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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 SECOND SUPPLEMENTAL 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 second supplemental 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.

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 ML&P's current knowledge, information, and belief.

October 30, 2017

Page 1 of 6

fs\MLP\U-17-008\Discovery\PHS-MLP-17\2nd Supp

Date: 11/30/17 Exh # 4-36
Regulatory Commission of Alaska
U-16-094 By: [Signature] U-17-008
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REDACTED

Interrogatory (No. PHS-MLP-17-41): In response to PHS-MLP-11-4,

Mr. Reed claimed that "As the results of the IEC study were consistent with the results of the 2012 Generation Study, discussion of that study in Mr. Reed's testimony would have be superfluous to the discussion of the 2012 Generation Study." The IEC study (the April 2012 report "Plant 2 Expansion Project Generation Options Economic Analysis" at page 2, MLP25471) concludes that while "using a 116 MW 2X1 combined cycle plant at the Plant 2 location with no other additional generation (CASE 7) was the least (levelized) cost approach,

MUNICIPAL LIGHT AND POWER'S SECOND SUPPLEMENTAL RESPONSE TO PHS'
SEVENTEENTH REQUEST FOR DISCOVERY ON REPLY TESTIMONY (PHS-MLP-17)
Docket U-17-008/U-16-094
October 30, 2017

Page 3 of 6

f:\ML&P\U-17-008\Discovery\PHS-MLP-17\2nd Supp

that option would require that ML&P divest itself of the Southcentral Power Project (SPP), or at least recover its cost through long-term power sales.” (Emphasis in original). In this regard:

(a) Explain why the analysis concludes that ML&P would need to divest SPP or recover its costs through long-term power sales under the Plant 2A alternative.

(b) Describe any actions taken or planned by ML&P with regard to divestiture of SPP or entering into long-term power sales.

(c) Explain why the 2012 Generation Study does not discuss divestiture of SPP.

Response: (a) ML&P objects to the statement in subpart (a), which erroneously implies that the analysis concludes that ML&P would need to divest SPP or recover its costs through a long-term power sales. The basis for the referenced statement is set forth in the referenced document, which speaks for itself and reads as follows:

While the technical calculations showed that using a 116 MW 2X1 combined cycle plant at the Plant 2 location with no other additional generation (CASE 7) was the least (levelized) cost approach, that option would require that ML&P divest itself of the Southcentral Power Project (SPP), or at least recover its cost through long term power sales. If SPP is assumed to be a permanent part of the power generation mix, then the next least cost approach is using SPP with a 116 MW 2x1 Combined Cycle and no other new generation (CASE 4).

(b) ML&P objects to this request to the extent it seeks information that is not relevant and not likely to lead to the discovery of admissible evidence and further objects to this request as vague and ambiguous with respect to the phrase "action taken or planned." Without waiving the foregoing objections, ML&P has not taken any action or planned any action to divest SPP. ML&P is currently in discussions to enter into a long term agreement for a power

MUNICIPAL LIGHT AND POWER'S SECOND SUPPLEMENTAL RESPONSE TO PHS' SEVENTEENTH REQUEST FOR DISCOVERY ON REPLY TESTIMONY (PHS-MLP-17)
Docket U-17-008/U-16-094

October 30, 2017

Page 4 of 6

fs\ML&P\U-17-008\Discovery\PHS-MLP-17\2nd Supp

pool, which may include ML&P's interest in SPP as a committed resource.

(c) The 2012 generation study examined two generation options based on ML&P's existing resource profile and did not examine a speculative future divestiture of SPP.

Person(s) Supplying Information: Mark Johnston.

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DATED this 30th day of October 2017, at Anchorage, Alaska.

KEMPEL, HUFFMAN AND ELLIS, P.C.
Counsel for Municipality of Anchorage
d/b/a Municipal Light and Power Department

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MUNICIPAL LIGHT AND POWER'S SECOND SUPPLEMENTAL RESPONSE TO PHS'
SEVENTEENTH REQUEST FOR DISCOVERY ON REPLY TESTIMONY (PHS-MLP-17)
Docket U-17-008/U-16-094
October 30, 2017

Page 5 of 6

fs\ML&PU-17-008\Discovery\PHS-MLP-17\2nd Supp