures	11	20	60	40	200.0%
30	3560 - O/H Conductors & Devices	30	30	45	15	50.0%
31	3561 - O/H Conductors & Devices	30	30	45	15	50.0%
32	3570 - Underground Conduit	30	30	37	7	23.3%
33	3620 - Station Equipment	6	8	34	26	325.0%
34	3640 - Poles, Towers & Fixtures	11	20	45	25	125.0%
35	3650 - O/H Conductors & Devices	30	30	45	15	50.0%
36	3660 - Underground Conduit	30	30	55	25	83.3%
37	3670 - U/G Conductors & Devices	30	30	45	15	50.0%
38	3680 - Overhead Transformers	30	30	29	-1	-3.3%
39	3681 - Underground Transformers	30	30	34	4	13.3%
40	3690 - Overhead Services	30	30	40	10	33.3%
41	3691 - Underground Services	30	30	52	22	73.3%

	<u>Asset</u>	<u>Muni Schedule</u>	<u>Muni Asset Life</u>	<u>MLP Asset Life</u>	<u>Difference Years</u>	<u>Difference Percentage</u>
42	3700 - Meters	5	10	17	7	70.0%
43	3730 - Street Lighting & Signal Sys	30	30	36	6	20.0%
44	3910 - Office Furniture & Equipment	3	10	5	-5	-50.0%
45	3911 - Office Furniture & Equipment	3	10	7	-3	-30.0%
46	3920 - Transportation Equipment	6	8	12	4	50.0%
47	3920 - Transportation Equipment	6	8	12	4	50.0%
48	3930 - Stores Equipment	5	10	20	10	100.0%
49	3940 - Tools, Shop & Garage Equipme	5	10	20	10	100.0%
50	3950 - Laboratory Equipment	12	10	15	5	50.0%
51	3960 - Power Operated Equipment	6	8	16	8	100.0%
52	3960 - Power Operated Equipment	6	8	16	8	100.0%
53	3970 - Communication Equipment	6	8	10	2	25.0%
54	3970 - NCOP Comm Eq	6	8	10	2	25.0%
55	3971 - Communication Equipment	6	8	10	2	25.0%
56	3971 - NCOP Comm Equip	6	8	10	2	25.0%
57	3980 - Miscellaneous Equipment	5	10	15	5	50.0%
58	CWIP	1	1	1	0	0.0%
59	3920-DOT - Transportation Equipment*	0	0	12	12	N/A*
60	3960-DOT - Power Operated Equipment*	0	0	16	16	N/A*
61	3441 - Generators-SPP	30	30	31.6	1.6	5.3%
62	3591 - TOWERS	30	30	60	30	100.0%
63	3921 - Transportation Equip-Eklutna	6	8	12	4	50.0%
64	3971 - NCOP Commun Equip - Eklutna	6	8	12	4	50.0%
	Totals		1103	1919.2	816.2	74.0%

\* 3920 and 3960 accounts contain transportation equipment, only some of which (i.e. excavation or other off-road equipment) is normally assessed as Privately owned vehicles that are licensed for highway use through the Alaska Department of Transportation pay property tax as a portion of the vehicle registration fees. That property tax is then passed along to the Municipality as personal property. The Assessor's Office does not have sufficient vehicle information to calculate the tax amount that DOT would normally collect for these highway licensed vehicles.

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 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

EXPERT DISCLOSURES FOR BRYANT T. ROBBINS

*I. Statement of all opinions to be expressed and the basis and reasons therefor.*

I express the following opinions in the Prefiled Direct Testimony of Bryant T. Robbins, dated December 30, 2016.

As a city-owned public utility, the Municipality of Anchorage d/b/a Municipal Light & Power ("ML&P") is exempt from paying an ad valorem property tax to the Municipality of Anchorage ("MOA"). Annual assessments for tax-exempt properties are not normally prepared. I was asked to prepare a hypothetical tax assessment of ML&P's real and personal property assets as of January 1, 2016, in order for the Regulatory Commission of Alaska ("Commission") to compare it to the amount of the Municipal Utilities Assessment ("MUSA") that ML&P is expected to pay to the MOA. This assessment is considered to be "hypothetical" in that a tax will not be levied against ML&P. However, the assessment has been prepared in the

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1 same manner as it would be if this were any other private taxable entity. I describe how the  
2 hypothetical tax assessment of ML&P was performed in my prefiled direct testimony.

