

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 Revisions, 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 INITIAL RESPONSE TO  
PROVIDENCE HEALTH & SERVICES' SEVENTEENTH REQUEST FOR DISCOVERY  
ON REPLY TESTIMONY (PHS-MLP-17)**

The Municipality of Anchorage d/b/a Municipal Light and Power ("ML&P"), hereby provides its initial response to Providence Health & Services' ("PHS") seventeenth 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 in 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 PHS, AG, ANTHC, ENSTAR, FEA, and JLP.

**PRELIMINARY STATEMENT**

Discovery in this docket is not complete. As discovery proceeds, facts,

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Date: 12-4-17 Exh # 77  
Regulatory Commission of Alaska  
U-16-094 By: SK U-17-008  
Northern Lights Realtime & Reporting, Inc.  
(907) 337-2221

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

Interrogatory (No. PHS-MLP-17-9): On page 28, lines 17-20, of Mr. Saleba's  
reply testimony, he asserts with respect to Mr. Garrett's rate design proposal that: "Further, this

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1 level of rate restructuring would lead to very significant bill impacts for customers and would  
2 likely lead to great instability in demand and energy use." In this regard:

3 (a) Explain why Mr. Saleba believes that Mr. Garrett's proposal would likely  
4 lead to great instability in demand and energy use.

5 (b) Identify any documents in which ML&P, EES, or other ML&P  
6 consultants have analyzed or otherwise discussed this effect, and cite the relevant passages.

7 **Response:** (a) Any time that demand and energy charges are changed  
8 significantly, customers are sent a price signal relative to those components. Mr. Garrett has  
9 proposed that demand charges be over \$40 per kW per month compared to the \$22 per kW per  
10 month proposed by ML&P. These levels of demand charges are much higher than what EES has  
11 seen for the utilities it works with and results in 92% of revenue coming from demand charges.  
12 It is likely that customers facing this high of a level of demand charge would attempt to modify  
13 its usage and would implement peak-shaving practices, which would result in unstable revenue  
14 for ML&P.  
15

16 (b) None.

17 **Person(s) Supplying Information:** Gary Saleba.  
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