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KEMPEL, HUFFMAN AND ELLIS
LAW OFFICES OF
A PROFESSIONAL CORPORATION
255 E. FIREWEED LANE, SUITE 200
ANCHORAGE, ALASKA 99503-2025
(907) 277-1604

REDACTED

Request for Admission (No. PHS-MLP-15-11): At page 98, lines 12 through

16, of his reply testimony, Mr. Reed explains that two of the four gas price forecasts he uses in his forward-looking estimate of the benefits of Plant 2A are taken from the 2012 gas price forecast prepared by Mr. Davies. In this regard:

(a) Admit that, for the forecast years from 2012 through 2025, Mr. Reed imported the relevant prices from Mr. Davies' 2012 gas price forecast without alteration.

(b) Admit that Mr. Reed has not analyzed the reasonableness of the 2012 gas price forecasts in light of information available today.

(c) Admit that Mr. Reed has not analyzed the reasonableness of the assumptions used in the 2012 gas price forecasts in light of information available today.

(d) Admit that Mr. Reed's forecast in Ex. JJR-37, cases 1 and 2, did not alter the 2012 gas price forecasts in light of information available today.

(e) Admit that Mr. Reed's forecast in Ex. JJR-37, cases 1 and 2, did not alter the assumptions used in the 2012 gas price forecasts in light of information available today.

MUNICIPAL LIGHT AND POWER'S INITIAL RESPONSE TO PHS' FIFTEENTH
REQUEST FOR DISCOVERY ON REPLY TESTIMONY (PHS-MLP-15)

Docket U-17-008/U-16-094

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Initial Response

1 (f) In PHS-MLP-9-16, Providence asked for the sources and bases of 23
2 separate assumptions represented in the 2012 gas price forecast and ML&P replied that it "does
3 not know the sources or bases that its consultant Brian Davies relied on and therefore ML&P
4 cannot provide the requested information." Admit that Mr. Reed does not know the sources and
5 bases of the assumptions used by Mr. Davies to produce the first two gas price forecasts used by
6 Mr. Reed in Case 1 and Case 2 of his estimate of the benefits of Plant 2A.

7 (g) Admit that the 2012 gas price forecasts in MLP21707 used as Case 1 and
8 Case 2 of Mr. Reed's estimate of Plant 2A benefits both calculated that LNG imports would be
9 required to meet Cook Inlet gas demand beginning in 2016.

10 (h) Admit that the 2012 gas price forecast in MLP21707 used as Case 1 of
11 Mr. Reed's estimate of Plant 2A benefits (250 ASAP, Low LNG) calculated a 2017 average
12 Cook Inlet gas price of \$11.70/Mcf.

13 (i) Admit that the 2012 gas price forecast in MLP21707 used as Case 2 of
14 Mr. Reed's estimate of Plant 2A benefits (No ASAP, Low LNG) calculated a 2017 average Cook
15 Inlet gas price of \$11.67/Mcf.

16 If your response to any subpart of this request for admission is anything other than
17 an unqualified admission, state what you believe the truth of the matter to be and the basis for
18 your belief, and identify any documents supporting your belief.

19 **Response:** (a) Denied. As Mr. Reed explains in his testimony at
20 pages 98-99, Mr. Reed's analysis begins in 2018 and does not rely on the prices developed by
21 Mr. Davies until 2020.

22 MUNICIPAL LIGHT AND POWER'S INITIAL RESPONSE TO PHS' FIFTEENTH
23 REQUEST FOR DISCOVERY ON REPLY TESTIMONY (PHS-MLP-15)

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Initial Response

(b) ML&P objects to this data request because the term “information available today” is unclear and overbroad. Without waiving the foregoing objections, at pages 27-42 of his testimony, Mr. Reed discusses the reasonableness of the gas price forecasts. All of the information that he references in his testimony is available today.

(c) ML&P objects to this data request because the term “information available today” is unclear and overbroad. Without waiving the foregoing objections, as Mr. Reed discusses beginning at page 27 of his testimony, the assumptions embedded in the gas price forecasts reflect expectations of rapidly declining production from the Cook Inlet. To analyze the reasonableness of those assumptions, Mr. Reed reviewed contemporary supply studies, investments made in new infrastructure made by private companies and the Alaskan government, legislative actions taken to address the looming supply shortfall, market price indications from around the time of the 2012 Generation Study, gas price forecasts developed around the time of the 2012 Generation Study, actions taken by the Commission around the time of the 2012 Generation Study, and advisory statements made by ML&P to its customers around the time of the 2012 Generation Study. All of the information that Mr. Reed reviewed and describes in his testimony is available today.

(d) ML&P objects to this data request because the term “information available today” is unclear and overbroad. Without waiving the foregoing objections, see the response to PHS-MLP-15-11-a.

(e) ML&P objects to this data request because the term “information available today” is unclear and overbroad. Without waiving the foregoing objections, see Mr. Reed’s

MUNICIPAL LIGHT AND POWER'S INITIAL RESPONSE TO PHS' FIFTEENTH
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1 testimony at pages 98-99 for a description of the manner in which utilized each forecast in his
2 analysis.

3 (f) Admitted.

4 (g) Admitted.

5 (h) Admitted.

6 (i) Admitted.

7 Person(s) Supplying Information: John Reed.

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25 MUNICIPAL LIGHT AND POWER'S INITIAL RESPONSE TO PHS' FIFTEENTH
26 REQUEST FOR DISCOVERY ON REPLY TESTIMONY (PHS-MLP-15)

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