3 As is done with other similar property in Anchorage, all land owned by ML&P  
4 has been valued as though vacant. Real property building improvements have all been valued  
5 using the cost approach. Personal property has also been valued by applying the cost approach.  
6 Street-licensed motor vehicles are not valued by the Assessor's office and were therefore not  
7 included in this hypothetical assessment.

8  
9 Hypothetical assessed values for ML&P property as of January 1, 2016, are as  
10 follows:

11	Land:	\$ 19,243,500
12	Buildings:	\$ 66,556,846
13	Business Personal Property:	<u>\$612,399,005</u>
14	Total Assessed Value:	\$698,199,350

15 At the end of 2016, I was asked to provide additional assessed values for the new  
16 power plant and assets placed in service throughout the course of the year. These additional  
2016 asset values are as follows:

17	Buildings:	\$ 11,902,170
18	Business Personal Property:	<u>\$ 41,408,839</u>
19	Total New 2016 Value:	\$ 53,311,009

20 The results of the hypothetical tax assessment are summarized in Exhibit BTR-2 to my prefiled  
21 direct testimony,

22 **2. Data or other information considered in forming the opinions.**

23 ML&P provided a comprehensive asset listing of all of the real and personal  
24 property owned. The hypothetical assessed value was calculated per this rendered listing, and  
25 data contained in the Municipal computer assisted mass appraisal system, as it would be for any

26 EXPERT DISCLOSURES FOR BRYANT T. ROBBINS

Dockets U-16-094/U-17-008

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1 taxable entity. I also considered relevant sections of AS 29.45 and the Anchorage Municipal  
2 Code as stated in my prefiled direct testimony. Further, I reviewed Order No. 38, in  
3 Dockets U-04-022/U-04-023, Order No. U-13-006(10) and Order No. U-13-184(22).

4 All other data and information I considered as referred to in my prefiled direct  
5 testimony.

6  
7 **3. Exhibits to be used as a summary of or support for the opinions.**

8 Please see Exhibit BTR-1 and Exhibit BTR-2 attached to my prefiled direct  
9 testimony.

10  
11 **4. Qualifications of the witness, including a list of all publications  
12 authored by the witness within the preceding ten years.**

13 I am the Municipal Assessor for the MOA. I have held that position since October  
14 of 2013. Please see my resume attached as Exhibit BTR-1 to my prefiled direct testimony.

15 I have a Bachelor's Degree in Business Administration and a Bachelor's Degree  
16 in History from the University of Arkansas at Monticello. In 2002, I was hired by the MOA. I  
17 worked for the MOA in the Property Appraisal Division from April 2002 to March 2004 as an  
18 Appraiser in the Business Personal Property Section. In 2004, I became an Appraisal Analyst in  
19 the Commercial Real Property Section. I was appointed Assessor in 2013. I have 26 years of  
20 experience in real estate management and appraisal. As the Municipal Assessor, I am  
21 responsible for the MOA's Property Appraisal Division. I have experience in conducting  
22 hypothetical tax assessments.

23  
24  
25  
26 EXPERT DISCLOSURES FOR BRYANT T. ROBBINS  
Dockets U-16-094/U-17-008

April 7, 2017

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1                   5.       *Compensation to be paid for the study and testimony.*

2                   As a paid employee of the MOA, my testimony is considered to be within the  
3 scope of my regular duties, and there is no additional compensation.

4  
5                   6.       *Listing of any other cases in which the witness has testified as an expert*  
6                   *at trial or by deposition within the preceding four years.*

7                   I submitted prefiled reply testimony dated November 25, 2013, and testified at  
8 hearing in Docket No. U-13-006.

9  
10                  DATED this 7th day of April, 2017.

11                                   By: /s/ Bryant T. Robbins  
12                                   Bryant T. Robbins

CERTIFICATE OF SERVICE

I hereby certify that on April 7, 2017, a copy of the foregoing document was served on the following persons by electronic means authorized by the RCA.

KEMPEL, HUFFMAN AND ELLIS, P.C.

By: /s/ Tina M. Torrey

Tina M. Torrey, Legal Assistant

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EXPERT DISCLOSURES FOR BRYANT T. ROBBINS

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