

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

**MUNICIPAL LIGHT & POWER'S INITIAL RESPONSE TO
PROVIDENCE HEALTH & SERVICES' NINTH REQUEST FOR DISCOVERY
(PHS-MLP-9)**

The Municipality of Anchorage d/b/a Municipal Light & Power ("ML&P"), hereby responds to Providence Health & Services' ("PHS") ninth request for discovery. 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, information, evidence, documents, and other matters may be discovered which are not set forth

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Date: 12/08/17 Exh # H-114
Regulatory Commission of Alaska
U-16-094 By: BP U-17-008
Northern Lights Realtime & Reporting, Inc.
(907) 337-2221

I. ML&P FINANCIALS

Interrogatory (No. PHS-MLP-9-5): At page 2 of his direct testimony, Mr. Johnston cites “controlling operating and capital costs through greater accountability” as one of his three focus areas for his initiatives since becoming ML&P’s general manager. He elaborates that this includes “infusing accountability into the financial operations of ML&P.” Explain the shortcomings or areas for improvement that led Mr. Johnston to make this one of his main focus areas.

Response: Historically, ML&P executive management developed the utility budget with limited input from operational managers. Additionally, budgetary information, while available to all employees, was not reviewed and analyzed in a systematic process with department level management. Beginning in 2015, ML&P created a more robust budget process. Each department is required to present their budget request (operating and capital) and provide justification for that request. Those individual requests are then aggregated and the overall budget impact is then considered in light of environmental and financial considerations. If necessary, executive management will then meet to discuss priorities and adjust (reduce, postpone, or eliminate) spending requests to be consistent with ML&P financial and operational goals. Beginning in 2016, the Finance department began conducting individual meetings with management of each department to provide monthly status updates regarding budget to actual expenditures and answer questions.

Person(s) Supplying Information: Mark Johnston.

MUNICIPAL LIGHT & POWER'S INITIAL RESPONSE TO
PHS' NINTH REQUEST FOR DISCOVERY (PHS-MLP-9)
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